

JOHN BEL EDWARDS
GOVERNOR

State of Louisiana

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

STEPHEN CHUSTZ
CHAIRMAN

JAMES H. WELSH
VICE CHAIRMAN

MEETING MINUTES

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

MEMBERS PRESENT:

Stephen Chustz, Secretary, DNR
James Welsh, Commissioner of Conservation
Steve Maley, LOGA
Barney Callahan, LWF, Sierra and Audubon Society
Karen Gautreaux, Nature Conservancy

OTHERS PRESENT:

Brent Campbell, Director OSR
Matt Simon, OSR Staff
Casandra Parker, OSR Staff
John Adams, Staff Attorney

I. Roll Call:

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

II. Approval of the December 10, 2015 Meeting Minutes:

Karen Gautreaux made a motion to approve the minutes.
Barney Callahan seconded the motion.
No objections from the Commission.
The minutes were approved .

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III. Fund Status:

Matt Simon reported that the oil and gas production fee collections through January 21, 2016, amounted to approximately \$1,076,046. The total expended is approximately \$2.6 million. The Program has encumbered approximately \$1.86 million.

The current OSR fund balance **\$-619,010**. The accountant has projected a balance of \$882,399 at the end of this fiscal year.

IV. Program Statistics:

- A. Matt Simon discussed in detail the Program statistics.

To date, the Program has plugged and abandoned 2,741 orphan wells through the second quarter of this year. Twenty-one wells were plugged by the Program during the second quarter.

Currently, there are 3,059 orphan wells remaining statewide.

Thirty-nine wells were added to the orphan well count during the second quarter.

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 Second Quarter Program Performance

During the second quarter of this fiscal year, the Program has plugged and abandoned four urgent priority wells and seven high-priority wells.

A total of 55 orphaned wells were plugged and abandoned through the second 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 16-003, Marsh Island, Steve Maley inquired if this project was a hazard to navigation and should the Coast Guard be involved in this project. Matt Simon indicated that in order for the Coast Guard to become involved, the well has to be leaking at the time. Whether the well is leaking is a trigger for their involvement.

PA 14-008, Navigation Aid Maintenance Bid, Matt Simon informed the Commission that this contract is for two years and it is due to be rebid soon.

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

B. Completed Projects:

There were five projects completed in the second quarter at a total cost of approximately \$1.2 million.

EMER16-002, Lake Peigneur, Matt Simon explained this was an emergency response to gas bubbling in the lake from a leaking wellhead. Because there was a casing stub there and could have possibly been an old oil and gas well, the project was undertaken by the OSR Program. After investigation, Office of Conservation staff is sure the bubbling is not coming from the storage dome or an old oil and gas well located there, but it's possible it's coming from the underlying cap rock where there was sulphur mining. There is no definitive cause of the bubbling at these locations at this time.

After questions and answers between the Commission members and staff regarding this project, Brent Campbell explained that it was a well that was drilled and plugged in the 1920s. It was not a permitted well, but the Office of Conservation had to assign a serial number to identify it for the records.

It was further explained that as a result of this bubbling activity, the OSR Program cemented the casing from the depths of approximately 100' to 110' up to the surface. When the barges were removed, there were six remaining bubbling locations. Subsequently, however, two of the bubbling locations have ceased, and there are only four bubbling locations remaining at this time.

Office of Conservation field agents have been inspecting the site every month. The Coastal Management staff goes to the site every site and takes samples to test for methane levels and H₂S. DEQ also goes to Lake Peigneur every quarter and takes air samples to monitor the presence of H₂S. There were some areas that had H₂S detected close to the bubbling site, but there was no H₂S, methane, or natural gas detected away from the site, including the shoreline and residents. In addition, AGL is taking water samples and monitoring anything that may be hazardous in the water.

At the current time, this project is going to be a monitoring project for the next year or two by these agencies to ensure the safety of the environment and the public.

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VI: Old Business/New Business:

Steve Chustz reported that Jim Welsh and several other people have been involved in Senate Concurrent Resolution 89 by Senator Allain from the last legislative session that deals with the OSR Program's orphaned wells. Tyler Gray was unable to attend the OSR Commission meeting today, but he intends to present information at the next quarterly meeting regarding some of the SCR 89 workgroup meetings that were held.

Additionally, a report to the legislature is scheduled to be submitted by that Commission no later than February 1, 2016. Once the report is submitted, the report, documents attached, and its findings will be circulated to the OSR Commission members for its consideration.

VII: Date of Next Meeting:

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

ADJOURN:

Barney Callahan made a motion to adjourn.
Steve Maley seconded the motion.

The meeting was adjourned.