



JOHN BEL EDWARDS
GOVERNOR

State of Louisiana
DEPARTMENT OF NATURAL
RESOURCES
OFFICE OF CONSERVATION

THOMAS F. HARRIS
SECRETARY

MONIQUE M. EDWARDS
COMMISSIONER OF CONSERVATION

April 18, 2023

Joshue Bradley
Eagle US 2, LLC (E208)
1300 PPG Drive
Westlake, LA 70669

Re: PPG Well No. 006-X, SN 57788 (Cavern Code No. 10-01-05);
PPG Well No. 006-Y, SN 58711 (Cavern Code No. 10-01-05);
PPG Well No. 006-Z, SN 971287 (Cavern Code No. 10-01-05);
PPG Well No. 007A, SN 67269 (Cavern Code No. 10-01-06);
PPG Well No. 007B, SN 67270 (Cavern Code No. 10-01-06);
PPG Well No. 007C, SN 971288 (Cavern Code No. 10-01-06)
Sulphur Mines Salt Dome (8759), Calcasieu Parish, Louisiana

***** SECOND SUPPLEMENT TO COMPLIANCE ORDER NO. IMD 2022-027 *****

Dear Mr. Bradley:

This Second Supplement to Compliance Order is issued under the general authority of the Minerals, Oil and Gas and Environmental Quality Law, La. R.S. 30:1 *et seq.*, and under the specific authority set forth in La. R.S. 30: 6(8), 18.

FINDINGS OF FACT

The Office of Conservation has determined that Eagle US 2, LLC (“Eagle”) has violated the Conservation Law and regulations thereunder, specifically Statewide Order No. 29-M-3 (Subpart 5 of LAC 43:XVII.Chapter 33), in the following particulars.

1. That Eagle is the current operator-of-record for the following cavern wells at the Sulphur Mines salt dome facility:

SERIAL NUMBER	WELL NAME/NO.	CURRENT STATUS	STATUS DATE
57788	PPG Well No. 006-X	Inactive	February 19, 2015
58711	PPG Well No. 006-Y	Dry & Plugged	July 13, 2017
971287	PPG Well No. 006-Z	Dry & Plugged	July 19, 2017
67269	PPG Well No. 007A	Dry & Plugged	October 23, 2018
67270	PPG Well No. 007B	Inactive	February 19, 2015
971288	PPG Well No. 007C	Dry & Plugged	October 23, 2018

2. That IMD issued Compliance Order No. IMD 2022-027 on April 27, 2022 in response to Findings of Facts Nos. 1 and 2, requiring payment of Civil Penalty and the submission of monitoring and investigative plans.
3. That Eagle responded to the Orders, paying the Civil Penalty and submitting monitoring and investigative plans in the correspondence titled "Response to Compliance Order No. IMD 2022-027", which was received by IMD on June 24, 2022.
4. That the First Supplement to Compliance Order No. IMD 2022-027 was issued to Eagle on January 19, 2023.
5. That on February 20, 2023, Eagle provided IMD with a formal response to the First Supplement to Compliance Order No. IMD 2022-027.
6. That on March 3, 2023, IMD issued a Notice of Deficiency (NOD) to Eagle in reference to the formal response submitted to IMD on February 20, 2023.
7. That on March 13, 2023, Eagle provided IMD with a formal response to the NOD issued on March 3, 2023.
8. That on March 21, 2023, IMD issued approval of some of the submitted revised plans provided by Eagle on March 13, 2023, as required in the First Supplement to Compliance Order No. IMD 2022-027.
9. To date, Eagle has not satisfactorily complied with all of the requirements of the First Supplement to Compliance Order No. IMD 2022-027.
10. That on March 23, 2023, IMD was notified by email of a detected seismic event that occurred on March 18, 2023, within or in close proximity to the salt dome.
11. That as of March 28, 2023, there have been twenty-two (22) bubbling locations and/or sheen locations observed and reported by Eagle across the Sulphur Mines salt dome.

ORDERS

Under the statutory authority cited above, and given the apparent loss of mechanical integrity that PPG 007B is again experiencing, Eagle is hereby ordered to comply with the following:

1. Eagle is ordered as soon as possible but not later than thirty (30) days to submit the following:
 - a. An Underground Source of Drinking Water ("USDW") report, which evaluates and better defines the depth to the top of the USDW over and around the salt dome, and includes an assessment of hypothetical events that could affect groundwater quality.
 - b. A plan to install a minimum of three (3) monitoring wells in and about the area of investigation. The monitoring wells must be screened to monitor the deepest monitorable sand within the USDW.
2. Eagle is ordered as soon as possible but within seven (7) days to request access from Yellow Rock and collect representative hydrocarbon samples from two producing wells, Serial Nos. 209459 and 185997. Additionally, Eagle must perform an isotopic and constituent analysis on these samples and compare them to similar

analyses used for the oil collected from previous oil sampling efforts. Eagle must expeditiously perform constituent sample analyses on all collected samples.

3. The Commissioner of Conservation reserves the right to require further investigative and remediation actions as may be deemed necessary.
4. The Commissioner reserves the right, pursuant to La R.S. 30:1 et seq., more specifically La R.S. 30:18(A)(6), to levy additional civil penalties or other sanctions as provided by law.

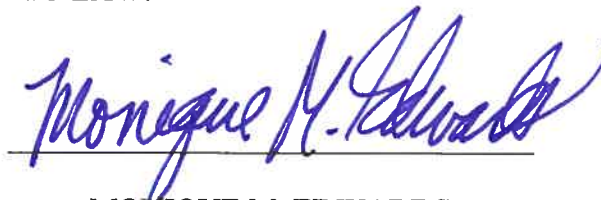
All documents (written responses, forms, logs, pictures, diagrams, etc.) prepared by Eagle in response to this Compliance Order shall be submitted to Stephen H. Lee, Director of the Injection and Mining Division. Please reference the order number (IMD 2022-027 – Second Supplement to Order) in documents submitted.

Failure to comply with this Compliance Order shall subject Eagle to additional civil penalties of not more than thirty-two thousand, five hundred dollars (\$32,500.00) per day for each day of continuing violation and for each individual violation as provided in RS 30:18 in addition to any other appropriate regulatory sanctions as provided by law.

Within seven (7) days of receipt of this Compliance Order, Eagle may make a written request for an informal conference with the Commissioner and Conservation staff at no charge. Within twenty (20) days of receipt of this Compliance Order, Eagle may make a written request for a public hearing pursuant to La R.S. 30:6(G) and 30:8. A public hearing request must be accompanied by a check or money order in the non-refundable amount of seven hundred fifty-five dollars (\$755.00) as provided by Statewide Order 29-R (Chapter 7 of LAC 43:XIX), or the request for a hearing will not be considered. If a public hearing is requested, a request for an informal conference will be denied.

Should Eagle have any questions concerning this Compliance Order, please contact Corey Shircliff at (225) 342-5586 or by e-mail at Corey.Shircliff@la.gov.

ISSUED THIS DATE PURSUANT TO LAW.



MONIQUE M. EDWARDS

COMMISSIONER OF CONSERVATION

MME:SHL:CS/CD