

Revenue Information Bulletin No. 04-017
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Oilfield Site Restoration Fee Increased

Acts 2004, No. 412 amended Revised Statute 30:87(A), (B), and (F) to increase the oilfield site restoration fee on oil and condensate produced from wells in the state from one cent per barrel to one and one-half cent per barrel and on gas produced from wells in the state from 1/5 of one cent per thousand cubic feet (mcf) to 3/10 of one cent per thousand cubic feet (mcf) effective July 1, 2004.

The reduced rates for low-producing oil and gas wells such as stripper and incapable wells, which are in the same proportion to the full rate production fees as the reduced rate severance tax to the full rate severance tax, are also increased.

In accordance with the Act, the fee rates are as follows:

Oilfield Site Restoration Fee	Through 6-30-2004	Effective 7-1-2004
Oil:	Per Barrel	Per Barrel
Full rate	\$.01	\$.015
Incapable rate	\$.005	\$.0075
Stripper rate	\$.0025	\$.00375
Gas:	Per MCF	Per MCF
Full rate	\$.002	\$.003
Low pressure oil well	\$.0008	\$.0012
Incapable gas well	\$.00035	\$.000525

The Act also repealed Revised Statute 30:87(G), which provided that as production declines the fund shall be compensated to maintain the required amount by increasing the site reclamation fees on each site by five percent annually until the fees have been increased by a total of 100 percent per site.

Monies collected from the oilfield site restoration fee are deposited into the Oilfield Site Restoration Fund, which provides revenue to the assistant secretary of the office of conservation for the cleanup, closure and restoration of orphaned oilfield sites.

The fees are due quarterly on the last day of the month following the end of the quarter. Due dates are April 30, July 31, October 31, and January 31. The increased fee will be effective beginning with the July through September 2004 quarter, which will be due October 31, 2004. Revised tax forms will be distributed as soon as they are available. Questions concerning these severance tax values and rates should be directed to the Taxpayer Services Division at (225) 219-2512.

Cynthia Bridges
Secretary

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