



BOBBY JINDAL
GOVERNOR

State of Louisiana
DEPARTMENT OF NATURAL RESOURCES
OFFICE OF CONSERVATION

STEPHEN CHUSTZ
INTERIM SECRETARY

JAMES H. WELSH
COMMISSIONER OF CONSERVATION

August 17, 2012

Mark J. Cartwright
President
Texas Brine Company LLC (T149)
4800 San Felipe, TX 77056

RE: Class III Brine Solution Mining Well Facility
Napoleonville Salt Dome, Assumption Parish, LA

***** COMPLIANCE ORDER NO. IMD 2012-016 *****

Dear Mr. Cartwright:

This Compliance Order is issued under the general authority of the Minerals, Oil, and Gas and Environmental Quality Law, LSA-R.S. 30:1 et seq, and under the specific authority set forth in Sections 6.G and 18 thereof.

FINDINGS

Texas Brine Company LLC (T149) has violated the Conservation Law and regulations thereunder, specifically Statewide Order No. 29-N-1 (LAC 43:XVII.Chapter 1), in the following particulars:

1. Texas Brine Company LLC (T149) is the current/last operator of record for the following Class III Brine Solution Mining Wells:
 - a. OXY GEISMAR NO. 001 well (Serial Number 151645);
 - b. OXY GEISMAR NO. 002 well (Serial Number 151646); and
 - c. OXY GEISMAR NO. 003 well (Serial Number 180708).
2. In its application for these three wells Texas Brine Company LLC (T149) set forth the following:

"While mining is controlled, it is possible for acute subsidence (sinkhole formation) to occur from other causes, natural solution processes in the dome may cause salt removal and collapse. In the event of the appearance of symptoms of acute subsidence, ie. sinkhole formation, the following steps will be taken:

1.0 Operations in the immediate area will be suspended and the area of collapse isolated. If the area of collapse appears to threaten any residences, the occupants will be assisted if evacuation is required.

Local authorities will be notified and their cooperation requested to assist in area isolation and public protection. Operators of gas and oil transmission or gathering pipelines will be notified if their pipelines are involved or adjacent to the subsidence. Notification will also be made to the electric utility company in the same manner.

- 2.0 As soon as immediate concerns are satisfied, the corporate headquarters will notify the appropriate State and Federal regulatory agencies.
- 3.0 The causes of the subsidence will be investigated and remedial actions taken accordingly.
- 4.0 In the event such subsidence occurs on property other than Texas Brine leases, the employees will render such assistance as they and the company can provide."
3. Order No. SM-87-4 (effective April 27, 1987) re-permitted and approved for continued operation as Class III Injection Wells the above referenced wells pursuant to Statewide Order No. 29-N-1. Order No. SM-87-4 specifically ordered that:
- "1) The proposal of Texas Brine Corporation of Houston, Texas, to continue operating the area defined herein as the Napoleonville Vulcan Facility, three existing Class III injection wells for the purpose of brine solution mining, as set forth in the application, be and hereby is approved."
4. On or about August 2 and 3, 2012 a subsidence formation (sinkhole) formed in a wooded area located between Bayou Corne and Grand Bayou in the vicinity of the above referenced wells.
5. LAC 43:VII.107.D requires that the permittee comply with all conditions of a permit and that any permit noncompliance constitutes a violation of the act and is grounds for enforcement action.
6. On or about Friday, August 3, 2012, the Assumption Parish Office of Homeland Security and Emergency Preparedness ordered a mandatory evacuation effective immediately. The evacuation area is from the home of Randy Rousseau south to all residents within the Bayou Corne Community.
7. On or about August 16th, 2012, permittee announced creation of a housing assistance fund for residents living around the Bayou Corne community in the area under the mandatory evacuation order beginning August 17th, 2012. However, this assistance was not provided from the time when evacuation was ordered.

ORDERS

Under the statutory authority cited above, Texas Brine Company LLC (T149) is hereby ordered to comply with the following:

1. Immediately upon issue of this Compliance Order, carry out the provisions of the permit application listed in Finding No. 2 above concerning assistance to occupants if evacuation is required, including but not limited to, assist all residents covered by the Assumption Parish evacuation order referenced in Finding No. 6 above, beginning with the date of the ordered evacuation.

Forward all documents in response to this Compliance Order to Joseph S. Ball, Jr. and copy Blake Canfield. Please reference this Compliance Order No. IMD 2012-016 on all correspondence.

A civil penalty is not being assessed at this time, although a civil penalty may be issued by supplement or a separate order later. Timely compliance with this Compliance Order and any other relevant factors shall be

considered in the decision whether to impose a civil penalty and in what amount. Failure to comply with this Compliance Order shall subject permittee to a civil penalty of not more than \$5,000 dollars per day for each day of continuing violation and for each individual violation, in addition to any other appropriate regulatory sanctions as provided by law.

Within seven days of receipt of this Compliance Order, permittee may make a written request for an informal conference with the Commissioner and Conservation staff at no charge. Within 20 days of receipt of this Compliance Order, permittee may make a written request for a public hearing according to LSA-R.S. 30:6(G) and 8. A public hearing request must be accompanied by a check or money order in the non-refundable amount of \$755 as provided by LAC 43:XIX.Chapter 7, or the request for a hearing will not be considered. If a public hearing is requested, a request for an informal conference will be denied.

Should permittee have any questions, please contact Joseph S. Ball, Jr. at 225-342-5569 between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday or by email at joe.ball@la.gov.

ISSUED THIS DATE PURSUANT TO LAW AUGUST 17th, 2012.



JAMES H. WELSH
COMMISSIONER OF CONSERVATION

JHW:JSB