

Department Reorganization & State Resource Management



LOUISIANA DEPARTMENT OF
CONSERVATION AND ENERGY

Louisiana Department of Conservation and Energy

What we do:



Regulatory:

- Oil and Gas
- Coastal Uses (CUPs)
- Subsurface Storage and Disposal
- Decommissioning + Financial Security
- Pipeline Safety
- Surface Mining
- Renewable Energy
- Water Resources

Public Resource Management:

- State-owned Land, Waterbottoms, Minerals, Subsurface
- Mineral and Energy Leasing
- Rights-of-way
- Storage Agreements
- Revenue Collection and Allocation

Policy:

- Energy Education and Advocacy
- Grant Procurement and Finance

Louisiana Department of Conservation and Energy Reorganization



- **Legacy Operational Divisions – DENR:**
 - Office of Conservation
 - Oil & Gas, Injection and Mining, Oilfield Site Restoration
 - Office of Coastal Management
 - Coastal Use Permitting
 - Office of Mineral Resources
 - State Resource Management, Mineral Leasing for State Mineral and Energy Board
 - State Energy Office
 - Advocacy, Grant Management
- **Reorganization Ideals:**
 - Centralize Natural Resources Governance Statewide
 - Unify Cross-Department Operations
 - Firewall: Secretary vs. Commissioner of Conservation

Louisiana Department of Conservation and Energy Reorganization



- **Executive Order JML 24-13:** “Consolidation of Natural Resources and Energy Related Executive Branch Functions, Powers, Duties, and Responsibilities”
 - February 2024
- **Act 727 (2024 R.S.) (Rep. Geymann):**
 - Removed firewall
 - LOSCO: DPS → DENR
 - ROW and Water-Bottom Leasing: OSL → DENR
 - Established the Natural Resource Trust Authority
- **Act 458 (2025 R.S.) (Sen. Hensgens):**
 - Department of Energy and Natural Resources → Department of Conservation and Energy
 - Structural Changes

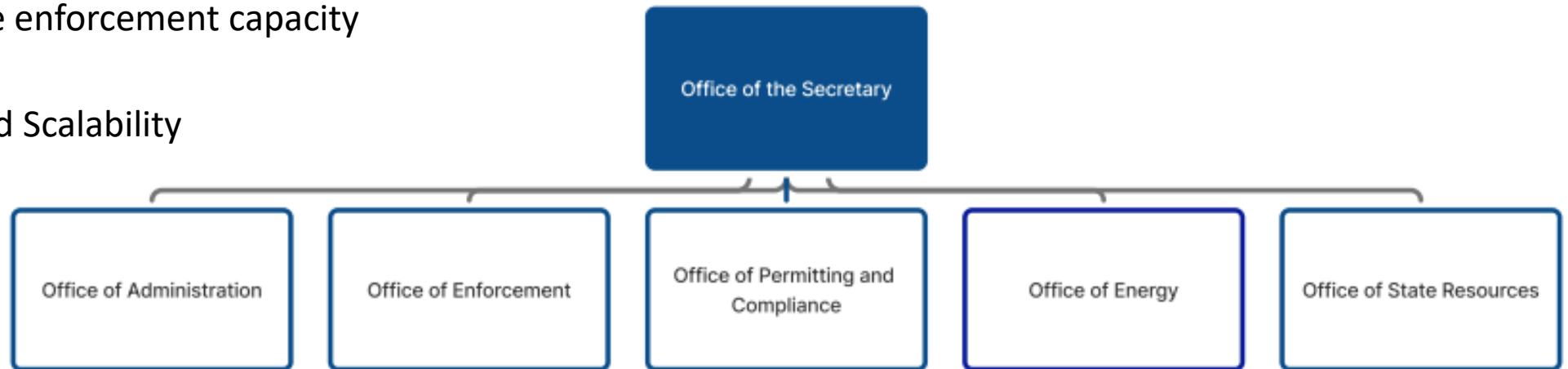


Louisiana Department of Conservation and Energy Reorganization



Department of Conservation and Energy:

- New Organizational Structure
 - Functional focus, not programmatic – align roles with subject matter expertise
- Removed Firewall
 - Uniform policy and administration
 - Improve enforcement capacity
- Flexibility and Scalability



Louisiana Department of Conservation and Energy Reorganization



- **Adapting to Industry and Policy Changes**
 - **Class VI Permitting** (Granted Primacy by EPA, January 2024)
 - **Natural Resource Trust Authority** (Act 727, 2024 R.S.)
 - **Statewide Water Resource Administration** (Act 458, 2025 R.S.)
 - **Capital Area Groundwater Conservation District** (Act 458, 2025 R.S.)
 - **Solar, Wind, Battery Storage Regulation** (La. R.S. 30:1154; Act 279, 2025 R.S.)
 - **Coordinated Use of Resources for Recreation, Economy, Navigation, and Economic Development (CURRENT)** (Act 458, 2025 R.S.)



State Resource Management

Louisiana Department of Conservation and Energy

State Resource Management



Public Mineral Leasing

- **Pre-1928:** Governor's Discretion
 - *The Kingfish's Mineral Legacy: An Analysis of the Legality of State Mineral Leases Granted to W.T. Burton and James A. Noe During the Years 1934–1936 and Their Relevance to Former United States Senator and Louisiana Governor Huey P. Long*
 - Seidemann, Ryan, LSU JOURNAL OF ENERGY LAW AND RESOURCES, 2017
- **1936:** State Mineral and Energy Board
 - "Best interest of the State"
- **1950:** Office of Mineral Resources (DNR)

Louisiana Department of Conservation and Energy State Mineral and Energy Board



Public Mineral Leasing:

- “The Board shall administer the State’s proprietary interest in minerals...”
 - La. R.S. 30:121
- “The Board has full supervision of all mineral leases granted by the State, in order that it may determine that the terms of these leases are fully complied with, and it has general authority to take any action for the protection of the interests of the State.”
 - La. R.S. 30:129



Sidney W. Degan III
Chairman
New Orleans, LA



Jeffery Todd Hollenshead
Vice Chairman
Benton, LA



Mark Normand
Ex Officio Member
Baton Rouge, LA



Robert Watkins
Member
Robert, LA



Jeff Delahoussaye
Member
Broussard, LA



Mark Barton
Member
Lafayette, LA



Magnus "Jake"
Arceneaux IV
Member
Broussard, LA



Charles W. "Wes"
Shepherd Sr.
Member
Benton, LA



Billy A.
Busbice Jr.
Member
Olla, LA



Richard Nelson
Governor Designee
Baton Rouge, LA

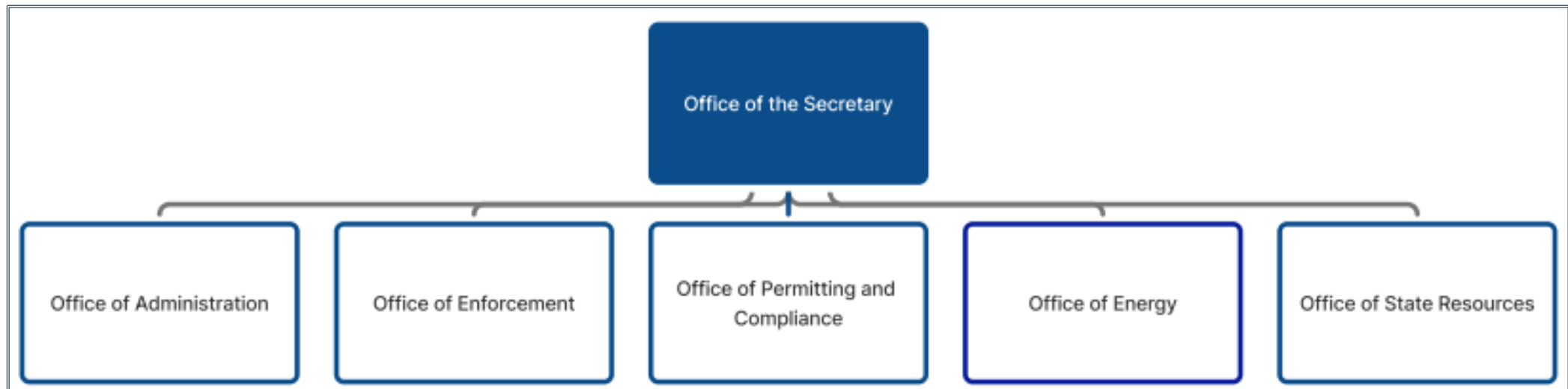
Louisiana Department of Conservation and Energy

Office of State Resources



“The Department of Conservation and Energy, through the **office of mineral resources**, shall provide the necessary staff functions to assist the Board in its leasing, supervisory, and other activities, and the assistant secretary thereof shall serve as secretary to the board.”

- La. R.S. 30:135

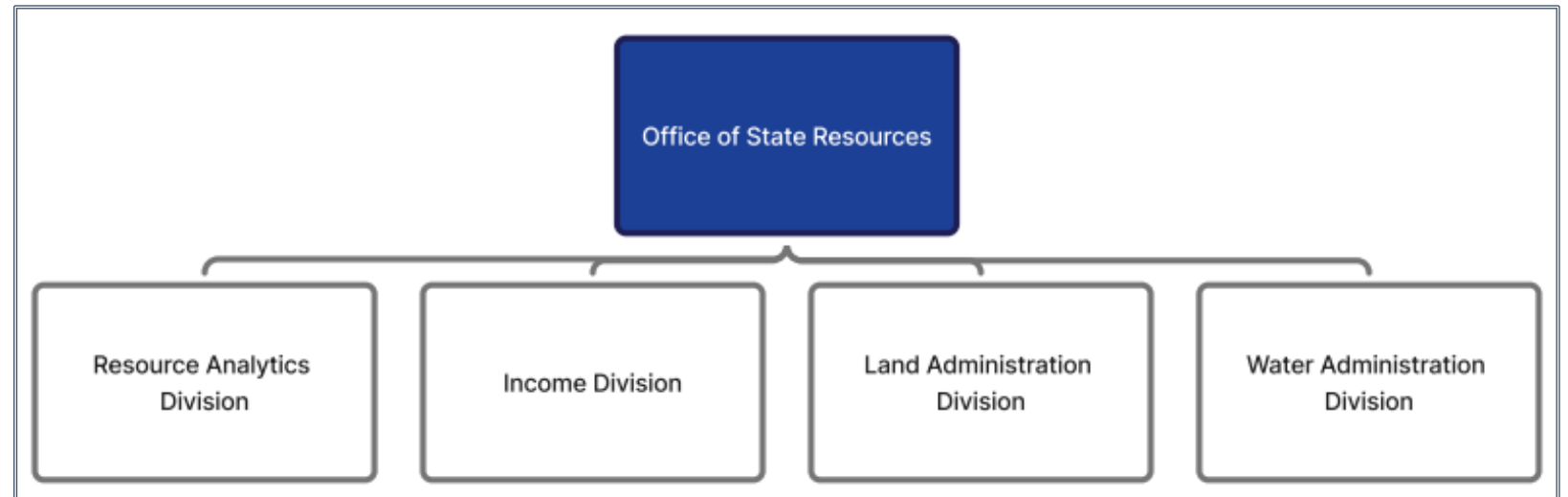


Louisiana Department of Conservation and Energy Office of State Resources



Office of State Resources – Organizational Profile

- **60 Employees:**
 - Attorneys, Engineers, Geologists, Geophysicists, Engineers, Accountants
- **Two Locations:**
 - Baton Rouge
 - Houston
- **Five Divisions:**
 - Executive
 - Land Administration
 - Resource Analytics
 - Income
 - Water Administration

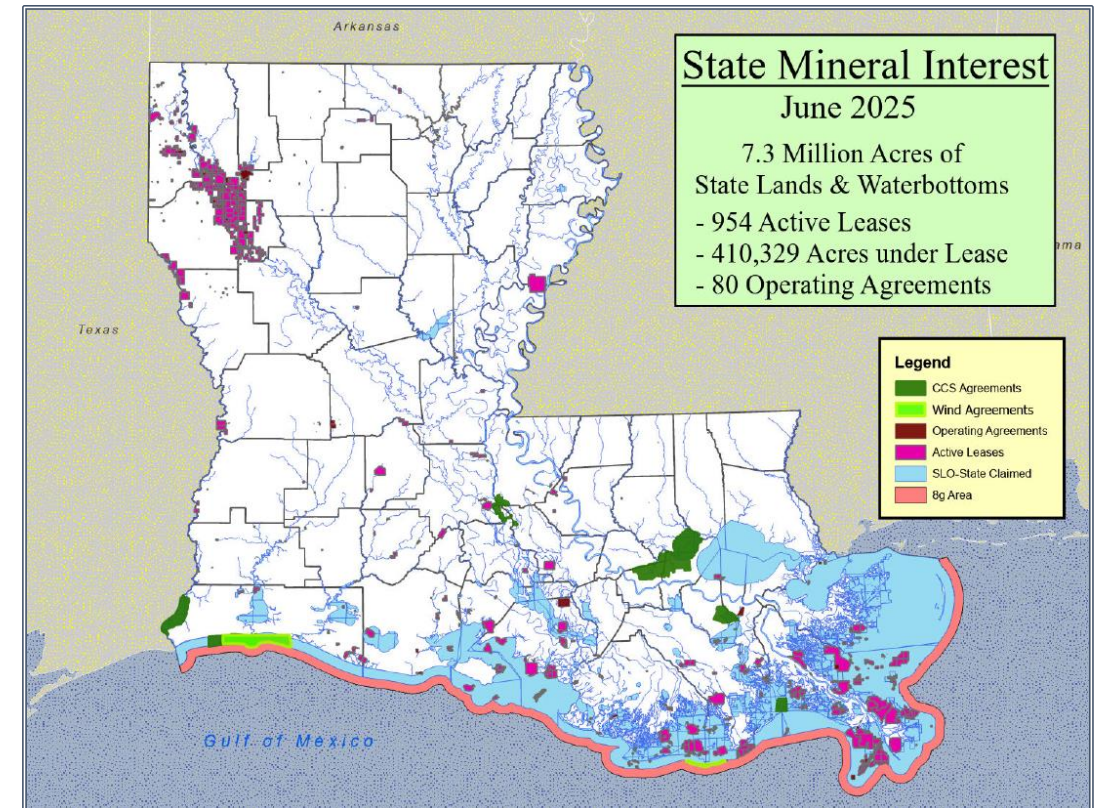


Louisiana Department of Conservation and Energy

State Resource Management – Legacy Roles



- **Asset Portfolio**
 - Right to Explore and Develop – La. R.S. 31:6
 - “Public Things” – La. Civ. Code. art. 499-452
 - Natural, navigable water bodies
 - Territorial Sea (3 miles)
 - 7.3 MM Acres
- **Mineral Leasing**
 - Public Leasing Process:
 - Nomination – Advertisement – Public Sale
 - Lease Management:
 - Execution
 - Compliance Monitoring
 - Lease Maintenance
 - Income Collection and Audit
 - 916 Active Leases – 384,721 Acres
- **Agency Leasing**
 - “Any agency may by resolution direct the State Mineral and Energy Board to lease or otherwise contract for exploration, development, or use of its land...”
 - La. R.S. 30:153
 - Inter-Agency Agreement with LDWF



Louisiana Department of Conservation and Energy

State Resource Management – Recent Developments



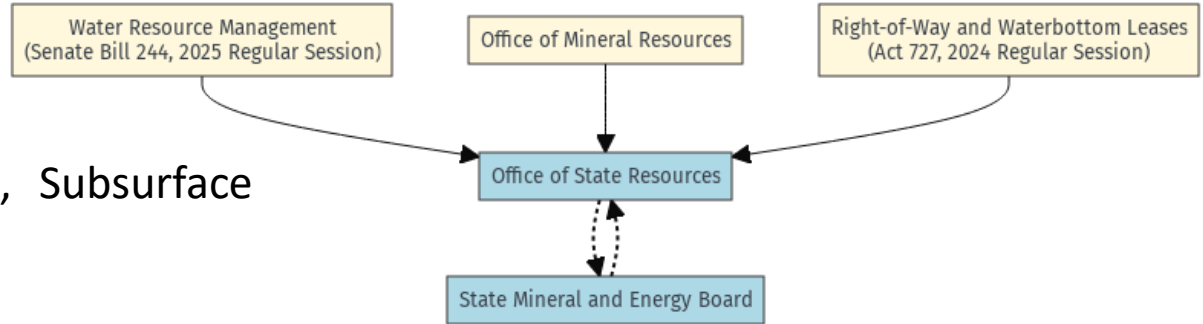
- **Rights-of-Way and Waterbottom Leasing**

- The Office of State Resources shall oversee all portions of state law within the jurisdiction of the department which relate to management of the state's natural resources, including but not limited to . . . ***energy-related management of state lands and water bottoms*** as further detailed by order of the secretary in accordance with R.S. 36:354.1.
 - Act 458 (2025 R.S.)

- Pipeline and Transmission Servitudes, SWD Leases, Subsurface Easements

- **Water Resource Management**

- The legislature hereby recognizes the need for uniformity in the establishment of a comprehensive water resource management program. Therefore, the state shall have exclusive jurisdiction over the management of water resources..."
 - Act 458 (2025 R.S.)
- Use and Production, Conservation, Strategic Planning

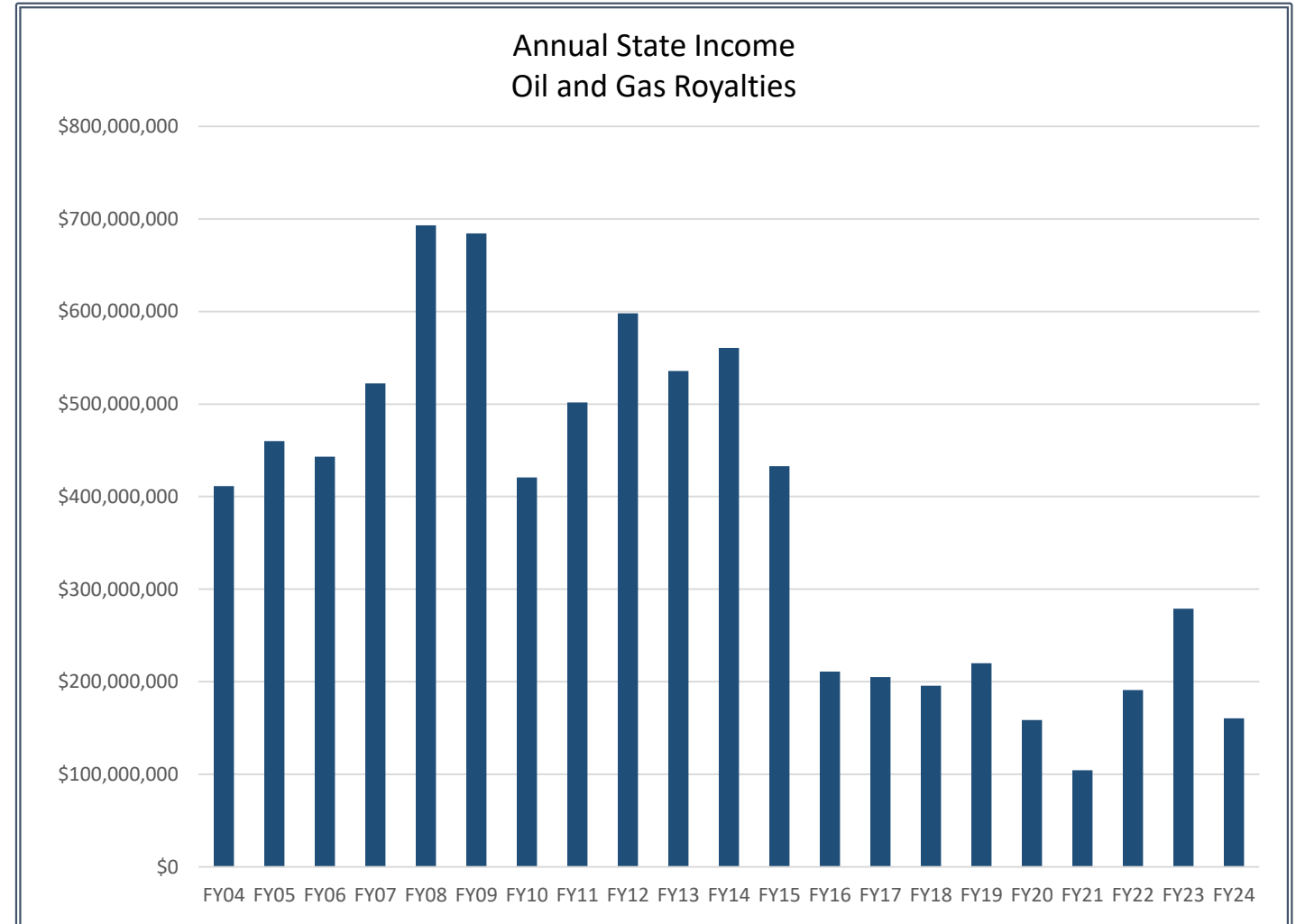


Louisiana Department of Conservation and Energy State Resource Management



Navigating Today's Climate

- Leasing and Royalty Trends
- Incentives for New Development:
 - Executive Order JML 25-72
 - Severance Tax Policy
 - Managing Inactive Acreage




Louisiana Department of Conservation and Energy State Resource Management



Alternative Use Interest:

- **Sequestration Operating Agreements:**
 - Venture Global CCS, High West Sequestration, Castex Carbon Solutions, Capio Sequestration, Air Products
 - 240,000 Acres
- **Wind Operating Agreements:**
 - Cajun Wind, LLC (Vestas)
 - Cameron Parish, LA
- **Solar Development**

 Louisiana Department of Conservation and Energy (DCE) Carbon Capture and Sequestration Agreements - Summary						
	2022 FY22	2023 FY23	2024 FY24	2025 FY25	2026 FY26	Total
State General Fund	\$ 3,349,087.61	\$ 7,341,124.95	\$ 6,695,734.00	\$ 3,098,639.44	\$ 3,098,639.44	\$ 23,583,225.44
Dedicated DWLF	\$ 3,175,299.86	\$ 3,882,850.00	\$ 8,926,601.25	\$ 4,535,570.75	\$ 2,310,020.75	\$ 22,830,342.61
FUND 51 - MEO	\$ 1,116,362.54	\$ 1,116,362.50	\$ 5,021,800.50	\$ 2,323,979.58	\$ 2,323,979.58	\$ 11,902,484.70
Livingston Parish	\$ -	\$ -	\$ 460,540.05	\$ 460,540.05	\$ 460,540.05	\$ 1,381,620.15
St. John Parish	\$ -	\$ -	\$ 356,304.00	\$ 356,304.00	\$ 356,304.00	\$ 1,068,912.00
Cameron Parish	\$ -	\$ -	\$ 2,929,769.25	\$ 1,188,737.25	\$ 1,188,737.25	\$ 5,307,243.75
Jefferson Parish	\$ -	\$ -	\$ 358,846.43	\$ 148,452.72	\$ 148,452.72	\$ 655,751.87
Plaquemines Parish	\$ -	\$ -	\$ 19,453.67	\$ 19,453.67	\$ 19,453.67	\$ 58,361.00
St. Charles Parish	\$ -	\$ -	\$ 857,231.15	\$ 110,835.94	\$ 110,835.94	\$ 1,078,903.02
Tangipahoa Parish	\$ -	\$ -	\$ 39,655.95	\$ 39,655.95	\$ 39,655.95	\$ 118,967.85
Dual Claim - Escrow	\$ -	\$ -	\$ 251,519.25	\$ 32,549.55	\$ 32,549.55	\$ 316,618.35
Grand Total:						\$ 68,302,430.74

Louisiana Department of Conservation and Energy State Resource Management



Income Source	Allocation	Totals (FY 23-24)
Mineral Leases La. R.S. 30:145	<ul style="list-style-type: none">• State General Fund (90%)• Parish Fund(s) (10%)	\$439,521,984.68
Operating Agreements La. R.S. 30:209	<ul style="list-style-type: none">• State General Fund (75%)• C&E Mineral & Energy Operations Fund (25%)	\$666,258.00
CO ₂ Sequestration Agreements La. R.S. 30:149	<ul style="list-style-type: none">• State General Fund (40%)• Parish Fund(s) (30%)• C&E Mineral & Energy Operations Fund (30%)	\$45,898,542.96



QUESTIONS?