

JOHN BEL EDWARDS
GOVERNOR

State of Louisiana

Oilfield Site Restoration Commission
Post Office Box 94275 Baton Rouge, Louisiana 70804-9275

THOMAS HARRIS
CHAIRMAN
RICHARD IEYOUB
VICE CHAIRMAN

MEETING MINUTES

LaSalle Building
617 North Third Street
Thursday, April 21, 2016
1:30 p.m.

MEMBERS PRESENT:

Thomas Harris, Secretary, DNR
Richard Ieyoub, Commissioner of Conservation
Paul Frey, LLA
Don Briggs, LOGA
Steve Maley, LOGA
Barney Callahan, LWF, Sierra and Audubon Society
Tyler Gray, Mid-Continent

OTHERS PRESENT:

Brent Campbell, Director OSR
Matt Simon, OSR Staff
Casandra Parker, OSR Staff

I. Roll Call:

Matt Simon called the roll. There were seven members in attendance, constituting a quorum.

II. Approval of the January 21, 2016, Meeting Minutes:

Richard Ieyoub made a motion to approve the minutes.
Tyler Gray seconded the motion.
No objections from the Commission.
The minutes were approved .

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III. Fund Status:

Matt Simon reported that the third-quarter collections totaled approximately \$1.1 million. There are almost \$580,000 in contractual obligations. There is currently approximately \$500,000 in the Fund account.

Fiscal year 2015 closed out with a total fund collection of approximately \$4.3 million. So far this fiscal year, the Program has collected approximately \$2.2 million.

The projection of collections by the end of June 30, 2016, is approximately \$3.1 million.

Mr. Campbell explained also that there were several companies in the Haynesville Shale that paid the OSR fee and then, after reviewing the Rules, they were supposed to have been exempt from the fee, so the OSR Program had to refund the fees to those companies in the amount of approximately \$900,000 to \$1.2 million.

IV. Program Statistics:

A. Matt Simon discussed in detail the Program statistics.

To date, the Program has plugged and abandoned 2,744 orphan wells. Three wells were plugged and abandoned by the Program during this last quarter.

Currently, there are 3,071 orphan wells remaining statewide.

Forty-one wells were added to the orphan well count during this quarter. Sevarg company was responsible for 12 of the wells, and Farrow Oil and Gas was responsible for ten of the wells. Farrow is currently working with the OSR staff to try to get in good standing in the state of Louisiana and have their wells removed from the orphan list.

A graphical representation was presented demonstrating the current orphaned well count in the state compared to the cumulative number of wells plugged by the Program.

A graphical representation was presented demonstrating the number of plugged urgent and high-priority scored wells versus the number of remaining urgent and high-priority wells for the last four fiscal years.

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IV. Program Statistics:

B. Fiscal Year 2015-2016 Third Quarter Program Performance

During the third quarter of this fiscal year, the Program has plugged and abandoned three urgent and high-priority wells.

The percentage of revenue spent on urgent and high-priority wells this fiscal year is currently at 83 percent.

A total of 59 orphaned wells were plugged and abandoned through the third quarter of this fiscal year.

V. Oilfield Site Restoration Program Projects:

Matt Simon discussed in detail the current Oilfield Site Restoration Program projects.

A. Active Projects:

PA 14-008, Navigation Aid Maintenance Bid, Matt Simon informed the Commission that this contract due to be rebid soon to try to get a better cost from a new bid.

There are three current projects including 43 wells, 1 pit, and 3 facilities.

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V. Oilfield Site Restoration Program Projects (con't):

B. Completed Projects:

PA 16-003, Marsh Island, Matt Simon said The Wildlife and Fisheries had an interest in this project since it was a well on water, and he indicated that this project was completed

There was one project completed in the third quarter at a total cost of approximately \$ 161,000.

VI: Federal and Third-Party Activity:

The EPA is working with the Program to plug and abandon two orphaned well sites in Bayou des Allemands Field. These wells have had several incidents of leaking oil in the past. The location is near a bayou which drains into Lake Salvador and the Salvador Wildlife Management Area.

VII: Old Business/New Business:

Matt Simon notified the Commission that the Program is currently reviewing two Site-Specific Trust Accounts submitted by Texas Petroleum Investment Company. One covers 225 wells located in Main Pass Block 69. This SSTA is covered by three bonds amounting to approximately \$59 million. The other SSTA covers 70 wells in the Belle Isle Field. This SSTA is covered by a bond amounting to approximately \$17 million. The review is as a result of Apache selling their wells to TPIC, and TPIC is securing the wells.

VII: Date of Next Meeting:

July 21, 2016, is the tentative date set for the next Commission meeting, at 1:30 p.m. in the LaSalle Building hearing room.

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ADJOURN:

Richard Ieyoub made a motion to adjourn.
Tyler Gray seconded the motion.

The meeting was adjourned.