

**EXHIBITS PRESENTED AT
HEARING
(LAC 43, Part. XIX, § 3929D)**

November 12, 2014

**STATE OF LOUISIANA
OFFICE OF CONSERVATION FORM MD-10-R-1
APPLICATION FOR PERMIT TO DRILL FOR MINERALS
TYPE ONLY - FILE IN DUPLICATE**

*14-626
Exhibits*

(Print on Buff color paper)

OFFICE USE ONLY	OFFICE USE ONLY
SERIAL NUMBER: _____	

Company Data	
DATE OF APPLICATION: <u>September 3, 2014</u>	
OPERATOR: <u>HELIS OIL & GAS COMPANY, LLC</u>	CODE NO. <u>H172</u>
ADDRESS: <u>228 ST. CHARLES AVENUE, SUITE 912</u> <u>NEW ORLEANS, LA 70130</u>	

Well Data	
PARISH: <u>ST. TAMMANY</u>	CODE NO. <u>52</u>
FIELD: <u>LACOMBE BAYOU</u>	CODE NO. <u>4968</u>
WELL NAME: <u>EADS POITEVENT, ET AL</u>	Well No.: <u>001</u>
LOCATION: Section: <u>34</u> Township: <u>07S</u> Range: <u>12E</u>	
LOCATION DESCRIPTION: <div style="border: 1px solid black; padding: 5px; width: fit-content;">Location being S09°09'17"W 5,346.47' from USC&GS Monument "PINEY 2", located in Sec 34 T7S-R12E St. Tammany Parish, LA.</div>	

PRODUCT: <input checked="" type="checkbox"/> OIL	<input type="checkbox"/> GAS	<input type="checkbox"/> OTHER	TYPE OF WELL	
Proposed Total Depth: <u>13,374</u> feet - Measured Depth			<input checked="" type="checkbox"/> New Well	<input type="checkbox"/> Repermit
(and TVD, if applicable) _____ feet - True Vertical Depth			<input type="checkbox"/> Redrill	<input checked="" type="checkbox"/> Straight
Application Fee: <u>\$2,528.00</u> Check No.: <u>148680</u>			<input type="checkbox"/> Dual	<input type="checkbox"/> Directional
6 Month <input type="checkbox"/> 1 Year <input checked="" type="checkbox"/>			<input checked="" type="checkbox"/> Lease	<input type="checkbox"/> Horizontal
			<input type="checkbox"/> Unit	<input type="checkbox"/> SPC Plan (on water)

PROPOSED ZONE OF COMPLETION: LOWER TUSCALOOSA SAND

APPLICABLE CONSERVATION ORDERS: 29B, 29E, 1577 SERIES

SERIAL NUMBER OF REDRILL OR REPERMIT (if applicable): _____

CONTACT DATA	
SEND PERMIT TO: <u>Liskow & Lewis - Attn: Rick Revels</u>	RECEIVED SEP 10 2014
ADDRESS: <u>P O Box 52008</u> <small>(if different than above)</small> <u>Lafayette, LA 70505</u>	
FOR ADDITIONAL INFORMATION, CONTACT: <u>Mike Barham</u>	
Phone No.: <u>504-681-3316</u>	

APPLICANT	OFFICE OF CONSERVATION LAFAYETTE DISTRICT
SUBMITTED BY: <u>Rick Revels / 337-232-7424</u>	
SIGNATURE: <u><i>Rick Revels</i></u>	
<small>APPLICANT'S REPRESENTATIVE SIGNATURE</small>	

OFFICE USE ONLY	OFFICE USE ONLY
FINANCIAL SECURITY REQUIRED PRIOR TO PERMITTING: <input type="checkbox"/> Yes <input type="checkbox"/> No	
DISTRICT APPROVAL: _____	DATE: _____
ISSUED BY: _____	DATE: _____
API No.: _____	Exp.: _____

LISKOW & LEWIS

A Professional Law Corporation

822 Harding Street
Post Office Box 52008
Lafayette, LA 70505
(337) 232-7424 Main
(337) 267-2399 Fax

www.Liskow.com

One Shell Square
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New Orleans, LA 70139
(504) 581-7979 Main
(504) 556-4108 Fax

First City Tower
1001 Fannin Street, Suite 1800
Houston, TX 77002
(713) 651-2900 Main
(713) 651-2908 Fax

September 10, 2014

Mr. Richard Hudson, Manager
Lafayette District Office of Conservation
825 Kaliste Saloom Rd.
Brandywine III, Ste. 220
Lafayette, LA 70508

RECEIVED

SEP 10 2014

OFFICE OF CONSERVATION
LAFAYETTE DISTRICT

Re: Drilling Permit Application: Eads Poitevent et al No. 1 Well

Dear Mr. Hudson:

Helis Oil & Gas, LLC ("Helis") respectfully requests issuance of a drilling permit allowing it to drill its proposed Eads Poitevent et al No. 1 Well, in Lacombe Bayou Field, St. Tammany Parish, Louisiana (the "subject well") at the location shown on the permit plat. This letter accompanies the drilling permit application to provide your office with an understanding of Helis' drilling and completion plans. The subject well is proposed to be drilled to a total vertical depth of 13,374', which is sufficient to reach the Lower Tuscaloosa Sand. Helis has no plans to attempt a completion in the vertical hole. The primary target in the well is the Tuscaloosa Marine Shale ("TMS"), which is situated immediately above the Lower Tuscaloosa Sand. By Office of Conservation Order No. 1577, effective June 17, 2014, the Commissioner of Conservation established a single drilling and production unit for the TMS designated TMS RA SUA (the "subject unit"). Helis plans to log the subject well, take cores and conduct pressure sampling in order to determine whether to plug back in the pilot hole and set casing in preparation to drill a horizontal lateral. Assuming results are positive, that work would be performed and then the drilling rig would be moved off location. Helis will then have the logs and cores evaluated to assist in the design of the procedures to be used in completion of the horizontal lateral. This evaluation process is expected to take several months. As soon as that evaluation process is completed and the necessary permits have been obtained, Helis will sidetrack out of the vertical hole and drill a horizontal lateral in the TMS. Helis understands that drilling the horizontal lateral will require it to amend its permit prior to conducting such operations. On or before the completion of the subject well, Helis will file an amended well permit to designate the subject well as unit well for the subject unit. If results obtained from the drilling of the pilot hole are not sufficiently encouraging, Helis will not drill the horizontal lateral, but instead, plug and abandon the subject well in accordance with Statewide Order No. 29-B.

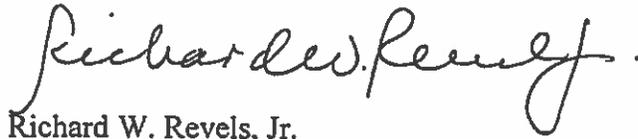
CONSERVATION EXHIBIT 1

September 10, 2014

We trust this satisfactorily explains Helis' plans for the subject well. If at any time your office has questions, do not hesitate to contact the applicant. Helis is fully committed to abiding by the rules and regulations of your office. Thank you very much.

Very truly yours,

LISKOW & LEWIS



Richard W. Revels, Jr.

RECEIVED

SEP 10 2014

OFFICE OF CONSERVATION
LAFAYETTE DISTRICT

35402.0281
4050935

AFFIDAVIT OF COMPLIANCE
STATEWIDE ORDER 29-B
RULE LAC 43:XIX.103

WELL NAME AND NUMBER EADS POITEVENT, ET AL #001

STATE OF LOUISIANA

PARISH/COUNTY OF LAFAYETTE

BEFORE ME, the undersigned Notary Public, personally appeared MICHELLE S. TAYLOR ("affiant") who on his oath did say that he is the REGULATORY AGENT (REPRESENTATIVE) of the HELIS OIL & GAS COMPANY LLC (COMPANY), authorized to do business in the state of Louisiana, and that said instrument was signed on behalf of said company, and affiant acknowledged that he executed the same as the free act and deed of said company.

BY CHECKING THIS BOX, AFFIANT CERTIFIES:

- The above referenced well will be drilled from an existing pad on the property in question, there will be no expansion to the existing drilling pad or access road(s) and therefore no notice to the surface owner is required pursuant to R.S. 30:28(I)(1)(f).
- A contractual relationship presently exists between the operator and the surface owner(s) of the subject well. As such, no pre-entry notice is required pursuant to 30:28(I)(1)(c).
- Surface owner was provided pre-entry notice on the _____ day of _____, 20_____. No construction operations of a drilling location for the aforementioned well shall commence less than thirty (30) days after such date.
- No pre-entry notice required pursuant to R.S. 30:28(I)(1)(d). Please attach documentation of Commissioner's waiver.

The information in this affidavit meets the requirements of Statewide Order 29-B, Rule LAC 43:XIX.103 and Louisiana R.S. 30:28(I), demonstrating compliance with such order. By signing this document, I certify that the foregoing is true and correct to the best of my knowledge.

Thus done and sworn this 9th day of SEPTEMBER, 2014 :

Signature: *Michelle S Taylor*

Print Name: MICHELLE S TAYLOR

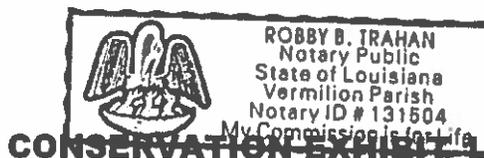
Title: REGULATORY AGENT

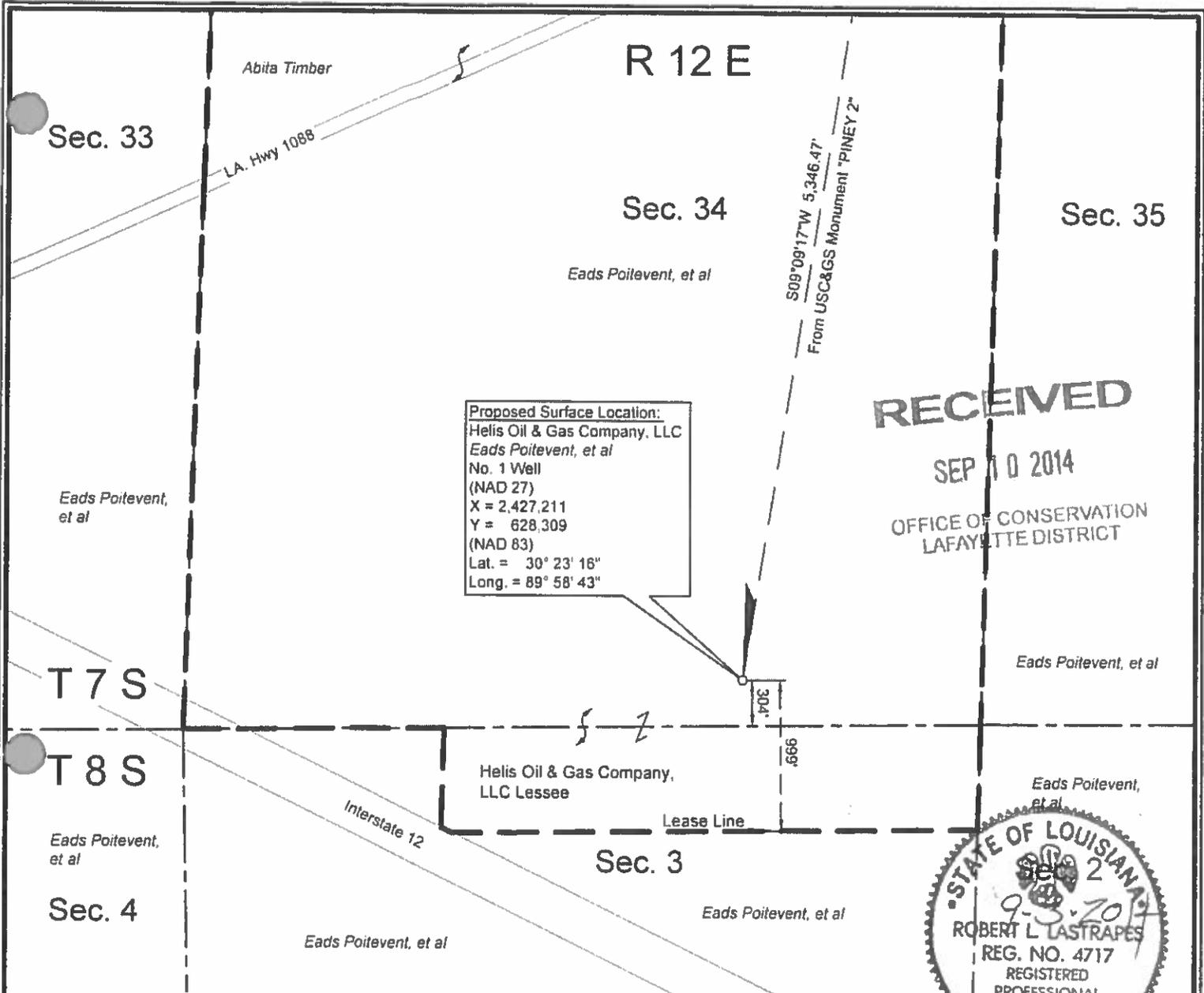
RECEIVED

SEP 10 2014

OFFICE OF CONSERVATION
LAFAYETTE DISTRICT

Robby B. Trahan
Notary Public



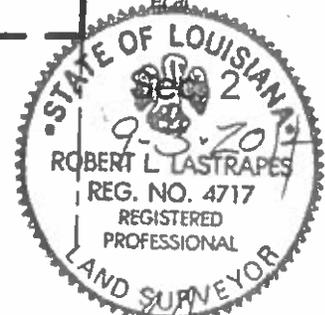


Proposed Surface Location:
 Helis Oil & Gas Company, LLC
 Eads Poitevent, et al
 No. 1 Well
 (NAD 27)
 X = 2,427,211
 Y = 628,309
 (NAD 83)
 Lat. = 30° 23' 16"
 Long. = 89° 58' 43"

RECEIVED

SEP 10 2014

OFFICE OF CONSERVATION
 LAFAYETTE DISTRICT



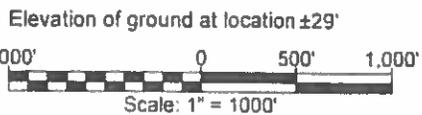
NOTE: This plat is not a property boundary survey and as such does not comply with the "Standards of Practice for Property Boundary Surveys" as adopted by the Louisiana Professional Engineering Land Surveying Board.

There are no residential or commercial structures, not owned by the applicant, his lessor, or other predecessor in interest, within a 500' radius of the proposed location as of 06/03/2014

Robert L. Lastrapes
 Professional Land Surveyor
 Registration No. 4717

Helis Oil & Gas Company, LLC -
 Eads Poitevent, et al No. 1 Well
 Prepared September 3, 2014 as follows:
 Location being S09°09'17"W 5,346.47' from
 USC&GS Monument "PINEY 2", located in
 Section 34 T7S-R12E St. Tammany Parish,
 Louisiana.

NAD 27 Louisiana South



HELIS OIL & GAS COMPANY, LLC
 Eads Poitevent, et al No. 1 Well
 SECTION 34 T7S-R12E
 St. Tammany Parish, Louisiana

DRAWN BY: TSM	REVISIONS
PROJ. MGR.: TSM	
DATE: 09/03/2014	
FILENAME: T:\2013\2130980\DWG\Eads Poitevent No.1 Well.dwg	



135 Regency Sq. Lafayette, LA 70508
 Ph 337-237-2200 Fax 337-232-3299
 www.fenstermaker.com

Tulane Environmental Law Clinic

September 15, 2014

BY EMAIL TO: jim.welsh@la.gov and U.S. Mail, Overnight Delivery
Mr. James Welch, Commissioner of Conservation
Louisiana Department of Natural Resources
Office of Conservation, 9th Floor
617 N. Third Street
Baton Rouge, LA 70802

BY EMAIL TO: richard.hudson@la.gov and U. S. Mail, Overnight Delivery
Mr. Richard Hudson, Manager
Office of Conservation, Lafayette District
Louisiana Department of Natural Resources
825 Kaliste Saloom Rd.
Brandywine III, Ste. 220
Lafayette, LA 70508

Re: Request for Hearing and Public Comment Period on Helis Oil
Drilling Permit Application, Eads Poitevent et al No. 1 Well

Dear Mr. Hudson:

On behalf of the Town of Abita Springs and the Concerned Citizens of St. Tammany (CCST), we write to request a public notice and comment period and, separately, a public hearing on the September 10, 2014, Helis Oil & Gas, L.L.C. application for a drilling permit for the Eads Poitevent et al No. 1 well.

We oppose the granting of this permit, and significant concerns have been raised by citizens, elected officials, and agency personnel regarding the potential negative impacts of this drilling project. And, as you are no doubt aware, Helis's proposed site for this well is in a residentially-zoned area of St. Tammany Parish. The Parish has flatly stated that drilling in this zone violates its zoning ordinances because the area in which Helis proposes to drill is zoned as an A-3 Suburban district. The potential consequences of an oil drilling and production project, as well as its associated activity and infrastructure, in an area designated for suburban activity are significant. Further, Helis proposes to drill through a sole source drinking water aquifer – the Southern Hills Aquifer. Many of these issues were raised before the Engineering Division of your office when Helis's unitization application was before it. Please reference that record for the details. Though that division held a public hearing on the unitization application, it did not

Tulane Environmental Law Clinic

6329 Freret St., Ste. 130, New Orleans, LA 70118-6231 tel 504.865.5789 fax 504.862.8721 www.tulane.edu/~telc

CONSERVATION EXHIBIT 2

provide a decision document when it granted the unitization nor did it issue a response to a single comment raised. Further, commenters were instructed to restrict their comments to the unitization issue. Therefore, thus far the DNR has done nothing to take in public comment or consider and address issues raised by the public and interested persons like the Town of Abita Springs and the members of the Concerned Citizens of St. Tammany.

For these reasons, a public comment period is not only appropriate, but necessary to comply with the Office's duty as public trustee of the environment under Article IX, section 1 of the Louisiana Constitution. Under the Louisiana Supreme Court's interpretation of this duty, the Office must allow public comment, consider and disclose the potential negative impacts of this drilling, determine whether the potential and real adverse impacts have been avoided as much as possible, and investigate whether there are alternative sites, alternative project, or mitigative measures which would offer more protection for the environment without unduly curtailing nonenvironmental benefits. *See Save Ourselves v. La. Env'tl. Control Comm'n*, 452 So. 2d 1152 (La. 1982); *see also In re Rubicon, Inc.*, 95-0108 (La. App. 1 Cir. 2/14/96); 670 So. 2d 475, 483.

Further, statutory law requires that you grant our hearing request. Under La. R.S. § 6(F), "Any interested person has the right to have the commissioner call a hearing for the purpose of taking action in respect to a matter within the jurisdiction of the commissioner by making a request therefor in writing. Upon receiving the request the commissioner *shall* promptly call a hearing." (emphasis added). The matter of Helis's application for a drilling permit is "a matter within the jurisdiction of the commissioner" and, therefore, the hearing is mandatory.

Please respond to us at the below-listed contact numbers and/or addresses. Thank you.

Respectfully submitted,

_____/s/ Lisa Jordan_____
Lisa W. Jordan, Deputy Director
Matthew Landry, Student Attorney
Tulane Environmental Law Clinic
6329 Freret Street
New Orleans, LA 70118
Phone: 504-865-5789
Email: lwjordan@tulane.edu
mlandr@tulane.edu
Counsel for the Town of Abita Springs

_____/s/ Callie Casstevens_____
Jim Blazek, Esq.
Callie D. Casstevens, Esq.
Donald P. Lee, Esq.
62322 Fish Hatchery Lane
Lacombe, LA 70445
Attorneys for CCST



BOBBY JINDAL
GOVERNOR

State of Louisiana
DEPARTMENT OF NATURAL RESOURCES
OFFICE OF CONSERVATION

STEPHEN CHUSTZ
SECRETARY

JAMES H. WELSH
COMMISSIONER OF CONSERVATION

VIA EMAIL AND
U.S. MAIL

September 30, 2014

Lisa Jordan, Esq.
Deputy Director
Tulane Environmental Law Clinic
6329 Freret St.
New Orleans, LA 70118
Counsel for Town of Abita Springs

Richard W. Revels, Esq.
822 Harding St.
Lafayette, LA 70503
Counsel for Helis Oil and Gas, L.L.C.

Callie Casstevens, Esq.
62322 Fish Hatchery Lane
Lacombe, LA 70445
*Counsel for Concerned Citizens of St.
Tammany*

**Re: Engineering Docket No. 14-626 - Request for Hearing and Public Comment
Period on Helis Oil Drilling Permit Application, Eads Poitevent et al No. 1 Well**

Dear Counselors:

This Office has received the Town of Abita Springs and Concerned Citizens of St. Tammany's (hereinafter "Opponents") request for a public hearing in opposition to the above referenced well pursuant to La. R.S. 30:6. While this Office submits that the issue of zoning remains one between St. Tammany Parish and Helis Oil & Gas, L.L.C. ("Helis" or permit "Applicant"), the Commissioner has decided that a public hearing will be held with regard to the permit application filed by Helis and the issues which fall under the jurisdiction of this Office regarding the same. This hearing will be held at 5 p.m. in the Lakeshore High School gymnasium in St. Tammany Parish on November 12, 2014.

Appreciating the fact that many of the Opponents' concerns are related to future and anticipated amendments to Helis' current drilling permit application,¹ this hearing shall include any opposition and/or statements relevant to Helis' drilling permit as filed and any opposition and/or comments relevant to any potential expansion of the drilling project to include horizontal drilling and/or hydraulic fracture stimulation.

¹ Attached as Exhibit I.

Please understand that, pursuant to La. R.S. 30:6, this Office and the Commissioner only have the authority to “call a hearing for the purpose of taking action in respect to a matter within the jurisdiction of the commissioner.” Therefore, only evidence and statements relevant to Helis’ permit application and this Office’s jurisdiction over the permitting of oil and gas wells can be considered in this process.

In regards to Ms. Jordan’s questions via email to my legal counsel on September 26, 2014 and questions from counsel for Helis as to how the hearing will be conducted, I felt that a letter to the hearing project Applicant and Opponents prescribing the rules of order or procedure for this hearing to be conducted pursuant to La. R.S. 30:6 would be helpful to all.²

Given the nature of the dispute and the hearing request filed by the Opponents, the pre-application notice, opposition, and conference are deemed inapplicable to the current hearing request. Further, given the nature of the dispute and the uniqueness of the hearing request filed by the Opponents, this Office will publish notice in the official state journal and the journal of the parish at issue and on the Department of Natural Resources’ website. In addition, this Office will provide written notice to St. Tammany Parish, the city of Covington, the village of Folsom, the town of Madisonville, the city of Mandeville, the town of Pearl River, the city of Slidell, and the village of Sun, and all local legislators.

With regard to the actual hearing request, attached as Exhibit 3, please find a copy of said request. Unless amended, this shall serve as the Applicants’ geological, engineering or other bases for its application for this La. R.S. 30:6 hearing. As previously noted above, due to the nature of the dispute and application filed by the Applicants, this Office has decided that the submission of written briefs will assist us in narrowing and/or resolving the issues in controversy and will undoubtedly assist each side in preparing for the hearing. Given this Office’s authority to prescribe the rules of order and procedure for hearings, this Office requests that both the Applicants and Helis submit written memoranda to this Office outlining each’s position **no later than October 24, 2014.**³

The hearing itself will be conducted in accordance with LAC 43, Part XIX, § 3929. In the event either the Applicant or Opponents seeks clarification of this rule with regard to this La. R.S. 30:6 hearing, please submit such an inquiry via email or in writing as soon as possible, copying the opposing party. To the extent a response is required, this Office will make a decision and respond in writing and/or clarify at the beginning of the hearing.

² La. R.S. 30:6(A). Attached as Exhibit 2, please find a copy of Ms. Jordan’s email.

³ Memoranda should be on letter sized paper with a margin of at least one inch on each side, using only one side of the page. The text of memoranda shall be Roman or Times New Roman 12 point or larger computer font, be double-spaced except for matters which are customarily single-spaced, and shall not exceed twenty (20) written pages.

Given that this is an issue of importance to the citizens of St. Tammany Parish and Abita Springs, please be mindful of LAC 43, Part XIX, § 3929(F) which states that "After the applicant and any opponents have made their presentations, any party shall be afforded an opportunity to make a statement. If such a statement includes technical data, the party shall be subject to being sworn and cross-examined." Appreciating the fact that there may be a large crowd in attendance, comments will initially be limited to 5 minutes. Once everyone has had the opportunity to speak, individuals will be given an opportunity to offer additional comments if time permits.

In addition to the public comment period conducted pursuant to LAC 43, Part XIX, § 3929(F), this Office will also leave the record until 5 p.m. on November 19, 2014 (one additional week). This will allow individuals who cannot attend the hearing to submit their unsworn comments in writing. Written comments must be mailed to Office of Conservation, Engineering Division, P.O. Box 94275, Baton Rouge, LA 70804 and reference Engineering Docket No. 14-626 or via email at dnrinfo@la.gov.

If any other issues arise that cannot be addressed in writing, the Commissioner may "call a pre-hearing conference at any time prior to the hearing, if in his opinion such a conference would resolve or narrow the issues in controversy or would assist in the conduct of the hearing."⁴ If either party believes such a conference is warranted, please notify this Office as soon as possible. Also, if the parties are able to come to any other agreement as to how the hearing should occur, this Office is more than willing to give consideration to any such agreement.

Please do not hesitate to contact my counsel you have any questions stemming from anything stated above via email at daniel.henry@la.gov or via telephone at (225) 342-5570.

Sincerely,

JAMES "JIM" H. WELSH
COMMISSIONER OF CONSERVATION
STATE OF LOUISIANA

By: 
DANIEL D. HENRY JR., Attorney
Louisiana Office of Conservation

JHW:DDH, JR
Enclosures

⁴ LAC 43, Part XIX, § 3923(A).

*Request for Hearing and Public Comment Period on
Helis Oil Drilling Permit Application,
Eads Poitevent et al No. 1 Well
9/30/2014
Page -4-*

cc:

**St. Tammany Parish
Senator Donahue
Representative Burns
Mayor Pat Brister
City of Covington
Village of Folsom
Town of Madisonville
City of Mandeville
Town of Pearl River
City of Slidell
Village of Sun**

**STATE OF LOUISIANA
OFFICE OF CONSERVATION FORM MD-10-R-1
APPLICATION FOR PERMIT TO DRILL FOR MINERALS
TYPE ONLY - FILE IN DUPLICATE**

(Print on Buff color paper)

OFFICE USE ONLY	OFFICE USE ONLY
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<u>NEW ORLEANS, LA 70130</u>	

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LOCATION: Section: <u>34</u> Township: <u>07S</u> Range: <u>12E</u>	
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PROPOSED ZONE OF COMPLETION: LOWER TUSCALOOSA SAND

APPLICABLE CONSERVATION ORDERS: 29B, 29E, 1577 SERIES

SERIAL NUMBER OF REDRILL OR REPERMIT (if applicable): _____

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SEND PERMIT TO:	<u>Liskow & Lewis - Attn: Rick Revels</u>
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(if different than above)	<u>Lafayette, LA 70505</u>
FOR ADDITIONAL INFORMATION, CONTACT:	<u>Mike Barham</u>
Phone No.:	<u>504-681-3316</u>

RECEIVED
SEP 10 2014

APPLICANT	OFFICE OF CONSERVATION LAFAYETTE DISTRICT
SUBMITTED BY: <u>Rick Revels / 337-232-7424</u>	
SIGNATURE: <u><i>Rick Revels</i></u>	
<small>TYPED NAME AND TITLE</small>	
<small>APPLICANT'S REPRESENTATIVE SIGNATURE</small>	

OFFICE USE ONLY	OFFICE USE ONLY
FINANCIAL SECURITY REQUIRED PRIOR TO PERMITTING: <input type="checkbox"/> Yes <input type="checkbox"/> No	
DISTRICT APPROVAL: _____	DATE: _____
ISSUED BY: _____	DATE: _____
API No.: _____	Exp.: _____

LISKOW & LEWIS

A Professional Law Corporation

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(504) 556-4108 Fax

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Houston, TX 77002
(713) 651-2900 Main
(713) 651-2908 Fax

September 10, 2014

Mr. Richard Hudson, Manager
Lafayette District Office of Conservation
825 Kaliste Saloom Rd.
Brandywine III, Ste. 220
Lafayette, LA 70508

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SEP 10 2014

OFFICE OF CONSERVATION
LAFAYETTE DISTRICT

Re: Drilling Permit Application: Eads Poitevent et al No. 1 Well

Dear Mr. Hudson:

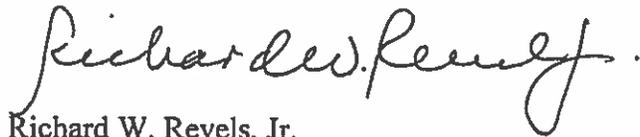
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September 10, 2014

We trust this satisfactorily explains Helis' plans for the subject well. If at any time your office has questions, do not hesitate to contact the applicant. Helis is fully committed to abiding by the rules and regulations of your office. Thank you very much.

Very truly yours,

LISKOW & LEWIS



Richard W. Revels, Jr.

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SEP 10 2014

OFFICE OF CONSERVATION
LAFAYETTE DISTRICT

35402.0281
4050935

AFFIDAVIT OF COMPLIANCE
STATEWIDE ORDER 29-B
RULE LAC 43:XIX.103

WELL NAME AND NUMBER EADS POITEVENT, ET AL #001

STATE OF LOUISIANA

PARISH/COUNTY OF LAFAYETTE

BEFORE ME, the undersigned Notary Public, personally appeared MICHELLE S. TAYLOR ("affiant") who on his oath did say that he is the REGULATORY AGENT (REPRESENTATIVE) of the HELIS OIL & GAS COMPANY LLC (COMPANY), authorized to do business in the state of Louisiana, and that said instrument was signed on behalf of said company, and affiant acknowledged that he executed the same as the free act and deed of said company.

BY CHECKING THIS BOX, AFFIANT CERTIFIES:

- The above referenced well will be drilled from an existing pad on the property in question, there will be no expansion to the existing drilling pad or access road(s) and therefore no notice to the surface owner is required pursuant to R.S. 30:28(I)(1)(f).
- A contractual relationship presently exists between the operator and the surface owner(s) of the subject well. As such, no pre-entry notice is required pursuant to 30:28(I)(1)(c).
- Surface owner was provided pre-entry notice on the _____ day of _____, 20_____. No construction operations of a drilling location for the aforementioned well shall commence less than thirty (30) days after such date.
- No pre-entry notice required pursuant to R.S. 30:28(I)(1)(d). Please attach documentation of Commissioner's waiver.

The information in this affidavit meets the requirements of Statewide Order 29-B, Rule LAC 43:XIX.103 and Louisiana R.S. 30:28(I), demonstrating compliance with such order. By signing this document, I certify that the foregoing is true and correct to the best of my knowledge.

Thus done and sworn this 9th day of SEPTEMBER, 2014 :

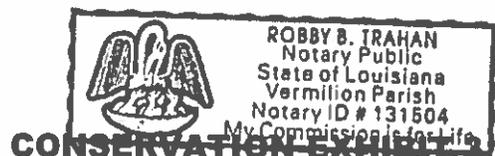
Signature: *Michelle S Taylor*
Print Name: MICHELLE S TAYLOR
Title: REGULATORY AGENT

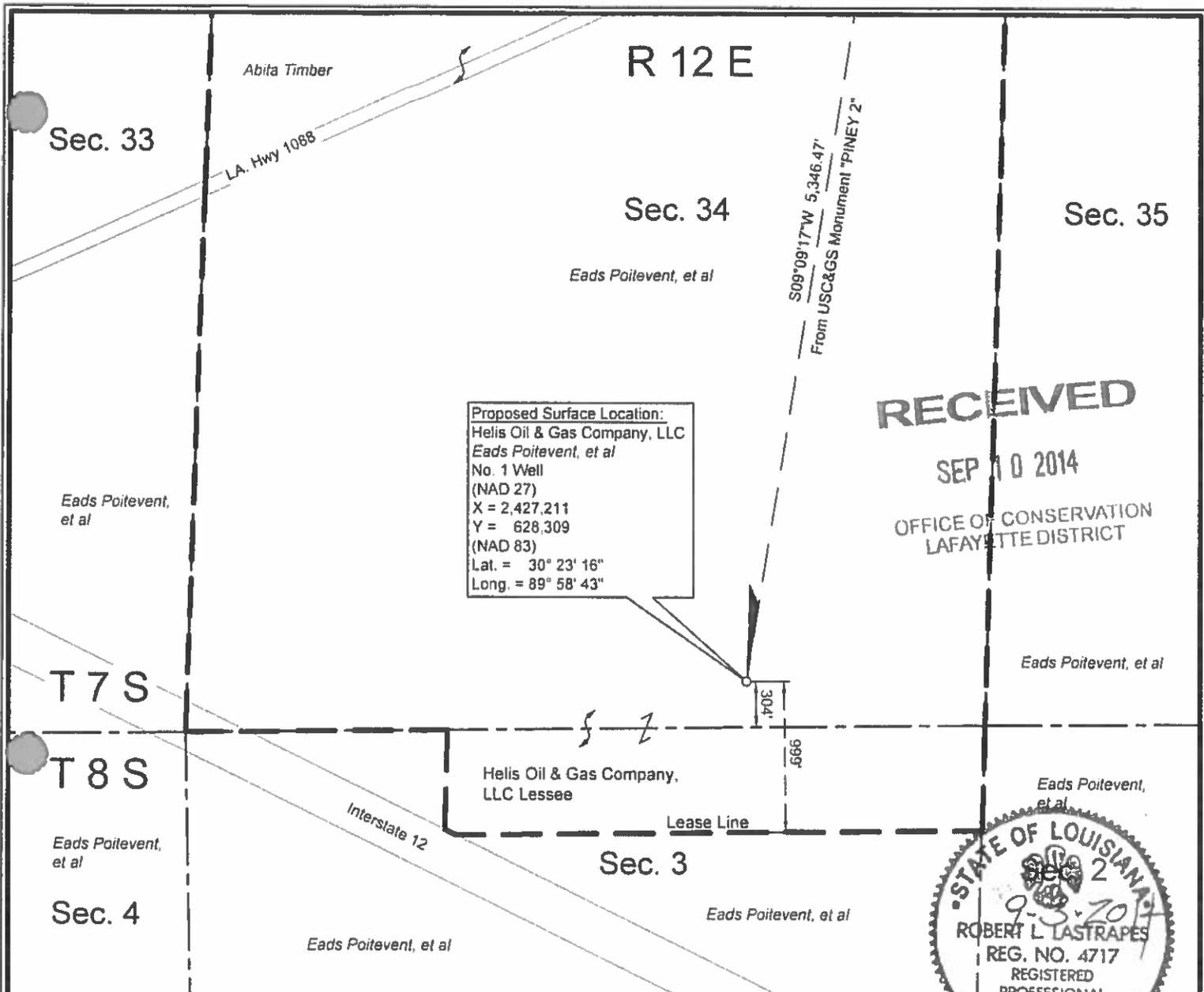
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OFFICE OF CONSERVATION
LAFAYETTE DISTRICT

Robby B. Trahan
Notary Public



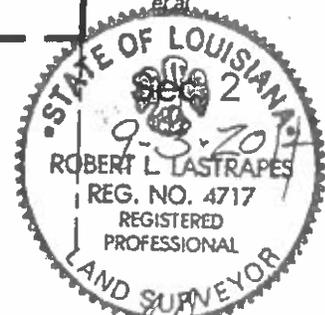


Proposed Surface Location:
 Helis Oil & Gas Company, LLC
 Eads Poitevent, et al
 No. 1 Well
 (NAD 27)
 X = 2,427,211
 Y = 628,309
 (NAD 83)
 Lat. = 30° 23' 16"
 Long. = 89° 58' 43"

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 LAFAYETTE DISTRICT



NOTE: This plat is not a property boundary survey and as such does not comply with the "Standards of Practice for Property Boundary Surveys" as adopted by the Louisiana Professional Engineering Land Surveying Board.

There are no residential or commercial structures, not owned by the applicant, his lessor, or other predecessor in interest, within a 500' radius of the proposed location as of 06/03/2014

Robert L. Lastrapes
 Professional Land Surveyor
 Registration No. 4717

Helis Oil & Gas Company, LLC -
 Eads Poitevent, et al No. 1 Well
 Prepared September 3, 2014 as follows:
 Location being S09°09'17"W 5,346.47' from
 USC&GS Monument "PINEY 2", located in
 Section 34 T7S-R12E St. Tammany Parish,
 Louisiana.

Elevation of ground at location ±29'



HELIS OIL & GAS COMPANY, LLC

Eads Poitevent, et al No. 1 Well

SECTION 34 T7S-R12E

St. Tammany Parish, Louisiana

DRAWN BY: TSM

REVISIONS

PROJ. MGR.: TSM

DATE: 09/03/2014

FILENAME: T:\2013\2130980\DWG\Eads Poitevent No.1 Well.dwg

FENSTERMAKER

135 Regency Sq. Lafayette, LA 70508
 Ph 337-237-2200 Fax 337-232-3299
 www.fenstermaker.com

Daniel Henry

From: Jordan, Lisa W <lwjordan@tulane.edu>
Sent: Friday, September 26, 2014 2:23 PM
To: Daniel Henry; John Adams (DNR)
Cc: Callie Casstevens (callie.casstevens@yahoo.com); Patrick Courreges; Landry, Matthew S; Wick, Caroline J
Subject: confirming details

Daniel and John:

Daniel answered some of my questions over the phone about details on the hearing, and confirmed some of these in an email yesterday. Members of the Concerned Citizens of St. Tammany have likewise learned some details from Patrick Courreges (and I have copied that email below for you convenience). Therefore, I would like to make sure my current understanding on the hearing is correct.

First, I understand that, after the hearing, there will be a minimum of 7 days afterward where the public comment period will remain open for written comments (see below).

Second, I understand that the public comment portion of the hearing will allow each person who wants to speak an opportunity to speak, with a time limit (expected to be around 5 minutes). After all persons who want to speak have been given that opportunity, persons who desire to add to their comments (which includes people who ran out of time) will be allowed to do so.

Third, I understand that Helis will be allowed to go first at the hearing, either with a presentation or with a witness or with both. CCST and the Town of Abita Springs will be allowed to follow with a presentation or witnesses. After that, the public will be allowed to speak.

Fourth, we have not discussed this, but how will the order of the public speakers be determined? Will it be in the order which they signed in/filled out a card? Will that card/sign in sheet be filled out by all who attend or only those who wish to speak?

Fifth, will the DNR decisionmaker/s attend the hearing?

Sixth, I expect that the public will be allowed to speak about whatever aspect of the overall Helis project they wish to, regardless of the particular application pending right now.

Last, I have a suggestion. I have attended more than one public hearing (by DEQ) where the hearing officer has told the public that they cannot ask questions during their comments. In one instance, the hearing officer interrupted more than one speaker mid-question to instruct him/her that he/her was not allowed to ask questions. In my opinion, this was improper and, actually, a violation of free speech. In the instance where the officer interrupted people, it appears to have seriously squelched public comment, as several citizens whose names were called after that said they wanted to pass on their opportunity to speak, and did so. I understand the desire to inform the public that the hearing officers are not there to answer questions, but I feel that it oversteps boundaries when that information is presented as an instruction to the public that they cannot ask questions or phrase their comments in the form of a question. I don't presume that you planned to give such an instruction, but wanted to give you a heads up that I would object to such an instruction.

Thank you for allowing me to clarify these issues. Please correct me promptly if I have anything wrong.

Lisa Jordan
Deputy Director
Tulane Environmental Law Clinic
6329 Freret Street
New Orleans, LA 70118
Direct: (504) 314-2481
Office: (504) 865-5789
Fax: (504) 862-8721
Email: lwjordan@tulane.edu

Ms. Stevens,

Sorry for the delay, I did not want to give you bad information on how things were likely to go forward. The timetable has changed as of this week, because the Commissioner of Conservation will be calling a public hearing requested by the City of Abita Springs and CCST. It will be held in St. Tammany, but the date hasn't been set yet. In the meantime, the drilling permit application decision will be on hold until 30-day notice of hearing has been published, the hearing has been held followed by a written public comment period (usually at least 7 days following hearing), and public comments (both written and from the public hearing) have been reviewed. That would give a rough timetable of around the first week of November as likely the earliest time for the public hearing, mid-November to receive all written public comments – but timing would be uncertain following that, depending on the number and nature of the information presented through the hearing and comment period.

I hope this helps answer your questions, let me know if there's something I'm missing that you need.

Patrick Courreges
Communications Director
La. Dept. of Natural Resources
Ofc: 225-342-0510
Cell: 225-454-8223

Tulane Environmental Law Clinic

September 15, 2014

BY EMAIL TO: jim.welsh@la.gov and U.S. Mail, Overnight Delivery
Mr. James Welch, Commissioner of Conservation
Louisiana Department of Natural Resources
Office of Conservation, 9th Floor
617 N. Third Street
Baton Rouge, LA 70802

BY EMAIL TO: richard.hudson@la.gov and U. S. Mail, Overnight Delivery
Mr. Richard Hudson, Manager
Office of Conservation, Lafayette District
Louisiana Department of Natural Resources
825 Kaliste Saloom Rd.
Brandywine III, Ste. 220
Lafayette, LA 70508

Re: Request for Hearing and Public Comment Period on Helis Oil
Drilling Permit Application, Eads Poitevent et al No. 1 Well

Dear Mr. Hudson:

On behalf of the Town of Abita Springs and the Concerned Citizens of St. Tammany (CCST), we write to request a public notice and comment period and, separately, a public hearing on the September 10, 2014, Helis Oil & Gas, L.L.C. application for a drilling permit for the Eads Poitevent et al No. 1 well.

We oppose the granting of this permit, and significant concerns have been raised by citizens, elected officials, and agency personnel regarding the potential negative impacts of this drilling project. And, as you are no doubt aware, Helis's proposed site for this well is in a residentially-zoned area of St. Tammany Parish. The Parish has flatly stated that drilling in this zone violates its zoning ordinances because the area in which Helis proposes to drill is zoned as an A-3 Suburban district. The potential consequences of an oil drilling and production project, as well as its associated activity and infrastructure, in an area designated for suburban activity are significant. Further, Helis proposes to drill through a sole source drinking water aquifer – the Southern Hills Aquifer. Many of these issues were raised before the Engineering Division of your office when Helis's unitization application was before it. Please reference that record for the details. Though that division held a public hearing on the unitization application, it did not

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provide a decision document when it granted the unitization nor did it issue a response to a single comment raised. Further, commenters were instructed to restrict their comments to the unitization issue. Therefore, thus far the DNR has done nothing to take in public comment or consider and address issues raised by the public and interested persons like the Town of Abita Springs and the members of the Concerned Citizens of St. Tammany.

For these reasons, a public comment period is not only appropriate, but necessary to comply with the Office's duty as public trustee of the environment under Article IX, section 1 of the Louisiana Constitution. Under the Louisiana Supreme Court's interpretation of this duty, the Office must allow public comment, consider and disclose the potential negative impacts of this drilling, determine whether the potential and real adverse impacts have been avoided as much as possible, and investigate whether there are alternative sites, alternative project, or mitigative measures which would offer more protection for the environment without unduly curtailing nonenvironmental benefits. *See Save Ourselves v. La. Env'tl. Control Comm'n*, 452 So. 2d 1152 (La. 1982); *see also In re Rubicon, Inc.*, 95-0108 (La. App. 1 Cir. 2/14/96); 670 So. 2d 475, 483.

Further, statutory law requires that you grant our hearing request. Under La. R.S. § 6(F), "Any interested person has the right to have the commissioner call a hearing for the purpose of taking action in respect to a matter within the jurisdiction of the commissioner by making a request therefor in writing. Upon receiving the request the commissioner *shall* promptly call a hearing." (emphasis added). The matter of Helis's application for a drilling permit is "a matter within the jurisdiction of the commissioner" and, therefore, the hearing is mandatory.

Please respond to us at the below-listed contact numbers and/or addresses. Thank you.

Respectfully submitted,

_____/s/ Lisa Jordan_____
Lisa W. Jordan, Deputy Director
Matthew Landry, Student Attorney
Tulane Environmental Law Clinic
6329 Freret Street
New Orleans, LA 70118
Phone: 504-865-5789
Email: lwjordan@tulane.edu
mlandr@tulane.edu
Counsel for the Town of Abita Springs

_____/s/ Callie Casstevens_____
Jim Blazek, Esq.
Callie D. Casstevens, Esq.
Donald P. Lee, Esq.
62322 Fish Hatchery Lane
Lacombe, LA 70445
Attorneys for CCST

Louisiana Administrative Code Currentness

Title 43. Natural Resources

Part XIX. Office of Conservation—General Operations

Subpart 17. Procedures for Hearings and Unit and Survey Plat Requirements

Chapter 39. Hearings

La. Admin Code. tit. 43, pt. XIX, § 3901

§ 3901. Scope

A. This order provides rules of procedure for conducting hearings before the Commissioner of Conservation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq.

HISTORICAL NOTE: Adopted by the Department of Natural Resources, Office of Conservation, October 1983, amended and promulgated by the Department of Natural Resources, Office of Conservation, LR 19:759 (June 1993).

Current through rules published in the Louisiana Register dated January 20, 2014.

La. Admin Code. tit. 43, pt. XIX, § 3901, 43 LA ADC Pt XIX, § 3901

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Part XIX. Office of Conservation—General Operations
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Chapter 39. Hearings

La. Admin Code. tit. 43, pt. XIX, § 3903

§ 3903. Definitions

A. The words defined herein shall have the following meanings when used in these rules. All other words so used and not herein defined shall have their usual meanings unless specially defined in Title 30 of Louisiana Revised Statutes of 1950.

Date—the postmarked date of a letter or the transmittal date of a telegraphic or wireless communication.

District Manager—the manager of any one of the districts of the state of Louisiana under the Office of Conservation, and, as used, refers specifically to the manager within whose district the field or fields affected by the subject matter of the proposed hearing are located.

Interest—shall not mean the rights of a top lessee or any other reversionary right.

Interested Owner—any owner as owner is defined in Title 30 of Louisiana Revised Statutes of 1950, who is known to the applicant after reasonable search to presently own an interest within the area of, or proximate to, the tracts directly affected by the application.

Interested Party—any person as person is defined in Title 30 of Louisiana Revised Statutes of 1950, other than an interested owner or a represented party as defined herein, who presently owns an interest within the area of, or proximate to, the tracts directly affected by the application.

Pertinent Data—with respect to any unit proceedings, all basic factual information available from wells drilled or drilling which can reasonably be utilized in determining the unit configuration, including but not limited to:

- a. electric logs, porosity logs and dipmeter logs;
- b. tests, completion and production data; and
- c. core data. All data that will be employed at a hearing shall be considered pertinent data.

Represented Party—any person as person is defined in Title 30 of Louisiana Revised Statutes of 1950, who is known to the applicant after reasonable search to presently own an interest within the area of, or proximate to, the tracts directly affected by the application and who is also known to the applicant to have either a consultant or attorney representing him in conservation matters.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq.

HISTORICAL NOTE: Adopted by the Department of Natural Resources, Office of Conservation, October 1983, amended and promulgated by the Department of Natural Resources, Office of Conservation, LR 19:759 (June 1993).

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La. Admin Code. tit. 43, pt. XIX, § 3903, 43 LA ADC Pt XIX, § 3903

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La. Admin Code. tit. 43, pt. XIX, § 3905

§ 3905. Applicability

A. These rules of procedure shall be applicable to all hearing applications which require 30 days notice as set forth in Section 6B of Chapter 1 of Title 30 of the Louisiana Revised Statutes of 1950, including applications relating to revisions of poolwide units created under Section 5C (Act 441 of 1960), provided that, except for the notice provisions contained in §3915.A.1, 2 and 3 herein, and except to the extent provided in §3921 herein, these rules of procedure shall not apply to applications relating to the initial creation of poolwide units under Section 5C (Act 441 of 1960) of Chapter 1 of Title 30 of the Louisiana Revised Statutes of 1950.

B. If the application relates to the initial creation of poolwide units under Section 5C (Act 441 of 1960), a copy of same shall be furnished each interested owner and represented party. If the required 75 percent in interest of owners and royalty owners in the reservoir shall have failed to join in the agreement covering the plan and terms of unit operation by the fifteenth day prior to the date of hearing, the applicant shall secure cancellation of the hearing and shall notify all interested owners, represented parties, and interested parties of the cancellation.

C. To the extent practicable, these rules of procedure also shall apply to hearing applications which require 10 days notice. The provisions in §§3907, 3911, 3913, 3915, 3917, 3919, 3921 and 3933, concerning pre-application notice, notice of opposition, pre-application conferences, other conferences, proposed units, unit revisions, counterplans and matters which are not deemed practicable for hearing applications which require 10 days notice shall not apply. The posting and publication of a copy of the notice of hearing shall be accomplished as soon as practicable after such notice has been issued by the commissioner. Any interested owner or represented party who has opposition to the application shall give immediate notice thereof to the commissioner, district manager and the applicant.

D. These rules of procedure shall in no way alter or change the right of any interested person, as provided in Paragraph F, Section 6 of Chapter 1 of Title 30 of the La. R.S. of 1950, to have the Commissioner of Conservation call a hearing for the purpose of taking action in respect to a matter within the jurisdiction of the commissioner, nor the requirement that the commissioner, upon receiving the request, promptly call a hearing.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq.

HISTORICAL NOTE: Adopted by the Department of Natural Resources, Office of Conservation, October 1983, amended and promulgated by the Department of Natural Resources, Office of Conservation, LR 19:760 (June 1993).

Current through rules published in the Louisiana Register dated January 20, 2014.

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La. Admin Code. tit. 43, pt. XIX, § 3907

§ 3907. Pre-Application Notice

A. Except as provided by §3917, any person intending to apply for a hearing, prior to filing application, shall send a notice outlining the proposal to the commissioner (in duplicate) with a copy to the district manager and to each interested owner and represented party. Interested owners and represented parties need not be furnished the list described in §3907.B.1, but the applicant upon request shall furnish a copy of said list to the requesting party.

B. Each pre-application notice shall include or be accompanied by the following:

1. a list of the names and addresses of all interested owners and represented parties to whom it is being sent;

2. a statement that a reasonable effort has been made to determine to whom the notices as required by this rule must be sent;

3. an explanation of the nature of the proposal and a copy of a unit plat for each sand, if units are involved, prepared in accordance with all applicable memoranda and the procedure for assigning nomenclature of LAC 43:XIX.103, with any geological bases for any unit boundary labeled thereon. A reasonable effort shall be made to prepare the plat in sufficient detail to enable affected parties to determine the location of their lands;

4. a day, time and place for a conference which need be held only if notice of a desire to confer with respect to the application is given as herein after provided. Any such conference shall be held within the state of Louisiana (unless mutually agreed otherwise among all interested owners and represented parties) in a city reasonably convenient to the persons involved and shall be scheduled for not less than 20 calendar days following the date of the pre-application notice;

5. a definition of the sand proposed for unitization with such sand defined in each reservoir thereof by reference to well log measurements.

C. If an applicant has proof acceptable to the commissioner that there is no necessity to confer about the proposal because there is no indication of opposition from any person to whom the pre-application notice must be sent, he may immediately proceed to file his application and need not schedule a conference nor comply with §3915.A.1 and 4 hereof.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq.

HISTORICAL NOTE: Adopted by the Department of Natural Resources, Office of Conservation, October 1983, amended and promulgated by the Department of Natural Resources, Office of Conservation, LR 19:760 (June 1993), repromulgated LR 19:1030 (August 1993).

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La. Admin Code. tit. 43, pt. XIX, § 3907, 43 LA ADC Pt XIX, § 3907

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La. Admin Code. tit. 43, pt. XIX, § 3909

§ 3909. Release of Pertinent Data

A. Pertinent data shall be made available to interested owners and represented parties sufficiently in advance of any conference to allow a reasonable time for review and interpretation thereof prior to such conference.

B. Reference to source, including commercial outlets, from which or whom such data can be obtained, at the cost of the requesting party, shall be included in notices and applications required by these rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq.

HISTORICAL NOTE: Adopted by the Department of Natural Resources, Office of Conservation, October 1983, amended and promulgated by the Department of Natural Resources, Office of Conservation, LR 19:760 (June 1993).

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La. Admin Code. tit. 43, pt. XIX, § 3909, 43 LA ADC Pt XIX, § 3909

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La. Admin Code. tit. 43, pt. XIX, § 3911

§ 3911. Opposition—Pre-Application Notice

A. If any interested owner or represented party desires to confer about the applicant's proposal as set forth in the pre-application notice, he shall, within 10 calendar days after the date of said notice, advise the applicant of his desire to confer, and the applicant shall, within 15 calendar days after the date of the pre-application notice, advise in writing the commissioner, the district manager and all other persons to whom the pre-application notice was sent that the conference will be held. Any interested owner and represented party may attend and participate in the conference even though not requesting it. If the applicant does not timely receive notice of a desire to confer from any party receiving the pre-application notice, he may immediately proceed to file his application.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq.

HISTORICAL NOTE: Adopted by the Department of Natural Resources, Office of Conservation, October 1983, amended and promulgated by the Department of Natural Resources, Office of Conservation, LR 19:761 (June 1993).

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La. Admin Code. tit. 43, pt. XIX, § 3911, 43 LA ADC Pt XIX, § 3911

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La. Admin Code. tit. 43, pt. XIX, § 3913

§ 3913. Procedure for Conferences

A. At any conference held pursuant to these rules, the applicant shall present the available and appropriate geological, engineering or other bases for his position supported by sufficient data and detail for the conferees to have reasonable opportunity to discuss and attempt to resolve their differences in good faith.

B. Any opponent or party supporting the applicant, who has had an opportunity to study the matter and who has developed the geological, engineering or other bases for his opposition or support, shall present his position in sufficient detail to permit the parties to attempt to resolve the differences in good faith.

C. If, however, any opponent or party supporting the applicant is not prepared to discuss the geological, engineering or other bases for his opposition or support at the conference, he shall later comply with the provisions of §3915 or §3917 and §3921 hereof.

D. At any conference held pursuant to these rules, any participant proposing to create or revise a unit or units shall exhibit a map or plat, reasonably prepared in sufficient size and detail to enable affected parties to determine the location of their lands.

E. Conferences held pursuant to these rules are designed to promote an open exchange of views among the parties; therefore, any reference to discussions among the parties as to geological, engineering, or other bases for a party's position at said conferences shall not be admissible in evidence at any hearing. Tape recordings and transcriptions made at any such conference also shall not be admissible in evidence.

F. Conference reports prepared pursuant to §§3915 and 3917 shall be limited to a statement of whether or not there is disagreement among the parties and shall contain no reference to individual geological, engineering or other opinions expressed at said conferences, but they shall indicate the issues that are likely to be controverted and the number of parties likely to present opposing plans.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq.

HISTORICAL NOTE: Adopted by the Department of Natural Resources, Office of Conservation, October 1983, amended and promulgated by the Department of Natural Resources, Office of Conservation, LR 19:761 (June 1993).

§ 3913. Procedure for Conferences, 43 LA ADC Pt XIX, § 3913

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La. Admin Code. tit. 43, pt. XIX, § 3913, 43 LA ADC Pt XIX, § 3913

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Chapter 39. Hearings

La. Admin Code. tit. 43, pt. XIX, § 3915

§ 3915. Hearing Application

A. The hearing application may be filed immediately after the pre-application conference or as otherwise provided in §§3907 and 3911 and shall be filed with the commissioner (in duplicate) with a copy to the district manager and to each interested owner and represented party. Interested owners and represented parties need not be furnished the lists described in §3915.A.1 and 2, but the applicant upon request shall furnish copies of said lists to the requesting party. In addition to outlining the purpose thereof, the application shall include or be accompanied by the following:

1. a list of the names and addresses of interested owners and represented parties notified, as required by §3907.B.1;
2. a list of the names and addresses of all interested parties who are known to the applicant after reasonable search. In addition to the publication of the legal notice by the commissioner in the official state journal, the applicant shall provide for posting of a copy of the legal notice of the hearing and unit plat or plats in a prominent place in the area affected and publication of a copy of the legal notice in a newspaper published in the vicinity or general area of the affected field at least 15 days before the hearing. The applicant shall mail copies of the legal notice to all interested owners, represented parties and interested parties and a copy of the unit plat or plats shall be included with the legal notice, if said parties have not already been furnished same. Evidence to establish posting, publishing and mailing shall be submitted at the hearing;
3. a statement that a reasonable effort has been made to obtain a complete list of interested parties, interested owners and represented parties;
4. a statement that a conference has or has not been held, including a brief report on the conference, if held, and a list of the parties in attendance;
5. a unit plat, if units are involved, prepared in accordance with all applicable memoranda and the procedure for assigning nomenclature of LAC 43:XIX.103, with any geological bases for any unit boundary labeled thereon and the other items required by statute or by the commissioner;
6. a definition of the sand proposed for unitization with such sand defined in each reservoir thereof by reference to well log measurements.

B. A request for rules and regulations for more than one sand shall be considered a separate application for each sand and the commissioner shall be furnished an extra copy of the application for each additional

sand affected thereby. An application fee for each sand shall be filed with the application as established by Part XIX, Subpart 2 or successor regulation.

C. If, as a result of any conference, the applicant's proposal as set forth in a pre-application notice is revised, the revised proposal shall be explained in the application, and if units are involved and are revised, the revised unit plat shall be filed with the application.

D. If the application does not change or alter the units as proposed in the pre-application notice, additional plats need not be furnished to interested owners and represented parties.

E. If differences are not resolved or if any interested owner or represented party desires to oppose or support a proposal by the introduction of evidence at the hearing, then not less than 15 calendar days before the hearing, he must file with the commissioner and furnish to the district manager, the applicant and all persons who attended the pre-application conference his counterplan or supporting plan, including a plat of his proposed units, if units are involved, prepared in accordance with all applicable memoranda and the procedure for assigning nomenclature of LAC 43:XIX.103, with any geological bases for any unit boundary labeled thereon, accompanied by a letter explaining any points of difference with the applicant's plan.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq.

HISTORICAL NOTE: Adopted by the Department of Natural Resources, Office of Conservation, October 1983, amended and promulgated by the Department of Natural Resources, Office of Conservation, LR 19:761 (June 1993), repromulgated LR 19:1030 (August 1993).

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La. Admin Code. tit. 43, pt. XIX, § 3915, 43 LA ADC Pt XIX, § 3915

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La. Admin Code. tit. 43, pt. XIX, § 3917

§ 3917. Waiver of Pre-Application Notice

A. If circumstances indicate that the 20 day delay required by the pre-application procedure in the filing of an application for a public hearing would result in undue hardship to the applicant, the commissioner may waive the pre-application notice requirements, and §3907 of these rules shall not apply.

B. However each such waiver must be expressly approved by the Office of Conservation, and in no instance shall the Office of Conservation approve a waiver under these rules unless there can be compliance with the 15 day provision of §3937.

C. The hearing application under this procedure shall be filed with the commissioner (in duplicate), with a copy to the district manager and to each interested owner and represented party. Interested owners and represented parties need not be furnished the lists described in §3917.C.2 and 3, but the applicant upon request shall furnish copies of said lists to the requesting party. In addition to outlining the purpose thereof, the application shall include or be accompanied by the following:

1. a statement to the effect that the Office of Conservation has waived the pre-application notice requirements and that §3907 of these rules shall not apply;

2. a list of the names and addresses of interested owners and represented parties who are being furnished with a copy of the application;

3. a list of the names and addresses of all interested parties who are known to the applicant after reasonable search. In addition to the publication of the legal notice by the commissioner in the official state journal, the applicant shall provide for posting of a copy of the legal notice of the hearing and unit plat or plats in a prominent place in the area affected and publication of a copy of the legal notice in a newspaper published in the vicinity or general area of the affected field at least 15 days before the hearing. The applicant shall mail copies of the legal notice to all interested owners, represented parties and interested parties and a copy of the unit plat or plats shall be included with the legal notice, if said parties have not already been furnished same. Evidence to establish posting, publishing and mailing shall be submitted at the hearing;

4. a statement that a reasonable effort has been made to obtain a complete list of interested parties, interested owners and represented parties;

5. a day, time and place for a pre-hearing conference which shall be scheduled for not less than 10 calendar days after the date of the application. Any such conference shall be held within the state of Louisiana

(unless mutually agreed otherwise among all interested owners and represented parties), in a city reasonably convenient to the persons involved;

6. a unit plat, if units are involved, prepared in accordance with all applicable memoranda and the procedure for assigning nomenclature of LAC 43:XIX.103, with any geological bases for any unit boundary labeled thereon, and the other items required by statute or by the commissioner. A reasonable effort shall be made to prepare the plat in sufficient detail to enable affected parties to determine the location of their lands;

7. a definition of the sand proposed for unitization with such sand defined in each reservoir thereof by reference to well log measurements.

D. A request for rules and regulations for more than one sand shall be a separate application for each sand, and the commissioner shall be furnished an extra copy of the application for each additional sand affected thereby. An application fee for each sand shall be filed with the application as established by Part XIX, Subpart 2 or successor regulation.

E. If any interested owner or represented party desires to confer about the applicant's proposal, he shall be represented at the pre-hearing conference provided for above. The pre-hearing conference shall be conducted in accordance with §3913.

F. Immediately after the pre-hearing conference, the applicant shall furnish the commissioner and the persons to whom the application was sent a brief report on the conference and a list of the parties in attendance.

G. If, as a result of the pre-hearing conference, the applicant's proposal as set forth in the application is revised, the applicant shall notify the commissioner, the district manager and all parties to whom the application was sent of the revision and furnish them with a copy of the revised unit plat, if units are involved, and with an explanation of the revision.

H. If differences are not resolved or if any interested owner or represented party desires to oppose or support a proposal by the introduction of evidence at the hearing, then not less than five calendar days before the hearing, he must file with the commissioner and furnish to the district manager, the applicant and all persons who attended the conference his counterplan or supporting plan, including a plat of his proposed unit, if units are involved, prepared in accordance with all applicable memoranda and the procedure for assigning nomenclature of LAC 43:XIX.103, with any geological bases for any unit boundary labeled thereon, accompanied by a letter explaining any points of difference with the applicant's plan.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq.

HISTORICAL NOTE: Adopted by the Department of Natural Resources, Office of Conservation, October 1983, amended and promulgated by the Department of Natural Resources, Office of Conservation, LR 19:762 (June 1993), repromulgated LR 19:1030 (August 1993).

Current through rules published in the Louisiana Register dated January 20, 2014.

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La. Admin Code. tit. 43, pt. XIX, § 3919

§ 3919. Revisions after Application

A. If, after the application is filed, the applicant's proposal is revised, the applicant shall promptly notify the commissioner, the district manager and all parties to whom the application was sent, of the revision and furnish to them a copy of any revised plan and unit plat, if units are involved, and shall, if requested, hold a conference to discuss the revised proposal prior to the hearing. If there are differences among the applicant, interested owners and represented parties as to the applicant's revised proposal, and the differences are resolved as a result of any conference, the applicant shall file the revised plan and plat promptly with the commissioner and furnish a copy to the district manager and to all parties to whom the application was sent. No revised proposal may be considered at the hearing unless notice of the revision has been sent to the commissioner, the district manager and to all parties to whom the legal notice was sent, at least five days prior to the hearing. The applicant shall present both the original application proposal and the revised proposal at the hearing, with evidence to support the revision. The time provisions of §§3915 and 3917 shall not apply to revised proposals filed less than 20 days prior to the day of the hearing.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq.

HISTORICAL NOTE: Adopted by the Department of Natural Resources, Office of Conservation, October 1983, amended and promulgated by the Department of Natural Resources, Office of Conservation, LR 19:763 (June 1993).

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La. Admin Code. tit. 43, pt. XIX, § 3919, 43 LA ADC Pt XIX, § 3919

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La. Admin Code. tit. 43, pt. XIX, § 3921

§ 3921. Additional Requirements for Opposition to or Support of Application

A. If any opponent or party supporting the applicant did not present the geological, engineering or other bases for his opposition or support at the preapplication conference, pre-hearing conference, or such other conferences provided by these rules, or if there has been a change in the bases for his opposition or support, such opponent or supporting party shall disclose to the parties in attendance at such conference the geological, engineering or other bases for his opposition or support by mailing to them on or before the date set for filing a counterplan copies of his structure map and such other geological and engineering interpretations of the data as were disclosed by the applicant pursuant to §3913.

B. If any interested owner or represented party desires to add one or more units to an applicant's plan, such interested owner or represented party shall, within five days after receiving the applicant's pre-application notice, secure waiver of pre-application notice and file his application under §3917 for the additional units so proposed, scheduling the required conference at the same time, date and place as the pre-application conference scheduled by the initial applicant.

C. With respect to any hearing application relating to the initial creation of poolwide units under Section 5C (Act 441 of 1960) of Chapter 1 of Title 30 of the Louisiana Revised Statutes of 1950 any party who has received notice of the hearing and who wishes to introduce evidence in opposition to such application shall file with the commissioner and furnish to the district manager and interested owners and represented parties, at least 10 calendar days prior to the date of the hearing, a letter explaining the opposition to the applicant's plan, including a plat, if appropriate, and at the request of any party, shall immediately disclose to the requesting party the geological, engineering or other bases for his opposition in a manner convenient to the parties.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq.

HISTORICAL NOTE: Promulgated by the Department of Natural Resources, Office of Conservation, October 1983, amended and promulgated by the Department of Natural Resources, Office of Conservation, LR 19:763 (June 1993).

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La. Admin Code. tit. 43, pt. XIX, § 3921, 43 LA ADC Pt XIX, § 3921

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La. Admin Code. tit. 43, pt. XIX, § 3923

§ 3923. Commissioner's Conference

A. The commissioner shall have the right to call a pre-hearing conference at any time prior to the hearing, if in his opinion such a conference would resolve or narrow the issues in controversy or would assist in the conduct of the hearing.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq.

HISTORICAL NOTE: Promulgated by the Department of Natural Resources, Office of Conservation, October 1983, amended and promulgated by the Department of Natural Resources, Office of Conservation, LR 19:763 (June 1993).

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La. Admin Code. tit. 43, pt. XIX, § 3923, 43 LA ADC Pt XIX, § 3923

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La. Admin Code. tit. 43, pt. XIX, § 3925

§ 3925. Timeliness of Filings

A. All notices and filings provided for herein shall be presumed as given timely when the date or actual date of receipt, if hand delivered, of the copy received by the commissioner complies with appropriate delays herein provided. Copies to interested owners and represented parties shall be deposited on the same day in the United States mail, properly stamped and addressed, or, if telegraphic or wireless communication is used, dispatched on that day by the transmitting party.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq.

HISTORICAL NOTE: Adopted by the Department of Natural Resources, Office of Conservation, October 1983, amended and promulgated by the Department of Natural Resources, Office of Conservation, LR 19:763 (June 1993).

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La. Admin Code. tit. 43, pt. XIX, § 3925, 43 LA ADC Pt XIX, § 3925

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La. Admin Code. tit. 43, pt. XIX, § 3927

§ 3927. Notice of Continued Hearing

A. When a hearing is opened and continued, the notice given for the original hearing shall be applicable to the continued hearing, if the hearing officer at the time of granting the continuance designates the new time, date and place of the continued hearing. In all other instances of a continued hearing, the applicant shall at least 15 days before the hearing provide notice of the continued hearing by posting such notice in a prominent place in the area affected, by publishing such notice in a newspaper published in the vicinity or general area of the affected field and by mailing such notice to all interested owners, represented parties and interested parties.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq.

HISTORICAL NOTE: Adopted by the Department of Natural Resources, Office of Conservation, October 1983, amended and promulgated by the Department of Natural Resources, Office of Conservation, LR 19:763 (June 1993).

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La. Admin Code. tit. 43, pt. XIX, § 3927, 43 LA ADC Pt XIX, § 3927

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La. Admin Code. tit. 43, pt. XIX, § 3929

§ 3929. Rules of Hearing Conduct and Procedure

A. The applicant shall first present the entire geological, engineering or other bases in support of his proposal. Any interested owner or represented party who supports the applicant and complied with §§3915, 3917 or 3921 shall next present the entire geological, engineering or other bases in support of the applicant's proposal.

B. Any interested party wishing to present evidence supporting the applicant's proposal shall do so immediately after the applicant and supporting parties have completed their presentations.

C. Opponents who have complied with §3915, §3917 or §3921, in the order determined by the commissioner, shall then present the entire geological, engineering or other bases for their opposition. After all opponents have made their presentations, the applicant may present rebuttal geological, engineering or other testimony, but strictly limited to a refutation of the matters covered by the opponents. Rebuttal testimony should not be used to prove matters that should have been proven on direct examination.

D. Any witness shall be subject to cross-examination by the commissioner or any member of his staff and by no more than two representatives of a party. Cross-examination shall be conducted in accordance with the following guidelines.

1. Cross-examination should be limited to questions concerning the testimony and exhibits presented by the witness, and the witness should not be required to make measurements or calculations or comparisons between his exhibits and those presented by any other witness.

2. Matters peculiarly within the knowledge of the cross-examiner or his witnesses should be presented by them on direct examination, and there should be no attempt to establish such matters by cross-examination.

3. Cross-examination shall be conducted in a polite and courteous manner without reference to personalities of the witness or the party represented by the witness.

E. After the applicant and any opponents have made their presentations, any party shall be afforded an opportunity to make a statement. If such a statement includes technical data, the party shall be subject to being sworn and cross-examined.

F. The applicant, any opponent, or any supporting party may make opening or closing statements concerning their positions, but such statements shall not include technical matters which have not been presented by sworn

testimony. The applicant shall have the right to make the last closing statement.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq.

HISTORICAL NOTE: Adopted by the Department of Natural Resources, Office of Conservation, October 1983, amended and promulgated by the Department of Natural Resources, Office of Conservation, LR 19:764 (June 1993).

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La. Admin Code. tit. 43, pt. XIX, § 3929, 43 LA ADC Pt XIX, § 3929

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La. Admin Code. tit. 43, pt. XIX, § 3931

§ 3931. New Evidence

A. If new pertinent data becomes available to any person after proceedings have been initiated hereunder, such evidence shall be made available immediately to all interested owners and represented parties by notice of its availability and by release in accordance with §3909. Such evidence may be used by any person at the hearing and may be the basis for revision of units or other proposals previously made by the applicant or any opponent, but the commissioner in his discretion may determine that additional time should be afforded for consideration thereof. The commissioner in his discretion may also establish a time limit beyond which new evidence may not be employed in the present proceedings. In this event application for a new hearing to consider the new evidence shall be made as soon as possible.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq.

HISTORICAL NOTE: Adopted by the Department of Natural Resources, Office of Conservation, October 1983, amended and promulgated by the Department of Natural Resources, Office of Conservation, LR 19:764 (June 1993).

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La. Admin Code. tit. 43, pt. XIX, § 3933

§ 3933. Coverage of Rules

A. Any interested owner or represented party who is not notified by an applicant, as set forth in §3907 or §3917, as appropriate, and who does not attend the conference requested pursuant to §3911 or the conference scheduled pursuant to §3917, whichever is applicable, shall not be bound by the time periods set forth in §§3915 and 3917. The time periods set forth in §§3915 and 3917 shall be modified in the discretion of the commissioner as the circumstances justify.

B. Any attorney or consultant engaged at any time by an interested party shall immediately notify the applicant, interested owners and represented parties of his representation and thereafter said interested party shall be considered a represented party and shall comply with these rules of procedure. In this circumstance, §3921 shall be applicable if a conference were held, and the time periods set forth in §§3915 and 3917 may be modified in the discretion of the commissioner as the circumstances justify.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq.

HISTORICAL NOTE: Adopted by the Department of Natural Resources, Office of Conservation, October 1983, amended and promulgated by the Department of Natural Resources, Office of Conservation, LR 19:764 (June 1993).

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La. Admin Code. tit. 43, pt. XIX, § 3935

§ 3935. Penalty for Non-Compliance

A. Failure to comply with the provisions of or the spirit of these rules of procedure shall prevent an application from being advertised or heard, or shall prevent an opponent or supporting party from presenting evidence at the hearing, but an order issued by the commissioner shall not be invalid by operation of this rule.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq.

HISTORICAL NOTE: Adopted by the Department of Natural Resources, Office of Conservation, October 1983, amended and promulgated by the Department of Natural Resources, Office of Conservation, LR 19:764 (June 1993).

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La. Admin Code. tit. 43, pt. XIX, § 3935, 43 LA ADC Pt XIX, § 3935

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La. Admin Code. tit. 43, pt. XIX, § 3937

§ 3937. Time of Commencement

A. Unless circumstances indicate that undue hardship would otherwise result, every applicant shall commence proceedings under these rules of procedure so as to permit the application to be docketed, advertised, heard and properly considered for at least 15 days before the order is issued.

NOTE: If at all possible, any application hereunder should be received in the Baton Rouge office of the Office of Conservation at least 45 days before the application is to be fixed for hearing.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq.

HISTORICAL NOTE: Adopted by the Department of Natural Resources, Office of Conservation, October 1983, amended and promulgated by the Department of Natural Resources, Office of Conservation, LR 19:764 (June 1993).

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La. Admin Code. tit. 43, pt. XIX, § 3937, 43 LA ADC Pt XIX, § 3937

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Chapter 41. Unit and Survey Plats

La. Admin Code. tit. 43, pt. XIX, § 4101

§ 4101. Unit Plats

A. The unit plat attached to any pre-application notice and/or any application and/or any unit plat presented at a public hearing shall properly identify the geologically significant wells which control the unit boundaries and shall show the distance of each such well from the unit boundary which it controls, and shall also show the property, lease or governmental subdivision lines which serve as unit boundaries and the section, township and range in which the unit or units are situated. The affected tracts shall be identified on the plat by the names of the fee and lease owners, based on the best available information.

B. If a geographical unit is proposed, the unit plat attached to any pre-application notice and/or any application and/or any unit plat presented at a public hearing, shall show the property, lease or governmental subdivision lines which are used as unit boundaries and they shall be identified as such, based on the best available information.

C. Each unit plat shall have a graphic scale shown thereon and copies of the base map upon which the unit is shown shall be made available to any interested party who requests it.

D. All participants at any pre-application conference shall make every effort to agree as to the best available base map and, if there is agreement, all parties shall thereafter use said map.

E. Any unit plat attached to a counter-plan shall follow all of the requirements set forth above and shall be on the same scale as that of the unit plat attached to the application.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq.

HISTORICAL NOTE: Adopted by Department of Conservation, July 1, 1973, amended and promulgated by the Department of Natural Resources, Office of Conservation, LR 19:765 (June 1993).

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La. Admin Code. tit. 43, pt. XIX, § 4101, 43 LA ADC Pt XIX, § 4101

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Chapter 41. Unit and Survey Plats

La. Admin Code. tit. 43, pt. XIX, § 4103

§ 4103. Survey Plats

A. Survey plats presented to the Office of Conservation for approval after the issuance of an order shall properly identify all of the geologically significant wells and these wells shall be located on the ground based on the Lambert Plane Coordinate System or other recognized control, such as section corners, USC & GS monuments, etc. The survey plat shall show the distance of each geologically significant well from the unit boundary line which it controls and all geologically significant wells shall be located on the plat in correct relation to each other.

1. If a geologically significant well has been abandoned and cannot be found on the ground, the location as shown on the permit plat shall be used.

2. The affected tracts shall be identified on the survey plat by the names of the fee and lease owners, based on the best available information. Further, each unit plat shall have an inset or attachment showing the number, name, acreage (or other basis of participation) and the unit percentage participation of each tract.

B. If geographical units are adopted by a unit order, there shall be shown on the survey plat the property, lease or governmental subdivision lines which are used as unit boundaries and they shall be identified as such, based on the best available information.

C. The surveyed unit plat shall be based on the Louisiana Lambert Plane Coordinate System where practicable. If an orientation other than the Lambert Plane Coordinate System is used, the point of beginning for the unit outline shall be defined on the plat by relating the point to a known monument or section corner and the basis of the bearing orientation used for the survey shall be specifically defined.

D. Unit boundaries shall be defined by using Lambert coordinates or courses and distances with the length of each course dependent upon the sinuosity of the outline of the boundary.

E. If a unit order creates more than one unit the survey plat shall, if practicable, be a composite of all of the units, and if different unit operators are designated, the survey plat or plats shall be prepared through a coordinated effort of all designated operators. If not practicable to use a single composite survey plat for all of the units, a separate survey plat shall be prepared for each unit, with a composite plat showing all units.

F. When the survey plat is completed and before recordation thereof, as many copies as may be needed by the operator, plus two copies of the survey plat and a film overlay on the scale of the unit plat attached to the order, shall be submitted to the Office of Conservation in Baton Rouge for approval. There shall be

placed on or attached to each survey plat submitted for approval the following certificate signed by the surveyor.

1. The requirements for Unit Plats and Survey Plats adopted by the Commissioner of Conservation have been complied with in all respects.

2. Each producing unit shall be surveyed and the survey plat submitted for approval in accordance with the foregoing within 90 days after the issuance date of the unit order. If a unit is not producing when created, a survey plat thereof shall be submitted within 90 days after the date production commences.

G. Exceptions to the provisions hereof may be granted by the Commissioner of Conservation, upon the showing of good cause therefor, without the necessity of public hearing or formal order.

H. These requirements shall apply to any unitization proceedings initiated on and after the first day of July 1973.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq.

HISTORICAL NOTE: Adopted by the Department of Natural Resources, Office of Conservation, October 1983, amended and promulgated by the Department of Natural Resources, Office of Conservation, LR 19:765 (June 1993), repromulgated LR 19:1030 (August 1993).

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La. Admin Code. tit. 43, pt. XIX, § 4103, 43 LA ADC Pt XIX, § 4103

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CAPITAL CITY PRESS

~~EXHIBIT NO. 2~~
~~11/12/14~~

**Publisher of
THE ADVOCATE**

PROOF OF PUBLICATION

The hereto attached notice was published in **THE ADVOCATE**, a daily newspaper of general circulation published in Baton Rouge, Louisiana, and the Official Journal of the State of Louisiana, City of Baton Rouge, and Parish of East Baton Rouge, in the following issues:

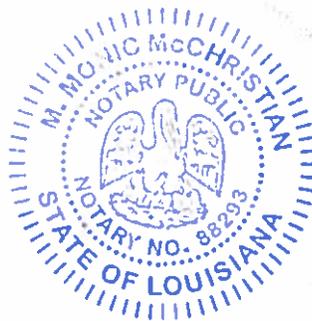
10/03/14

Shelley Calloni, Public Notice Clerk

Sworn and subscribed before me by the person whose signature appears above

October 3, 2014

M. Monic McChristian,
Notary Public ID# 88293
State of Louisiana
My Commission Expires: Indefinite



LEGAL NOTICE

EADS POITEVENT ET AL
NO. 1 WELL
LACOMBE BAYOU FIELD
Docket No. 14-626

STATE OF LOUISIANA
OFFICE OF CONSERVATION
BATON ROUGE, LOUISIANA
In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of the Louisiana Revised Statutes of 1950, a public hearing will be held at the Lakeshore High School Gymnasium, 26301 Highway 1088, Mandeville, Louisiana at 5:00 p.m. on **WEDNESDAY, NOVEMBER 12, 2014** upon the application of the **TOWN OF ABITA SPRINGS** and the **CONCERNED CITIZENS OF ST. TAMMANY PARISH**.

At such hearing the Commissioner of Conservation will consider evidence and accept statements relative to the Town of Abita Springs and the Concerned Citizens of St. Tammany Parish's opposition to Hells Oil and Gas, L.L.C.'s well permit application for the drilling of the Eads Poitevent et al No. 1 Well in the Lacombe Bayou Field in St. Tammany Parish, Louisiana.

Pursuant to LAC 43, Part XIX, § 3929(F), this Office will also leave the record of this docket open until 5 p.m. on November 19, 2014 for statements. This will allow individuals who cannot attend the hearing to submit their unsworn comments in writing. Written comments must be mailed to Office of Conservation, Engineering Division, P.O. Box 94275, Baton Rouge, LA 70804 and reference Engineering Docket No. 14-626 or via email at dnrinfo@ls.gov.

A copy of Hells Oil and Gas, L.L.C.'s Eads Poitevent et al No. 1 well permit application is available for inspection in the Office of Conservation (Engineering Administrative Division) in Baton Rouge.

<http://dnr.louisiana.gov/conhearings>

All parties having interest therein shall take notice thereof.

BY ORDER OF:
JAMES H. WELSH
COMMISSIONER OF CONSERVATION

IN ACCORDANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED ASSISTANCE AT THE HEARING, PLEASE CONTACT THE OFFICE OF CONSERVATION-ENGINEERING DIVISION AT P.O. BOX 94275, BATON ROUGE, LA 70804-9275 IN WRITING WITHIN TEN (10) WORKING DAYS OF THE HEARING DATE.

5040224-oct 3-1t

DNR - CONSERVATION (FIELDS)	5040224
LISA KURSEVICH	
PO BOX 94275	
BATON ROUGE	LA 70804-9275

CONSERVATION
EXHIBIT NO. 5

AFFIDAVIT OF PUBLICATION

STATE OF LOUISIANA
PARISH OF ST. TAMMANY

Before me, Notary, personally came and appeared Maureen T. McCrossen who, being duly sworn, did depose and say that she is administrative assistant of

THE ST. TAMMANY FARMER

a newspaper of general circulation published within the Parish of St. Tammany, and that the legal notice

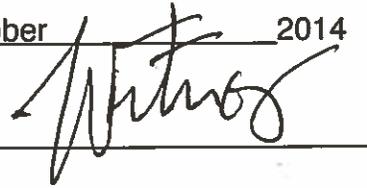
Eads Poitevent Et Al No. 1 Well, Lacombe Bayou Field, Docket No. 14-626, Public Hearing, Wednesday, November 12, 2014, 5:00 p.m. upon the application of the Town of Abita Springs and the Concerned Citizens of St. Tammany Parish

as per copy attached hereto, was published in the issue (s) of

October 9, 2014


Maureen T. McCrossen

Subscribed and sworn to before me this 9 day of October 2014
(A Correct Copy of Publication Here)



William V. Courtney
Notary Public
LA Notary Public #46714
LA Bar #4445

EADS POITEVENT ET AL NO. 1 WELL LACOMBE BAYOU FIELD
Docket No. 14-626

LEGAL NOTICE STATE OF LOUISIANA, OFFICE OF CONSERVATION

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of the Louisiana Revised Statutes of 1950, a public hearing will be held at the Lakeshore High School Gymnasium, 26301 Highway 1088, Mandeville, Louisiana at 5:00 p.m. on **WEDNESDAY, NOVEMBER 12, 2014** upon the application of the **TOWN OF ABITA SPRINGS** and the **CONCERNED CITIZENS OF ST. TAMMANY PARISH.**

At such hearing the Commissioner of Conservation will consider evidence and accept statements relative to the Town of Abita Springs and the Concerned Citizens of St. Tammany Parish's opposition to Helis Oil and Gas, L.L.C.'s well permit application for the drilling of the Eads Poitevent et al No. 1 Well in the Lacombe Bayou Field in St. Tammany Parish, Louisiana.

Pursuant to LAC 43, Part XIX, § 3929(F), this Office will also leave the record of this docket open until 5 p.m. on November 19, 2014 for statements. This will allow individuals who cannot attend the hearing to submit their unsworn comments in writing.

Written comments must be mailed to Office of Conservation, Engineering Division, P.O. Box 94275, Baton Rouge, LA 70804 and reference Engineering Docket No. 14-626 or via email at dnrinfo@la.gov.

A copy of Helis Oil and Gas, L.L.C.'s Eads Poitevent et al No. 1 well permit application is available for inspection in the Office of Conservation (Engineering Administrative Division) in Baton Rouge.

<http://dnr.louisiana.gov/conshearings>

All parties having interest therein shall take notice thereof.

**BY ORDER OF:
JAMES H. WELSH
COMMISSIONER
OF CONSERVATION
IN ACCORDANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED ASSISTANCE AT THE HEARING, PLEASE CONTACT THE OFFICE OF CONSERVATION-EXECUTIVE DIVISION AT P.O. BOX 94275, BATON ROUGE, LA 70804-9275 IN WRITING AT LEAST TEN (10) WORKING DAYS PRIOR TO THE HEARING DATE.**

10/9/14

CONSERVATION
EXHIBIT NO. 6

LISKOW & LEWIS

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October 23, 2014

Richard W. Revels, Jr.
rwrevels@liskow.com

Via email and overnight delivery

Honorable James H. Welsh
Commissioner of Conservation
617 North Third Street
Baton Rouge, LA 70802

Attn: Daniel D. Henry, Jr.

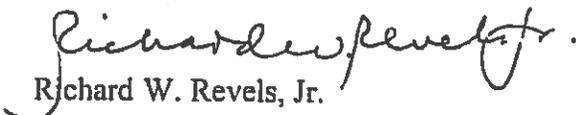
Re: **Engineering Docket No. 14-626: Hearing to Consider Issuance of a Drilling Permit for the Proposed Helis Oil & Gas Company, LLC; Eads Poitevent, et al No. 1 Well, St. Tammany Parish, Louisiana**

Dear Commissioner Welsh:

In letter dated September 30, 2014, you requested that Helis Oil & Gas Company, LLC ("Helis") and its opponents, Town of Abita Springs and Concerned Citizens of St. Tammany, submit written memoranda by October 24, 2014, setting out each party's position relative to issuance of a drilling permit for the Eads Poitevent et al. No. 1 Well. Your attorney, Daniel D. Henry, Jr., subsequently requested that the parties also disclose the identities of expert witnesses who will present testimony and evidence at the hearing scheduled for November 12, 2014, and provide a brief description of the nature of the evidence to be presented by each. In conformity with your directives, we submit the attached memorandum for your consideration along with the attached listing of the expert witnesses who will testify for Helis at the hearing.

Very truly yours,

LISKOW & LEWIS


Richard W. Revels, Jr.

cc: Lisa W. Jordan and Callie D. Casstevens

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WITNESSES FOR HELIS

1. Wilton ("Bill") Roger Dale, Jr., W.H. Robbins LLC, Lafayette, Louisiana. B.S. 1978, L.S.U. Mr. Dale is a petroleum geologist with thirty-five years of experience who is primarily engaged in providing consulting services to oil and gas clients with respect to unitization matters before the Office of Conservation. He will provide background information and exhibits with respect to the TMS RA SUA, Lacombe Bayou Field, the depth of the target interval compared to that of the deepest freshwater sands, and current development of the Tuscaloosa Marine Shale.
2. Adam T. ("Ted") Bourgoyne, Jr., President of Bourgoyne Enterprises, Inc., Baton Rouge, Louisiana. B.S. 1966 and M.S. 1967 L.S.U., Ph.D. 1969 Univ. Texas. Dr. Bourgoyne is a petroleum engineer with forty-five years of experience both in industry and academia, previously serving as Dean of the College of Engineering at L.S.U. He will provide testimony and exhibits with respect to the manner in which the proposed well will be drilled and completed.
3. John A. Connor, President of GSI Environmental, Inc., Houston, Texas. B.A. 1978 and M.S. 1979, Stanford Univ. Mr. Connor is an environmental and geotechnical engineer with thirty-three years of experience. He will provide testimony and evidence with respect to the potential risk of contamination to the aquifer posed by Helis' planned drilling and completion operations among other matters.

All three have previously testified as expert witnesses before the Office of Conservation.

MEMORANDUM

To: James H. Welsh, Commissioner of Conservation

fwk **From:** Richard W. Revels, Jr., Liskow & Lewis, on behalf of Helis Oil & Gas Company, LLC

Re: Engineering Docket No. 14-626—Eads Poitevent, et al No. 1 Well

I. Background Facts

In 2013 and 2014, Helis Oil & Gas Company, LLC (“Helis”) acquired oil and gas leases from P&F Lumber Company (2000), L.L.C., et al. and Abita Springs Timber Company, L.L.C. covering lands in Sections 27 and 34, Township 7 South, Range 12 East, and Section 3, Township 8 South, Range 12 East, St. Tammany Parish, Louisiana (the “Subject Lands”). Helis intends to drill a well to test the commercial productivity of the Tuscaloosa Marine Shale (“TMS”) underlying the Subject Lands. In furtherance of its plans, Helis applied for a single drilling and production unit for the TMS in Lacombe Bayou Field covering 960 acres, being the South Half of Section 27 and entirety of Section 34, designated TMS RA SUA (the “Subject Unit”). A hearing was held in this matter on June 17, 2014. No opposition was voiced at the hearing by any of the landowners within or proximate to the Subject Unit. To the contrary, principal landowners submitted letters into the record strongly supporting Helis’ request for a unit. Our opponents in this proceeding, Town of Abita Springs and Concerned Citizens of St. Tammany (collectively referred to hereinafter as “Opponents”) appeared at the unitization hearing requesting that no unit be created. The Commissioner of Conservation in Office of Conservation Order No. 1577, effective June 17, 2014, created the Subject Unit as proposed by Helis. On September 10, 2014, Helis filed for a drilling permit (Office of Conservation Form MD-10-R-1) requesting permission to drill its Eads Poitevent, et al No. 1 Well (“Subject Well”)

to a total vertical depth of 13,374' at a location in the southern portion of Section 34. By Letter dated September 15, 2014, the Opponents expressed their opposition to issuance of a drilling permit for the Subject Well and asked that a hearing be scheduled to consider this matter. The Opponents have stated two principal bases for their opposition. The contemplated drilling and completion operations are: (1) incompatible with current parish zoning ordinances; and (2) pose an unacceptable risk of contamination to the Southern Hills Aquifer. Pursuant to Opponents' request, a hearing has been scheduled for November 12, 2014.

II. Compliance with All Applicable Regulatory Requirements

Helis is of the opinion that it has fully complied with all regulatory requirements for issuance of a drilling permit. It has submitted its Office of Conservation Form MD-10-R-1 in duplicate, along with the requisite application fee, an Affidavit of Compliance Related to Pre-Entry Notice and a permit plat of the drillsite location prepared by a Louisiana registered surveyor. The surveyor has certified on the plat that there are no residential or commercial structures not owned by the applicant, its lessors or predecessors-in-interest within a 500' radius of the proposed location as required by La. R.S. 30:28(D). Indeed, it appears that there are no structures of any type within one mile of the drillsite. Lakeshore High School is located approximately 1.2 miles northeast of the drillsite (measuring to the school entrance off Highway 1088). Helis selected the drillsite on the south end of the Subject Unit in part to be farther away from the high school in an effort to minimize any disruption or inconvenience to normal functioning of the school.

Drilling permit applications for locations more than 500 feet from any structure do not require a public hearing prior to issuance. To our knowledge, this is the first hearing scheduled

for consideration of issuance of a typical drilling permit in the history of the Office of Conservation. During the last three (3) years (2011 – 2013), over 1,500 drilling permits have been issued each year. The Office of Conservation has issued 880 permits through July of 2014. See dnr.Louisiana.gov/assets/TAD/data/facts_and_figures/table22.htm. Nevertheless, Helis plans to discuss in detail its drilling and completion plans at the upcoming hearing which will clearly demonstrate that, given the opportunity, it will drill and complete the Subject Well in a manner which equals or exceeds all regulatory requirements and employs best practices in the industry. The Opponents have not made any contrary allegations, nor have they made any requests to Helis to modify or alter its proposed operations. It is clear that the Opponents prefer an absolute ban on drilling and completion operations anywhere in the Parish and their efforts are aimed, at the minimum, to cause delay and to make such operations more expensive in the hope that Helis may voluntarily abandon its development plans. This Helis will not do.

III. Opponents' Bases for Opposition

A. Drilling and Completion Operations Incompatible with Local Zoning Ordinances

First, it is clear that the Commissioner of Conservation is not required to consider local zoning ordinances in connection with issuance of a drilling permit, nor have the Opponents pointed to any such requirement express or implied. For that reason, we will not be submitting expert testimony relating to zoning because we believe it is beyond the scope of the hearing, which is "limited to taking action in respect to a matter within the jurisdiction of the Commissioner." Under La. R. S. 30:28, the Commissioner does require a hearing prior to issuance of a drilling permit for a location closer than 500' to a residential or commercial structure unless such structure is owned by the operator, the operator's lessor or a waiver is obtained from the owner

of the structure. As mentioned above, there are no residential or commercial structures of any type within one mile of the drillsite location. Lakeshore High School is over 1.2 miles away. Helis is quite confident that its operations will have minimal impact on the safe and efficient functioning of the school and subsequent development of adjacent property.

The Opponents are correct in indicating that the Parish of St. Tammany has zoned all of the acreage within the Subject Unit as A-3 Suburban, which is primarily reserved for residential purposes. It is undisputed, however, that there are no residential or commercial structures located within the Subject Unit. The drillsite and thousands of adjacent acres are under an long-term timber lease presently operated by an affiliate of the Weyerhaeuser Company. This timber lease was executed effective July 1, 1953 for a sixty year term and was recently extended for an additional thirty years. Secondly, drilling and completion operations are neither expressly permitted nor expressly prohibited under the St. Tammany Parish Unified Development Code, effective May 3, 2007. Section 7.0803 does state that "Mineral deposits may be mined but residential areas shall be protected . . ." This reference likely relates to sand or gravel deposits which would be excavated rather than oil or gas reserves which may be recovered only by drilling. It is not clear whether St. Tammany Parish Government ("Parish Government") would permit drilling anywhere in the parish if it had sole discretion to allow or prohibit such activity, although in pending litigation with the Commissioner of Conservation, attorneys for the Parish Government have indicated that such drilling and completion operations might potentially be a conditional use in areas zoned for heavy industrial use. In the same litigation, however, the Parish Government has asked the Court to consider whether the Parish Government has the authority to ban all hydraulic fracturing in the parish, and it requests the Court to enjoin any unitization in the parish. It is important to note that the Subject Well is not located within the

Town of Abita Springs, and at least at this juncture, the Parish Government is not a named Opponent.

Helis is of the opinion that it is quite understandable that the local zoning ordinances do not purport to address oil and gas drilling and completion operations. This is beyond the normal purview of local political subdivisions. The Louisiana legislature has granted to the Commissioner of Conservation exclusive authority to grant or deny drilling permits. Local political subdivisions are expressly preempted from prohibiting or interfering with the drilling of a test well in search of oil and gas. La. R.S. 30:28(F) provides as follows:

The issuance of the permit by the commissioner of conservation shall be sufficient authorization to the holder of the permit to enter upon the property covered by the permit and to drill in search of minerals thereon. No other agency or political subdivision of the state shall have the authority, and they are hereby expressly forbidden, to prohibit or in any way interfere with the drilling of a well or test well in search of minerals by the holder of such a permit.

In the case of *Energy Management Corp. v. City of Shreveport*, 397 F. 3d 297 (5th Cir. 2005), *aff'd and remanded by* 467 F. 3d 471 (5th Cir. 2006), the court determined that an ordinance enacted by the City of Shreveport banning drilling within 1000 feet of Cross Lake was preempted by the state's comprehensive regulation of oil and gas drilling despite the fact that Cross Lake was the city's principal source of drinking water. Louisiana law is quite settled that local ordinances attempting to regulate the oil and gas industry must yield to state law in order to avoid a multiplicity of conflicting rules and regulations which would otherwise frustrate the uniform and efficient administration of a comprehensive state program. Nevertheless, the Parish Government has filed suit in the Nineteenth Judicial District Court for the Parish of East Baton Rouge (Docket No. 631370) hoping for a different result. Given the pending litigation, Helis is of the opinion that the upcoming hearing in which the Parish Government is not a party is not the

proper forum in which the zoning and preemption issue should be argued. It is also possible that some judicial determination as to the merits of the Parish Government's arguments will be rendered by the trial court judge prior to the hearing on November 12th.

B. Risk of Contamination to Aquifer Posed by Subject Well

Helis intends to present substantial, detailed expert testimony and exhibits clearly establishing that its proposed drilling and completion operations do not pose an unacceptable risk of contamination to the Southern Hills Aquifer. It is important to note that over 50 oil and gas wells have been drilled through the Southern Hills Aquifer in St. Tammany Parish alone, not including the thousands of water wells in the parish in communication with the aquifer, and the hundreds of additional oil and gas wells drilled through the Southern Hills Aquifer from locations outside the parish. Helis is not aware of any incident involving alleged groundwater contamination in relation to any of these oil and gas wells, nor have the Opponents made any specific allegations of any such incident. Helis has designed its proposed operations with careful attention to minimizing not only the risk to the aquifer, but also minimizing the impact of such operations on the environment generally. In addition, it plans to employ an independent testing services contractor to conduct water monitoring and testing prior to, during and periodically after drilling occurs to corroborate that no contamination to the aquifer has resulted from its operations. In the event Helis conducts hydraulic fracture stimulation in the completion of the Subject Well, it will fully comply with all permitting and disclosure requirements as to volumes and constituents of frac fluids. Helis will use surface water in connection with the drilling and completion of the Subject Well, and produced fluids will be properly disposed of at a

commercial waste facility outside the parish. These plans will be fully discussed at the upcoming hearing.

IV. Conclusion

Helis has complied with all requirements of the Office of Conservation for the issuance of a drilling permit. Assuming the permit is issued, Helis is fully committed to conducting its operations in a careful and responsible manner which will meet or exceed industry standards, minimize environmental impacts and safeguard the public. Helis will continue its efforts to address all reasonable concerns expressed by the Parish Government, the Opponents and responsible members of the public at large. The nature of oil and gas exploration and development, however, requires that drilling occur where oil and gas reserves are located. Our Opponents are attempting to prevent any drilling operations in the Parish no matter how responsibly conducted. We look forward to the opportunity at the upcoming hearing to provide details of Helis' proposed operations and to answer any questions you or others may have regarding same.

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Tulane Environmental Law Clinic

October 24, 2014

By Email to: Daniel.Henry@la.gov and U.S. Mail
Daniel D. Henry
Louisiana Office of Conservation
617 North 3rd Street
9th Floor
Baton Rouge, LA 70802

Re: November 12, 2014, Hearing on Helix Drilling Permit Application

Dear Mr. Henry,

Enclosed please find our response to your letter dated September 30, 2014, requesting a written memorandum in anticipation of the hearing on November 12, 2014. This is an outline of our clients' position; we will submit written comments following the hearing. Those comments will considerably expand upon this outline.

We have also included the name of the experts we may call and a brief description of the nature of their presentation.

Sincerely,

Lisa Jordan
Deputy Director
Tulane Environmental Law Clinic
6329 Freret Street
New Orleans, Louisiana 70118
On behalf of the Town of Abita Springs

/s/

Marianne Cufone
On behalf of the Concerned Citizens of St.
Tammany

cc: John Adams, DNR
Richard W. Revels, Jr.

Tulane Environmental Law Clinic **CONSERVATION EXHIBIT 8**

6329 Freret St., Ste. 130, New Orleans, LA 70118-6231 tel 504.865.5789 fax 862.8721 www.tulane.edu/~telc

**MEMORANDUM OUTLINING TOWN OF ABITA SPRINGS AND CONCERNED
CITIZENS OF ST. TAMMANY'S POSITION ON THE HELIS PROJECT**

I. THE DNR IS REQUIRED UNDER ARTICLE IX, SECTION 1, OF THE LOUISIANA CONSTITUTION TO CONDUCT AN ENVIRONMENTAL IMPACT ANALYSIS ON THE HELIS DRILLING AND FRACKING PROJECT BEFORE PERMITTING THE PROJECT.

- Louisiana's Constitution mandates that "the natural resources of the state, including air and water, and the healthful, scenic, historic, and esthetic quality of the environment shall be protected, conserved, and replenished insofar as possible and consistent with the health, safety, and welfare of the people." LA. CONST. Art. IX, § 1 (1974).
- The Louisiana Supreme Court, in 1984, interpreted that Constitutional mandate as "require[ing] an agency or official, before granting approval of proposed action affecting the environment, to determine that adverse environmental impacts have been minimized or avoided as much as possible consistently with the public welfare." Save Ourselves, Inc. v. Louisiana Env'tl. Control Comm'n, 452 So. 2d 1152, 1157 (La. 1984). This decision, and the holdings of subsequent courts interpreting it (see In re Rubicon, Inc., 670 So.2d 475 (La. App. 1 Cir. 1996)), is applicable to the DNR and its divisions as well as LDEQ. See Lake Peigneur Preservation, et al., v. Thompson, 19th Judicial District Court, State of Louisiana, 409,139, Aug 26, 1996 Amended Oral Reasons for Judgment; Bertrand, et al., v. Louisiana Department of Natural Resources, 19th Judicial District Court, State of Louisiana, 587-065, Sept. 9, 2010, Judgment; Save Lake Peigneur, Inc. et al. v. Louisiana Department of Natural Resources, et al., 16th Judicial District Court, State of Louisiana, Oct. 10, 2014, Judgment [decisions to be attached to final comments].
- Subsequent decisions have summarized the Save Ourselves holding to articulate five issues that these agencies must address when evaluating proposed actions affecting the environment. These are:

First, have the potential and real adverse environmental effects of the proposed facility been avoided to the maximum extent possible? Second, does a cost benefit analysis of the environmental impact costs balanced against the social and economic benefits of the proposed facility demonstrate that the latter outweighs the former? Third, are there alternative projects which would offer more protection to the environment than the proposed facility without unduly curtailing non-environmental benefits? Fourth, are there alternative sites which would

offer more protection to the environment than the proposed facility site without unduly curtailing non-environmental benefits? Fifth, are there mitigating measures which would offer more protection to the environment than the facility as proposed without unduly curtailing non-environmental benefits?

Blackett v. La. Dep't of Envtl. Quality, 506 So. 2d 749, 754 (La. App. 1 Cir. 1987).¹

A. Alternative Sites for Helis's Project Include:

- Sites which do not involve drilling through a sole source drinking water aquifer.
- Sites which are not in a residentially zoned area.
- Sites which are not near Scenic Streams or Outstanding Natural Resources Waters.
- Sites with an equal to better chance of containing hydrocarbon reserves.
- Sites which are not near critical habitat for endangered species or areas where endangered species are known to be present.

B. The Potential and Real Adverse Environmental Impacts of the Helis Project Have Not Been Avoided to the Maximum Extent Possible.

1. The Potential and Real Adverse Impacts of the Project Have Not Been Avoided to the Maximum Extent Practicable.

- Contamination of Aquifer
- Contamination of nearby streams
- Air pollution
- Traffic
- Noise
- Other impacts on the surrounding community/quality of life
- Blowouts/Accidents/Spills/Leaks
- Identity of fracking fluids/toxic chemicals

2. The Current DNR and Its Current Regulatory Scheme Are Insufficient to Avoid the Potential and Real Adverse Impacts of this Project to the Maximum Extent Practicable.

¹ See also In re Browning-Ferris Industries Petit Bois Landfill, 93-2050 (La. App. 1 Cir. 6/23/95); 657 So. 2d 633, 637.

- a. *DNR Must Promulgate More Protective Regulations Detailing Requirements for Oil and Gas Drilling and Fracking to Begin to Satisfy Its Constitutional Duty.*
- b. *DNR Must Fix Its Problems With Oversight of Oil and Gas Drilling as Identified by the Louisiana Legislative Auditor.*

3. ***Secondary and Cumulative Impacts Must Be Considered.***

- Spills and runoff.
- Disposal of fracking fluids.
- Withdrawal of water for fracking.
- Cumulative Impacts of Future Wells.

C. There Are Mitigative Measures/Alternative Projects Which Would Offer More Protection to the Environment Than Helis's Proposed Project.

- Extra protections in the well/well casing to ensure more protection for the aquifer.
- More protective baseline testing of the aquifer and surrounding surface waters.
- Baseline testing of ambient air quality for criteria pollutants and volatile organic compounds.
- Establish the health of the community.
- More protective frequent and regular monitoring of the aquifer made a condition of the drilling permit and results made publicly available.
- Proper Containment around open pits.

II. DNR MUST DENY HELIS'S APPLICATION BECAUSE IT VIOLATES ST. TAMMANY PARISH ZONING.

- Relevant based on Constitutional and statutory authority. *See e.g.*, La. Constit. art. IX, sec. 1; La. Constit. art. 6, sec. 17; Act. 518 of the 1954 Regular Session of the Legislature of Louisiana; La. R.S. § 33:4776(A), and La. R.S. § 33:109.1.
- Helis vertical well and fracking violates St. Tammany Parish master plan/zoning.

III. EXPERT TESTIMONY

- Mark Quarles, Licensed Professional Geologist, TN. Testimony may include the following topics: 1) comparison of Helis project to industry standards; 2) risks of Helis project to aquifer, surrounding environment; 3) potential impacts of Helis project to air, traffic, noise; 4) insufficiency of Helis monitoring well proposal; 5) alternative sites; 6) risks/impacts from fracking fluids; 7) Helis compliance history; 8) insufficiency of information provided by Helis thus far; 8) increased risks caused by DNR deficiencies identified by Legislative Auditor's report.
- Stephen Villavaso, FAICP. Testimony may include the following topics: land use planning, master planning, and zoning.

Conservation Engineering Docket No. 14-626, Eads Poitevent et al No. 1 well

The first part of the hearing tonight will include testimony from the well permit applicant (Helis Oil and Gas) and the hearing applicants in opposition to the permit (Town of Abita Springs and Concerned Citizens of St. Tammany Parish). While the hearing applicants were given the option of a hearing consisting of only public comments, they felt that being able to present testimony prior to said comments would allow both proponents and opponents to outline their positions prior to receiving public comments. **Please be courteous to the presenters, or you will be asked to leave and/or escorted out of the building by security.**

The second part of the hearing will allow individuals to make oral statements in accordance with LAC 43, Part XIX, § 3929(F). Due to the anticipated volume of statements, these statements will initially be limited to 5 minutes. If someone would like to speak for longer than 5 minutes, extra time will be afforded once everyone has been given the chance to speak.

While the ability to offer oral comments is available, please understand that **both spoken statements and written statements will be given the same weight.** Written comments may be faxed to 225-242-3428 or mailed to Office of Conservation, Engineering Division, P.O. Box 94275, Baton Rouge, LA 70804. Please reference Engineering Docket No. 14-626, Eads Poitevent et al No. 1 Well and keep comments on legal or letter sized paper. **The deadline for written statements is 5 p.m. on November 19, 2014.**

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October 23, 2014

Richard W. Revels, Jr.
rwrevels@liskow.com

Via email and overnight delivery

Honorable James H. Welsh
Commissioner of Conservation
617 North Third Street
Baton Rouge, LA 70802

Attn: Daniel D. Henry, Jr.

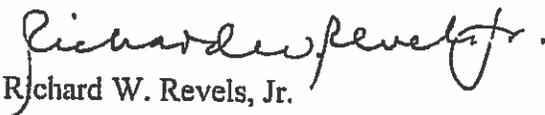
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Very truly yours,

LISKOW & LEWIS


Richard W. Revels, Jr.

cc: Lisa W. Jordan and Callie D. Casstevens

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WITNESSES FOR HELIS

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All three have previously testified as expert witnesses before the Office of Conservation.

MEMORANDUM

To: James H. Welsh, Commissioner of Conservation

fwk **From:** Richard W. Revels, Jr., Liskow & Lewis, on behalf of Helis Oil & Gas Company, LLC

Re: Engineering Docket No. 14-626—Eads Poitevent, et al No. 1 Well

I. Background Facts

In 2013 and 2014, Helis Oil & Gas Company, LLC (“Helis”) acquired oil and gas leases from P&F Lumber Company (2000), L.L.C., et al. and Abita Springs Timber Company, L.L.C. covering lands in Sections 27 and 34, Township 7 South, Range 12 East, and Section 3, Township 8 South, Range 12 East, St. Tammany Parish, Louisiana (the “Subject Lands”). Helis intends to drill a well to test the commercial productivity of the Tuscaloosa Marine Shale (“TMS”) underlying the Subject Lands. In furtherance of its plans, Helis applied for a single drilling and production unit for the TMS in Lacombe Bayou Field covering 960 acres, being the South Half of Section 27 and entirety of Section 34, designated TMS RA SUA (the “Subject Unit”). A hearing was held in this matter on June 17, 2014. No opposition was voiced at the hearing by any of the landowners within or proximate to the Subject Unit. To the contrary, principal landowners submitted letters into the record strongly supporting Helis’ request for a unit. Our opponents in this proceeding, Town of Abita Springs and Concerned Citizens of St. Tammany (collectively referred to hereinafter as “Opponents”) appeared at the unitization hearing requesting that no unit be created. The Commissioner of Conservation in Office of Conservation Order No. 1577, effective June 17, 2014, created the Subject Unit as proposed by Helis. On September 10, 2014, Helis filed for a drilling permit (Office of Conservation Form MD-10-R-1) requesting permission to drill its Eads Poitevent, et al No. 1 Well (“Subject Well”)

to a total vertical depth of 13,374' at a location in the southern portion of Section 34. By Letter dated September 15, 2014, the Opponents expressed their opposition to issuance of a drilling permit for the Subject Well and asked that a hearing be scheduled to consider this matter. The Opponents have stated two principal bases for their opposition. The contemplated drilling and completion operations are: (1) incompatible with current parish zoning ordinances; and (2) pose an unacceptable risk of contamination to the Southern Hills Aquifer. Pursuant to Opponents' request, a hearing has been scheduled for November 12, 2014.

II. Compliance with All Applicable Regulatory Requirements

Helis is of the opinion that it has fully complied with all regulatory requirements for issuance of a drilling permit. It has submitted its Office of Conservation Form MD-10-R-1 in duplicate, along with the requisite application fee, an Affidavit of Compliance Related to Pre-Entry Notice and a permit plat of the drillsite location prepared by a Louisiana registered surveyor. The surveyor has certified on the plat that there are no residential or commercial structures not owned by the applicant, its lessors or predecessors-in-interest within a 500' radius of the proposed location as required by La. R.S. 30:28(D). Indeed, it appears that there are no structures of any type within one mile of the drillsite. Lakeshore High School is located approximately 1.2 miles northeast of the drillsite (measuring to the school entrance off Highway 1088). Helis selected the drillsite on the south end of the Subject Unit in part to be farther away from the high school in an effort to minimize any disruption or inconvenience to normal functioning of the school.

Drilling permit applications for locations more than 500 feet from any structure do not require a public hearing prior to issuance. To our knowledge, this is the first hearing scheduled

for consideration of issuance of a typical drilling permit in the history of the Office of Conservation. During the last three (3) years (2011 – 2013), over 1,500 drilling permits have been issued each year. The Office of Conservation has issued 880 permits through July of 2014. See dnr.Louisiana.gov/assets/TAD/data/facts_and_figures/table22.htm. Nevertheless, Helis plans to discuss in detail its drilling and completion plans at the upcoming hearing which will clearly demonstrate that, given the opportunity, it will drill and complete the Subject Well in a manner which equals or exceeds all regulatory requirements and employs best practices in the industry. The Opponents have not made any contrary allegations, nor have they made any requests to Helis to modify or alter its proposed operations. It is clear that the Opponents prefer an absolute ban on drilling and completion operations anywhere in the Parish and their efforts are aimed, at the minimum, to cause delay and to make such operations more expensive in the hope that Helis may voluntarily abandon its development plans. This Helis will not do.

III. Opponents' Bases for Opposition

A. Drilling and Completion Operations Incompatible with Local Zoning Ordinances

First, it is clear that the Commissioner of Conservation is not required to consider local zoning ordinances in connection with issuance of a drilling permit, nor have the Opponents pointed to any such requirement express or implied. For that reason, we will not be submitting expert testimony relating to zoning because we believe it is beyond the scope of the hearing, which is "limited to taking action in respect to a matter within the jurisdiction of the Commissioner." Under La. R. S. 30:28, the Commissioner does require a hearing prior to issuance of a drilling permit for a location closer than 500' to a residential or commercial structure unless such structure is owned by the operator, the operator's lessor or a waiver is obtained from the owner

of the structure. As mentioned above, there are no residential or commercial structures of any type within one mile of the drillsite location. Lakeshore High School is over 1.2 miles away. Helis is quite confident that its operations will have minimal impact on the safe and efficient functioning of the school and subsequent development of adjacent property.

The Opponents are correct in indicating that the Parish of St. Tammany has zoned all of the acreage within the Subject Unit as A-3 Suburban, which is primarily reserved for residential purposes. It is undisputed, however, that there are no residential or commercial structures located within the Subject Unit. The drillsite and thousands of adjacent acres are under an long-term timber lease presently operated by an affiliate of the Weyerhaeuser Company. This timber lease was executed effective July 1, 1953 for a sixty year term and was recently extended for an additional thirty years. Secondly, drilling and completion operations are neither expressly permitted nor expressly prohibited under the St. Tammany Parish Unified Development Code, effective May 3, 2007. Section 7.0803 does state that "Mineral deposits may be mined but residential areas shall be protected . . ." This reference likely relates to sand or gravel deposits which would be excavated rather than oil or gas reserves which may be recovered only by drilling. It is not clear whether St. Tammany Parish Government ("Parish Government") would permit drilling anywhere in the parish if it had sole discretion to allow or prohibit such activity, although in pending litigation with the Commissioner of Conservation, attorneys for the Parish Government have indicated that such drilling and completion operations might potentially be a conditional use in areas zoned for heavy industrial use. In the same litigation, however, the Parish Government has asked the Court to consider whether the Parish Government has the authority to ban all hydraulic fracturing in the parish, and it requests the Court to enjoin any unitization in the parish. It is important to note that the Subject Well is not located within the

Town of Abita Springs, and at least at this juncture, the Parish Government is not a named Opponent.

Helis is of the opinion that it is quite understandable that the local zoning ordinances do not purport to address oil and gas drilling and completion operations. This is beyond the normal purview of local political subdivisions. The Louisiana legislature has granted to the Commissioner of Conservation exclusive authority to grant or deny drilling permits. Local political subdivisions are expressly preempted from prohibiting or interfering with the drilling of a test well in search of oil and gas. La. R.S. 30:28(F) provides as follows:

The issuance of the permit by the commissioner of conservation shall be sufficient authorization to the holder of the permit to enter upon the property covered by the permit and to drill in search of minerals thereon. No other agency or political subdivision of the state shall have the authority, and they are hereby expressly forbidden, to prohibit or in any way interfere with the drilling of a well or test well in search of minerals by the holder of such a permit.

In the case of *Energy Management Corp. v. City of Shreveport*, 397 F. 3d 297 (5th Cir. 2005), *aff'd and remanded by* 467 F. 3d 471 (5th Cir. 2006), the court determined that an ordinance enacted by the City of Shreveport banning drilling within 1000 feet of Cross Lake was preempted by the state's comprehensive regulation of oil and gas drilling despite the fact that Cross Lake was the city's principal source of drinking water. Louisiana law is quite settled that local ordinances attempting to regulate the oil and gas industry must yield to state law in order to avoid a multiplicity of conflicting rules and regulations which would otherwise frustrate the uniform and efficient administration of a comprehensive state program. Nevertheless, the Parish Government has filed suit in the Nineteenth Judicial District Court for the Parish of East Baton Rouge (Docket No. 631370) hoping for a different result. Given the pending litigation, Helis is of the opinion that the upcoming hearing in which the Parish Government is not a party is not the

proper forum in which the zoning and preemption issue should be argued. It is also possible that some judicial determination as to the merits of the Parish Government's arguments will be rendered by the trial court judge prior to the hearing on November 12th.

B. Risk of Contamination to Aquifer Posed by Subject Well

Helis intends to present substantial, detailed expert testimony and exhibits clearly establishing that its proposed drilling and completion operations do not pose an unacceptable risk of contamination to the Southern Hills Aquifer. It is important to note that over 50 oil and gas wells have been drilled through the Southern Hills Aquifer in St. Tammany Parish alone, not including the thousands of water wells in the parish in communication with the aquifer, and the hundreds of additional oil and gas wells drilled through the Southern Hills Aquifer from locations outside the parish. Helis is not aware of any incident involving alleged groundwater contamination in relation to any of these oil and gas wells, nor have the Opponents made any specific allegations of any such incident. Helis has designed its proposed operations with careful attention to minimizing not only the risk to the aquifer, but also minimizing the impact of such operations on the environment generally. In addition, it plans to employ an independent testing services contractor to conduct water monitoring and testing prior to, during and periodically after drilling occurs to corroborate that no contamination to the aquifer has resulted from its operations. In the event Helis conducts hydraulic fracture stimulation in the completion of the Subject Well, it will fully comply with all permitting and disclosure requirements as to volumes and constituents of frac fluids. Helis will use surface water in connection with the drilling and completion of the Subject Well, and produced fluids will be properly disposed of at a

commercial waste facility outside the parish. These plans will be fully discussed at the upcoming hearing.

IV. Conclusion

Helis has complied with all requirements of the Office of Conservation for the issuance of a drilling permit. Assuming the permit is issued, Helis is fully committed to conducting its operations in a careful and responsible manner which will meet or exceed industry standards, minimize environmental impacts and safeguard the public. Helis will continue its efforts to address all reasonable concerns expressed by the Parish Government, the Opponents and responsible members of the public at large. The nature of oil and gas exploration and development, however, requires that drilling occur where oil and gas reserves are located. Our Opponents are attempting to prevent any drilling operations in the Parish no matter how responsibly conducted. We look forward to the opportunity at the upcoming hearing to provide details of Helis' proposed operations and to answer any questions you or others may have regarding same.

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Tulane Environmental Law Clinic

October 24, 2014

By Email to: Daniel.Henry@la.gov and U.S. Mail
Daniel D. Henry
Louisiana Office of Conservation
617 North 3rd Street
9th Floor
Baton Rouge, LA 70802

Re: November 12, 2014, Hearing on Helis Drilling Permit Application

Dear Mr. Henry,

Enclosed please find our response to your letter dated September 30, 2014, requesting a written memorandum in anticipation of the hearing on November 12, 2014. This is an outline of our clients' position; we will submit written comments following the hearing. Those comments will considerably expand upon this outline.

We have also included the name of the experts we may call and a brief description of the nature of their presentation.

Sincerely,

Lisa Jordan
Deputy Director
Tulane Environmental Law Clinic
6329 Freret Street
New Orleans, Louisiana 70118
On behalf of the Town of Abita Springs

/s/

Marianne Cufone
On behalf of the Concerned Citizens of St.
Tammany

cc: John Adams, DNR
Richard W. Revels, Jr.

**MEMORANDUM OUTLINING TOWN OF ABITA SPRINGS AND CONCERNED
CITIZENS OF ST. TAMMANY'S POSITION ON THE HELIS PROJECT**

I. THE DNR IS REQUIRED UNDER ARTICLE IX, SECTION 1, OF THE LOUISIANA CONSTITUTION TO CONDUCT AN ENVIRONMENTAL IMPACT ANALYSIS ON THE HELIS DRILLING AND FRACKING PROJECT BEFORE PERMITTING THE PROJECT.

- Louisiana's Constitution mandates that "the natural resources of the state, including air and water, and the healthful, scenic, historic, and esthetic quality of the environment shall be protected, conserved, and replenished insofar as possible and consistent with the health, safety, and welfare of the people." LA. CONST. Art. IX, § 1 (1974).
- The Louisiana Supreme Court, in 1984, interpreted that Constitutional mandate as "require[ing] an agency or official, before granting approval of proposed action affecting the environment, to determine that adverse environmental impacts have been minimized or avoided as much as possible consistently with the public welfare." Save Ourselves, Inc. v. Louisiana Env'tl. Control Comm'n, 452 So. 2d 1152, 1157 (La. 1984). This decision, and the holdings of subsequent courts interpreting it (see In re Rubicon, Inc., 670 So.2d 475 (La. App. 1 Cir. 1996)), is applicable to the DNR and its divisions as well as LDEQ. See Lake Peigneur Preservation, et al., v. Thompson, 19th Judicial District Court, State of Louisiana, 409,139, Aug 26, 1996 Amended Oral Reasons for Judgment; Bertrand, et al., v. Louisiana Department of Natural Resources, 19th Judicial District Court, State of Louisiana, 587-065, Sept. 9, 2010, Judgment; Save Lake Peigneur, Inc. et al. v. Louisiana Department of Natural Resources, et al., 16th Judicial District Court, State of Louisiana, Oct. 10, 2014, Judgment [decisions to be attached to final comments].
- Subsequent decisions have summarized the Save Ourselves holding to articulate five issues that these agencies must address when evaluating proposed actions affecting the environment. These are:

First, have the potential and real adverse environmental effects of the proposed facility been avoided to the maximum extent possible? Second, does a cost benefit analysis of the environmental impact costs balanced against the social and economic benefits of the proposed facility demonstrate that the latter outweighs the former? Third, are there alternative projects which would offer more protection to the environment than the proposed facility without unduly curtailing non-environmental benefits? Fourth, are there alternative sites which would

offer more protection to the environment than the proposed facility site without unduly curtailing non-environmental benefits? Fifth, are there mitigating measures which would offer more protection to the environment than the facility as proposed without unduly curtailing non-environmental benefits?

Blackett v. La. Dep't of Env'tl. Quality, 506 So. 2d 749, 754 (La. App. 1 Cir. 1987).¹

A. Alternative Sites for Helis's Project Include:

- Sites which do not involve drilling through a sole source drinking water aquifer.
- Sites which are not in a residentially zoned area.
- Sites which are not near Scenic Streams or Outstanding Natural Resources Waters.
- Sites with an equal to better chance of containing hydrocarbon reserves.
- Sites which are not near critical habitat for endangered species or areas where endangered species are known to be present.

B. The Potential and Real Adverse Environmental Impacts of the Helis Project Have Not Been Avoided to the Maximum Extent Possible.

1. The Potential and Real Adverse Impacts of the Project Have Not Been Avoided to the Maximum Extent Practicable.

- Contamination of Aquifer
- Contamination of nearby streams
- Air pollution
- Traffic
- Noise
- Other impacts on the surrounding community/quality of life
- Blowouts/Accidents/Spills/Leaks
- Identity of fracking fluids/toxic chemicals

2. The Current DNR and Its Current Regulatory Scheme Are Insufficient to Avoid the Potential and Real Adverse Impacts of this Project to the Maximum Extent Practicable.

¹ See also In re Browning-Ferris Industries Petit Bois Landfill, 93-2050 (La. App. 1 Cir. 6/23/95); 657 So. 2d 633, 637.

- a. *DNR Must Promulgate More Protective Regulations Detailing Requirements for Oil and Gas Drilling and Fracking to Begin to Satisfy Its Constitutional Duty.*
 - b. *DNR Must Fix Its Problems With Oversight of Oil and Gas Drilling as Identified by the Louisiana Legislative Auditor.*
3. *Secondary and Cumulative Impacts Must Be Considered.*
- Spills and runoff.
 - Disposal of fracking fluids.
 - Withdrawal of water for fracking.
 - Cumulative Impacts of Future Wells.

C. There Are Mitigative Measures/Alternative Projects Which Would Offer More Protection to the Environment Than Helis's Proposed Project.

- Extra protections in the well/well casing to ensure more protection for the aquifer.
- More protective baseline testing of the aquifer and surrounding surface waters.
- Baseline testing of ambient air quality for criteria pollutants and volatile organic compounds.
- Establish the health of the community.
- More protective frequent and regular monitoring of the aquifer made a condition of the drilling permit and results made publicly available.
- Proper Containment around open pits.

II. DNR MUST DENY HELIS'S APPLICATION BECAUSE IT VIOLATES ST. TAMMANY PARISH ZONING.

- Relevant based on Constitutional and statutory authority. *See e.g.*, La. Constit. art. IX, sec. 1; La. Constit. art. 6, sec. 17; Act. 518 of the 1954 Regular Session of the Legislature of Louisiana; La. R.S. § 33:4776(A), and La. R.S. § 33:109.1.
- Helis vertical well and fracking violates St. Tammany Parish master plan/zoning.

III. EXPERT TESTIMONY

- Mark Quarles, Licensed Professional Geologist, TN. Testimony may include the following topics: 1) comparison of Helis project to industry standards; 2) risks of Helis project to aquifer, surrounding environment; 3) potential impacts of Helis project to air, traffic, noise; 4) insufficiency of Helis monitoring well proposal; 5) alternative sites; 6) risks/impacts from fracking fluids; 7) Helis compliance history; 8) insufficiency of information provided by Helis thus far; 8) increased risks caused by DNR deficiencies identified by Legislative Auditor's report.
- Stephen Villavaso, FAICP. Testimony may include the following topics: land use planning, master planning, and zoning.

Conservation Engineering Docket No. 14-626, Eads Poitevent et al No. 1 well

The first part of the hearing tonight will include testimony from the well permit applicant (Helis Oil and Gas) and the hearing applicants in opposition to the permit (Town of Abita Springs and Concerned Citizens of St. Tammany Parish). While the hearing applicants were given the option of a hearing consisting of only public comments, they felt that being able to present testimony prior to said comments would allow both proponents and opponents to outline their positions prior to receiving public comments. **Please be courteous to the presenters, or you will be asked to leave and/or escorted out of the building by security.**

The second part of the hearing will allow individuals to make oral statements in accordance with LAC 43, Part XIX, § 3929(F). Due to the anticipated volume of statements, these statements will initially be limited to 5 minutes. If someone would like to speak for longer than 5 minutes, extra time will be afforded once everyone has been given the chance to speak.

While the ability to offer oral comments is available, please understand that **both spoken statements and written statements will be given the same weight.** Written comments may be faxed to 225-242-3428 or mailed to Office of Conservation, Engineering Division, P.O. Box 94275, Baton Rouge, LA 70804. Please reference Engineering Docket No. 14-626, Eads Poitevent et al No. 1 Well and keep comments on legal or letter sized paper. **The deadline for written statements is 5 p.m. on November 19, 2014.**

Conservation Engineering Docket No. 14-626, Eads Poitevent et al No. 1 well

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