STATE OF LOUISIANA OFFICE OF CONSERVATION BATON ROUGE, LOUISIANA

ORDER NO. EMERG 970-1

Order concerning the establishment of procedures to be followed when an oil and gas well is permitted, sidetracked, stimulated, hydraulically fractured, or deepened within a delineated Area of Concern for a portion of the Sulphur Mines Field on or adjacent to the Sulphur Mines Salt Dome, Calcasieu Parish, Louisiana.

Pursuant to La. R.S. 30:1 *et seq.* and LAC 43, Parts XVII and XIX, this office has authority to issue permits for the drilling of oil and gas wells and the creation, development, and/or operation of solution-mined salt caverns. On September 20, 2023, the Commissioner of Conservation ("Commissioner") issued Declaration of Emergency No. 2023-1 for an Area of Concern ("AOC") encompassing a portion of the Sulphur Mines Salt Dome in the Sulphur Mines Field, Calcasieu Parish, Louisiana. To ensure continued safe operations during this emergency, the Commissioner hereby issues the following Order for all operators in the Area of Interest ("AOI") defined below.

FINDINGS

THE COMMISSIONER OF CONSERVATION FINDS AS FOLLOWS:

- 1. The Commissioner issued Declaration of Emergency No. 2023-1 on September 20, 2023, pursuant to the authority granted under La. Const. art. IX, § 1; La. R.S. 36:351; La. R.S. 36:358(C); La. R.S. 36:359(B)(1); La. R.S. 30:1 *et seq.*, and particularly La. R.S. 30:4(A), La. R.S. 30:4(M), and La. R.S. 30:6.1; and LAC 43:XVII, Chs. 3 and 33.
- 2. The Louisiana Department of Natural Resources, Office of Conservation has received evidence from operators, confirmed by agents and staff of this office, that ground deformation and subsidence is threatening to occur imminently within the following AOC: a circular area with a radius of 3,200 feet centered upon a point in Section 29, Township 9 South, Range 10 West in Calcasieu Parish, Louisiana, with a Latitude of 30 degrees, 15 minutes, 12.17 seconds and a Longitude of -93 degrees, 24 minutes, and 53.79 seconds, Geographic Coordinate System North American Datum of 1927 (GCS NAD 27), approximately corresponding to the well head of Westlake US 2, LLC's PPG 007B Well (State Serial Number 67270) and encompassing the Sulphur Mines Salt Dome, approximately one mile west-northwest of Sulphur, Louisiana. (See attached maps.)
- 3. The emergency declared under Declaration of Emergency No. 2023-1 involves the coexistence, safe operation, and development of solution-mined salt caverns, oil and gas wells, salt water disposal wells, and fresh water wells; the ownership of the surface of private property with associated solid mineral ownership under La. R.S. 31:5; and the ownership rights associated with exploring, developing, and producing the fugacious minerals beneath private property as provided in La. R.S. 31:6, 8. Louisiana law permits the Office of Conservation to regulate the operation of solution-mined salt caverns, injection wells, fresh water wells, and the exploration and production of oil and gas.
- 4. The property rights identified in Finding No. 3 above may be owned separately, and La. R.S. 31:11 grants correlative rights to the owners of separate property and mineral rights, but this Office lacks jurisdiction to decide which of these ownership rights in conjunction with correlative permit rights deserve primacy.

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5. The Notice Protocol defined in this Order applies to the AOI, an area encompassing the AOC defined in Declaration of Emergency No. 2023-1 and Finding No. 2 above, with an additional buffer zone of 1,000 feet, as defined immediately below.

A circular area with a radius of 4,200 feet centered upon a point in Section 29, Township 9 South, Range 10 West in Calcasieu Parish, Louisiana, with a Latitude of 30 degrees, 15 minutes, 12.17 seconds and a Longitude of -93 degrees, 24 minutes, and 53.79 seconds, Geographic Coordinate System North American Datum of 1927 (GCS NAD 27), approximately corresponding to the well head of Westlake US 2, LLC's PPG 007B Well (State Serial Number 67270) and encompassing the Sulphur Mines Salt Dome, approximately one mile west-northwest of Sulphur, Louisiana. (*See* attached maps.)

ORDERS

NOW, THEREFORE, IT IS ORDERED THAT:

- 1. Every permit application to drill for minerals, to drill a new solution-mining well, or to convert a solution-mining well to a hydrocarbon storage cavern, in which the surface location or any part of the wellbore path enters the AOI must include a signed and dated affidavit stating that the applicant has notified the Office of Conservation; all active oil and gas operators of wells within the AOI ("Interested Oil and Gas Operators"); and all applicants for solution-mining wells within the AOI and owners, operators, and responsible parties for permitted solution-mining wells or existing solution-mined caverns within the AOI and persons having area permits for solution-mining wells or hydrocarbon storage caverns within the AOI (collectively, "Interested Cavern Operators"; together with Interested Oil and Gas Operators, "Interested Operators") of the proposed location and wellbore path of well to be drilled or converted.
 - a. The Office of Conservation shall not approve any such permit application unless:
 - i. at least thirty days have elapsed since the date of signing of the affidavit;
 - ii. IMD has not received an objection in writing to the permit application from an Interested Operator during that thirty-day period.
- 2. Every application to amend an approved permit to drill for minerals within the AOI must include a signed and dated affidavit stating that the applicant has notified all Interested Operators of the surface location of the well, the proposed wellbore path, and the proposed work to be performed.
 - a. The Office of Conservation shall not approve any such application unless:
 - i. at least thirty days have elapsed since the date of signing of the affidavit; and
 - ii. IMD has not received an objection in writing to the permit application from an Interested Operator during that thirty-day period.
 - b. Notwithstanding Order No. 2(a) above, if the Commissioner finds that it is not safe, prudent, or practicable for the applicant to wait thirty days before performing the proposed work, the Office of Conservation may approve a permit amendment if:
 - i. the Commissioner approves a written request from the applicant to waive the thirty-day objection period;
 - ii. the applicant gives notice to the Office of Conservation's Injection and Mining Division ("IMD"); and
 - iii. IMD issues a letter of no objection to the application.
- 3. Any work permit for any well bore work within the AOI, including, but not limited to, perforating, sidetracking, stimulating, hydraulic fracturing, or deepening a well within the

AOI, must include a signed and dated affidavit stating that the applicant has notified all Interested Operators of the location of the well and the proposed work to be performed.

- a. The Office of Conservation shall not approve any such work permit unless:
 - i. at least thirty days have elapsed since the date of signing of the affidavit; and
 - ii. IMD has not received an objection in writing to the permit application from an Interested Operator during that thirty-day period.
- b. Notwithstanding Order No. 3(a) above, if the Commissioner finds that it is not safe, prudent, or practicable for the applicant to wait thirty days before performing the proposed work, the Office of Conservation may approve a permit amendment if:
 - i. the Commissioner approves a written request from the applicant to waive the thirty-day objection period;
 - ii. the applicant gives notice to IMD; and
 - iii. IMD issues a letter of no objection to the application.
- 4. For purposes of this Order, IMD shall maintain and periodically distribute lists of Interested Operators for the AOI with designated contact persons' names, mailing addresses, and e-mail addresses. Nevertheless, every Interested Operator must submit and promptly update the name, mailing address, and e-mail address of its respective designated contact person on this list.
- 5. The notice required by this Order shall, at a minimum, include a copy of the complete application with all required information and attachments for the well or activity that is proposed to be approved by the Office of Conservation.
- 6. The notice required by this Order shall be via registered mail and/or electronic mail to all Interested Operators on the list of Interested Operators maintained by IMD.
- 7. Every Interested Operator must take all necessary and appropriate steps to restrict access to property under its control within the AOC to authorized personnel only. Additionally, every Interested Operator must maintain sign-in and sign-out sheets for all personnel who enter and exit property under its control within the AOC and record the names of such personnel and the times of their entries into and exits from the AOC.
- 8. Any Interested Operator that fails or refuses to comply fully and timely with any provision of this Order shall be subject to civil penalties or other appropriate regulatory sanctions provided by law, including, but not limited to, those under La. R.S. 30:18.
- 9. This Order shall remain in effect until rescinded or supplemented by the Commissioner.

This Order shall be effective on and after September 27, 2023.

MONQUE M. EDWARDS COMMISSIONER OF CONSERVATION



