

STATE OF LOUISIANA  
OFFICE OF CONSERVATION  
BATON ROUGE, LOUISIANA

**FINAL SUPPLEMENT TO ORDER IMD NO. SM 87-4**

Order concerning the ongoing and future operation and monitoring of solution-mined salt caverns and associated wells on the western edge of the **Napoleonville Salt Dome** operated by Texas Brine Company, LLC located in Assumption Parish, Louisiana.

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Pursuant to La. R.S. 30:1 *et seq.* and LAC 43, Part XVII, the Office of Conservation (Office) has authority to issue permits, regulate operations, require monitoring, and transfer, modify, terminate, revoke and reissue permits for the drilling, completion, creation, development, operation, and abandonment of Class III solution-mining wells and associated salt caverns. On June 28, 2017, August 13, 2018, and January 8, 2020, Texas Brine Company, LLC (TBC) submitted requests to the commissioner of conservation (Commissioner) for various actions on the solution-mining permits, area permit, and monitoring requirements imposed due the formation of the Bayou Corne sinkhole. On July 17, 2017, September 26, 2018, and January 21, 2020, Occidental Chemical Corporation (Oxy) submitted responses to the TBC requests in opposition. In response to the TBC requests, Oxy opposition, and other submittals, the Commissioner has issued this Order.

**FINDINGS**

The Commissioner of Conservation finds as follows:

1. That on April 22, 1987, by the issuance of Conservation Order No. SM 87-4 (Order SM 87-4), the three TBC Class III injection wells now identified as the Oxy Geismar Well No. 1, Serial No. 151645 (OG1), Oxy Geismar Well No. 2, Serial No. 151646 (OG2), and the Oxy Geismar Well No. 3, Serial No. 180708 (OG3) were repermited for continued operation, and TBC was granted an Area Permit defined as the limits of the Vulcan Plant lease for future expansion.
2. That by issuance of the Supplement to Order SM 87-4 (Supplement), on November 23, 1988, TBC was granted permission to drill and complete two new Class III Solution-Mining wells and extend the Area Permit to include an area of 1,320 feet around the surface location of each of the proposed new wells.
3. That TBC drilled, completed, and operated the Occidental Brine Well No. 9, Serial No. 972654 (OT9) and the Occidental Brine Well No. 10, Serial No. 971992 (OT10) pursuant to the Supplement and were issued permits to operate and utilize the wells for the solution-mining of brine.
4. That except as to the extent otherwise specified by Order SM 87-4 and Supplement, the provisions of Statewide Order 29-N-1 and successor Statewide Order 29-M-3 applied to the operation of these wells (see Supplement to Order SM 87-4, Order Item No. 3).
5. That on May 1, 2002 this Office approved a properly executed change of operator for the OT9 and OT10 from TBC to Oxy.

6. That LAC 43:XVII.3309.M specifies that there can only be one operator of Class III Solution-Mining wells within an Area Permit; therefore, this transfer of operatorship from TBC to OXY on May 1, 2002 effectively removed the OT9 and OT10 from the TBC Area Permit.
7. That the issuance of an Area Permit has the effect of:
  - a. Preventing other operators from permitting, constructing, and operating solution-mining salt cavern wells within its boundaries, and
  - b. negating the absolute requirement for a public hearing on subsequent solution-mining salt cavern wells permitted by the operator of record within the boundaries of the area permit.
8. That on June 6, 2011, the OG3 well was plugged and abandoned by TBC. Therefore, by definition the OG3 well was no longer an “active well.”
9. That on or about August 3, 2012 the sidewall of the solution-mined salt cavern associated with OG3 collapsed forming the Bayou Corne sinkhole.
10. That on or about September 28, 2012 TBC drilled and completed the Oxy Geismar Well No. 3-A, Serial No. 974265 (OG3A) as a replacement for OG3 to monitor the failed cavern pursuant to the Emergency Declaration issued by LDNR.
11. That OXY, as owner of the land and the minerals therein, is recognized by this office as the owner of the caverns associated with the active wells OG1, OG2, and OG3A.
12. That TBC is recognized as the operator of the Area Permit and the active wells OG1, OG2, and OG3A wells as defined by 43:XVII.3301:

*Operator-the person recognized by the Office of Conservation as being responsible for the physical operation of the facility or activity subject to regulatory authority under these rules and regulations.*

13. That TBC must comply with the regulations, or any orders, declarations, or requirements of this Office applicable to an operator pursuant to Finding 12 above.
14. That on January 8, 2020 TBC requested termination or revocation of the Area Permit and confirmation that LDNR will not allow further solution-mining of salt from the OG1, OG2, OG3, or OG3A due to a lack of salt reserves that can safely be mined.
15. That a review of technical information indicates that action by this Office on the Area Permit is warranted and, pursuant to LAC 43:XVII.3311.K.1.c, this Office may act on its own initiative to determine the appropriate course of action regarding permit suspension, modification, revocation and reissuance, or termination.

*The Office of Conservation may, upon its own initiative or at the request of any interested person, review any permit to determine if cause exists to suspend, modify, revoke and reissue, or terminate the permit...*

16. That prior to issuance of the Area Permit, via Order SM 87-4, this Office was provided information that the wellbore in the cavern associated with OG3 was 480 feet from the

edge of the Dome, and the wellbore in the cavern associated with OG1 was 550 feet from the edge of the Dome (see Conservation Hearing Docket No. 87-22).

17. That subsequent improved subsurface mapping technology and techniques now place the OG3 cavern at 0 feet from the edge of the Dome and the OG1 cavern at 143 feet from the edge of the Dome (see PB Report, J Ratigan, July 25, 2013).
18. That a significant portion of the Area Permit lies either completely off of the Dome or too close to the edge of salt to permit solution-mining.
19. That this Office would not have issued the Area Permit as defined in Order SM 87-4 and expanded in the Supplement if the true position of the edge of the Dome had been known at the time of issuance and therefore sufficient cause for revocation of the Area Permit exists.

See LAC 43:XVII.3311.K

*3. Modification or Revocation and Reissuance of Permits. The following are causes for modification and may be causes for revocation and reissuance of permits.*

*b. Information. The Office of Conservation has received information pertinent to the permit. Permits may be modified during their terms for this cause only if the information was not available at the time of permit issuance ... and would have justified the application of different permit conditions at the time of issuance.*

20. That furthermore, this office has determined that based upon the available information continued operation of the permitted activity cannot be conducted in OG1 and OG2 in a way that is protective of the environment, or the health, safety and welfare of the public and thus there are sufficient grounds to terminate the Area Permit.

See LAC 43:XVII. Subpart3. Chapter 3. Section 311. (K)(7).

21. That TBC has conducted seismic monitoring of the OG3 cavern since the Emergency Declaration of August 3, 2012 and a review of the available data for the last 3 years indicates that the OG3 cavern has stabilized.

**ORDER**

NOW, THEREFORE, IT IS ORDERED THAT:

1. TBC shall remain the operator of record for the active wells OG1, OG2, and OG3A until the wells are transferred to a new operator in conformance with LAC 43:XVII.
2. As operator of record for the active wells OG1, OG2, and OG3A, TBC shall be responsible to keep the wells compliant with LAC 43:XVII, or any other orders, declarations, or requirements of this Office.
3. Any injection into the active wells OG1, OG2, and OG3A; any testing and/or other activities involving the active wells OG1, OG2, an OG3A shall not be allowed without the express written consent of the commissioner.
4. TBC shall be required to keep the seismic array and monitoring equipment on site and readily deployable.

5. TBC shall continue to monitor the pressures on the active wells OG1, OG2, and OG3A wells and report them to the commissioner on a time and basis determined by the commissioner.
6. The Area Permit established by Order SM 87-4 and extended by the Supplement to Order 87-4 is hereby revoked.

This Order shall be effective on and after October 2, 2020.

OFFICE OF CONSERVATION  
OF THE STATE OF LOUISIANA

  
RICHARD P. IEYOUB  
COMMISSIONER OF CONSERVATION