

## EXECUTIVE DEPARTMENT OFFICE OF THE GOVERNOR EXECUTIVE ORDER NUMBER JML 25-072

## **UNLEASHING LOUISIANA'S ENERGY PRODUCTION**

WHEREAS, on January 20, 2025, President Trump declared a National Energy Emergency through Executive Order 14156, emphasizing that "the integrity and expansion of our Nation's energy infrastructure – from coast to coast – is an immediate and pressing priority for the protection of the United States' national and economic security;"

WHEREAS, on February 14, 2025, President Trump established the National Energy Dominance Council, acknowledging that it is necessary to expand all forms of reliable and affordable energy production to drive down inflation, grow our economy, create good-paying jobs, reestablish American leadership in manufacturing, lead the world in artificial intelligence, and restore peace through strength by wielding our commercial and diplomatic levers to end wars across the world, Executive Order 14213;

WHEREAS, President Trump has promised to "drill, baby, drill" to expand oil and gas production in the United States and unleash affordable and reliable American energy;

WHEREAS, Louisiana is blessed with an abundance of energy and natural resources that have historically powered the State and the Nation's economic prosperity. Previous decisions by federal and state government have impeded the development of these resources, limiting economic growth and the generation of reliable, affordable energy;

**WHEREAS,** "Drilling = Jobs" and the oil and gas industry significantly contributes to Louisiana's economic well-being by supporting approximately *306,750 jobs statewide*, generating *\$25.5 billion in annual earnings*, and lifting countless citizens out of poverty;

WHEREAS, the continued exploration, development, and responsible production of oil and gas resources remain critical to sustaining and expanding Louisiana's economic prosperity, employment opportunities, and overall quality of life for our State's citizens;

WHEREAS, in the decade prior to this administration, Louisiana's total annual oil production – in particular from south Louisiana and the state offshore areas – plummeted by more than half: from 72 million barrels total (58 million barrels from south Louisiana and offshore areas) in 2013 to 34 million barrels (26 million barrels, respectively) in 2023;

WHEREAS, by strategically incentivizing responsible exploration and production through targeted royalty adjustments and severance tax reforms, Louisiana will stimulate increased investment and activity in the oil and gas sector, leading to higher production volumes that ultimately generate greater overall revenues, despite initial rate reductions;

WHEREAS, pursuant to La. R.S. 30:129, the State Mineral and Energy Board ("Board") has full supervision of all state mineral leases and oversight of the *Natural Resources Trust Authority* ("NRTA"), thus is authorized to take all appropriate action to assure that undeveloped or nonproducing state lands and water bottoms are reasonably and prudently explored, developed, and produced for the public good;

WHEREAS, the Louisiana Department of Energy and Natural Resources ("DENR") serves as the staff for the Board;

WHEREAS, Act 727 of the 2024 Regular Session established the NRTA under the oversight of the Board, empowering it to lead a transformative era of proactive management for Louisiana's natural resources by introducing innovative financial frameworks and dedicated funding streams aimed at addressing environmental and financial liabilities – measures that specifically support financial assurance for existing operators and provide security for the remediation of orphaned and abandoned wells;

WHEREAS, through integrated strategies encompassing royalty modifications, severance adjustments, and the robust financial oversight provided by the NRTA – Louisiana can proactively address legacy liabilities, revitalize its economy, and lay the foundation for sustained resource development, thereby positioning our State as a national leader in innovative and economicallyresilient resource management; WHEREAS, exploration for and production of oil and natural gas from Louisiana's offshore areas is pursuant to state mineral leases, entered into by the Board on behalf of the State, which set forth specific mineral royalties and other revenue the State's mineral lessees must pay in addition to paying the state severance tax and other fees, all in accordance with the requirements set forth in R.S. 30:121, *et seq*;

NOW THEREFORE, I, JEFF LANDRY, Governor of the State of Louisiana, by virtue of the authority vested in me by the Constitution and laws of the State of Louisiana, do hereby order and direct as follows:

<u>Section 1</u>: DENR shall develop, in coordination with the Board, a plan consistent with law to reduce royalties governed by State mineral leases so as to meaningfully incentivize and encourage exploration and production of the State's minerals.

<u>Section 2</u>: DENR shall also provide clear and timely guidance ahead of October 1, 2025, detailing how recent legislative changes – including severance tax reductions and departmental reorganization – will strategically and proactively address orphan wells in state waters, thereby promoting responsible resource development, fiscal sustainability, and environmental stewardship.

Section 3: Upon development of the royalty reduction plan required in Section 1, the Board shall consider the plan for approval at its next scheduled Board meeting.

<u>Section 4</u>: DENR shall report back to me its progress in implementing this order within 60 days.

Section 5: All departments, agencies, boards, commissions, and officers of the State, and any political subdivision thereof, are authorized and directed to cooperate in the implementation of this Order.

<u>Section 6</u>: All departments, commissions, boards, offices, entities, agencies, and officers of the state of Louisiana, or any political subdivision thereof, are authorized and directed to cooperate with the implementation of the provisions of this Order.

Section 7: This Order is effective upon signature and shall continue in effect until amended, modified, terminated, or rescinded by the Governor, or terminated by operation of law.



ATTEST BY THE SECRETARY OF STATE

**IN WITNESS WHEREOF,** I have set my hand officially and caused to be affixed the Great Seal of Louisiana in the City of Baton Rouge, on this 24<sup>th</sup> day of June 2025.

JEFF LANDRY

GOVERNOR OF LOUISIANA

in Landry Nancy Landry SECRETARY OF STATE