

State of Louisiana

OILFIELD SITE RESTORATION

COMMISSION MEETING

July 15, 2021

1:00 p.m.

Oilfield Site Restoration Commission Meeting
Hearing Held on Zoom Video Conferencing
Thursday, July 15, 2021
1:00 p.m.

MEMBERS PRESENT:

Thomas Harris, DNR, Secretary

Steve Maley, LOGA

Barney Callahan, LWF, Sierra, and Audubon Society

Nathan McBride, LMOGA

Tyler Gray, LMOGA

STAFF PRESENT:

John Adams, Asst. Commissioner of Conservation

Roby Fulkerson, Office of Conservation, OSR Staff

Cassandra Parker, Office of Conservation, OSR Staff

Brent Campbell, Director, OSR

OTHERS PRESENT:

Gary Ross

Pat Molbert

Jim York

Richard Haik

Hayes Womack

Clarence D.

John Stansbury

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Oilfield Site Restoration Commission Meeting

July 15, 2021

ROLL CALL

SECRETARY HARRIS:

Go ahead, call the roll for the record, please.

MR. FULKERSON:

Okay. Roll call.

Tom Harris, Secretary.

SECRETARY HARRIS:

Present.

MR. FULKERSON:

Richard Ieyoub, Commissioner of Conservation,

(No response.)

MR. FULKERSON:

Not present.

Donald Briggs, LOGA.

(No response.)

MR. FULKERSON:

Not present.

Elizabeth A. Creasman, Nature Conservancy.

(No response.)

MR. FULKERSON:

Steve Maley, LOGA. I believe Mr. Maley is here. We'll give him a

1 second. He may have technical difficulty.

2 **MR. FULKERSON:**

3 All right. I'll go on.

4 Barney Callahan.

5 **MR. CALLAHAN:**

6 I'm here.

7 **MR. FULKERSON**

8 Tyler Gray.

9 (No response.)

10 (Tyler Gray did attend meeting later.)

11 **MR. FULKERSON:**

12 And, I believe, Mr. McBride. Nathan McBride just joined us. If
13 you're there, sir.

14 **MR. MCBRIDE:**

15 Yes, I'm here.

16 **MR. FULKERSON:**

17 Okay. Great. So that looks like we've got one, two, three. Mr.
18 Harris, we've got three, and possibly Mr. Maley, as well, so quite a
19 quorum.

20 **SECRETARY HARRIS:**

21 Thank you, Roby. Just to be clear, this is, at this point, not an
22 official meeting of the Oilfield Site Restoration Commission. However,
23 since we're all here, I think it's appropriate to provide the public
24 information.

25 So, Roby, please, please, proceed.

1 **MR. FULKERSON:**

2 We'll do. Thank you, sir.

3 **APPROVE PREVIOUS MEETING TRANSCRIPT**

4 **MR. FULKERSON:**

5 We have this on here. As Mr. Harris noted, we can't approve them
6 without a quorum. We may have neglected to send it out until the last
7 minute. I'm not quite sure. But, one way or another, we'll send it out
8 after the meeting, and I apologize if it was not forwarded. It just -- it
9 just got by us. I apologize.

10 **MR. MALEY:**

11 Roby?

12 **MR. FULKERSON:**

13 Yes, sir.

14 **MR. MALEY:**

15 This is Steve Maley. I'm -- I'm here. I'm just having technical
16 problems on my end.

17 **MR. FULKERSON:**

18 Okay. Great. That will put us at four. I appreciate it, sir.

19 **FUND STATUS**

20 **MR. FULKERSON:**

21 Okay. So, for the fund status, we'll start there. We've got the
22 multiple sources. So, from LOGA, we've got about \$4,000. The gas tax
23 for this year, I believe it's totaling about \$9 million, \$9.1 million. Oil
24 tax is 583,000. We write tax, but those are actually fees on there, so
25 we probably need to update that. Those are actually fees. The

1 interest collected is \$2,400. We've collected just over \$1 million in
2 inactive well fees. We have none money collected in escrow. So, in
3 total, we've got about \$11.4 million. So remaining for this fiscal year,
4 we've got about \$6.3 million.

5 And this slide just kind of breaks down what the Commission --
6 what -- you know, what the intake looks like for the largest buckets
7 (phonetic). As you can see in red is the gas fee, in blue is the oil fees,
8 and in green is the inactive well assessments. So it trended up pretty
9 well here.

10 The next slide we'll show will kind of compare -- the next couple of
11 slides we have a few more comparisons regarding the previous years.
12 But, overall, it -- it trended up, and it was a pretty decent collection for
13 a COVID year, I believe.

14 I'll kind of ask, if there's any questions on this slide, let me know.
15 If not, I can move on to the next slide.

16 Okay. So I made this chart just because it's kind of interesting.
17 We have four large draws every year where the fees are collected, so I
18 think this kind of helps break down. You can kind of see over each
19 quarter what the fee -- you know, what the collections look like.

20 As you can see, the darkest blue, fiscal year 2021, the collections
21 began a little bit lower. The red is actually the year before, 2020, and
22 green is 2019. And as you can see, the blue, we were a little bit below
23 for the first three quarters, but, actually, in the fourth quarter, it looks
24 like we collected a pretty hefty amount. So we did pretty well. I think
25 for a COVID year, most people would take it (phonetic) in terms of the

1 fee. And my first year in the Program, it -- being a COVID year, it's
2 kind of -- probably better than I expected in terms of intake.

3 If there are no questions there, I'll continue on.

4 We had a request for financial security updates. So there are a
5 few financial security updates. We collected about \$5.4 million in
6 financial security this year, the largest being Mesa Gulf Coast, \$3.7
7 million.

8 We also have a package coming out to spend -- a good bit of the
9 Mesa Gulf Coast money. When they went orphan, they left three wells
10 leaking in south Louisiana kind of in the Lafourche area. Those three
11 wells are bubbling outside of the well head. So we'll -- we'll probably
12 end up spending a good bit of that money. We haven't put together a
13 final package for that yet. Lafayette is working on it, but I expect that
14 to come out early in the first quarter of the next fiscal year.

15 So the total financial security we've collected is about \$10.8
16 million.

17 We've spent most -- the most recent projects we've spent money on
18 is the Black Elk Offshore escrow. We had about \$500,000 for a
19 Timbalier project. We abandoned four wells. We spent about
20 \$185,000 for the Northstar Offshore financial security. That was the
21 one where we declared an emergency early in the last fiscal year. Post
22 hurricane, I don't remember if it was Laura or which hurricane it was,
23 but it actually knocked some of the equipment off of the -- off the
24 platform out there, and so we were able to get out there and secure the
25 equipment and stop a leak. And the last is LDC Operating, that's for

1 the G.A. Lyons No. 1.

2 And then -- just -- we have a special guest in today in our office.
3 Gary Ross came in, as well, so just to let everyone know.

4 Upcoming financial security, so the Humphrey's SSTA, we've got
5 \$1 million in there, just over that, and we've got a bid out to do three
6 wells. There's 13 wells in the SSTA. There's three wells in the bid
7 package. It came in at over the SSTA amount. That's in -- still in the
8 approval process with Coastal.

9 Again, we've got the Mesa Gulf Coast package earlier in the year
10 to spend some of that financial security.

11 And we also recently got additional funds, I believe that's the
12 correct -- I didn't use the correct term, but we got an additional court
13 settlement or additional funds from the court for Shoreline. And we've
14 got a -- quite a few projects in Rabbit Island. A recent inspection
15 showed quite a few wells out there with issues, either knocked over or
16 leaking. We'll probably try to spend that money. Actually, we're
17 working on that package now, so we'll probably try to have that out
18 the first quarter of the next fiscal year to spend down those funds and
19 take care of some of the wells in Rabbit Island.

20 If there's any questions, please, let me know on this slide before we
21 continue on.

22 **MR. MALEY:**

23 Roby, this is Steve Maley. I do have a question. That total
24 financial security amount of \$10.9 million, is that separate and apart
25 from the numbers you went over a couple of slides ago?

1 **MR. FULKERSON:**

2 Yes, sir, that's separate and apart.

3 **MR. MALEY:**

4 Okay. Do you recall off the top of your head, the Rabbit Island
5 court judgment was on the order of like \$3 or \$4 million, wasn't it?

6 **MR. FULKERSON:**

7 I believe the initial judgment was for around that amount, and we
8 spent most of that money, and we had about \$400- to \$600,000 left,
9 and we were going to put together a package like that. And then
10 recently, in the last six months, the court came out with an additional
11 amount of money for us in settlement. Cassie may remember the
12 exact amount. I don't remember off the top of my head, but I want to
13 say it was between \$1 and \$2 million.

14 **MR. MALEY:**

15 Okay. Thank you.

16 **MS. PARKER:**

17 Yeah. There was \$625,000 for Shoreline Offshore and \$625,000 for
18 Shoreline Southeast, so right about \$1.2 million.

19 **MR. FULKERSON:**

20 So we'll -- we'll probably put out that Rabbit Island and use the
21 rest of the initial settlement amount and then the rest of that money,
22 as well. It will be a pretty big package. I think they've selected
23 around eight wells, so that will probably eat up that and some.

24 Okay. If everyone is good with that, I'll continue on.

25

PROGRAM STATISTICS

1 **MR. FULKERSON:**

2 So this is just our overall orphan well count versus wells plugged
3 by OSR. So, for the year, in total, we've plugged 4,621 wells. And I
4 say the year, but since the existence of the Program, it's 4,621 wells.
5 I'm sorry. Those are orphaned wells. And then the number below that
6 is 3,486, so that's how many wells we've actually plugged and
7 abandoned with OSR projects.

8 And if there's any questions, let me know. I know we've kind of
9 adapted this slideshow, and I usually add a little bit of extra
10 information with (phonetic) Mr. Maley afterwards. So, if anyone
11 wants some of the historical information on this, please, let me know,
12 and I'll be happy to share it with you guys.

13 **MR. STANSBURY:**

14 Hey, Roby?

15 **MR. FULKERSON:**

16 Yes.

17 **MR. STANSBURY:**

18 This is John Stansbury.

19 **MR. FULKERSON:**

20 Yes, sir.

21 **MR. STANSBURY:**

22 I have a question. On that judgment that came through on
23 Shoreline, that judgment amount is in that \$10,8 million that's been
24 sequestered?

25 **MR. FULKERSON:**

1 So that is financial security and -- what was that -- financial
2 security collected in SSTAs. That \$1.2, I don't believe, is carried in
3 there because that's separate. It's a settlement.

4 **MR. STANSBURY:**

5 Okay.

6 **MR. FULKERSON:**

7 I don't think it is, but I'd have to double-check on that.

8 **MR. STANSBURY:**

9 Okay. Okay. Thank you.

10 **MR. FULKERSON:**

11 Okay. And I'll continue on to the next slide.

12 I included this. We had -- we actually ran these numbers for some
13 performance indicators, but I have spoken with a couple of the
14 members of the Committee about they were interested in seeing kind
15 of what happens outside of the numbers we report.

16 So, for the year, this is kind of a rough number of what -- to an
17 orphan list and it's just really an accounting of the wells. So we show
18 547 wells added, 125 plugged. One was plugged by the Coast Guard,
19 that was the Yuma well that was leaking offshore. We had four
20 plugged by co-op, one well plugged by an operator of record. Some
21 were changed to Status 29 or 30 or, essentially, that -- that well was
22 found to be permanently abandoned or temporarily abandoned. Some
23 were reverted to Status 23 -- or Status -- reverted back to 30 or 29
24 from the orphan status.

25 We had 29 wells taken over by a new operator. I know that was

1 one question that came up was, how many wells per year are taken
2 over by operators, and so that -- we had 29 this year.

3 We do also have five wells that cannot be found. That kind of
4 commonly happens in north Louisiana where there's so many wells
5 located to each other. With the rains and the growth, it's just hard to
6 find those wells that are quite old.

7 One well plugged by inspection -- when an orphan well is inspected
8 and we find that it's actually plugged but it was never documented, a
9 WH-1 wasn't turned in, but we know where the well is located, we'll
10 actually say the well is plugged by an inspection.

11 And we've determined one well that was never drilled. So there's
12 a well that actually -- we have it in our records, and they'll check and
13 don't find the site, but then we never find proof that -- if they don't
14 follow up with any documentation to us, we'll count that well as not
15 drilled. It's just not reported to us that the operator chose not to drill
16 the well.

17 If there's any questions here, let me know. If not, I'll move on to
18 the next slide.

19 Okay. So the orphan wells plugged by entity, so the top number
20 you'll see the orphan well count, and then you've got wells plugged by
21 other means, wells plugged by OSR funds, and total wells plugged. So
22 the total orphan count is the 4,621, and then you'll see the total well --
23 you know, the total amount of wells plugged, and that includes the
24 wells plugged by the OSR Program, and then plugged by other means
25 really just captures everything, Coast Guard, co-ops, kind of

1 everything in one bucket at one time. So you kind of see it -- they all
2 trend up, and then the combined line gets kind of close to the wells left
3 remaining to be P&A'd.

4 If there's any questions here, let me know. As I said, if you want
5 look at a historical -- or have questions about it, just let me know after
6 the meeting, or -- if you want changes to the slideshow.

7 If there's no questions, I'll continue on.

8 Okay. So this is a newer slide I put together. I'm not sure if it
9 works or not, but it's a slide showing the wells orphaned by month. So
10 I just went back -- we actually send a list to *The Register* every month,
11 and *The Register* will declare that -- the well orphaned.

12 So the way the process works is, Enforcement will send a ten-day
13 letter. At the end of ten days, the site is orphaned, but it's not
14 technically orphaned until it goes to *The Register* in the state of
15 Louisiana and published. *The Register* is published every -- the 20th
16 of every month, and that's why you see every month we show the 20th.
17 We'll send a list to *The Register*. We publish it, and at that point the
18 well is considered orphaned.

19 So I went and grabbed the last few years. I just went back to July
20 of 2019 and published. I showed you how many are orphaned every
21 month. I figured, with COVID kind of coming and going and oil prices
22 changing, this might be something worth cracking. You guys may
23 have an interest in it. If not, let me know, I can definitely remove it
24 from the slideshow, but it just kind of -- the (unintelligible) is kind of
25 haphazard, but I'll keep this up, and maybe we'll find a trend or

1 something in there, but I just thought it was an interesting one to put
2 in there.

3 If there's any questions about it, please, let me know. If not, I'll
4 continue on.

5 I don't really have a whole lot to say about it, other than that -- the
6 numbers, and I haven't it researched good enough to give you a good
7 trend or anything on it yet.

8 **OILFIELD SITE RESTORATION PROGRAM PROJECTS**

9 **MR. FULKERSON:**

10 Okay. So I was going to talk about the projects. Some of this is
11 going to be stuff you've seen, because I -- I -- during the year, I carry
12 all the project we've completed, and then for the next meeting, which
13 will be the first quarter, I'll remove the projects from the previous
14 year, unless we haven't completed them, and add the new projects
15 we've got.

16 So, last year, you'll just kind of see the projects we've completed.
17 We've got a couple in Monroe Field, a couple in Caddo-Pine Island.
18 The big numbers you'll see with the South Timbalier Block 8, the \$3
19 million.

20 The Rousseau Field, we actually just completed that. The 597 will
21 go up. It's probably going to be closer to \$800,000. We had some site
22 remediation. There was quite a bit of barium on the site, so we had to
23 work through how to treat that -- or how to handle the situation. So
24 we worked through that with our contractor, and also the
25 environmental group was a big help.

1 And then we wrapped up -- we actually had a Welsh project. It
2 was actually pretty interesting. There was couple of wells just outside
3 of Welsh, Louisiana, which is outside of Lafayette. Interestingly
4 enough, a few of those wells were previously P&A'd by the DOTD.
5 One well was left. It was from the '20s, and there wasn't much
6 information on it. It was actually leaking oil at the surface. We went
7 and took care of that. That was actually part of the -- one of the wells
8 that the Welsh package was built around.

9 If there's any questions here, let me know. If not, I'll continue on.

10 I believe the next one should be the completed emergency projects.
11 So we only had three emergencies for 2021. We had one in Kaplan
12 Field, that was -- that was post-storm, and it may have been right at
13 the beginning of hurricane season. An operator went orphaned, and
14 they left the site with the firewall completely full and oil breaching
15 into natural drainage. So we went out there, removed all the surface
16 equipment, drained everything, and that doesn't include the P&A
17 though. We put the P&A on the Welsh package, because it's kind of in
18 the same general area. But the emergency took care of the immediate
19 leaking issues.

20 We had Boston Bayou, which is right around \$1 million. That was
21 the site post-Laura -- one of the hurricanes where there was a -- on
22 Boston Bayou, there was one site leaking. It was a pretty complicated
23 package. They actually had a lot of trouble. The Bayou was pretty low
24 in water, so they had to kind of time moving in -- all equipment in and
25 out of there. And they essentially lost control at the surface and they

1 were able to use lubricate and bleed methods over a couple of weeks to
2 finally get the well with no pressure on it to a status where we could
3 P&A it.

4 And then, finally, Creole Offshore, that was the -- that one had
5 about \$250,000 in financial security. We didn't P&A a well. It was a
6 larger platform, amongst two or three other platforms out there. The
7 intent of that was, there was a leak reported by the BSEE in
8 overflights, and we had a bunch of production equipment hanging off
9 the side of the platform. So that package removed the production
10 equipment, secured the platform, and stopped a leak.

11 So we spent about \$2.2 million in emergencies last year.

12 If there's no questions, I'll continue on.

13 So these are the projects we have outstanding. We've got quite a
14 few wells in north Louisiana. I think weather has hit them pretty
15 hard up there. I believe they've had issues getting on and off the sites,
16 both in Shreveport and in Monroe. I think they actually had a truck
17 damaged trying to get on and off the site. Essentially, as wet as
18 everything has been in south Louisiana, north Louisiana it just seems
19 to be exacerbated up there.

20 So we've got about 146 wells left to be P&A'd from this year. We'll
21 carry those wells into the next year. And it's about \$1.4 million.

22 There's one note on here that PA-18-005, so that's actually four
23 wells that we've carried over since 2018. The decision was made to
24 cancel the remaining wells in that package. Essentially, we just
25 carried it over enough years where we haven't been able to get it, so

1 we'll try to include it in an upcoming package. We just didn't really
2 want to continue to carry it on because it kind of -- it's just been
3 carrying on for a while now.

4 If there's any questions here, let me know. If not, I'll continue on
5 to the next slide.

6 Okay. For upcoming projects, so for 2021, we've got a handful left.
7 So 21-008, that's the Humphrey's, that's the Baby Oil. It's got three
8 wells. It is still under the Coastal review. I think they started the
9 review in February, and we still haven't gotten a response back from
10 them on the -- for the bid review complete yet.

11 21-011, is a Wildcat Lafayette, so that's actually in Vermilion
12 Parish. It's an old Black Elk (phonetic) facility. The facility, I show -- I
13 think I've got it at the end of this one, and we discussed it previously,
14 but that was the one where the 20,000-barrel was blown about a mile
15 away and two or three other tanks were blown off location, as well.
16 We've kind of held the bid for a few days here -- I guess a couple
17 weeks, because we found that FEMA may be interested in helping pay
18 for the tank removal. We'll still in the initial process and working
19 with Mr. Harris's office and Blake Canfield on it. We're not quite sure
20 if they're going to pay for it or not. We're moving forward with a
21 package, whether they're going to pay for it or not. But they -- we just
22 want to make sure we check the boxes because federally they -- they
23 request that we cradle to the grave a lot of the equipment, so we
24 wanted to make sure we had a couple of additional meetings with
25 them in case there was something we needed to do particularly to

1 make sure we secure the funding. But we're going to go on and
2 continue with the package and kind of see how the funding shakes out,
3 but, ideally, if they will pay for some of that, that would be a big help.
4 And we know post-hurricane, we may be able to approach them for
5 additional funding later on.

6 So the next fiscal year, we can kind of see the next couple of
7 projects. We put out a Golden Meadow package. Those are shallow
8 wells in the Lafourche area. They're generally about 1,000 to 2,000'.
9 What I found is a lot of them don't have wellheads and/or they're
10 leaking at surface, so we wanted to take care of those. They're
11 shallower wells. They shouldn't be too difficult. It shouldn't take a
12 large sum of money, but they -- they're just really things that need to
13 be taken care of.

14 Tigre Lagoon, 22-002, we've chosen four wells and a facility. I'll
15 get to those. There's some great pictures in the back of what we're
16 kind of facing there.

17 In addition to Tigre Lagoon, Lafayette's group and -- the EPA, the
18 EPA, I believe, is going to P&A a well in Tigre Lagoon, but we've not
19 seen much of the EPA since the beginning of COVID. I think they've
20 just been kind of slow to start up again. But they're also planning a
21 P&A out there.

22 The next couple of -- we don't have numbers assigned yet. They're
23 in the works, but they haven't quite been put together yet. So Mesa
24 Gulf Coast, that was the large financial security that you saw earlier
25 in the 2 million range. We will have a package coming out with that

1 with at least three wells. Those three wells are leaking outside the
2 well head.

3 We also have a South Thornwell package. You've probably heard
4 that name before. That's actually from the G.A. Lyons, the same area.
5 But there's a well that we found bubbling below ground level. I believe
6 a farmer discovered bubbles at surface. We've excavated it and found
7 a well head had been P&A'd, and the well is actually -- the -- the cap
8 that they welded on it is actually bowed out from gas or pressure
9 below it, and it's got gas bubbling. So we're in the process of putting
10 together a procedure to tie that well back to surface. We probably
11 won't put together a P&A procedure immediately. It will be something
12 we'll have to work through. If it's the well that we've researched
13 correctly that they've P&A'd it in a unique way where they left about
14 2,000' of cement at surface, and so I'm not quite sure on reentry, but
15 we want to at least tie it back to the -- pressures and kind of stop the
16 leak.

17 And the last package, as I said, is Rabbit Island. We've got about
18 nine wells.

19 So those are the packages we've got in south Louisiana.

20 North Louisiana, we've got two large packages and we're working
21 with Mr. Harris's office and Blake Canfield. We kind of like to put out
22 large well packages around a well -- around about 100 to 150 wells in
23 each area. And our thought there is that it kind of accomplishes a few
24 things. We can keep a contractor working for a long period of time, so
25 it -- it's kind of a guaranteed work rather than -- to get a month of

1 work. Two, we kind of hope by spreading out the work in multiple
2 areas, that we may be able to navigate some of the force majeure or
3 the -- the timing issues we're having with the wet weather. So that's
4 kind of the thought.

5 With the bid law, we're having to work through whether or not
6 that's some of the terms and wording on that, so it -- it's kind of in
7 process, but I haven't -- if it doesn't look like it's going to go through
8 quickly, I'll probably issue some more north Louisiana packages
9 shortly, but that's kind of where we are with it right now.

10 If there's any questions on any of those packages, please, let me
11 know.

12 Okay. We'll continue on.

13 So this is just a pie chart showing kind of where the funds are
14 spent of all the packages completed and not completed for 2021. As
15 you can see, there's a large amount of packages. Most of the smaller
16 packages are going to be south -- or north Louisiana. The biggest two
17 blocks are definitely in the Humphrey's Field, Timbalier is a large one,
18 Welsh Field, that's kind of where most of the money is spent. So it -- it
19 kind of meets what you would expect. Most of the money was spent in
20 south Louisiana, and most of the wells were accomplished in north
21 Louisiana, not to say that there's not complicated wells in north
22 Louisiana, it's just kind of the way it shakes out during the year.

23 If there's any questions here, please, let me know.

24 And, also, we -- just to kind of touch on north Louisiana mandates,
25 we've issued 12 projects for the last fiscal year, for a total of 235 wells.

1 We've spent about \$923,000 total, but we have about \$2.5 million more
2 budgeted for, so we're still in the process of working through that. So I
3 -- you know, I guess, technically, we didn't need it, but -- the north
4 Louisiana mandate, but all of the -- the money, the funds, and the
5 projects are there, it's just more of a weather issue, so the intention is
6 there and all the -- all the approvals are there for it.

7 If there's any questions, let me know. If not, I'll move on to the
8 next slide.

9 Okay. So the package we discussed, the Freshwater Bayou, the
10 Wildcat, this is the well that FEMA may or may not be interested in
11 helping to compensate on. As you can see, there's a 20,000-barrel tank
12 on the bottom left, that was actually taken and moving about -- moved
13 about a mile away. We also had another tank right above that that
14 was moved some distance away. I don't know. It's a 500-barrel tank,
15 but I'm not quite sure how far that was moved. Oh, that's right.
16 Brent has better eyes than I do, about a mile and a half away. And
17 then we had a poly (phonetic) tank moved off location too, but I -- I
18 believe the poly tank was kind of towards the road and someone may
19 have already taken that on (unintelligible).

20 So FEMA is interested in helping with this, it sounds like, but
21 we're working through that process. The bid was awarded here, I
22 guess, today, so that should be completed here shortly.

23 And if there's any questions, please, let me know.

24 Oh, and the lineage, as well. So we actually reached out to the
25 previous operators, and the previous operators were not interested in

1 intervening either. So this was a project where we reached out to the
2 couple that were in the lineage and there was no interest.

3 So this is the Tigre Lagoon package. So this is a four-well package
4 and I think one facility in Lafayette. It kind of started, if you'll look to
5 the top left, there were two wells post-hurricane that we found with
6 tanks in the water or tanks moved, one was the Black Elk (phonetic)
7 package and the second one was this package. The tank is -- I don't --
8 there's no sheen coming off of it, and I believe it -- they're empty. So
9 we built a package initially off of that, so then we started looking for
10 wells in the area. And if you'll look down the middle, that's actually a
11 -- a deeper well. I want to say that was like 12,000'. But the surface
12 casing is eroded. The wellhead is eroded. I'm not sure on the
13 condition of the intermediate casing. I think the one thing saving us is
14 this well has actually got a plug in it right above the perms, and I
15 believe that is probably the only thing keeping that well from blowing
16 out right now.

17 So that -- that'll be part of the bid package.

18 There's two or three other wells that are pretty deep there. And
19 then the one down the middle with the red tank on top, one good thing
20 about having an inspector that has been around quite a while is he
21 believes that tank was actually put on top of the well to mark where
22 the well was, so there should be a well below that tank. And so that
23 was included in the bid package as well.

24 So, in total, there's four wells. A couple of them are dual wells.
25 That will be one of the bigger packages itself. I don't believe any

1 financial security is tied to it.

2 If there's no questions on Tigre Lagoon, I'll go on.

3 One thing I wanted to update on too is our surface interventions.

4 If we find wells leaking or, you know, fluids at surface, we'll try to
5 intervene. The Districts have been really good about it with the field
6 enforcement agents. We've kind of got a good process down where
7 they turn it in or let us know about it, and then once they let us know
8 about it, we'll get a quote from a contractor.

9 So we've actually had 61 interventions this year. We've spent
10 about \$94,000. Those interventions are -- can be anything from fixing
11 a leaking valve, you know. The one down the middle where you see
12 the bubbling tubing, they drained the cellar, disposed of the fluids, and
13 then found a valve open down below and the -- the water line, and they
14 closed the valve.

15 Other wells you'll see where they've kind of left oil or water inside
16 of containment. We will suck that out. So we've spent about \$100,000
17 just trying to maintain the sites. We get about \$5,000 -- we're limited
18 out, and assessment is \$5,000, so anything we can do for below \$5,000
19 to kind of remedy a situation, we'll take a look at it. So that -- we've
20 got 61 of those for this year.

21 If there's any questions here, please, let me know. If not, I'll
22 continue on.

23 And so this one actually came across our desk just started maybe
24 Tuesday this week, and I believe Mr. Harris and Mr. Ieyoub completed
25 the signatures today, so you'll have an email from me. Not only will I

1 send the transcript this afternoon to all you guys, but I'll send you an
2 email also documenting the emergency declarations.

3 So I believe this will be called Emergency 22-001 in Webster
4 parish. It's Shongaloo Field. I may be saying that wrong. There was
5 an operator there named Calais. Essentially, they didn't want to
6 intervene. They've got a -- the firewall is about to be bridged --
7 breached, and there's oil outside of containment. We requested the
8 operator intervene multiple times. Multiple inspections showed they
9 didn't intervene. So the decision was to send them a 24-hour notice.
10 They -- they decided not to respond to the 24-hour notice. So, today,
11 we completed the paperwork with Mr. Harris and Mr. Ieyoub to
12 declare the site an emergency, and we'll -- essentially, I think the plan
13 will be go out there, suck everything out, remove the oil, P&A -- there's
14 two wells associated with it, so we'll go on and P&A the two wells and
15 clean up the site.

16 If you have any questions or concerns with this one, please, let me
17 know.

18 **MR. MALEY:**

19 Hey, Roby, this is Steve Maley.

20 What's -- what's the status of an operator if they refuse your phone
21 calls? I mean, that -- do these guys operate many wells?

22 **MR. FULKERSON:**

23 They only operate two.

24 **MR. MALEY:**

25 All right.

1 **MR. FULKERSON:**

2 Yeah. So we -- we -- there was two wells in the vicinity, so we'll
3 just work on both wells, because I think they're both associated with
4 this facility, so we were just going to -- we orphaned both of them at
5 the same time, and now the operator is, essentially, an orphaned
6 operator because all of their wells are orphaned. It gets kind of
7 confusing.

8 When you -- during the emergency orphan process, you get
9 emergency orphaned wells, we don't always -- operators have more
10 wells than what you always -- you make emergency orphans, so they --
11 in the instance of Yuma, we emergency orphaned one well, but the
12 operator was no longer -- it wasn't quite an orphaned operator yet. So
13 we had to -- I think a month or two later, once it went through the full
14 process, all of Yuma's wells were orphaned. But, in this case, there
15 were only two wells, and both wells were orphaned, so now they are
16 complete orphan operators.

17 **MR. MALEY:**

18 Thanks for that explanation.

19 **MR. FULKERSON:**

20 No problem. It gets kind of confusing, because if you -- if you
21 emergency and -- only one well and they've got 400, then they're not an
22 orphaned operator yet. They just have -- there was a well orphaned.
23 So it -- it's kind of a confusing process, I guess, would be the best way
24 to say it.

25 If there's any questions or concerns, please, let me know.

1 But Tom Harris, Secretary.

2 **SECRETARY HARRIS:**

3 Present.

4 **MR. FULKERSON:**

5 Richard Ieyoub, Commissioner of Conservation. He does not
6 appear to be present.

7 Donald Briggs.

8 (No response.)

9 Lisa Creasman.

10 (No response.)

11 Steve Maley.

12 **MR. MALEY:**

13 Here.

14 **MR. FULKERSON:**

15 Thank you, sir.

16 Barney Callahan.

17 **MR. CALLHAN:**

18 I'm here.

19 **MR. FULKERSON:**

20 Thank you, sir.

21 Tyler Gray.

22 (No response.)

23 Nathan McBride.

24 **MR. MCBRIDE:**

25 Here, for a minute, anyway. I've got -- I've got to hop off in like

1 five or ten minutes, but I'm here for right now.

2 **MR. FULKERSON:**

3 Okay. I'm sorry, Mr. Harris. I thought I saw Mr. Gray log on, so I
4 think we may -- we may not have a quorum to approve new
5 contractors.

6 **SECRETARY HARRIS:**

7 Thanks for trying, Roby. Please, please, proceed. We'll have to
8 hold off on that until the next meeting then.

9 **MR. FULKERSON:**

10 Okay. I'll save those two for the next meeting. Yeah, it would
11 have been nice.

12 So, to move on, I wanted to give an underwater obstructions
13 update. This money is not really tied to the OSR fund, but it's part of
14 the program that OSR handles. Initially, we'd handed a bid out for
15 Beauregard-Mendicant Island. We have about \$250,000, I believe, is
16 the underwater obstruction fund. The initial bid came back quite
17 high. We just bid to survey the two islands. The bid was in the range
18 -- gosh, I forgot what it was, but -- that's right, it was \$141,000. So we
19 had canceled that. because that eat most of the underwater
20 obstruction funds to just run the survey. So we issued a second bid.
21 So the second bid came back, and that actually came in more
22 expensive than the first bid, and it was only one of the two islands,
23 and we've removed all the oyster leases. And they came in at, I
24 believe, at like 149,000.

25 So you're -- you're kind of outside my realm of really well

1 understanding of how much a underwater obstruction or diver survey
2 should cost, but it's quite a bit of money just for a survey and nothing
3 removed. So we decided to take those costs, apply them to the
4 platform removal part of the Timbalier/Black Elk platform. And so the
5 \$250,000 will be credited towards that OSR project, and we'll roll
6 \$250,000 forward and back into the OSR Program to continue to use
7 to plug wells.

8 I just wanted to give everyone an update on that. If there's any
9 questions, let me know, but that's kind of how we ended up with a year
10 funding. It took a little bit for us to figure our way through that
11 because it's not something we're quite familiar with.

12 If there's no questions, I'll continue on.

13 **MR. CAMPBELL:**

14 He said he's -- he's having technical troubles, but maybe he's on.

15 **MR. FULKERSON:**

16 Okay. Should we do it -- try it again, or -- should -- okay, Tyler.

17 **MR. GRAY:**

18 I'm -- I'm here. This is Tyler.

19 **MR. FULKERSON:**

20 Okay. Great. Mr. Harris, we may be able to do a quorum real
21 quick, if you would like to stop and try?

22 **SECRETARY HARRIS:**

23 Yes. Why don't -- why don't we do that while we have a quorum?

24 The next item is approval of new contractors.

25 **APPROVAL OF NEW OSR CONTRACTORS**

1 **MR. FULKERSON:**

2 Okay. I'll move back to the slide.

3 Okay. So the -- if you guys are ready, I'll approve the two new
4 contractors are GeoEngineers. They're out of Baton Rouge. The
5 contact is Michael Thompson. And they applied to work on land wells
6 of all depths.

7 And if I -- I'm going to -- I'll read both of them, and I guess we can
8 just approve both at once for the sake of simplicity.

9 The second is Broussard Brothers out of Abbeville, Louisiana, and
10 it's Kenwood White, Jr., and they applied to work on all wells on
11 water.

12 And so I'll just put it to the Board for approval, if anyone wants to
13 take it up,

14 **SECRETARY HARRIS:**

15 Do any of the Commission members have any questions or
16 comments on these two new contractors?

17 **MR. CALLAHAN:**

18 What -- what's the number that we're up to now with contractors?

19 **MR. FULKERSON:**

20 I want to say it's about 30, but we -- we've got some notes about
21 that at the end of this. It's -- John Adams is saying about 35, but -- in
22 a little bit, we'll -- we may have a little bit more about contractors we'd
23 like to run by the Board and get y'all's opinion -- or get y'all's -- kind of
24 your ruling on what you would like us to do as a program.

25 **MR. CALLAHAN:**

1 Yeah. Because I know it wasn't that long ago we had a meeting to
2 trim back on our contractors, and I'm just wondering if we're working
3 our way back up to another stale basket (phonetic) somewhere.

4 **MR. FULKERSON:**

5 I -- I think we are. I guess, for the sake of simplicity, if you guys
6 want to go on, and if you're interested in approving these two, and
7 then, if that's the case, if we put the motion forward, then I'll kind of
8 get into the contractor thing, if you got -- I guess we might -- it'll be a
9 good segue to that, if you gentlemen want to go -- go for that approach.

10 **MR. CALLAHAN:**

11 Well, I'll -- I'll ask for that.

12 **SECRETARY HARRIS:**

13 Very good. Do I hear a motion to approve GeoEngineers and
14 Broussard Brothers as new OSR contractors?

15 **MR. GRAY:**

16 This is Tyler Gray. So moved.

17 **SECRETARY HARRIS:**

18 Thank you, Tyler.

19 Is there a second?

20 **MR. MALEY:**

21 Steve Maley. Second.

22 **SECRETARY HARRIS:**

23 We have a motion by Mr. Gray and a second by Mr. Maley to
24 approve these contractors.

25 Any -- any further questions or comments?

1 (No response.)

2 All in favor, signify by saying "aye."

3 (All members voted aye.)

4 **SECRETARY HARRIS:**

5 All opposed?

6 (No response.)

7 The motion carries.

8 Thank you.

9 **MR. FULKERSON:**

10 Thank you, gentlemen.

11 Let's see. I'm sorry. Let me check where we are on the slideshow.

12 If it's okay with you guys, I -- should we -- I guess let's go on and
13 do the contractor talk now.

14 So I guess I'll segue it with, I'm sure everyone saw the Fox News 8
15 report on OSR a while back. There were some things brought up in
16 there, and one of them was related to contractors. We'll segue into
17 that first, because that was the first slide on approving new
18 contractors.

19 So we held a contractor's meeting since the last meeting, and at
20 the contractor's meeting we made it mandatory for all contractors, and
21 we took -- we transcribed the meeting and took a roll call. I believe
22 nine contractors showed up out of the 35. We missed a couple, because
23 we've been adding to the list and we'd send -- sent them the transcript,
24 and they responded saying they read the transcript and they want to
25 continue to be part of the list.

1 But, you know, we've got 35 contractors. We held the mandatory
2 meeting. Only nine showed up and a handful of others. So we've got
3 about 20 contractors that didn't show up for the mandatory meeting.

4 The mandatory meeting was related to the Fox news where -- the
5 report showing that one of the contractors was essentially providing
6 an SSTA approval -- or an SSA -- SSTA estimate for an operator, and
7 he happened to be a member of both the operating company and the
8 company that was a contractor. Obviously, we can't have that happen,
9 that -- that's supposed to be a third party -- you know, third-party
10 nobody -- no-interest quote. And so we held an emergency -- not really
11 an emergency contract -- we held the contractors meeting and told
12 them, this is not acceptable. We, essentially, told them that this is --
13 you know, this -- you cannot have this happen, and we're going to put
14 systems in place to make sure it doesn't happen. And if you continue
15 to be an OSR contractor, you have to understand that this is not
16 appropriate.

17 I guess the first question is, the ones that didn't attend, we have
18 two options. We can leave them off the OSR list permanently, or we
19 can send them a letter saying they didn't attend a meeting, request if
20 they're still interested to let us know and we'll send them the
21 transcript. So I guess I'm kind of going to put before the Committee,
22 what they like us -- which path would they like us to go down, just
23 removing them straight from the contractor's list or giving them the
24 option of sending them a letter, requesting they review the transcript,
25 and then contacting us?

1 **MR. CALLAHAN:**

2 Well, I think the easiest for me to look at it, of course, I'm not
3 familiar with the in-depth procedure, but if a -- if a contractor gets on
4 the -- on the list and he -- and he -- and he continues to not provide
5 participation -- or not participate in any of this, we should give him a
6 deadline. If we haven't heard from you in, say, two years, then
7 something -- something has got to break.

8 **MR. FULKERSON:**

9 Yes, sir. I -- I think from our side, we see it both ways. And so I
10 think some of us see kind of removing them straight out, but others
11 understand that there may be people that -- you know, members that
12 would like us to give them a chance to respond. So I -- you know, we're
13 open to either one, but, you know --

14 **MR. MALEY:**

15 This is Steve Maley.

16 I'll -- I'll make a comment. This is a situation where you better be
17 careful what you wish for. The situation that was highlighted on the
18 news, I would think, is an isolated situation. And, you know, the
19 better -- the better you know the contractors, you know, you can -- you
20 can make it clear to them. Physical presence in a meeting, that --
21 people -- people will be able to understand the issues and -- and -- and
22 not double-deal. Anyone would have a problem with that sort of
23 conflict of interest.

24 My -- my comment about using the word "contractors," in general,
25 your vendor list is -- kind of like in the home construction business,

1 there are some people that do general contracting, they're going to
2 come and make a -- a bid to handle a \$750,000 package of wells soup to
3 nuts, and they're going to hire people to work for them to do that.

4 There's other people on your list that are not general contractors.
5 They have extremely specific, specialized technical expertise.

6 We just approved Cudd, I think, at one of these recent meetings. I
7 wouldn't be surprised if Cudd was a contractor that didn't show up at
8 your meeting and to put them in time out or to strike them off the list,
9 you're going to need those guys at some point, because they've got
10 specialized capability that nobody else on the list can do, maybe one
11 other company.

12 So to take some draconian policy because of some news report that
13 -- you know, I -- like I said, you better be careful what you wish for,
14 because if you get yourself down to nine names on the list, and those
15 are the only people that are approved to work because they attended
16 your meeting, you're just shooting yourself in the foot. You're not
17 going to be able to get anything done. So that's -- that's my two cents.

18 **MR. FULKERSON:**

19 Okay. Well, it -- it's -- I'm sorry. I didn't mean to interrupt
20 somebody.

21 **SECRETARY HARRIS:**

22 Oh, no. I was going to ask if either Mr. Maley or -- or Mr.
23 Callahan wish to -- wish to make any kind of motion for a resolution?

24 **MR. ROSS:**

25 Secretary, Gary Ross.

1 One suggestion I would have is, since the mandatory meeting was
2 a virtual Zoom, is to have those contractors interested to make -- to --
3 to remain on the list would have them attend the next Commission
4 meeting, since we're holding these -- in other words, show their face
5 and participate in the meeting and state what their interest is.

6 **SECRETARY HARRIS:**

7 Okay. That is a very good idea, Mr. Ross.

8 At -- at this point, does -- does the Board wish to take any -- any
9 action or suggest any path forward?

10 **MR. CALLAHAN:**

11 I'm hesitant, because I don't want to cut off the foot.

12 **SECRETARY HARRIS:**

13 I understand.

14 **MR. MALEY:**

15 Is there --

16 **SECRETARY HARRIS:**

17 Go ahead, Steve.

18 **MR. MALEY:**

19 Is there anybody whose job it is to stay in touch with these people
20 and call them once a quarter or once a year to make sure that
21 somebody is still alive and --

22 **MR. FULKERSON:**

23 So, yearly, we request that they send in new documentation on
24 their company, essentially, just an update showing who's in charge
25 and just certifying that they're going to be, essentially, on the list. So

1 it -- it's kind of like a contractor update. And so we just sent that out
2 to the ones that attended.

3 We could -- you know, the -- the option we thought of is, we send
4 them a letter saying, if you're interested, let us know. You must read
5 this transcript, or attend the next meeting would be an option, as well.
6 And --

7 **MR. MALEY:**

8 Here's -- I'm sorry, Roby. I didn't mean to interrupt.

9 **MR. FULKERSON:**

10 Oh, no problem.

11 And then we just have them fill out the form again. When they fill
12 out the form, that's saying that they still exist.

13 **MR. MALEY:**

14 I -- I would tend to handle this thing like, if this happened in our
15 company, if we -- if we found somebody was double dealing on us, I'd
16 be inclined to send them each a certified letter and -- you know, with a
17 specific, you know, two sentences, here's what we have, you know -- we
18 recently had a problem with this. We don't want -- we don't want you
19 to think this is acceptable, and if you ever do it, you're in double-secret
20 probation from -- from now on, you know, violation of law, whatever,
21 whatever, get them to sign it and send it back -- back. The ones that
22 don't bother to -- to do that to a certified letter, maybe I'd follow up
23 with them a time or two, but, you know, if they're not going to
24 correspond with you, they probably don't belong on your list. A
25 certified letter tends to get people's attention.

1 **MS. PARKER:**

2 I don't think that we have anybody on the list that's -- currently on
3 the list that has done it. That was somebody that was on the list in
4 the past that's now a defunct company.

5 So are you saying we should send it to everybody that's currently
6 on the list or just somebody that had done it?

7 **MR. MALEY:**

8 Well, I'm talking about the ones that didn't attend the mandatory
9 meeting.

10 **MS. PARKER:**

11 Okay. Got you.

12 **MR. MALEY:**

13 You know, I don't -- there's -- there's probably no reason to believe
14 that any one of them is also back and -- you know, providing financial
15 security or -- or acting as an operator for wells that are covered by
16 their own SSTA estimates. You know, just be real specific about what
17 the -- what the problem is, and, you know, it's in the interest of the
18 OSR to make sure that none of the approved vendors find themselves
19 in such a situation, and if they do, it's a serious matter. And, you
20 know, get them to sign -- sign an acknowledgement, and that's the end
21 of it.

22 **MR. CALLAHAN:**

23 I think that would be a good first step.

24 **MR. FULKERSON:**

25 Okay. I think we can definitely look into maybe a certified letter

1 asking for them to acknowledge their -- you know, tell them to get
2 back to us, explain what happened, and we can follow up if they -- you
3 know, if they respond to us, we'll send them the OR-1, which is,
4 essentially, just an update saying that we're -- you know, an update on
5 their operatorship for the year. It kind of sounds like if that method, if
6 that's what you gentlemen want, kind of -- just to kind of combine
7 everything into one thought, if that makes sense.

8 **MR. MALEY:**

9 Yeah. If you -- if you're -- if you're getting them to -- to renew an
10 OR-1, that would seem to be the appropriate time to do that.

11 **MR. FULKERSON:**

12 Okay.

13 **MR. MALEY:**

14 That might save you some postage.

15 **MR. CALLAHAN:**

16 At least show a good-faith -- a good-faith dealing.

17 **MR. MALEY:**

18 A good-faith effort, yeah.

19 **MR. CALLAHAN:**

20 Yeah. That we want you to help us.

21 **MR. FULKERSON:**

22 Okay. I'm a bit naive, but I know Mr. Harris brought this up. Do
23 we want to carry a motion for this or just move forward with it? I'm
24 not -- I'm not even on the process, so however you gentlemen want to
25 handle it.

1 **SECRETARY HARRIS:**

2 Well, if any of the members would like to make a motion for -- for a
3 resolution, that's fine. If not, you can just take it as general direction.

4 **MR. CALLAHAN:**

5 Yeah, just annual communications with the contractor, that's it.

6 **MR. FULKERSON:**

7 Okay. And then, also, since we're on the contractor part, before we
8 move forward, you know, we've discussed online bidding. So we're
9 actually at the point where online bidding is getting close to rolling
10 out. They've finished it, but one of the items we added at the end,
11 essentially, they online bid -- they'll provide an online bid. It's tied to
12 our SONRIS account. The contractors will now submit their
13 documentation, which is, you know, Mr. Maley called it -- it's -- it's an
14 OR-1, where they tell us who the owners are and give us all their
15 contact information. We're trying to tie that to the Secretary of State's
16 website where we can cross-reference the owners of those companies
17 versus other companies they may own in Louisiana.

18 So one of our findings out of that is, you know, we -- the OR-1s
19 may have lapsed a couple of years where something happened where,
20 you know, they came in, so that -- I believe the company was Settoon
21 (phonetic). They came in with different owners, and then they
22 changed owners or changed who they had somewhere along the way,
23 and it happened to be the old owner of Baby Oil.

24 Well, now when they turn in an OR-1 to us, our goal is to take
25 those names and cross-reference those names versus the names on the

1 -- essentially, the ownership of all companies in Louisiana, and then
2 that, hopefully, will pull up a list of who owns which companies. And
3 then we can kind of verify from those two lists, do we need to follow up
4 on anything. That will be part -- our intention is to make that part of
5 the online bidding process. We added the -- so that -- that was all part
6 of the online bidding process to kind of help out with that.

7 We added the step for the Secretary of State, I believe -- we added
8 that at the end just to make, you know -- essentially, we just want to
9 make sure we have a method that is repeatable, and so that -- that's --
10 I just kind of wanted to let y'all know that that check and balance is
11 going to go in the future.

12 If there's any concerns or comments on that or any thoughts, let
13 me know.

14 We should be rolling that program out soon. It -- IT gave us a kind
15 of a beta version, and we're kind of troubleshooting the beta version
16 right now.

17 Okay. Kind of to keep going, if everyone is ready to continue on, I
18 can kind of finish the last couple of slides we have. I'm sorry. Keep
19 going?

20 **MR. CALLAHAN:**

21 Keep going, yeah.

22 **MR. FULKERSON:**

23 Okay. So the performance indicators, we -- our goal this year was
24 about 225 sites restored. I just broke it down by quarter. We got
25 about 125 wells restored. We had a total of 146 wells left, essentially,

1 already issued or a bid package has already put out. So though -- we --
2 we've issued about I think it's like 260 wells for the year, but we were
3 only able to get to 125 of them largely due to weather.

4 And we haven't had any public safety incidents.

5 Those were our big performance indicators for the year.

6 **OLD BUSINESS/NEW BUSINESS**

7 **MR. FULKERSON:**

8 Okay. So this is kind of a new business/old business, but we --

9 **MR. MALEY:**

10 Roby?

11 **MR. FULKERSON:**

12 Yes, sir.

13 **MR. MALEY:**

14 Can I ask you a question about the previous slide before you go on?

15 Steve Maley.

16 **MR. FULKERSON:**

17 Sure, Steve.

18 **MR. MALEY:**

19 I mean, you -- you're showing a slide that -- that shows you fell a
20 hundred wells short of your goal, but, in fact, those hundred-plus wells
21 are already funded out of 2021 fiscal year funds, correct?

22 **MR. FULKERSON:**

23 That's correct, yes, sir.

24 **MR. MALEY:**

25 So this activity that'll carry on and will ultimately count against

1 this fiscal year. It's just that they're funded, but not done yet.

2 **MR. FULKERSON:**

3 Yes and no. So I believe that funds are collected, and there'll be
4 used against -- essentially, it's continues to be used from the same pool
5 -- pool of funds, so that -- the same account, I guess you would say.

6 **MR. MALEY:**

7 Okay.

8 **MR. FULKERSON:**

9 When they take the wells -- when we P&A the wells, they actually
10 give you the credit for whatever package it is and the year it's P&A'd.

11 **MR. MALEY:**

12 And the year it's P&A'd. Okay. Thanks for the clarification.

13 **MR. FULKERSON:**

14 Yes, sir. So those 146 -- so next year, hopefully, we'll have 400
15 wells.

16 **MR. MALEY:**

17 You've got a running start.

18 **MR. FULKERSON:**

19 Yes, sir. We'll have 146 on -- on the -- essentially, queued for next
20 year.

21 **MR. MALEY:**

22 Okay. Thank you.

23 **MR. FULKERSON:**

24 No problem. It's a good question.

25 So one -- one kind of interesting thing is the Well Done

1 Foundation. They issued a few co-ops, and we've actually got the -- I
2 guess, the -- the owner or the president of the foundation, Curtis
3 Shuck. He's in our office, as well. And I was going to turn it over to
4 him, because it's kind of an interesting project and something we
5 haven't seen in Louisiana before.

6 So, Cassie, if you and Curtis kind of want to take a slide and tell
7 us about the program, I'm sure that they may be interested.

8 **MR. SHUCK:**

9 Awesome. Well, thank you, Roby. I appreciate this opportunity.

10 And, Commissioners, it's great to be before you today. Just to let
11 you know, the road between Montana and Baton Rouge still exists. It's
12 got a few extra tire tracks on it, and -- but it's great to be here.

13 The Well Done Foundation is a 501(c)(3) charitable organization,
14 formed in the state of Montana, but we're currently operating in six
15 other states across the United States.

16 I first had an opportunity to be introduced to the Shreveport
17 District Office, Patrick Raley in February of this year, and we started
18 working together on the concept of adding some projects here in the
19 state of Louisiana.

20 We, currently in the state of Montana, have 93 wells that we're
21 working on there. We've plugged eight thus far. We're just --up or
22 just rigging (phonetic) up on our ninth currently.

23 And, also, just as an FYI, we're working closely with the state of
24 Pennsylvania. We've got 20 wells there that we're actually kicking off
25 with them next week, similar to --to what we're doing here in the state

1 of Louisiana.

2 And the slide before you just kind of goes over what our -- what
3 our process is. And you're obviously pretty well aware of that here in
4 the state, it sounds like. But we formed in 2019, and -- and the -- the
5 basis, if you will, the criteria for the wells that we bring into our
6 project is a little different than the way that you all prioritize wells,
7 historically.

8 Our prioritization is primarily driven by methane emissions, and
9 so we have a pretty elaborate system whereby we're identifying the
10 target wells and then qualifying them actually into our program.

11 So, with the -- the help of Director Fulkerson and -- and Cassandra
12 and the office here, we were able to work through a co-op of four
13 specific projects, totaling 36 wells. I'm actually going to be boots on
14 the ground tomorrow with the Shreveport District Office team on
15 starting the monitoring process. Our hope is that we'll be able to plug
16 our first well here in the state of Louisiana either late August or early
17 September. And that's our -- that's our typical approach in these -- we
18 call them a control well within a group of wells so that we can monitor
19 the post-closure plugging activity from a methane emission
20 perspective. Obviously, the -- you know, all -- we're a hundred percent
21 in terms of our -- in terms of our success rate, but we just -- it's very
22 important for us to be able to -- to -- to show that.

23 Part of our program on the -- the Well Done Foundation is that we
24 actually carry a ten-year post-closure monitoring responsibility, and so
25 that's over and above the -- typically what the states require, what the

1 surface owners require. But because of the way that our program is
2 funded, the way that we put that together, we have a ten-year
3 accrediting (phonetic) period then that we guarantee the wells'
4 integrity for. So that's kind of an exciting twist.

5 The Well Done Foundation formed in -- in November of 2019,
6 actually engaged with the American Carbon Registry to develop the
7 first-of-its-kind carbon methodology for methane emission from
8 orphaned and abandoned wells. I just got an update from the
9 American Carbon Registry or ACR or yesterday, that methodology is
10 supposed to publish for public comment next week, and I'll make sure
11 that we provide the details to everyone.

12 This is going to be a game changer in the orphaned wells space
13 across the country. And -- and what it will do, it's not -- you know,
14 obviously, there's no silver bullet, right? It's not going to be the cure
15 all for the orphan well problem. But what it is going to do, it's going to
16 help to provide some additional funding for wells that qualify in the
17 air emission or the methane emission space, which will be great,
18 because, hopefully, when we're sitting at this meeting next year, Roby
19 will be able to talk about sort of this new category of wells that we've
20 brought on and -- and that are being plugged.

21 And so -- and this work, through the Carbon Registry, American
22 Carbon Registry and using that methodology is not specific to just the
23 Well Done Foundation. We're the sponsor. Of course, we're the ones
24 that are developing the tech for this, but it's something, you know, we
25 see this as being a team sport, and the -- the issue across the country,

1 as you're well aware, is -- is, you know, ginormous in terms of its
2 scope. That's why it's so fun to be working, you know, in -- for
3 instance, in the state of Pennsylvania, which is essentially ground
4 zero, where they've got literally hundreds of thousands of these
5 orphaned wells.

6 We've been fortunate to work with the state of Montana, as are
7 four -- on our pilot program where we've been developing this various
8 technology.

9 And I really wanted to give a shout out to your team here at the
10 state of Louisiana and the OSR Program. I mean, they have been
11 outstanding to work with and very supportive and inviting. And I
12 would just tell you that that is not always the case across the country
13 in the other seven states that we're working. So kudos to this team for
14 being creative.

15 We're excited, as I mentioned, to get kicked off here, and so that
16 really puts us in the second box from the left there.

17 The next step then in that process is, we actually will do what we
18 call adopt the well. And when we adopt the well, we, essentially, take
19 that well on as -- similar to an operator status where we then assume
20 the financial responsibility to plug and abandon the well. In -- in
21 every other state that we're doing this in, once we get to that -- to that
22 middle box of -- of -- of the actual adoption, there's no give backs. We
23 don't get to say, oh, we're just kidding, we don't want that. So we
24 saddle up, and -- and then move forward.

25 And, again, typically, our process, we'll be looking at about a 90-

1 day monitoring process. That's still sort of in development with the
2 American Carbon Registry, but it'll be a minimum of 90 days.

3 As I mentioned, we're -- our intent is to plug our first well within --
4 like I said, by the -- you know, sometime between August in the middle
5 of September. And what we do is, we just accelerate the amount of
6 data readings that we're taking from that particular well.

7 So, anyhow, just to move on here, I wanted to say, thank you. My
8 name is Curtis Shuck. You'll see a lot about us. We'll provide the
9 website to the team. We encourage you guys to -- to keep up to date on
10 what we're doing.

11 And I think that you're going to find that this is a -- this is going to
12 be a real feather in the cap in the state of Louisiana in terms of your
13 creative approach to really addressing the orphan well program and --
14 and taking that number from 4,000 down as quickly as we can.

15 So, with that, uh, I'd be happy to answer any questions, and
16 thanks for your time.

17 **MR. MALEY:**

18 Curtis, this is Steve Maley.

19 I -- I -- I had a question. Typically, you would be taking over a
20 selected group of wells that meet your criteria, and the cost to the
21 state of Louisiana or the OSR Program is zero; did I understand that
22 correctly?

23 **MR. SHUCK:**

24 Yes, sir. And -- and we're actually pretty proud of that. We -- to
25 date, we haven't accepted a single dollar of taxpayer money to plug the

1 wells that we're working on or do any of the monitoring. So, yeah,
2 that's the intent, Mr. Maley, a hundred percent is that we don't come
3 with our hand out, you know, looking to, you know -- to -- to get funds
4 from the state on this. This is all private dollars, either through
5 donations or corporate sponsorships or through -- we're -- we're
6 hopeful that this American Carbon Registry and the -- the carbon
7 credit platform will help to underwrite the plugging and abandonment
8 of orphaned wells.

9 **MR. MALEY:**

10 Okay. Great idea. Thank you.

11 **MR. CALLAHAN:**

12 I have -- this is Barney.

13 I recently heard about this, this move that's coming toward
14 identifying some fields that they would -- they would want to do some
15 research on. I'm not particularly -- I'm not totally sure about what the
16 process is, other than that it's simplified is that you bring in a filler to
17 put in an abandoned well, and that filler should be methanes that are
18 being -- how are you going to get those methanes to the -- to the site,
19 by truck, to fill -- it's a huge cavity?

20 **MR. SHUCK:**

21 Sure. So just maybe a little bit of a detail on the actual plugging
22 and abandonment process. We follow the API-approved program,
23 which is a typical, you know, cement program, depending on the -- on
24 the wellbore itself, the depth and the various formations requiring
25 isolation. We would look at, you know, mechanical isolation.

1 Typically, what we're doing and some of the shallower depths is
2 more of a balanced-plug-type of an approach.

3 But to your point, sir, Mr. Callahan, is this is an American
4 Petroleum Institute-approved process, so we don't have any, you know,
5 snake oil that we're looking to put down the hole or anything. This is
6 all standard, you know, oilfield stuff.

7 **MR. CALLAHAN:**

8 So, again, are we going to need a pipeline to have enough -- enough
9 material to pull back -- push back in the ground or a -- a trailer load of
10 -- or railroad cars or whatever?

11 **MR. SHUCK:**

12 Yeah. So what -- you know, again, the way that this works is, you
13 know, through the plugging process, it just captures the methane in
14 the formation. And, again, we're not producing the methane. We're
15 not, you know, looking to utilize that in any way, other than just
16 essentially sequestering it or -- or capturing it in the formation. So,
17 yeah. And, you know, what that does in terms of -- for instance, the
18 mineral owner, is that it actually, you know, protects and preserves
19 those minerals in the formation.

20 One of the reasons I mentioned for plugging that initial well for
21 the ongoing monitoring through a control well is to see if it does
22 increase pressures. In our other wells of review certain geologic
23 formations, as you know, communicate back and forth, depending on
24 the -- the adjacency of those wells. So that's part of what we're -- we're
25 working for.

1 But, essentially on a -- an individual well-by-well basis, that
2 methane is then kept in the formation. It's not produced or -- or
3 removed.

4 **MR. CALLAHAN:**

5 Okay. I'm still having a hard time getting my mind around how to
6 -- how it's going to work. Are you going to gonna take gas out of -- out
7 of the ground and put it back into a separate well somewhere?

8 **MR. SHUCK:**

9 No, sir. We're just simply plugging the -- plugging the well,
10 keeping the gas, essentially, that is currently escaping or could escape,
11 depending on the level of control at the wellhead at the surface, and,
12 keeping that -- keeping that gas, keeping those fluids, in the formation
13 safely protected from making their way to surface. And that's -- you
14 know, that -- that relates to both, you know, liquids and gas.

15 So, typically, we follow, like I said, the standard process, and you'll
16 see -- and we'll provide periodic updates so that you'll -- you know, to
17 the department, through Roby and his team, so he'll be able to report
18 on that.

19 But, at the end of the day, when we get to that box on the far right
20 over there, the surface is completely restored, the wells after they've
21 been plugged and abandoned, cut off, you know, below the surface to
22 meet the state guidelines, cap welded on the top, and then, again, we
23 continue to monitor that at the surface after we're done.

24 But, you know, in Montana where we're working and the other
25 states, Kansas, for instance, it's like, you know, the well was never

1 there.

2 **MR. CALLAHAN:**

3 Yeah. Okay. Is there -- is there any differential -- diffrating (sic) --
4 in difference in parts or pieces for a well if it's a straight well or if it
5 has been fraced? Does fracing or -- a well, that has been fraced cause
6 any more of a problem?

7 **MR. SHUCK:**

8 Sure. So, typically, we're working on shallow or vertical wells.
9 We're not doing any horizontal work at this time. And so, for instance,
10 our initial wells that we are working on in the state of Montana are
11 nearly 100 years old. The first wells were drilled in that particular
12 Kevin-Sunburst Field in the early 1920s, and so it predated fracing,
13 but they did use nitroglycerin, which is, essentially, the same thing.

14 And so, again, we've had extremely successful results with our
15 plugging design, and that plugged design will obviously get shared
16 with the state of Louisiana here for the fields that we're working on up
17 in Caddo Parish. And -- and we'll work closely with Cassandra and
18 Roby and -- and Patrick there to make sure that -- that this is installed
19 correctly, and then, again, that we've got that post-closure monitoring.

20 **MR. CALLAHAN:**

21 Okay. A ten -- ten-year guarantee on all the monitoring, right?

22 **MR. SHUCK:**

23 Yes, sir, yep, ten years.

24 **MR. CALLAHAN:**

25 That's enough for me at least. All right. Well, thank you. I

1 appreciate you fielding the questions I had.

2 **MR. SHUCK:**

3 Thank you.

4 **SECRETARY HARRIS:**

5 Mr. Shuck, thank you so much for both your time today and all the
6 work you and the foundation are doing.

7 **MR. SHUCK:**

8 I appreciate that, Secretary. It's -- it's exciting stuff. And, again,
9 really congratulations to the state of Louisiana for -- for jumping in
10 the mix here. I think it's gonna go a long way to -- you know, this has
11 been, as you know, probably unfortunate -- all too well, sort of many
12 states' dirty little secret. And I tell you what, that -- that this is an
13 exciting approach. It just brings another tool to the tool bucket, right?
14 And many states are not in is as strong a financial shape as the state
15 of Louisiana is in currently, and so this is really important for them to
16 get some traction on getting ahead of this project, so -- or this problem.

17 So thank you.

18 **MR. FULKERSON:**

19 Thank you very much for making the drive down, that was quite a
20 commute for you, too, so --

21 **MR. SHUCK:**

22 I'm getting used to it. I know what the road now. I've done it
23 twice.

24 **MR. FULKERSON:**

25 Okay. I'll kind of continue on.

1 I don't know if we have much of a recoupment of funds update
2 since the last one. We didn't ask necessarily the AG's Office, because
3 there's really no updates since the last one on either the Lyons Well or
4 the Valentine Well. If there is any updates or something changes in
5 an interim, we'll make sure to ask to the legal side from the AG's
6 Office to -- to speak.

7 There was a couple of other things kind of in the new business
8 before I opened the -- the floor to questions.

9 First, we had an event in Monroe. It was kind of a well-control
10 event. I wouldn't call it a blowout or anything along those lines.
11 When the OSR was working on the site, the well started flowing on
12 them, and they had some gas escape at surface. The well-control
13 device they used, they had to actually stab in place due to the setup
14 and kind of in Monroe. They were able to stab it in place, but some
15 gas escape while they were stabbing it in place. Essentially, no one
16 was hurt. The well was later P&A'd that day, but it was just kind of
17 event we thought we should make you guys aware of. It wasn't really
18 a -- I wouldn't necessarily -- I don't know if -- it's not a blowout, per se,
19 because the well-control device they used they were trying to place at
20 the time, but there was just gas escaping while they were placing the
21 device.

22 If there's any questions about that, let me know.

23 Kind of to remit -- remedy that situation, there was kind of a
24 difference in alignment of what BOPs (phonetic) are considered or
25 what different people use as a process for well control, and since that

1 time, we've kind of discussed what it is with our contractors. And
2 we're kind of working our way through with the contractors, both what
3 the State law is, and what's feasible in some of these fields.

4 You know, for instance, Caddo-Pine Island, they -- some of the pipe
5 they use is polymer pipe. Well, obviously, you can't close BOPs on
6 polymer pipe. In the wells in north Louisiana, it's not really a
7 wellhead, you've got a piece of tubing sticking out on the ground with a
8 female coupling on top. That's not really a wellhead either. So what
9 can we hook up on there and accomplish this work safely? So it was,
10 you know, kind of a misalignment there, and we're trying to get
11 realigned with everyone about how we want to control the wells and
12 what we do.

13 But it was just something we wanted to let you guys know about.
14 And if there's any questions, let me know, or if you guys want to have
15 any input on it as we go, please, let me know, as well.

16 If there's no questions, the only other thing I have, we kind of
17 talked about it a little bit and we talked about the contractor's side,
18 but I'm sure everyone probably saw her nose of Fox news reports that
19 ran regarding projects in south Louisiana and north Louisiana. I just
20 want to open the floor. If there's any questions or concerns, please, let
21 us know whether right now or after the meeting. Our doors are
22 always open, in terms of we'll talk to, you know, anyone about
23 anything, especially the Commission members. We know there was
24 quite a lot said in there. So if anyone has any concerns or would like
25 to discuss and every -- anything, now's a good time to do it, or if not,

1 after the phone call -- or after this meeting, you can always follow up
2 with some type of phone call to me. So I just want to kind of open the
3 floor for that.

4 If there's nothing, we'll move on, but I just wanted to make sure
5 we discussed it.

6 **MR. CALLAHAN:**

7 Thank you.

8 **MR. FULKERSON:**

9 All right. The only last thing -- or the last thing we've got is open
10 the floor for questions. Is there any questions from the public, the
11 Commission, or anyone else in attendance?

12 (No response.)

13 Okay. Well, I appreciate everyone's time.

14 Mr. Secretary, Mr. Harris, I -- if you guys want to move to adjourn
15 the meeting.

16 **SECRETARY HARRIS:**

17 Thank you, Roby. I did -- one note of personal privilege, I'd like to
18 say how well retirement seems to be suiting Mr. Ross. It's good to see
19 him. He looks well-tanned and rested, and I hope you're enjoying your
20 retirement, sir.

21 **MR. ROSS:**

22 Well, I am, except for the fact that I got subpoenaed this weekend
23 -- on the G.A. Lyons on behalf of DNR week after next.

24 **SECRETARY HARRIS:**

25 Well, thank you for your service.

1 I would like to thank all -- all of the Commission members for your
2 time and patience today.

3 And I'd like to take a moment to thank the Office of Conservation
4 staff for all the work you do for, both these meetings and -- and day to
5 day.

6 And, also, thanks to members of the public who took your time out
7 of your day to participate in the process. I'd just like to say thank you.

8 One last call, any comments, thoughts from anyone, alibis?

9 If not, I'd like to entertain a motion to adjourn.

10 **MR. CALLAHAN:**

11 Motion here.

12 **SECRETARY HARRIS:**

13 We have a motion to adjourn by Mr. Callahan.

14 **MR. MALEY:**

15 Second.

16 **SECRETARY HARRIS:**

17 Second by -- I'm not sure who that was.

18 **MR. MALEY:**

19 Maley.

20 **SECRETARY HARRIS:**

21 By Mr. Maley. Thank you, sir.

22 Hearing no objection. This meeting is adjourned. Thank you all
23 and see you next time.

24 **THE MEETING WAS ADJOURNED**

CERTIFICATE

I, MICHELLE S. ABADIE, Certified Court Reporter in and for the State of Louisiana, as the officer before whom this meeting was taken, do hereby certify that the Oilfield Site Restoration Commission Meeting, held by the Zoom Video method, on July 15, 2021, by the Department of Conservation, Baton Rouge, Louisiana, was reported by me, was prepared and transcribed by me; that the foregoing pages, numbered 1 through 58, inclusive, is a true and correct transcript to the best of my ability and understanding; that I am not related to any parties herein, nor am I otherwise interested in the outcome of this proceeding.

MICHELLE S. ABADIE, CCR #24032
CERTIFIED COURT REPORTER

MICHELLE S. ABADIE, CCR
CERTIFIED COURT REPORTER