



BOBBY JINDAL
GOVERNOR

State of Louisiana
DEPARTMENT OF NATURAL RESOURCES
OFFICE OF CONSERVATION

ROBERT D. HARPER
SECRETARY

JAMES H. WELSH
COMMISSIONER OF CONSERVATION

TO: All Operators of Record

FROM: James H. Welsh, Commissioner of Conservation

A handwritten signature in black ink, appearing to read "JHW", written over the "FROM:" line.

DATE: June 24, 2010

RE: Clarification of the effective date for the Emergency Rule Amendment to Statewide Orders No. 29-B and 29-B-a (LAC 43:XIX. Chapter 2 and 11)

MEMORANDUM

An Emergency Rule Amendment to Statewide Orders No. 29-B and 29-B-a (hereinafter "Emergency Rule") was signed on June 15, 2010. The reasons for the Emergency Rule stated:

"Notwithstanding the above, it is necessary to allow the affected industry adequate time to prepare for implementation and compliance with the Emergency Rule. Time must be allowed for establishing the required equipment and qualified personnel, and possible modification of exploration and production schedules and procedures. For the above reasons, the effective date of this Emergency Rule will be set approximately 30 days after the date of signing."

Accordingly, the effective date of the Emergency Rule was made July 15, 2010.

Wells in the process of drilling, completion or workover prior to the effective date of the Emergency Rule are not subject to the new requirements of the Emergency Rule. Only those wells, which are spud or on which workover operations commence on or after July 15, 2010, must comply with the Emergency Rule requirements. In addition to the reasons stated above, this application of the Emergency Rule was adopted in order to avoid the stoppage of current drilling, completion or workover operations. Mandating the immediate stoppage of ongoing operations would likely create greater risks to public safety and the environment than allowing the already commenced work to reach a safe conclusion. Any well found to have spud or on which workover operations have commenced on or after July 15th and which have not met all the requirements of the Emergency Rule will be subject to a compliance order with civil penalty.

Please direct any questions to the appropriate District Office.