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State of Louisiana
DEPARTMENT OF NATURAL RESOURCES
OFFICE OF CONSERVATION

STEPHEN CHUSTZ
SECRETARY
JAMES H. WELSH
COMMISSIONER OF CONSERVATION

March 25, 2014

Texas Brine Company LLC (T149)
Joel Warneke and Mike Taylor
4800 San Felipe
Houston, Texas 77056

via U. S. Mail and email

RE: New Deadline and Additional Requirements for Directive #2 of Ninth 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

Messrs. Joel Warneke and Mike Taylor:

The Louisiana Department of Natural Resources, Office of Conservation (OC) issued the *Ninth 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* on November 22, 2013. OC acknowledges that Texas Brine Company, LLC (TBC) has complied with directives 1, 3, and 4 of the Ninth Amendment.

On Monday, January 20, 2014, TBC's consultant presented to the Blue Ribbon Commission ("BRC") and OC staff, TBC's proposed alternative to, among other things, the requirement to install and operate additional pressure monitoring wells ("PMW's") in and around the Bayou Corne area as required by the Ninth Amendment. Additionally, TBC submitted its current conditions report and its preliminary modeling report on January 17, 2014. These reports and proposals have been under consideration by the OC and BRC. The OC decided to withhold taking any additional enforcement actions regarding compliance with meeting the specific recommendations found in the BRC's RRD-09 (PMW installation and operation) by the January 31, 2014 deadline set forth in the Ninth Amendment to the Declaration of Emergency.

On March 18, 2014, the OC received from the BRC the *Blue Ribbon Commission on Bayou Corne and Grand Bayou Public Safety, Gas Safety Benchmark Framework and Guidance*, dated March 17, 2014.

Based on the recommendations and guidance provided in the document, TBC shall commence with the PMW installation referenced above in the Ninth Amendment to Declaration of Emergency, Directive # 2. The OC also acknowledges that TBC has installed three of the 14 required Directive #2 PMWs, (PMW-008, PMW-012 (also known as PMW-019), and PMW-016). PMW-018, located west of Bayou Corne, was also installed by TBC, but was not required as part of the Directive # 2 noted above.

In addition to the requirements outlined in Directive #2 (RRD-09), the following recommendations from the referenced BRC guidance document (Second objective) shall be followed:

- For MRAA PMW wells, gas pressure shall be measured with downhole pressure sensors installed at the top of the screened interval and compared to MRAA water pressure at the same elevation using deeper monitoring wells in the aquifer.

Environmental Division

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- Pressure monitoring wells shall confirm hydraulic connectivity with the aquifer as demonstrated by gas flow drawdown and build-up tests (Horne, 1995) or slug tests if gas is not present. The tests should be conducted after installation of a pressure monitoring well.
- Gas in the pressure monitoring wells shall be bled periodically to verify presence or absence of gas accumulation at each well. This process shall only occur at the discretion of OC or at the request of TBC with approval from the OC.
- Pressure monitoring wells, including the shallow Geoprobe wells completed in the aquitard, will be monitored and maintained by TBC on a regular basis to provide data documenting continued reduction of gas pressure in the MRAA and overlying aquitard.

Due to the events previously outlined in this letter as well as the additional requirements set forth in this document, the original deadline for compliance of January 31, 2014 is now extended to May 31, 2014. All appropriate safety precautions and notifications shall be made to all applicable parties during installation and operational activities. Notifications to this Office shall be made no later than 72 hours in advance of activities in the community and 24 hours in advance of all other pressure monitoring well installation activities through conservationorder@la.gov.

If you have any questions, you may contact Travis Williams at 225-342-7213 or travis.williams@la.gov.

Yours very truly,



James H. Welsh

 Commissioner of Conservation

Cc: John Boudreaux, OEP