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DEPARTMENT OF ENERGY AND NATURAL RESOURCES

DEPARTMENT GUIDANCE No. B-2025-01

FROM: Tyler Gray, Secretary 

DATE: August 1, 2025

SUBJECT: Department Guidance Class VI Permit Application Reviews
DG-B-2025-01ⁱ

I. Authority

This guidance document is issued with consideration for authority granted in Act 458 of 2025 Regular Session, effective October 1, 2025. Although presently serving as guidance, this document may be converted into a directive order upon initiation by the Deputy Secretary, certification by Undersecretary, and issued pursuant to authority granted to the Secretary by La. R.S. 36:354(A)(14) (Act 458 of 2025, Regular Session), empowering the Secretary to establish immediate agency policy effective upon issuance.

II. Purpose

This Department Directive Order (DDO) is the first step in providing guidance in managing applications for Class VI wells under the Underground Injection Control (UIC) program, providing guidance for the permitting, construction, operation, and oversight of carbon capture and sequestration (CCS) projects. It aims to ensure compliance with state laws and regulations (exceeding the federal requirements), protect underground sources of drinking water (USDW), and maintain transparency for stakeholders. All CCS operators are put on notice that DENR will adhere to this guidance to ensure consistency in permitting standards statewide.

III. Timeline for Review

The following has been and will continue to be the expectations of the Department for reviewing and making final permit decisions.

Stage	Typical Duration (approx.)	Evidence
Administrative completeness review	1–3 months	LDENR ensures all required data are included in application and processes any confidentiality requests.
Technical review	≈ 18 months for a complete application;	LDENR's FAQ notes that even a flawless Class VI application would take about 18 months from the

Stage	Typical Duration (approx.)	Evidence
	longer for complex cases	start of review to opening the public comment period.
Public comment & hearing	≥ 30 days	LDENR must hold a public comment period of at least 30 days with a local hearing.
Post-comment revisions & final decision	Several months	LDENR reviews all comments, may request further revisions and then issues or denies the permit.
Overall expected timeframe	≈ 2 years or more	EPA guidance indicates that complete applications should be processed within about 24 months ; LDENR's FAQ notes that multiple rounds of review and public comments can extend this period.

IV. Application Tracker System Update

Going forward, the Department will align our processes with the U.S. Environmental Protection Agency's (EPA) application tracking and processing practices, the existing application tracker system will be temporarily taken offline in the coming weeks. The tracker system will be updated to reflect the following EPA-established categories:

(A) Completeness Review (Estimated Duration: 30 days)

- (1) Cumulative days of completeness review
- (2) Waiting on applicant response
- (3) Notice of Deficiency (NOD) sent

(B) Technical Review (Estimated Duration: 18 months)

- (1) Cumulative days of technical review
- (2) Waiting on applicant response
- (3) On applicant-requested hold
- (4) Request for Additional Information (RAI) sent

(C) Draft Permit Preparation (Estimated Duration: 60 days)

(D) Public Comment Period (Estimated Duration: 30-45 days)

(E) Final Permit Decision Preparation (Estimated Duration: 90 days)

Please note, the estimated total timeline aligns with the EPA's 24-month goal for issuing final permit decisions. Upon completion, the updated tracker will provide real-time information to stakeholders, detailing each application's status, stage of review, and any pending requirements or

information. All applicants will be notified upon completion of system updates, including instructions for accessing and utilizing the revised tracker.

This directive ensures the review and permitting process for Class VI applications are managed efficiently, transparently, and in strict alignment with both state and federal processes and practices.

V. Department Considerations

(A) Clarification on Class V Well Conversions

The Department will continue exploring the feasibility and regulatory implications of converting Class V wells to Class VI injection wells. It is important to recognize that mineral leases currently held may allow for appraisal or exploratory wells under the Oil and Gas Division to be utilized temporarily for the purpose of collecting relevant data. However, all such exploratory wells, if intended for future conversion to Class VI, must be constructed and operated to fully comply with Class VI standards and will require a separate and complete Class VI application and permit issuance prior to injection operations. We will closely coordinate with relevant divisions and regulatory frameworks to ensure compliance.

(B) Major Modifications

Upon initiation of the technical review, major modifications will only be considered when necessitated by and in response to a Department-issued Request for Additional Information (RAI). If an applicant submits a major modification independently, the application will be treated as an applicant-requested hold and may be placed at the end of the technical review queue.

VI. Economic Considerations

(A) Announced Investment Requiring Infrastructure

Louisiana's economic development strategy prioritizes projects that maximize investment and job creation. According to Louisiana Economic Development (LED), new energy and industrial emissions reduction projects have attracted \$61 billion of investment and created 26,952 new jobs. The state is a top three natural gas producer and a top ten crude oil producer, with the highest number of refineries per capita. Its ports handle 20% of U.S. waterborne commerce and support 550,000 jobs statewide.

Carbon capture and sequestration enhances these advantages by making liquefied natural gas (LNG) and petrochemical exports more competitive. LED notes that CCUS projects expand market opportunities and extend the viability of existing industries, turning Louisiana into a global energy leader. Louisiana's unique geology offers 753 billion metric tons of safe storage potential for CO₂.ⁱⁱ

(B) Job potential from carbon capture retrofits

An economic analysis for the Regional Carbon Capture Deployment Initiative, performed by the Rhodium Group, estimates that deploying carbon capture at 33 industrial and power facilities in Louisiana could create an annual average of up to 4,920 project construction jobs over a 15-year period and 2,500 ongoing operations jobs. These projects would capture nearly 40 million metric tons of CO₂ per year and generate up to \$13.7 billion in private investment.ⁱⁱⁱ

(C) Expanding Manufacturing Opportunities for Petrochemical and LNG

The 2024 Gulf Coast Energy Outlook notes that announced energy transition investments (CCS, hydrogen, ammonia and related technologies) across the Gulf Coast total \$79 billion, representing 36 % of all energy manufacturing investments projected for the next decade. By 2028, announced CCS projects could provide close to 200 million metric tons of annual storage capacity. Between 2011 and 2022, the Gulf Coast saw \$212 billion of investment in refining, chemicals and hydrocarbon exports, 50% of which was in Louisiana. Current announcements include \$170.5 billion of additional projects, 52% of which are in Louisiana.

Liquefied natural gas (LNG) continues to dominate investment. The Gulf Coast Energy Outlook identifies \$114.7 billion of LNG investment in the outlying years, much of it in Louisiana. The U.S. Energy Information Administration reports that the United States became the world's largest LNG exporter in 2023, and it forecasts U.S. LNG exports to average 13.7 billion cubic feet per day during the 2024–25 winter, 8% more than the previous winter as new projects come online.^{iv} Meeting this global demand while maintaining low carbon intensity requires rapid deployment of CCS at industrial facilities.^v

Due to the large volume of Class VI applications currently submitted to the department that are at the same or similar stage of processing, potential impacts on economic development provide a metric for possible prioritization of future application review.

VII. Current Permit Status^{vi}

Over the next forty-five days, the Department, in consultation with the Department of Economic Development and the Governor, will reevaluate the status of applications for assessment and prioritization. Until then, the IMD's Class VI review team will focus on the following permit applications only^{vii} (listed in alphabetical order):

- (1) Goose Lake and Minerva South (Calcasieu and Cameron Parishes)
- (2) Hackberry Sequestration (Cameron Parish)
- (3) Louisiana Green Fuels (Caldwell Parish)
- (4) River Parish Sequestration – RPN 1 (Ascension Parish)
- (5) Capio Sequestration LLC – Sherburne (Pointe Coupee Parish)

Continued evaluations of engineering challenges, geological concerns, and public or stakeholder comments related to these applications will be actively managed during this period to ensure timely progress. Effective immediately, all communications or inquiries regarding Class VI permit application status or related information must be directed exclusively through the following email: DNRInfo@la.gov

Direct communication with departmental personnel for application updates or status inquiries is strictly prohibited. Anyone contacting departmental personnel for application updates or status inquiries is to be directed to communicate through the above e-mail address.

ⁱ These orders remain effective until superseded by a subsequent directive or formal rulemaking through the Louisiana Administrative Procedure Act (APA), including emergency rulemaking or potpourri notices if necessary. These directives, which aren't 'adjudications' under federal or state law, become official departmental policy. Pursuant to Act 458 of the 2025 Regular Session, the Secretary can issue such directives on behalf of the agency for implementation or other official actions, establishing them as official policy. La. R.S. 36:354(A)(14), as amended by Act No. 458, 2025 La. Acts (authorizing the Secretary of the Department of Conservation and Energy to issue directives for the department's administration, control, and operation, including programs related to carbon capture, utilization, and storage (CCUS)).

ⁱⁱ Louisiana Econ. Dev., Louisiana's Energy Development: Leading in Carbon Capture, Utilization & Storage (Mar 11, 2025), <https://www.opportunitylouisiana.com/energy-development-leading-in-ccus> (last visited July 28, 2025).

ⁱⁱⁱ Regional Carbon Capture Deployment Initiative—Jobs Analysis, Rhodium Group & Reg'l Carbon Capture Deployment Initiative, Carbon Capture and Storage Jobs for Louisiana (2023), https://carboncaptureready.betterenergy.org/wp-content/uploads/2023/05/LA_Jobs.pdf (last visited July 28, 2025).

^{iv} U.S. Energy Info. Admin., Global Natural Gas Market May Experience a Tighter Supply-Demand Balance This Winter (Dec. 11, 2023), <https://www.eia.gov/todayinenergy/detail.php?id=60760> (last visited July 28, 2025).

^v LSU Center for Energy Studies—Gulf Coast Energy Outlook, Gregory B. Upton Jr., David E. Dismukes & Gregory Albrecht, 2024 Gulf Coast Energy Outlook (La. State Univ. Center for Energy Studies Nov. 2023), https://www.lsu.edu/ces/gulf-coast-energy-outlook/2024_gceo.pdf (last visited July 28, 2025).

^{vi} Louisiana Dep't of Energy & Nat. Res., Permits and Applications: Class VI Well Applications (updated June 20, 2025), <https://dnr.louisiana.gov/page/permits-and-applications> (last visited July 28, 2025).

^{vii} Applications currently under review by third-party contractors will proceed under existing protocols; however, upon completion of their review, these applications will become subject to the procedures outlined herein.