BOBBY JINDAL GOVERNOR



Louisiana

STEPHEN CHUSTZ INTERIM SECRETARY

JAMES H. WELSH COMMISSIONER OF CONSERVATION

DEPARTMENT OF NATURAL RESOURCES OFFICE OF CONSERVATION

of

State

AMENDMENT TO DECLARATION OF EMERGENCY AND DIRECTIVE

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;

It is hereby declared that since issuance of the Declaration of Emergency issued August 3, 2012 to Texas Brine Company LLC (T149) concerning subsidence that has occurred immediately adjacent to OXY GEISMAR NO. 3 well site (Serial Number 180708) and the associated salt cavern, the following evidence has been ascertained:

- 1) The contents within the area of subsidence/sink hole were determined to contain both diesel and elevated chlorides suggesting that the contents of the cavern associated with well Serial Number 180708 are a likely source; and
- Bubbling has been observed within the area of subsidence/sink-hole and bubbling within the waters of the surrounding area has continued suggesting that an emergency incident is ongoing or imminent.

It is hereby declared that based upon the new evidence the August 3, 2012 Emergency Declaration to Texas Brine Company LLC (T149) is hereby amended to require the following in addition to those provisions set forth therein.

It is further declared that this emergency incident is of such magnitude as to require Texas Brine Company LLC (T149) to expeditiously drill a well to investigate the above referenced salt cavern and to further evaluate potential causes of the subsidence near the above referenced well site in order to prevent substantial or irreparable damage to the environment and/or a serious threat to life or safety.

It is further declared that Texas Brine Company LLC (T149) is specifically directed and ordered to perform all of the following within the deadlines stated below:

- 1) In an attempt to determine the presence of natural gas and the condition/integrity of the cavern associated with well serial number 180708, including but not limited to the existence of fill, depth of fill, and pressure, submit to the Injection and Mining Division of this office an application for a permit to drill a well for the investigation of the above referenced salt cavern as soon as possible but no later than August 13, 2012;
- 2) Commence site preparation activities associated with this investigatory well as soon as possible but no later than seven (7) days following issuance of an approved permit to drill;
- 3) Commence drilling the investigatory well as soon as possible contingent upon drilling rig availability;
- 4) Obtain samples of any cavern content (such as natural gas, fluid, solid fill, and NORM contaminated solids) as soon as possible following completion of the investigatory well;

- 5) Perform all necessary wireline surveys; and
- 6) Provide daily reports to this office on the progress made in reaching items 1 through 5 above.

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 within the deadlines set forth, orders demanding compliance and civil penalties may be issued to Texas Brine Company LLC (T149)R.S. 30:1, et seq.

SO DECLARED, ORDERED, AND DONE this 9th day of August 2012 at Baton Rouge, Louisiana.

JAMES H. WELSH COMMISSIONER OF CONSERVATION

cc: Gary Ross Brent Campbell Joseph S. Ball, Jr.