State of Louisiana

DEPARTMENT OF NATURAL RESOURCES OFFICE OF COASTAL MANAGEMENT

August 12, 2012

CERTIFIED MAIL NO. <u>03 3527 7870</u>

Texas Brine, LLC

c/o United Brine Services Company, LLC 4800 San Felipe Houston, TX 77056 Attn: Dr. Joel Warneke, Ph.D. PE

EUA 12-024; Emergency Use Authorization

Description: A large sinkhole has opened up south of Bayou Corne and to the north west of Texas Brines Oxy-Geismar #3 brine cavern (serial number 180708). There is also an unknown amount of natural gas associated with this sinkhole. LDNR - Office of Conservation by Declaration of Emergency and Directive has ordered Texas Brine to attempt to determine the presence of natural gas and the condition/integrity of the cavern associated with this well by drilling of an investigation well. The existing well pad for Oxy-Taft Brine Well #9 will be expanded approximately 238' x 71' and filled to directionally drill this observation well into the top of the #3 cavern. Additionally, a 215' x 30' wide board mat road will be installed from the Oxy-Geismar Brine Well #3 for tracked equipment to access, construct a ring levee/ditch surrounding the approximately 2.5 acre sinkhole and remove contaminated vegetation from within this area. Approximately 4,380 cubic yards of material will be excavated to construct the ring levee to +6.0' elevation.

Location: Lat. 30° 00' 31.2" N; Long. 91° 08' 22.7" W

Assumption Parish, LA

Dear Dr. Warneke:

We have reviewed the information presented to the Office of Coastal Management (OCM) in your Emergency Use Authorization request dated August 12, 2012. Pursuant to the provisions contained in the LAC (Title 43, Part I, Chapter 7 §723.B.3.), the Emergency Use Authorization request is hereby granted. This Emergency Use Authorization provides only for that work necessary to accomplish the above referenced purpose and is contingent upon acceptance of the following conditions.

1. This Emergency Use Authorization is strictly limited to the activity as described in your request and accompanying plats.

EUA 12-024 Texas Gas Transmission August 12, 2012 Page 2

- 2. Dredge and fill activities for site access are not authorized unless specifically described in the work statement of this letter.
- 3. The applicant agrees, by virtue of the commencement of authorized activities, to submit to OCM, a complete application packet (\$100 application fee, Joint Application Form, vicinity plats, plan plats, cross section plats, etc.) for the activity not more than thirty (30) days from the date of this authorization. You may obtain a free application packet by calling our office at (225) 342-7591 or (800)-267-4019; or by visiting our website at http://www.dnr.state.la.us/crm/coastmgt/cup/cup.asp.
- 4. The applicant agrees, by virtue of the commencement of authorized activities, to avoid to the maximum extent practicable, vegetated wetland impacts, and if necessary to mitigate for those unavoidable adverse impacts to vegetated wetlands, including submerged aquatics, should OCM determine that mitigation is necessary. Should OCM deem mitigation to be necessary, the applicant agrees, by virtue of the commencement of authorized activities, to submit and fulfill a mitigation plan that has been approved by OCM.
- 5. The applicant agrees, by virtue of the commencement of authorized activities, to adjust, alter, or remove any structure or other evidence of the authorized emergency use if, in the opinion of OCM, it proves to be beyond the scope of the authorized activity or is abandoned.
- 6. The applicant agrees, by virtue of the commencement of authorized activities, to hold and save the State of Louisiana, the Department of Natural Resources (DNR), and their officers and employees harmless from any damage to persons or property which might result from the emergency use.
- 7. The applicant agrees, by virtue of the commencement of authorized activities, to certify that the emergency use has been completed in an acceptable and satisfactory manner and in accordance with the plans and specifications approved by OCM as referenced herein. OCM may, when appropriate, require such certification by given by a registered engineer.

EUA 12-024 Texas Gas Transmission August 12, 2012 Page 3

- 8. The applicant agrees, by virtue of the commencement of authorized activities, to ensure that this Emergency Use Authorization, or a copy thereof, shall be available for inspection at the work site at all times during operations.
- 9. The applicant agrees, by virtue of the commencement of authorized activities, to notify OCM of the date on which initiation of the authorized emergency activity began. The applicant shall notify OCM by mailing the enclosed green initiation card on the date of initiation of the authorized activities.
- 10. The applicant agrees, by virtue of the commencement of repair activities, to ensure that the authorized activity does not result in the blockage of any natural or manmade streams or sloughs. A follow-up investigation of the authorized work will be conducted by employees of OCM to determine compliance with this condition.
- 11. Permittee shall comply with all applicable state laws regarding the need to contact the Louisiana One Call (LOC) system (1-800-272-3020) to locate any buried cables and pipelines.
- 12. The area where the project is located is all part of the aboriginal homelands of the Chitimacha Tribe of Louisiana. As such, large villages, burial sites, and sacred sites were in place in that entire area. If at any time during the course of the work, any traditional cultural properties are discovered, the applicant shall immediately contact Kimberly S. Walden (Cultural Director) or Melanie Aymond (Research Coordinator) at (337) 923-9923 or (337) 923-4395. Office hours are Monday through Thursday from 7:30 A.M. 5:00 P.M. and on Friday between 7:30 A.M. 11:30 A.M. If traditional cultural properties are discovered on the weekend or after business hours, the notification shall be made the next business morning.
- 13. Unless otherwise specified, this Emergency Use Authorization will expire 30 days from the date of this letter, if the work has not been initiated or if the applicant has not submitted a complete Coastal Use Permit Application to OCM for the authorized activity. This expiration condition will be waived only if the applicant notifies OCM of the reason(s) for the delay and proposes an acceptable schedule for initiation of the work, or submits a complete Coastal Use Permit Application.

EUA 12-024 Texas Gas Transmission August 12, 2012 Page 4

> 14. This authorization is not valid unless the applicant agrees to the terms and conditions provided for herein by executing in the space provided below.

Should you have any questions or need additional help, please feel free to contact Mrs. Christine Charrier, Program Manager, at (225) 342-7953.

Sincerely,

Christine Charier

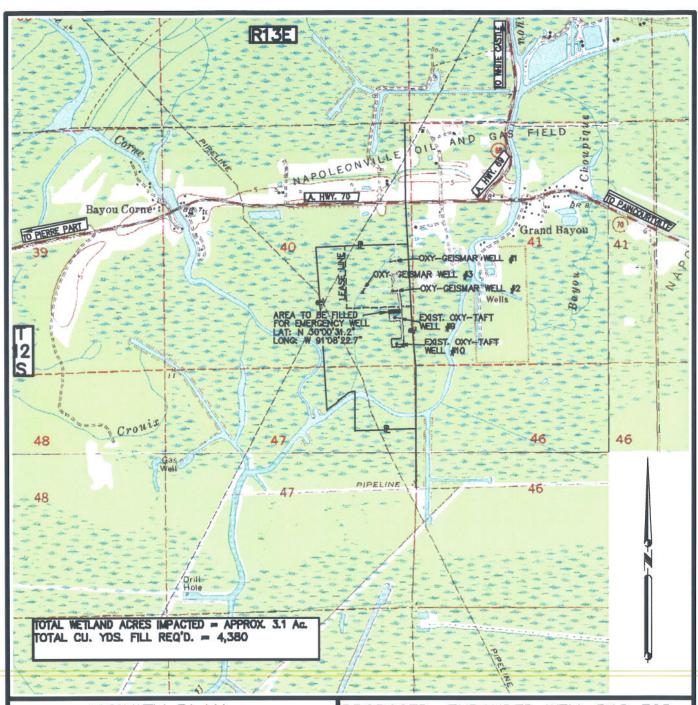
Karl Morgan, Christine Charrier

Administrator

AGREED TO AND ACCEPTED by	this	day
of, 200		

KM/jbp Attachments (green card and plats)

CC: Pete Serio, COE w/plats
David Butler, LDWF w/plats
Craig Leblanc, OCM/FI w/plats
Debra Persick, OC w/plats



MCINITY PLAN

2000' 1000' 0' 2000'

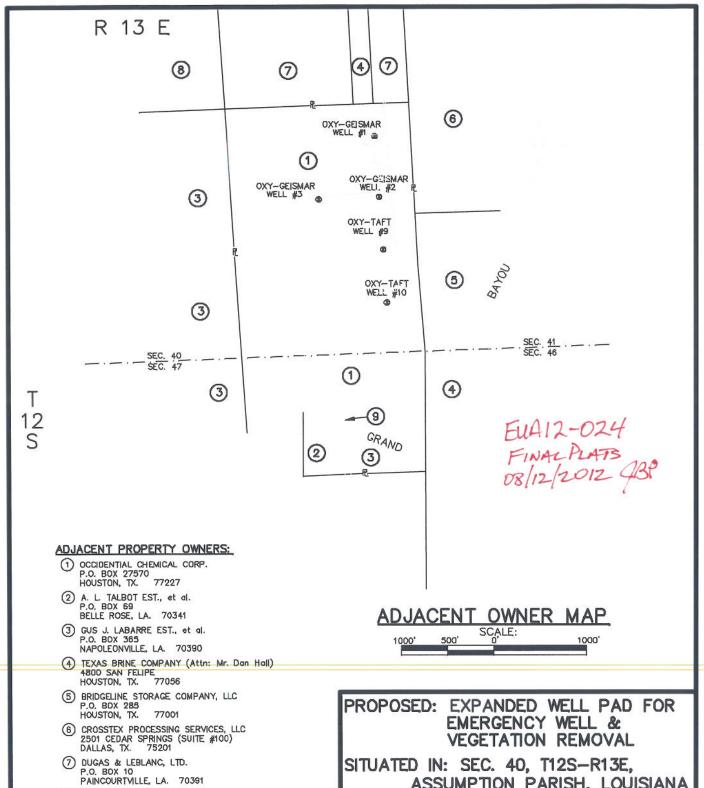
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PIERRE PART, BELLE ROSE & LONE STAR, LA. 1994

EUA12-024 FINAL PLATS 08/12/2012 43P PROPOSED: EXPANDED WELL PAD FOR EMERGENCY WELL & VEGETATION REMOVAL

SITUATED IN: SEC. 40, T12S-R13E,
ASSUMPTION PARISH, LOUISIANA
APPLICATION BY: TEXAS BRINE CO., LLC

DATE: AUGUST 12, 2012

SHEET 1 OF 5



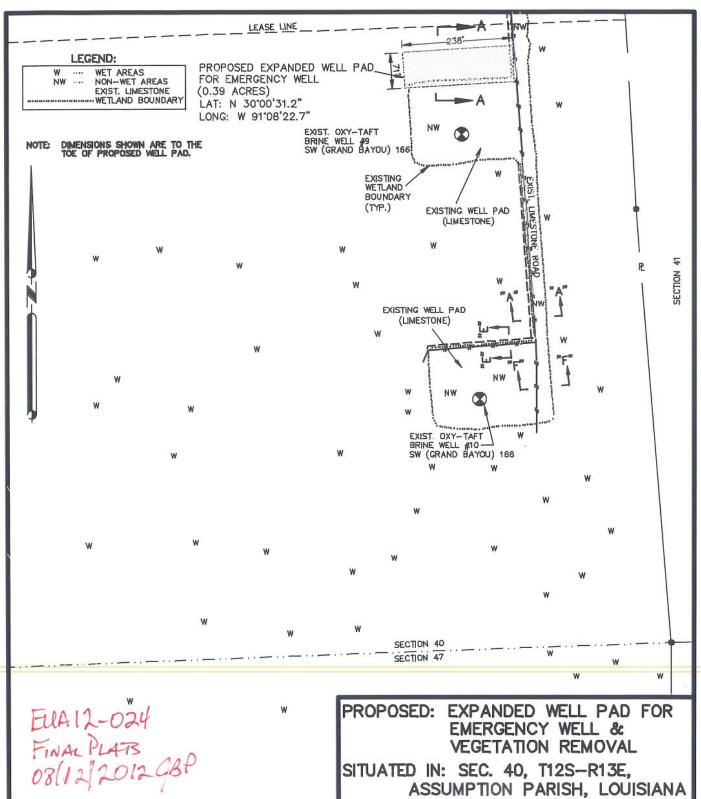
(B) EDWARD HEBERT EST., et al. 2467 ST. SIMON PLACE DONALDSONVILLE, LA. 70346

STATE OF LOUISIANA (STATE LAND OFFICE) P.O. BOX 44124 BATON ROUGE, LA. 70804

ASSUMPTION PARISH, LOUISIANA APPLICATION BY: TEXAS BRINE CO., LLC

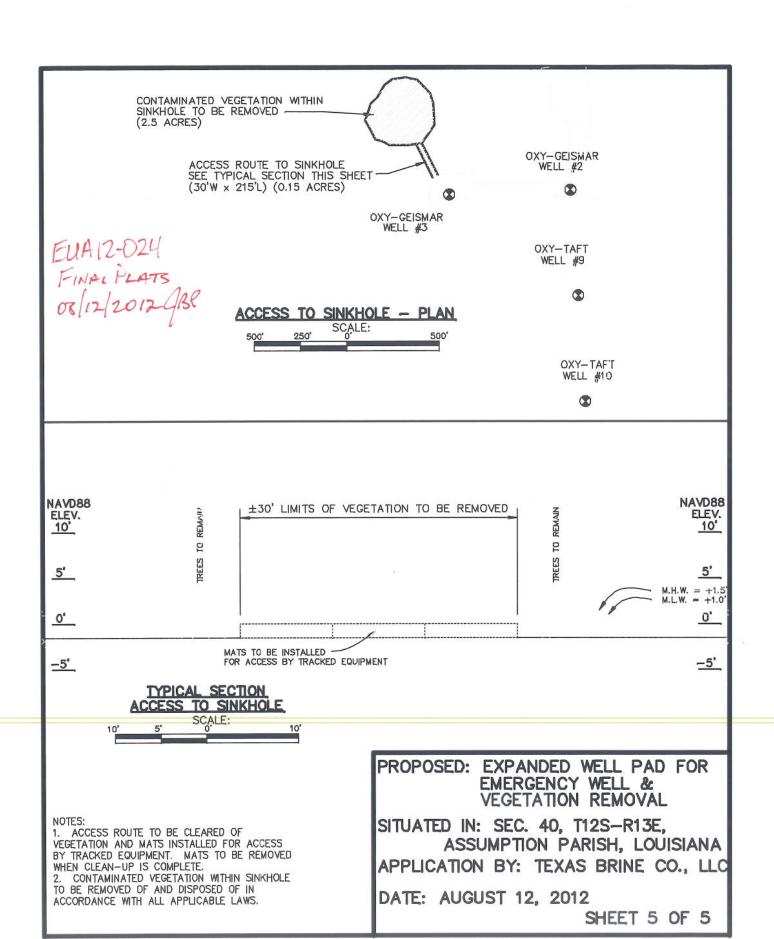
DATE: AUGUST 12, 2012

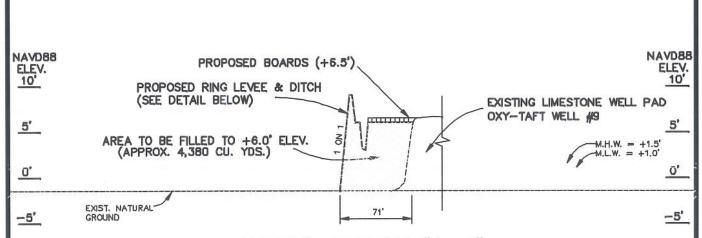
SHEET 2 OF 5



PLAN VIEW 200 SITUATED IN: SEC. 40, T12S-R13E, ASSUMPTION PARISH, LOUISIANA APPLICATION BY: TEXAS BRINE CO,. LLC

DATE: AUGUST 12, 2012 SHEET 3 OF 5

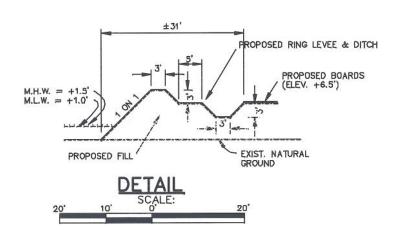




TYPICAL SECTION "A-A" PROPOSED EXPANDED WELL PAD #9



EUA12-024 FINALPLATS 08/12/2012 GBP



NOTES:

1. DITCHES ON PROPOSED PADS SHALL SLOPE TO A RETAINING SUMP AREA AND ANY RUN OFF SHALL BE REMOVED FROM SITE.

 SUMP, DITCHES & RING LEVEE ARE TEMPORARY FOR DRILLING OPERATIONS AND REMOVED AFTER COMPLETION OF DRILLING.

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SHEET 4 OF 5