



BOBBY JINDAL
GOVERNOR

State of Louisiana
DEPARTMENT OF NATURAL RESOURCES
OFFICE OF CONSERVATION

STEPHEN CHUSTZ
SECRETARY

JAMES H. WELSH
COMMISSIONER OF CONSERVATION

**ELEVENTH AMENDMENT TO DECLARATION OF EMERGENCY
AND DIRECTIVE TO TEXAS BRINE COMPANY, LLC FOR
EMERGENCY SITUATION ASSOCIATED WITH COLLAPSE OF
OXY-GEISMAR NO. 3 CAVERN, WELL SN 180708**

Pursuant to the authority granted to the Commissioner of Conservation and Assistant Secretary of the Louisiana Department of Natural Resources under La. R.S. 30:1, *et seq.*, particularly La. R.S. 30:6.1, this ELEVENTH AMENDMENT TO THE DECLARATION OF EMERGENCY AND DIRECTIVE is hereby issued;

It is hereby declared that since issuance of the Tenth Amendment to Declarations of Emergency and Directive effective March 26, 2014 and issued to Texas Brine Company LLC (T149) concerning a sinkhole that has occurred immediately adjacent to OXY GEISMAR NO. 3 well site (Serial Number 180708), the associated salt cavern, and the OXY GEISMAR NO. 3A observation well (Serial Number 974265), the following facts have been found to exist:

- 1) On or about May 19, 2014 Texas Brine Company, LLC, in order to facilitate brine mining in the associated salt cavern, reversed circulation in the OXY GEISMAR NO. 2 WELL (Serial Number 151646), located approximately 345 feet from the failed cavern associated with the OXY GEISMAR NO. 3 WELL.
- 2) On or about May 19, 2014, seismic activity increased on the northwest edge of the cavern associated with the OXY GEISMAR NO. 2 WELL. The number and location(s) of the seismic events are being evaluated as part of the ongoing assessment of the stability of the salt dome in the area surrounding the failed cavern associated with the OXY GEISMAR NO. 3 WELL.
- 3) On July 17, 2014, the Office of Conservation submitted a list of questions to Texas Brine Company, LLC requesting information regarding the cause(s) of the increased seismic activity, the implications of the increased seismic activity as to the stability and integrity of the cavern associated with the OXY GEISMAR NO. 2 WELL, the safety of continued operations, and the establishment of "triggers" or thresholds of concern at which point changes to operations in the OXY GEISMAR NO. 2 WELL should take place, including, if deemed necessary, the cessation of the cavern operations.
- 4) On July 31, 2014, Texas Brine Company, LLC addressed the questions submitted on July 17, 2014.
- 5) Office of Conservation staff has reviewed the Texas Brine Company, LLC submittal and concluded the available data and answers provided by Texas Brine Company, LLC are insufficient to answer the questions submitted on July 17, 2014 to the satisfaction of this Office.

ELEVENTH AMEND. TO THE DECLARATION OF EMERGENCY AND DIRECTIVE

Therefore, until further notice, based upon the findings herein listed as well as those findings set forth in the original and previous amendments to the declaration of emergency/directives, it is determined that the requirements for declaring an emergency pursuant to La. R.S. 30:6.1 have been met and an emergency continues to exist due to the incidents which have occurred, are occurring, or threaten to occur imminently at the OXY GEISMAR NO. 3 well (Serial Number 180708) facility, site, and surrounding area.

It is hereby declared that in response to the emergency, Texas Brine Company LLC (T149) is **hereby ordered** to undertake any and all necessary actions to assess and abate threats to human safety and the environment associated with the OXY GEISMAR NO. 3 WELL (Serial Number 180708) facility, and site.

It is further declared that Texas Brine Company LLC (T149) is specifically directed and is **hereby ordered** to undertake any necessary actions to address the potential danger to human life associated with the OXY GEISMAR NO. 3 WELL (Serial Number 180708) facility, and site which at a minimum shall require the following:

1. By no later than August 27, 2014, Texas Brine Company LLC (T149) shall cease injection and brine mining of the OXY GEISMAR NO. 2 WELL and perform the following tests or actions:
 - A. A Mechanical Integrity Test (MIT) of the OXY GEISMAR NO. 2 WELL and associated cavern. Such test shall conform to the requirements of LAC 43.XVII.327.C unless prior written approval of an alternate method is granted by this Office.
 - B. A Sonar Caliper Survey shall be performed on the entire cavern length and cavern roof after removal of all hanging strings. Such test shall conform to the requirements of LAC 43.XVII.329.C.1 and the results shall be submitted to this Office no later than January 1, 2015.
2. Submit to the Office of Conservation an updated Emergency Action Plan in conformance with LAC 43.XVII.321.A no later than October 1, 2014.
3. Submit to the Office of Conservation a comprehensive operations plan for the OXY GEISMAR NO. 2 WELL and associated cavern, to include proposed “triggers” or thresholds of concern at which point changes to operations in the OXY GEISMAR NO. 2 WELL should take place, including when cessation of operations will be deemed necessary.

It is further declared and hereby ordered that brine mining and injection into the OXY GEISMAR NO. 2 WELL and associated cavern shall not resume until all above requirements have been met and approval has been obtained from this Office to resume operations.

It is further declared that, consistent with La. R.S. 30:6.1.B, if Texas Brine Company LLC (T149) fails to provide the required submittals by the deadline(s) established herein, orders demanding compliance and civil penalties may be issued to Texas Brine Company LLC (T149) R.S. 30:1, et seq.


ELEVENTH AMEND. TO THE DECLARATION OF EMERGENCY AND DIRECTIVE

It is further declared that for purposes of this Declaration of Emergency and Directive any and all reports and results from the activities detailed above shall be submitted to the Office of Conservation via e-mail at conservationorder@la.gov. Please reference “Emergency Declaration – Texas Brine Company LLC – August 8, 2014” on any and all related correspondence.

In the event Texas Brine Company LLC (T149) believes it is aggrieved by this action, then within 20 days of receipt of this Emergency Declaration and Directive, Texas Brine Company LLC (T149) may make a written request for a public hearing. 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 hearing will be denied. Be advised that pursuant to La. R.S. 30:6.1.D, “any request for hearing, appeal, or request for review [of this emergency declaration and directive] shall not suspend the implementation of the action ordered.”

Texas Brine Company LLC’s (T149) failure to request a hearing, or to file an appeal, or the withdrawal of a request for hearing on this Emergency Declaration and Directive shall not preclude Texas Brine Company LLC (T149) from contesting the commissioner’s findings of facts in any subsequent administrative or judicial proceeding or action.

SO DECLARED, ORDERED, AND DONE this August 11, 2014 at Baton Rouge, Louisiana.



JAMES H. WELSH
COMMISSIONER OF CONSERVATION