

Natural Resources Trust Authority (NRTA)

LOUISIANA DEPARTMENT OF
CONSERVATION AND ENERGY

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Communication Across State Lines: Bad Actors | October 28, 2026

Today’s Discussion

01

Origin

How Louisiana moved from a 1993 restoration commission to a 2024 financing authority

02

Structure

Who governs NRTA, who it works with, what it administers, and what it does today

03

The Survey

Louisiana’s interstate survey on bad actors, operator oversight, data sharing, and why we sent it

NRTA – A Financial Security Oversight Body

A Trust, Not A Board

Louisiana did not create another appointed commission. It created a financing entity governed by the State Mineral and Energy Board, with ties to state Bond Commission and Treasury.

It Absorbed A Predecessor

The Oilfield Site Restoration Commission – a ten-member stakeholder body dating to 1993 – was repealed and its functions transferred wholesale to NRTA.

More Than Oil And Gas

The new NRTA process deals with oil and gas, injection and mining, surface mining, solar, and wind – any program requiring financial security.

The Commission Model NRTA Inherited

15 Separate years, 1995–2023, in which the restoration law's core sections (R.S. 30:83 and 30:86) were amended

Bonding Arrived In 2016

Legislation authorized revenue bonds secured by a pledge of restoration fees, with annual debt service capped at 50 percent of pledged revenues. That cap survives every later amendment.

As It Stood Before Repeal:

Ten members

- Secretary as Chairman; Assistant Secretary as Vice-Chairman
- Most governor-appointed seats drawn from lists submitted by industry, landowner, and conservation organizations

Legal standing

- Could sue and be sued
- Fund administration rested with the secretary, not a trust entity

Core duties

- Approved the annual site restoration priority list
- Reported to the Legislature each year before March 1

2024: Creating a Financial Body

Five Enumerated Powers

- Set financial obligations of operators or applicants
- Indemnify members and staff
- Execute contracts and instruments
- Enter payment and deduction agreements
- Solicit, accept and expend grants

Seven Rulemaking Purposes

- Residency and Participant Limits
- Transfers of Instruments for Plugging Obligations
- Interest Rates with Treasury Approval
- Abandoned Accounts
- Investment Guidelines
- Application Standards
- Fees

2025: Consolidation - The Commission Is Repealed

PROVISION	BEFORE	AFTER
Governing body	*Ten-member appointed Commission*	→ NRTA under board oversight
Fund administration	*Administered by the secretary*	→ Administered by the NRTA
Fund ownership	*Property of the Commission*	→ Property of the NRTA
Disbursement	*Secretary or assistant secretary*	→ Secretary or the NRTA
Bond beneficiary	*For benefit of the Commission*	→ For benefit of the NRTA
Legislative report	*Commission's Annual Report*	→ NRTA report, due March 1

Also: **Restoration fees increased — oil and condensate from 1.5 / 3 / 4.5 to 2 / 4 / 6 cents per barrel across price tiers; gas moved from a flat 0.3 to a tiered 0.3 / 0.4 / 0.5 cents per Mcf.**

2025: Expansion - New Powers And A New Fund

State Energy Financing Institution

Authorizes bonding and financing or acting as a State Energy Financing Institution under federal law to fund facilities demonstrating technological advances – expressly reaching the U.S. Department of Energy Loan Programs Office or any successor.

Security In Lieu Of Instruments

Permits mechanisms to satisfy financial security requirements "in lieu of traditional instruments, including but not limited to the collection and management of cash payments and fees from participating operators."

Natural Resources Financial Security Fund

Administered by NRTA in consultation with the Mineral and Energy Board

- **Covers financial security across oil and gas, injection and mining, surface mining, solar, wind, and any other program requiring assurance**
- **Funded by operator payments and premiums, appropriations, grants, and investment earnings**
- **Serves as a backstop for unfunded or underfunded regulatory obligations**

How NRTA Is Structured

A Trust, not a new Commission

Louisiana used an existing board for governance and existing state partners for investment and debt, so NRTA could focus on finance.

Louisiana Department of Conservation & Energy

NRTA sits in the Office of the Undersecretary

State Mineral and Energy Board

Empowers and governs NRTA

Executive Committee

NRTA may set up an executive committee with delegated duties. Interest rate decisions cannot be delegated to it.

Louisiana Department of Treasury

Invests NRTA fund balances

Natural Resources Trust Authority

Executive Director · Deputy Director · Finance Staff

State Bond Commission

Bond and financing approvals

Oilfield Site Restoration Fund

Orphaned-well plugging, inherited from the Commission

Natural Resources Financial Security Fund

Backstop across oil & gas, mining, solar, wind

What NRTA Does Today

1 Centralized Financial Security

One front door for every C&E program that requires security: new submissions, renewals, claims, and adjustments for bonds, letters of credit, and site-specific trust accounts.

2 Orphaned Well Funding

Since July 1, 2025, NRTA oversees orphaned-well obligations and decides how restoration dollars are allocated to plugging.

3 Legacy LORA Administration

C&E stopped accepting new LORA instruments in May 2025. NRTA administers the existing instruments, and renewal premiums are paid directly to NRTA.

4 Setting the Right Security

Determines appropriate bond amounts and instruments so that operators, not the state, carry the primary cost of plugging.

What Other States May Take From This Sequence

1. **Creating the entity (2024) and transferring the portfolio (2025) took effect a year apart, so NRTA was stood up before it inherited operations.**

2. **Governing a financing body through an existing board avoided a new appointment process, but shares accountability across four institutions, which makes coordination essential.**

3. **Broadening the fund beyond oil and gas to solar and wind positioned one mechanism to serve several regulatory programs.**

Why Louisiana Sent the Survey

6,400+

Orphaned wells in Louisiana - up from about 3,000 a decade ago

C&E attributes much of that growth to a historical lack of financial security requirements.

1

Liabilities Are Being Shed

Some operators use complex corporate structures, asset transfers, and bankruptcies to limit or avoid responsibility for their wells.

2

The Trail Crosses State Lines

Liabilities shift between states, so no single regulator sees an operator's full history at permitting, transfer, or bonding.

3

Everyone Else Pays

State plugging programs absorb the cost, bonding and insurance prices rise, and responsible operators face higher barriers to entry.

Goal: **Better-informed regulatory decisions, protected public resources, and a level playing field for ethical operators, while respecting state sovereignty, privacy law, and existing frameworks.**

What We Asked the States

What you track today

Q1 Whether a centralized operator database exists, including affiliates, parents, and compliance history

Q2 How liabilities, defaults, forfeitures, and bankruptcies are tracked

Q5 Whether a formal “bad actor” list exists, and how it is enforced and shared

How you screen risk

Q3 How high-risk operators are kept from acquiring wells or entering the state

Q4 Challenges verifying operator history across state lines

Q6 The biggest gaps in assessing operator risk and liabilities

Appetite for sharing

Q7 Value of other states’ data: ownership, security history, enforcement, bankruptcies, P&A liabilities

Q8 Interest in a voluntary interstate initiative to share operator information

Where This Goes Next

1 Collect

States share how they track operators, screen risk, and where their gaps are.

2 Compare

Identify common gaps and practices that already work across the compact.

3 Coordinate

Gauge support for a voluntary interstate initiative on ownership, liabilities, and compliance history.

Our ask of IOGCC member states:

Help take part in a voluntary information-sharing effort.

Questions?

Thank You!

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