# Table of Contents

<table>
<thead>
<tr>
<th>Department Organization</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department Functions</td>
<td>4</td>
</tr>
<tr>
<td>Budget History</td>
<td>9</td>
</tr>
<tr>
<td>Revenue Sources</td>
<td>10</td>
</tr>
<tr>
<td>Statutory Dedications</td>
<td>11</td>
</tr>
<tr>
<td>Means of Finance</td>
<td>12</td>
</tr>
<tr>
<td>Significant Adjustments</td>
<td>13</td>
</tr>
<tr>
<td>Expenditures</td>
<td>14</td>
</tr>
<tr>
<td>Expenditure History</td>
<td>15</td>
</tr>
<tr>
<td>Discretionary/Non-Discretionary Breakdown</td>
<td>16</td>
</tr>
<tr>
<td>Personnel Information</td>
<td>17</td>
</tr>
<tr>
<td>Department Contacts</td>
<td>18</td>
</tr>
</tbody>
</table>
### Office of the Secretary

**Administration**
- Executive Management office of the department overseeing policy, administration, and operations.
- Executive Counsel is responsible for legislative matters, special projects, and advising the Secretary.
- Budget and Finance.

**Technology Assessment Division**
- Analyzes and investigates diverse subjects and issue areas related to energy and natural resources.
- Publish data on Louisiana energy development and production.
- Forecast state oil and gas production, depletion and revenue, including long and short term reserves.
- State Energy Office
  - Advises on energy use, efficiency, supply, and alternatives.
  - U.S. Department of Energy point of contact.

**Atchafalaya Basin Program**
To conserve and restore, where possible, the natural habitat of the Atchafalaya Basin and offer enhanced opportunities for the public’s enjoyment of the Atchafalaya Basin experience.
- Administers the Atchafalaya Basin Master Plan which includes 4 goals:
  - Promote public access by purchasing land acreage in the Basin.
  - Preservation of fish and wildlife habitat and prevention of development that would interfere with floodway use.
  - Managing water by managing sediments and achieving a healthy water circulation that will maintain or restore water quality.
  - Promote recreation at water resource projects.
Office of Conservation

Engineering - Administrative Division

- Responsible for the prevention of waste of oil and gas underground, in storage, or in transportation.

- Responsible for the protection of property rights of all persons related to oil and gas exploration in Louisiana.

- Process various drilling and well permits.

- Manages the storage, filing, and dissemination of well records, hearing transcripts, well test information, and historical production information.

- Audits various producer reports that pertain to severance tax and mineral royalty collection.

Engineering - Regulatory Division

- Inspects oil and gas wells and facilities to ensure compliance.

- District offices in Lafayette, Shreveport, and Monroe.

- Oilfield Site Restoration Program
  - Plugs abandoned orphan wells and restores the associated surface locations through competitive bid contracting.

- Obstruction Removal Program
  - Verify and remove natural and manmade underwater obstructions which pose an impediment to normal navigation and commercial fishing.

Environmental Division

- Implements the Groundwater Management Program.
  - Identifies areas of ground water concern, addresses ground water emergencies, and establishes best practices and policies for the State's ground water resources.

- Exploration & Production (E&P) Waste Management Section regulates commercial E&P waste storage, treatment, and disposal facilities.
DEPARTMENT FUNCTIONS

Office of Conservation

**Geological Oil and Gas Division**
- Orders Management
  - Prepares and reviews Office of Conservation Orders.

- Unitization and Digital Mapping
  - Oversees Digital Mapping/GIS support as well as other computer mapping, graphics, and database management.
  - Houses historical maps.
  - Manages access to SONRIS database.

- Customer Assistance and Well Log Management
  - Assists constituents with Log Files and Map Room checkout along with general oil and gas related information.
  - Ensures that digital logs submitted are tracked and stored securely.

**Injection and Mining Division**
- Underground Injection Control System
  - Administers a regulatory and permit program to protect underground sources of drinking water from hazardous and non-hazardous fluids through deep well injection and other oilfield waste disposal techniques.

- Surface Mining Section
  - Regulates the exploration, development, and surface mining operations for coal and lignite.
  - Abandoned Mine Lands Program identifies and reclaims abandoned surface coal mines.

**Pipeline Division**
- Pipeline Safety Program
  - Regulates intrastate pipeline operators by conducting pipeline operator inspections, compliance and enforcement, safety programs, accident investigations, and record maintenance and reporting.

- Pipeline Operations Program
  - Regulates the construction, acquisition, abandonment and interconnection of natural gas pipelines.
Office of Mineral Resources

State Mineral and Energy Board

- Administers the state's proprietary interest in minerals.
- The exclusive body with the authority to lease for development and production of minerals, oil, and gas, any lands belonging to the State.
- Authorized to explore and develop state lands and water bottoms:
  - conduct geological and geophysical surveys.
  - equip, drill, and operate wells or mines for the production of minerals.
  - construct, operate, and maintain facilities for saving, transporting, and marketing mineral production.

Petroleum Lands Division

- Performs the mineral leasing function on behalf of the State Mineral & Energy Board.
- Maintains state mineral lease ownership and property data.
- Manages the docket of items submitted for Board consideration at its monthly meetings.
- Maintains the official state mineral lease files.

Mineral Income Division

- Performs collection and accounting of revenue due the state from mineral leasing activity and production on state-owned lands and water bottoms on behalf of the State Mineral & Energy Board.
- Performs on-site field audits of payor companies and with auditors based in Houston, Dallas, and Baton Rouge.
- Auditors also perform field audits of Federal leases within the 8(g) offshore area.
Office of Coastal Management

Office of Coastal Management is charged with implementing the Louisiana Coastal Resources Program (LCRP), Louisiana’s federally approved coastal zone management program.

**Permits & Mitigation Division**

- Regulates development activities and manages the resources of the Coastal Zone.

- Coastal Use Permit is required for certain projects in the Coastal Zone.
  - dredge and fill work
  - bulkhead construction
  - shoreline maintenance

- The purpose of the Coastal Use Permit process is to make certain that any activity affecting the Coastal Zone is performed in accordance with established guidelines.

**Interagency Affairs & Field Services Division**

- Ensures compliance with the LCRP is reached via enforcement and federal consistency.

- Provides the Permits/Mitigation Division with field reports on Coastal Use Permits.

- Supports coastal Parishes in implementing approved Local Coastal Programs.

- Serves as a State trustee for natural resource damage assessment for oil spills.

- Manages the Fisherman’s Gear Compensation Program to compensate commercial fisherman for losses to equipment and vessels resulting from hitting underwater obstructions.
Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/15
** Governor’s Executive Budget Recommendation FY16-17
## Major Sources of Revenue

### Federal Funds
$14.5 Billion


### Statutory Dedications
$27.5 Million

<table>
<thead>
<tr>
<th>Fund</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil &amp; Gas Regulatory Fund</td>
<td>$12,537,894</td>
</tr>
<tr>
<td>Mineral and Energy Operation Fund</td>
<td>$6,778,099</td>
</tr>
<tr>
<td>Oilfield Site Restoration Fund</td>
<td>$4,515,897</td>
</tr>
<tr>
<td>Coastal Resources Trust Fund</td>
<td>$2,643,794</td>
</tr>
<tr>
<td>Fisherman’s Gear Compensation Fund</td>
<td>$601,181</td>
</tr>
<tr>
<td>Underwater Obstruction Removal Fund</td>
<td>$250,000</td>
</tr>
<tr>
<td>Oil Spill Contingency Fund</td>
<td>$184,349</td>
</tr>
</tbody>
</table>

### Interagency Transfers
$14.4 Million

- IAT in DNR is primarily authority for internal transfers between the Office of the Secretary, Office of Conservation, and Office of Coastal Management.
- External IAT originates from the Department of Wildlife and Fisheries and the Office of Coastal Protection and Restoration.
# Statutory Dedications

<table>
<thead>
<tr>
<th>Dedication</th>
<th>Type</th>
<th>Fund Source</th>
<th>Fund Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil Spill Contingency Fund</td>
<td>Constitutional</td>
<td>Judgments, penalties, federal funds, fees levied on oil transporting vessels</td>
<td>Office of Coastal Management</td>
</tr>
<tr>
<td>Oilfield Site Restoration Fund</td>
<td>Constitutional</td>
<td>Fees on oil and natural gas producing wells</td>
<td>Oilfield Site Restoration Program</td>
</tr>
<tr>
<td>Oil &amp; Gas Regulatory Fund</td>
<td>Statutory</td>
<td>Various regulatory fees charged on oil and gas wells by the Office of Conservation</td>
<td>Oil &amp; Gas Regulatory Program</td>
</tr>
<tr>
<td>Coastal Resources Trust Fund</td>
<td>Statutory</td>
<td>Fees on coastal use permit applications</td>
<td>Coastal Resources Program</td>
</tr>
<tr>
<td>Fisherman’s Gear Compensation Fund</td>
<td>Statutory</td>
<td>Fees on mineral leases</td>
<td>Fisherman’s Gear Compensation Program</td>
</tr>
<tr>
<td>Underwater Obstruction Removal Fund</td>
<td>Statutory</td>
<td>Appropriations, grants, donations, $250,000 annual deposit from Fisherman’s Gear Fund</td>
<td>Underwater Obstruction Removal Program</td>
</tr>
<tr>
<td>Means of Financing</td>
<td>FY 14-15 Prior Year Actual Expenditures</td>
<td>FY 15-16 Existing Operating Budget</td>
<td>FY 16-17 Executive Budget Recommendation</td>
</tr>
<tr>
<td>-------------------------</td>
<td>----------------------------------------</td>
<td>------------------------------------</td>
<td>------------------------------------------</td>
</tr>
<tr>
<td>State General Fund</td>
<td>$11,344,882</td>
<td>$8,003,574</td>
<td>$3,068,685</td>
</tr>
<tr>
<td>Interagency Transfers</td>
<td>$16,074,009</td>
<td>$18,799,573</td>
<td>$14,358,783</td>
</tr>
<tr>
<td>Fees and Self-Gen Rev.</td>
<td>$101,884</td>
<td>$343,750</td>
<td>$343,889</td>
</tr>
<tr>
<td>Statutory Dedications</td>
<td>$25,673,069</td>
<td>$28,753,356</td>
<td>$27,511,214</td>
</tr>
<tr>
<td>Federal Funds</td>
<td>$6,786,374</td>
<td>$16,522,373</td>
<td>$14,483,745</td>
</tr>
<tr>
<td><strong>Total Means of Finance</strong></td>
<td><strong>$59,980,218</strong></td>
<td><strong>$72,422,626</strong></td>
<td><strong>$59,766,316</strong></td>
</tr>
</tbody>
</table>

The Division of Administration estimates that $8.3 million in State General Fund is needed in FY17 to fully fund normal operating costs and other priorities. Therefore, $5.2 million additional SGF is needed to fully fund operations.
**SIGNIFICANT ADJUSTMENTS**

- **$3.2 Million** reduction in Statutory Dedications from the Oilfield Site Restoration Fund. This will align projected expenditures and typical fund revenues.

- **$1.5 Million** reduction in Federal Funds for the Bayou Corne Sinkhole. This reduction is due to decreased activity and funding expected to expire in FY17.

- **$2.5 Million** reduction in Interagency Transfers. This is internal IAT within DNR for expenses that were paid by the Office of the Secretary and will now be billed to the four offices directly.

- **$2 Million** Reduced revenues in the Mineral & Energy Operation Fund replaced by increasing funds in the Oil & Gas Regulatory Fund.
<table>
<thead>
<tr>
<th>Expenditure</th>
<th>FY 14-15 Prior Year Actual Expenditures</th>
<th>FY 15-16 Existing Operating Budget</th>
<th>FY 16-17 Executive Budget Recommendation</th>
<th>$ Change from Existing</th>
<th>% Change from Existing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$20,178,420</td>
<td>$18,370,414</td>
<td>$18,875,292</td>
<td>$504,878</td>
<td>2.7%</td>
</tr>
<tr>
<td>Other Compensation</td>
<td>$245,120</td>
<td>$287,905</td>
<td>$285,363</td>
<td>($2,542)</td>
<td>(0.9%)</td>
</tr>
<tr>
<td>Related Benefits</td>
<td>$10,971,601</td>
<td>$10,103,930</td>
<td>$9,771,839</td>
<td>($332,091)</td>
<td>(3.3%)</td>
</tr>
<tr>
<td>Travel</td>
<td>$215,468</td>
<td>$289,491</td>
<td>$219,510</td>
<td>($69,981)</td>
<td>(24.2%)</td>
</tr>
<tr>
<td>Operating Services</td>
<td>$837,679</td>
<td>$1,140,903</td>
<td>$966,807</td>
<td>($174,096)</td>
<td>(15.3%)</td>
</tr>
<tr>
<td>Supplies</td>
<td>$351,989</td>
<td>$513,847</td>
<td>$461,342</td>
<td>($52,505)</td>
<td>(10.2%)</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$165,442</td>
<td>$529,361</td>
<td>$252,645</td>
<td>($276,716)</td>
<td>(52.3%)</td>
</tr>
<tr>
<td>Other Charges</td>
<td>$26,973,090</td>
<td>$41,165,132</td>
<td>$28,933,518</td>
<td>($12,231,614)</td>
<td>(29.7%)</td>
</tr>
<tr>
<td>Acq/Major Repairs</td>
<td>$41,409</td>
<td>$21,643</td>
<td>$0</td>
<td>($21,643)</td>
<td>(100.0%)</td>
</tr>
<tr>
<td>Unallotted</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>$59,980,218</strong></td>
<td><strong>$72,422,626</strong></td>
<td><strong>$59,766,316</strong></td>
<td><strong>($12,656,310)</strong></td>
<td><strong>(17.5%)</strong></td>
</tr>
<tr>
<td>Authorized Positions</td>
<td>335</td>
<td>324</td>
<td>324</td>
<td>0</td>
<td>0.0%</td>
</tr>
</tbody>
</table>
EXPENDITURE HISTORY (IN MILLIONS)

Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/15
### TOTAL BUDGET

**$59.8 Million**

- **$45.4 Million Remaining**
  - **$14.4 Million IAT Double Count**
  - **Self Generated Revenue**
    - $344,000
  - **Statutory Dedications**
    - $27.5 Million
  - **Federal Funds**
    - $14.5 Million
  - **State General Fund**
    - $3.1 Million

- **Non Discretionary**
  - $0

- **Discretionary**
  - $3.1 Million
    - Mineral Resource Mgmt
      - $1.6 Million
    - Oil & Gas Regulatory
      - $1.3 Million
    - Executive
      - $153,000
    - Coastal Management
      - $0

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**FY17 Discretionary/Non-Discretionary Funding**
**Personnel/Budget Ratio**

- \( $18.7 \text{ M} \) Salaries and Other Comp.
- + \( $10.1 \text{ M} \) Related Benefits
- = \( $28.8 \text{ M} \) Total Personnel Services

94% of budget expenditures (excluding Other Charges)

**Authorized Positions**
- 324 (316 classified and 8 unclassified)
- 2 full-time non-T.O. positions
- 0 Other Charges positions

As of 1/29/2016, DNR had 26 vacancies

Source: Prepared by House Fiscal Division staff using information from Civil Service
# Department Contacts

<table>
<thead>
<tr>
<th>Name</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thomas Harris, Secretary</td>
<td>225.342.2710</td>
</tr>
<tr>
<td>Beverly Hodges, Undersecretary</td>
<td>225.342.4540</td>
</tr>
<tr>
<td>Richard Ieyoub, Commissioner of Conservation</td>
<td>225.342.5500</td>
</tr>
</tbody>
</table>