

JACK R. GAMBLE, JR., LLC

NO. 81488

VS.

42ND JUDICIAL DISTRICT COURT

DeSOTO PARISH, LOUISIANA

INDIGO MINERALS, LLC

DIVISION B

**INDIGO's LIMITED ADMISSION
PURSUANT TO LA. CODE CIV. P. ART. 1563 AND LA. R.S. 30:29**

Indigo Minerals LLC ("Indigo") submits this limited admission under La. R.S. 30:29 and states as follow:

1. Effective June 26, 2007, the alleged predecessors-in-interest of the plaintiff, Jack R. Gamble, Jr., LLC ("Gamble LLC") granted an Oil, Gas and Mineral Lease (as amended and corrected, the "Gamble Lease") in favor of Indigo, covering specified interests in specified tracts of land in Sections 25, 26, 34, and 35 in Township 13 North, Range 16 West, and in Sections 2, 3 and 12 in Township 12 North, Range 16 West, DeSoto Parish, Louisiana.

2. On July 31, 2007, Gamble LLC's alleged predecessors-in-interest executed a Correction and Amendment of Oil, Gas and Mineral Lease correcting and amending the Gamble Lease.

3. Effective January 9, 2009, Indigo assigned the Gamble Lease, insofar as it covered the depths below the Base of the Cotton Valley Formation (as defined) (the "Deep Rights") to Chesapeake Louisiana, L.P. ("Chesapeake") (the "2009 Assignment").

4. Indigo drilled and completed the CV RA SU107; J Gamble Jr. 35 #1 well, bearing serial number 239274 ("239274"). 239274 was spud on or about January 12, 2009, and the reserve pit for the well was closed on or about April 27, 2009. Indigo operated 239274 until May 18, 2021.

5. Indigo drilled and completed the CV RA SUF; J Gamble Jr et al 34#1 well, bearing serial number 239592 ("239592"). 239592 was spud on or about April 6, 2009, and the reserve pit for the well was closed on or about June 19, 2009. Indigo operated 239592 until May 18, 2021.

6. Indigo drilled and completed the HA RA SUC; J Gamble Jr 2 #2 well, bearing serial number 240035 ("240035"). 240035 was spud on or about August 20, 2009, and the reserve pit for the well was closed on or about January 20, 2010. Indigo operated 240035 until June 8, 2021.

7. Chesapeake drilled and completed the HA RB SUC; Gamble Jr 35-13-16 H#1 well, bearing serial number 240037 ("240037"). 240037 was spud on or about August 12, 2009, and the

reserve pit for the well was closed before September 1, 2010. Chesapeake operated 240037 until January 14, 2017.

8. Chesapeake drilled and completed the HA RA SUB; Gamble Jr 34-13-16 H #1 well, bearing serial number 240833 ("240833"). 240833 was spud on or about March 14, 2010, and the reserve pit for the well was closed on or about June 22, 2010. Chesapeake operated 240833 until January 14, 2017.

9. Effective January 13, 2017, Chesapeake assigned the Deep Rights under the Gamble Lease to Indigo Haynesville LLC.

10. Gamble LLC filed this lawsuit claiming, among other things, that Indigo's operations caused environmental damage to its property.

11. R.S. 30:29 defines "environmental damage" as "any actual or potential impact, damage, or injury to environmental media caused by contamination resulting from activities associated with oilfield sites or exploration and production sites." La. R.S. 30:29 (I)(2).

12. R.S. 30:29 was enacted "to ensure that damage to the environment is remediated to a standard that protects the public interest" and to provide "the procedure for judicial resolution of claims for environmental damage to property" La. R.S. 30:29(A).

13. When a plaintiff alleges "environmental damage" in a lawsuit, a defendant may make a limited admission under La. Code Civ. P. art. 1563 and La. R.S. 30:29 and may limit the admission to "responsibility for implementing the most feasible plan to evaluate, and if necessary, remediate all or a portion of the contamination that is the subject of the litigation to applicable regulatory standards." La. Code Civ. P. art. 1563(A)(1).

14. When a defendant makes a limited admission, the court is required to refer the matter to the Louisiana Department of Natural Resources ("LDNR") "to conduct a public hearing to approve or structure a plan which the department determines to be the most feasible plan to evaluate or remediate the environmental damage under the applicable regulatory standards." La. Code Civ. P. art. 1563(A)(2).

15. A defendant who makes a limited admission must perform the evaluation, and, if necessary, the remediation required by the most feasible plan, and the admitting defendant is required to fund the implementation of the plan by depositing into the registry of the court all of the money the court determines is necessary for the evaluation and remediation, if necessary, required by the

most feasible plan. La. R.S. 30:29(C)(5) and (D).

16. A limited admission shall not be construed as an admission of liability by Indigo for any of Gamble LLC's private claims, including, without limitation, that Indigo or its predecessors or successors' operations were negligent, unreasonable or excessive or that Indigo or others breached the Gamble Lease or any other agreement with Gamble LLC. La. Code Civ. P. art. 1563(A)(1). Indigo affirmatively states that its operations and the operations of others on the Gamble LLC property were not excessive or negligent. Indigo further states that its operations and the operations of others on the Gamble LLC property were reasonable based on applicable rules, regulations, lease terms, legal obligations and industry standards. Indigo further states that it had no control over the operations of Chesapeake or others on the property. Indigo expressly reserves all rights and defenses.

17. Although Indigo did not drill, complete or close the reserve pits on 240037 or 240833, Indigo nevertheless recognizes that, as the successor to Chesapeake, it may hold regulatory responsibility for "environmental damage" at those well sites.

18. While there exists some evidence of "potential impact" to the Gamble LLC property from oil and gas operations, none of the constituents found on the property pose a risk to human health or the environment.

19. Indigo wants to ensure that any money awarded in this lawsuit is used to address any "environmental damage" and believes that the relevant state agencies are in the best position to approve and structure a plan to evaluate and, if necessary, remediate the environmental damage on the property in order to protect the environment and the health, safety and welfare of the people.

20. Pursuant to La. Code Civ. P. art. 1563 and La. R.S. 30:29, Indigo makes a limited admission of responsibility for environmental damage with respect to the areas described as follows and depicted on the attached map (collectively, the "Limited Admission Areas"):

- a. 239274 Admission Area: There exists evidence of actual or potential impact to the soil and shallow water bearing zone in the 239274 Admission Area depicted on Exhibit 1. The 239274 Admission Area is associated with a closed reserve pit for the well at that location. Indigo's limited admission within the 239274 Admission Area is for environmental damage, if any, to soil and groundwater.
- b. 239592 Admission Area: There exists evidence of actual or potential impact to the

soil and shallow water bearing zone in the 239592 Admission Area depicted on Exhibit 1. The 239592 Admission Area is associated with a closed reserve pit for the well at that location. Indigo's limited admission within the 239592 Admission Area is for environmental damage, if any, to soil and groundwater.

- c. 240035 Admission Area: There exists evidence of actual or potential impact to the soil and shallow water bearing zone in the 240035 Admission Area depicted on Exhibit 1. The 240035 Admission Area is associated with a closed reserve pit for the well at that location. Indigo's limited admission within the 240035 Admission Area is for environmental damage, if any, to soil and groundwater.
- d. 240037 Admission Area: There exists evidence of actual or potential impact to the soil and shallow water bearing zone in the 240037 Admission Area depicted on Exhibit 1. The 240037 Admission Area is associated with a closed reserve pit for the well at that location. Indigo's limited admission within the 240037 Admission Area is for environmental damage, if any, to soil and groundwater.
- e. 240833 Admission Area: There exists evidence of actual or potential impact to the soil and shallow water bearing zone in the 240833 Admission Area depicted on Exhibit 1. The 240833 Admission Area is associated with a closed reserve pit for the well at that location. Indigo's limited admission within the 240833 Admission Area is for environmental damage, if any, to soil and groundwater.

21. Indigo admits that it is a "responsible party" under Article 1563 and R.S. 30:29 to evaluate and, if necessary, remediate to applicable regulatory standards any "actual or potential impacts" found in the Limited Admission Areas.

22. Indigo elects to limit this admission to responsibility for implementing the most feasible plan to evaluate and, if necessary, remediate all or a portion of substances or contaminants, if any, in the Limited Admission Areas to applicable regulatory standards that protect the health, safety and welfare of the people.

23. Indigo invokes the provisions of La. R.S. 30:29(C) which requires the Court to refer this matter to the LDNR to conduct a public hearing to approve or structure the most feasible plan.

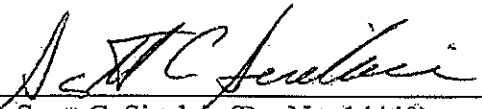
24. This limited admission is timely under the case management order.

25. Given that the relevant state agencies are in the best position to determine the most

feasible plan, Indigo makes this limited admission so that the most feasible plan may be determined in advance of the trial of this matter, which is currently set for October, 2023. Indigo notes that, pursuant to Article 1563(A)(3), this limited admission, the plan approved by the LDNR and all written comments from other relevant state agencies shall be admissible evidence in this lawsuit.

26. In the event additional data provides new information, Indigo reserves the right to amend the scope of this limited admission.

SINCLAIR LAW FIRM, LLC

By: 
Scott C. Sinclair (Bar No. 14440)
Catherine A. Bozeman (Bar No.

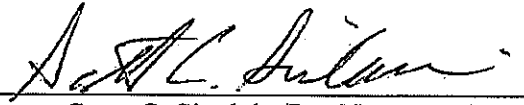
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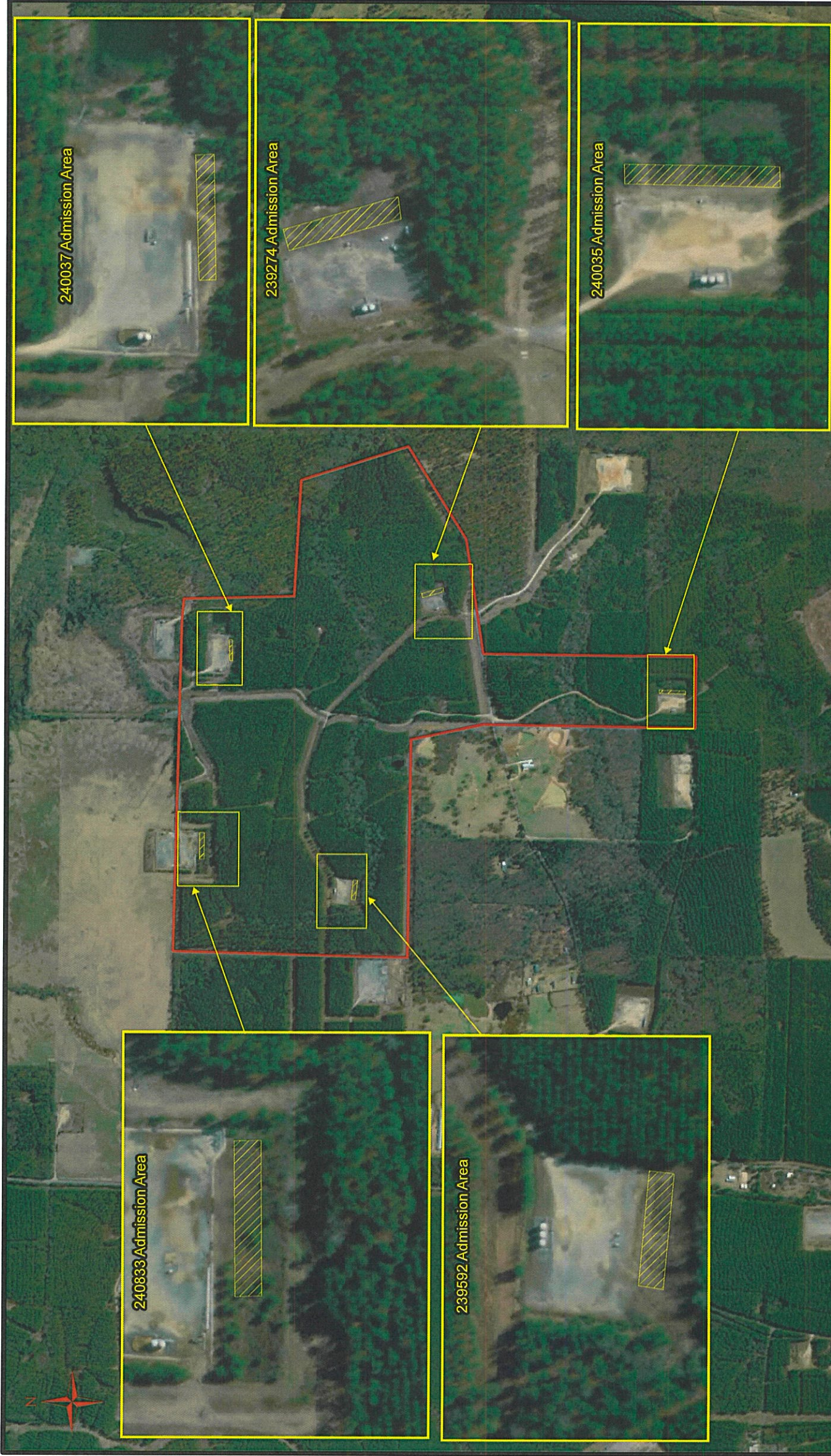
CERTIFICATE OF SERVICE

I hereby certify that the foregoing pleading was duly served on all counsel of record by email
or by US Mail.

January 30, 2023



Scott C. Sinclair (Bar No. 14440)



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01/30/23
Date

8070.00
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WAP
Approved By

DJB
Drawn By

Exhibit 1. Locations of Limited Admission Areas on the Gamble property located in Desoto Parish, Louisiana. Base Map: 2020 ESRI Aerial

Explanation
Former Reserve Pit Area
Approximate Property Boundary (Approach)

