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GOVERNOR

State of Louisiana
DEPARTMENT OF NATURAL RESOURCES
OFFICE OF CONSERVATION

STEPHEN CHUSTZ
SECRETARY

JAMES H. WELSH
COMMISSIONER OF CONSERVATION

**TENTH 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 **TENTH AMENDMENT TO THE DECLARATION OF EMERGENCY AND DIRECTIVE** is hereby issued;

It is hereby declared that since issuance of the Ninth Amendment to Declarations of Emergency and Directive effective November 22, 2013 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 March 22, 2013, the Secretary of the Louisiana Department of Natural Resources, in consultation with the Governor's Office of Homeland Security and Emergency Preparedness, the Commissioner of Conservation, and the Assumption Parish Office of Emergency Preparedness formed the Blue Ribbon Commission on Bayou Corne and Grand Bayou Public Safety ("BRC") to provide its recommendations on appropriate remediation/monitoring benchmarks or conditions to ensure sustained public safety, as well as, on additional data needed to assess current conditions and define those benchmarks.
- 2) These recommendations are to be reported to the Secretary of the Louisiana Department of Natural Resources, the Commissioner of Conservation, the Governor's Office of Homeland Security and Emergency Preparedness, and the Assumption Parish Office of Homeland Security and Emergency Preparedness.
- 3) On or about March 18, 2014 the BRC reported to the Commissioner of Conservation the "Blue Ribbon Commission on Bayou Corne and Grand Bayou Public Safety, GAS SAFETY BENCHMARK FRAMEWORK AND GUIDANCE" attached as Exhibit "A". On or about March 19, 2014, Texas Brine Company LLC (T149) was provided with this document.
- 4) Following review of these recommendations, the Commissioner of Conservation determines that the recommendations of the BRC are necessary for the protection of public safety from the potential threat associated with the OXY GEISMAR NO. 3 well (Serial Number 180708) facility and site.

NINTH 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 and site.

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 for 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 the 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 April 30, 2014, Texas Brine Company LLC (T149) shall provide a work plan to address the guidance including the “First Objective” provided by the BRC as set forth in Exhibit “A” attached hereto. This work plan shall include, but is not limited to providing information collected and documented to date of all bubble sites including bubble site intensity as defined by TBC or their contractors and analytical data (chemical analysis, isotopic analysis, , etc.) collected and reported from gas collected from the bubble sites. The work plan shall provide for remedial and/or monitoring activities (intensity observations and gas sampling) at the bubble sites to determine how and when gas mitigation is met and/or achieved. This work plan shall address all bubble sites defined within the Mandatory Evacuation Area as defined by Assumption Parish OEP.
2. By no later than April 30, 2014, Texas Brine Company LLC (T149) shall provide a work plan to address the guidance including the “Second Objective” provided by the BRC as set forth in Exhibit “A” attached hereto. The work plan shall address radius of influence (ROI) of MRAA Observation Relief Wells (ORW) in proximity to previously or newly installed pressure monitoring wells (as directed to be installed in the recently revised Ninth Amendment, Directive # 2, letter dated March 25, 2014). The ROI tests shall include both dewatering and non-dewatering activities which could involve observing and recording any influence of ORW gas mitigation activities on a pressure monitoring well (PMW). This work plan shall allow for the procedures and collection of data to determine ROI for ORWs to assess the spacing need for future ORWs in areas where both dewatering and non-dewatering activities may occur for gas mitigation, if necessary.

The work plan shall also address revised phases and criteria for operation of ORWs and include, but is not limited to:

- a. Providing all previous and current dewatering and well development/maintenance data for all ORWs.
- b. Conducting a dewatering test (5-day or less) on all current and future ORWs that definitively shows whether dewatering enhances gas flow at that ORW or if no gas production is possible at that time from that ORW.
- c. Taking into consideration the recommendations of the BRC, proposing the time frames for monitoring and maintenance activities associated with the ORW phases after dewatering tests or activities have occurred.
- d. Proposing dewatering activities based on dewatering and survey data generated from the ORW-21 and ORW-38. This shall include any additional subsidence modeling as a result of collection of this site-specific data. **NOTE:** submittal of the directed work plan by April 30, 2014, shall replace and include the information that was to be included in the requested work plan to be submitted 15 (fifteen) days after submittal of the ORW-38 and ORW-21 dewatering tests report, therefore, two work plans do not need to be submitted.

The work plan shall also address use of additional membrane interface-hydraulic profiling tool (MiHPT) and cone penetrometer testing (CPT) soundings for determining depletion or delineation of subsurface gas as a multiple-measurement approach recommended by the BRC. No additional MiHPT and CPT soundings shall occur at or near current ORW locations until completion of PMW installations and ROI testing. Additional MiHPT and CPT sounding may occur for subsurface gas delineation purposes prior to the completion of PMW installations and ROI testing.

3. By no later than April 30 2014, Texas Brine Company LLC (T149) shall provide a revised work plan to address all air monitoring both inside and outside of the community (as defined by Assumption Parish OEP).

It is further declared that, consistent with La. R.S. 30:6.1.B, if Texas Brine Company LLC (T149) fails to begin the actions listed above prior to 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.

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 – March 26, 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 March 26, 2014 at Baton Rouge, Louisiana.



JAMES H. WELSH
COMMISSIONER OF CONSERVATION