

State of Louisiana

OILFIELD SITE RESTORATION

COMMISSION MEETING

APRIL 21, 2022

1:00 p.m.

Oilfield Site Restoration Commission Meeting

Thursday, April 21, 2022

1:00 p.m.

MEMBERS PRESENT:

Richard Ieyoub, Commissioner of Conservation

Steve Maley, LOGA

Barney Callahan, LWF, Sierra, and Audubon Society

Timothy Allen, Louisiana Landowners Association

David Levy, At Large

STAFF PRESENT:

Roby Fulkerson, Office of Conservation, OSR Staff

Casandra Parker, Office of Conservation, OSR Staff

Blake Canfield, Attorney, DNR

John Adams, Assistant Commissioner of Conservation

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Oilfield Site Restoration Commission Meeting

April 21, 2022

ROLL CALL

MR. IEYOUB:

All right. We'll call the meeting to order. Good afternoon. The Secretary is appearing before a legislative committee, so he asked me to take care of this meeting. I have a -- a role that's preferable to what he's having to do, I'm sure, you know, so -- but anyway, would you call the role, please?

MR. FULKERSON:

Yes. So for the Oilfield Site Restoration the Committee members, I'll read from the top.

Tom Harris, Secretary, not present.

Richard Ieyoub, Commissioner of Conservation.

MR. IEYOUB:

Here.

MR. FULKERSON:

Lisa Creasman. She emailed this morning and said she won't be able to make it.

Steve Maley.

MR. MALEY:

Here.

MR. FULKERSON:

1 Barney Callahan.

2 **MR. CALLAHAN:**

3 Here.

4 **MR. FULKERSON:**

5 David Levy.

6 **MR. LEVY:**

7 Here.

8 **MR. FULKERSON:**

9 And Timothy Allen.

10 **MR. ALLEN:**

11 Here.

12 **MR. IEYOUB:**

13 We have a quorum.

14 **MR. FULKERSON:**

15 We do have a quorum, yes, sir.

16 **APPROVE MEETING TRANSCRIPT**

17 **JANUARY 20, 2022**

18 **MR. IEYOUB:**

19 Okay. The first thing -- item on the agenda is to approve the
20 previous meeting transcript.

21 Do I have a motion to approve the transcript?

22 **MR. CALLAHAN:**

23 So move.

24 **MR. IEYOUB:**

25 Okay. Mr. Callahan, did you -- yeah. Move by Mr. Callahan.

1 Second?

2 **MR. MALEY:**

3 Second.

4 **MR. IEYOUB:**

5 Mr. Maley seconds.

6 All those in favor.

7 (All aye.)

8 Any opposed?

9 (No response.)

10 Okay. So the -- the previous meeting transcript is approved.

11 **FUND STATUS**

12 **MR. IEYOUB:**

13 Roby, you want to go in now to the fund status?

14 **MR. FULKERSON:**

15 Yes, sir. On our -- let's see, this should be the -- the fifth slide,
16 we'll start our fund status. On the left, we have the collection source
17 on the right the amount. So our first fee is LOGA for \$2,498. Our gas
18 tax, which is really a gas fee, is 8.6 million. The oil fee is 277,000. In
19 interest, we have \$1,681. The inactive well assessment fee, which we
20 get about half of the funding, is \$945,000. We have zero in escrow,
21 and we have about 11 million total in the fund status, and that does
22 include some bonding.

23 On the next page, continuing the fund status, you'll see the
24 balance type. We added this in. We've got about 6.1 million
25 encumbered, and the fund balance shows 8.0 million. And we've also

1 collected \$1 in financial security this year from wells we've plug, that
2 would be from the Humphreys Field. So the fund balance shows 8
3 million, but we've actually encumbered actually 150,000 more than the
4 8 million. So all the funding for this year has been spent. It's just
5 getting the contracts out the door and getting the approvals are taking
6 some time. So we have -- essentially, we've spent more than we've
7 taken in.

8 **MR. IEYOUB:**

9 Any questions or discussion?

10 **MR. ALLEN:**

11 You say for this year, you mean fiscal year?

12 **MR. FULKERSON:**

13 This fiscal year. I'm sorry. Our fiscal year ends June 30th, and it
14 resets July 1st.

15 **MR. IEYOUB:**

16 All right. Roby, let's go on to the next item.

17 **MR. FULKERSON:**

18 Okay. So for our annual OSR collections graph, you can kind of
19 see the plot overall of what our collections have looked like over the
20 years. And I think in '18 and '19, that -- that jump there was when
21 they changed the -- the kind of fee structure. But for this year, we've
22 collected about 11 million total, and the red is the gas fees and the --
23 the blue is the oil fees.

24 If you'd turn the page to the next slide, as well, we added this in
25 last year. It's mostly just so you guys are kind of aware of what the

1 collections look like. Our funding runs through the year, but there's
2 really four big draws every year right around August to September,
3 November, February. So you'll see another big draw at our next
4 meeting in July. You can kind of see it runs somewhere around \$2.5 to
5 1 million. So we should get our last pull this year in May. And as you
6 can see from the plot, the kind of highlighted one in blue is where
7 we're at, so we -- the last two pulls have been above average, and we'll
8 see what the fourth one looks like.

9 **MR. IEYOUB:**

10 Does anybody have any questions or discussion?

11 (No response.)

12 All right. Go on with the next item, financial security update.

13 **MR. FULKERSON:**

14 Okay. So for financial security, this year, we've collected about 1.5
15 million with about 1.2 for Shoreline. The total financial security we've
16 collected about \$11 million. By collected, I mean called in, that's both
17 collected and we're trying to collect from banks the funds spent.

18 So this year, we -- we've completed one project, which is the
19 Humphreys Field SSTA. There was 13 wells in it. We completed three
20 wells and essentially used the entire SSTA, and that was for just
21 under \$1.1 million, and that's been called and added back to the fund.

22 So, if you're not familiar with the fund, the way it works is, we'll
23 have to spend all the money out of the OSR fees, and then we can
24 reimburse ourselves from the SSTA. So once we encumber that
25 money, we have to spend it, and then we can reimburse ourselves from

1 the SSTA once spent. We can't spend directly from that account.

2 And upcoming, we've got three packages. One of them I believe
3 they just mobilized this week. We've got a Mesa Gulf Coast package at
4 Lake Hermitage, that's a five well package. There's 23 wells in the
5 SSTA for 2.2 million. And the five well package cost about 1.5 million.

6 We've got a second package in Bay Batiste for two wells. There's a
7 six well SSTA for 1 million, and the winning bid on that one was 1.5
8 million.

9 And the -- the group that started this week was the Harvest Group
10 SSTA, which is a large SWD, and it's for 443,000.

11 So we should begin all of these. The Mesa Gulf Coast and Bay
12 Batiste, I believe we're just waiting on approval for entry from the
13 oyster fishermen.

14 **MR. MALEY:**

15 I had a question, Roby. That money referred to from Shoreline is
16 from SSTAs that Shoreline had set up and is separate and apart from
17 the money that was -- that came out of the bankruptcy?

18 **MR. FULKERSON:**

19 So that is a -- I don't believe it's technically an SSTA. I believe it's
20 a court -- I guess it's a sum awarded to us by the court. So the initial
21 amount was already spent. We've just got about 200,000 or 300,000,
22 and then, last year, they awarded us another 1.2 million, and so we're
23 trying to determine where to spend that funding now.

24 **MR. MALEY:**

25 Okay. Thank you.

1 **MR. ALLEN:**

2 So for those of us who are new to this panel and who never got
3 past third-grade mathematics help me out with something here. For
4 instance, Mesa Gulf, you have an SSTA for 23 wells for 2.2 million,
5 but, yet, we're only going to P&A five wells for 1.5.

6 **MR. FULKERSON:**

7 That's correct.

8 **MR. ALLEN:**

9 So what happens to the rest of the wells and the little bit of money
10 that's left in the pot?

11 **MR. FULKERSON:**

12 For the little bit that's left in the pot, the way they calculated
13 SSTAs previously, they allowed them to do it based off the footage. It
14 was the same as what we have in bonding. This -- I believe in August
15 of 2020 --

16 **MS. PARKER:**

17 August.

18 **MR. FULKERSON:**

19 Yep, August of 2020, the Commissioner got a group together to
20 review it, and we actually put together a spreadsheet, which we now
21 use for SSTAs. If you go to the OSR website, it pulls all the costs from
22 all the previous wells we've P&A'd that we have electronically
23 available, and an operator, if they want an SSTA, sorts by the location
24 they're at. They -- they can put in the X/Y, and they're to take the
25 three closest wells and -- the three closest wells and take the average,

1 and that average is what you use for the SSTA rather than footage.
2 You have to take -- those wells take into account depth, water
3 location. Essentially, we want three as-is wells that we've spent
4 money on, because that -- if we're spending the money and we're the
5 ones that would have to do the work with SSTA, that's kind of the way
6 the process should work. But that rolled out in 2020, so you're going
7 to see SSTAs previously that either haven't been renewed, because we
8 make all the old ones that get renewed moved to the new system, but
9 the old ones, like if -- if they haven't come up for renewal yet, they're
10 still on the old system, so -- which was a -- a per-foot, which we found
11 -- we've only pulled -- so the first SSTA that we've worked on that used
12 the old system was this Humphrey's SSTA. So, once we had the bids
13 in, they kind of quantified what we thought, that these SSTAs may be
14 underfunded. And so once we had that, we rolled out the new system
15 -- or the Commissioner asked us to put together a group to look at the
16 system and how to evaluate it and put a new one out.

17 **MR. ALLEN:**

18 I'm still lost. It makes sense for the new system going forward.
19 What about this old system and these particular packages right here?

20 **MR. FULKERSON:**

21 Yep. So the old system, they would just go off of footage. So land
22 and water were different amounts. I believe was water was \$9 a foot.

23 **MS. PARKER:**

24 It was inland waters, \$8 a foot, and offshore was \$12 a foot, and on
25 land, it was a graduated scale, zero to 3000 was 2, 3001 to 10,000 was

1 5, and then over 10,000 was 4. So you just used the per -- the
2 plugback depth, and you calculated the per-foot plugging depth that
3 you would use for whatever area you were being -- was being
4 considered.

5 **MR. FULKERSON:**

6 And we found that undersold what the cost would be and also may
7 not account for all the facilities and other items that come along.

8 **MR. ALLEN:**

9 Well, back to my original question though. You -- you have
10 facilities that are out there on the ground.

11 **MR. FULKERSON:**

12 Yep.

13 **MR. ALLEN:**

14 You've got wells left to be plugged and not enough money in an
15 SSTA that exists to take care of that.

16 **MR. FULKERSON:**

17 That's correct.

18 **MR. ALLEN:**

19 So they just remain in limbo on the orphan list.

20 **MR. FULKERSON:**

21 They'll just add to the orphan list, and we'll have to spend
22 conventional orphan funding on it.

23 **MR. ALLEN:**

24 Gotcha. Thank you.

25 **MR. FULKERSON:**

1 No problem.

2 **MR. IEYOUB:**

3 And, Roby, that's the -- that's the very reason that we
4 implemented the new system that we recently implemented was to
5 ensure that in the future the SSTAs would have enough money, you
6 know, to plug the wells, if we needed to. A lot of times on -- in the old
7 system, we'd find out that the SSTAs didn't actually have enough
8 money to complete the plugging.

9 **MR. FULKERSON:**

10 That's correct, sir, yep.

11 **MS. PARKER:**

12 Roby, I just wanted to add too that any money that is left over
13 once we plug these five wells can only be used for the wells covered by
14 that SSTA. So, if we plug two wells, the leftover money will be used to
15 be -- plug those wells in any well -- any fundage after that that needs
16 to be applied to these wells, then it'll have to come from the general
17 OSR fund.

18 **MR. IEYOUB:**

19 Any other questions or discussions?

20 (No response.)

21 All right. Let's move on.

22 **MR. FULKERSON:**

23 Okay. We added another slide for money recovery. So we've got a
24 few projects out and just kind of update you where we are. So
25 Valentine Field is with the Attorney General's Office in litigation. The

1 emergency at Thornwell is also in litigation.

2 Freshwater Bayou 21-11, we sent money recoveries to the two
3 operators that are still available in the lineage, which is W&T
4 Offshore and ConocoPhillips. Neither responded. So we send these
5 letters out prior to the project to give them the chance to respond and
6 complete the project themselves. I don't believe any of us heard back
7 from them. So, once we complete the project, we can send out money
8 recovery letters. So that project, they, they still have that one tank
9 that's like a mile away in the swamp.

10 Black Elk, we've sent money recovery letters to the lineage. One
11 company responded, Talos. Talos previously had bonds in place to
12 cover for the abandonment, and they're working with the other
13 operators in the lineage to assist for the remaining money -- or the
14 remaining wells in the -- in that Black Elk package.

15 And then Tigre Lagoon, the -- the money recovery letters have
16 been sent to the lineage. There was one response, and we're still
17 waiting to see kind the -- the outcome of that.

18 Any questions?

19 **MR. IEYOUB:**

20 Any questions?

21 **MR. MALEY:**

22 Your use of the word "lineage" is new to me. You're talking about
23 the other operators --

24 **MR. FULKERSON:**

25 In the chain.

1 **MR. MALEY:**

2 -- the previous operators in the chain of title?

3 **MR. FULKERSON:**

4 Yes, sir.

5 **MR. MALEY:**

6 Thank you.

7 **MR. IEYOUB:**

8 Anything else?

9 (No response.)

10 Okay. Let's move on.

11 **PROGRAM STATISTICS**

12 **MR. FULKERSON:**

13 Okay. And I apologize. The next slide is the orphan well count
14 versus wells plugged. It -- it -- the printout didn't come out perfectly.
15 But in blue you'll find the orphan well count, and in red you'll find the
16 wells plugged.

17 And then previously, Mr. Levy had asked for an index kind of
18 comparing the two, so the green line is that index. It is -- I believe it's
19 going to be the orphan well count versus wells plugged, and so that's
20 the green line that kind on my sheet tapers to blue for some reason.

21 And one thing I want to note on this page too, you'll kind of notice
22 that between the last two lines, they drop some, and that's just an
23 accounting on our part. We're changing the way we're kind of
24 accounting for the wells. Previously, they'd hand counted all the wells
25 for OSR, and we're just going to a system where we use SONRIS

1 directly. It's reproducible for us and easy for us to pull. Previously,
2 they were just kind of manually keeping count of everything, and
3 that's not really a system that's easily reproduced or something you
4 can get a number quickly from. So SONRIS may lag a little bit, but
5 the -- it -- we've just kind of changed the accounting system for the
6 wells, if that makes sense.

7 **MR. IEYOUB:**

8 Any questions?

9 Let me just say that, you know, recently, we've implemented
10 certain changes in the process which we hope would assist us in
11 plugging more wells and -- and getting the job done more efficiently.
12 These changes have been recent, take a little bit of time, I think, to
13 realize the full impact of -- of the changes that we've made, most of
14 which are by rule rather than having to go to the legislature and get
15 legislative changes. But, overall, we're already seeing an increase in
16 the number of wells that we're able to plug. Is -- is that correct, Roby?

17 **MR. FULKERSON:**

18 It looks like our -- our number is consistently moving up.

19 **MR. IEYOUB:**

20 Uh-huh. So we're not satisfied yet, but we -- you know, we're
21 trying. We're trying to change some practices and processes and -- in
22 order to ensure that we can continue to grow the number of wells that
23 we can plug effectively and financially, efficiently. So I just wanted to
24 let everybody know that.

25 **MR. LEVY:**

1 I -- I have a question. Has there been any progress with respect to
2 assigning the site specific trust account amounts to the sites?

3 **MR. FULKERSON:**

4 No -- I -- I -- well, you may have to -- what exactly do you mean, I
5 guess?

6 **MR. LEVY:**

7 Well, it seems obvious that we would want to know exactly how
8 much money is associated with each site.

9 **MR. FULKERSON:**

10 Yes, sir. So the -- the site specific trust accounts, when they
11 complete a form for us, they'll put it per well, and so you -- you know
12 how much it is per well, and then you'll know how much it is for the
13 whole package. So, say, there's 13 wells. Each well has --

14 **MR. LEVY:**

15 I'm talking about prior to a -- a bid or anything like that. So, in
16 general, there's 4,600 abandoned wells. There are some that have
17 amounts of money associated with them.

18 **MR. FULKERSON:**

19 That's correct, yes, sir.

20 **MR. LEVY:**

21 We don't know what that is.

22 **MR. FULKERSON:**

23 I think we have account of all the SSTAs.

24 **MR. LEVY:**

25 There is. Your -- your financial department does have an account

1 of that.

2 **MR. FULKERSON:**

3 Yes.

4 **MR. LEVY:**

5 Why doesn't the public have access to that information? That's
6 what I'm asking.

7 **MR. FULKERSON:**

8 I believe it is accessible from SONRIS, and then if you wanted to
9 pull it, you could just come in and pull the manual copy.

10 **MR. LEVY:**

11 Well, okay. So you have to physically go into the office and pull
12 the -- and request the documents?

13 **MR. FULKERSON:**

14 Yes, sir. I -- I -- I don't know that we scan everything and have it
15 available online, but if -- if --

16 **MR. LEVY:**

17 It's a spreadsheet.

18 **MR. FULKERSON:**

19 There are spreadsheets available, and if someone wanted the
20 spreadsheet, we can certainly share it, but there's not -- we don't really
21 have a --

22 **MR. LEVY:**

23 It seems like the public should be able to see -- the information is
24 in a spreadsheet. It seems to me that the public should have access
25 via the internet to the values that are associated with the sites so the

1 public can be informed as to what's going on.

2 **MR. FULKERSON:**

3 And I -- so I think they've updated the SONRIS data portal.

4 **MS. PARKER:**

5 Those are not kept on that spreadsheet. We do not have a
6 spreadsheet that it has the value for each site.

7 **MR. LEVY:**

8 I think that's in the standard operating procedure.

9 **MS. PARKER:**

10 We have -- I have to look and see. We -- we do -- yeah. We -- it's --
11 when they send in the form, it's on the form. They have to do it per
12 site.

13 What I'm saying, the spreadsheet that we carry on our F drive, our
14 internal, that doesn't have a per site -- per well. It just has the total
15 amount that we -- that we would have to collect to be -- for the well --
16 for the SSTA to be considered fully funded.

17 **MR. LEVY:**

18 And the F -- can the information on the F drive be --

19 **MS. PARKER:**

20 I'm -- I'm sure we can.

21 **MR. LEVY:**

22 Can the public have access to that?

23 **MR. ADAMS:**

24 This is John Adams, Assistant Commissioner.

25 For each of the SSTAs, those are -- the information for the total

1 amount that's required for that SSTA is input in our SONRIS
2 database and is available to the public who searches the SONRIS
3 database, along with any other financial security data that they're --
4 they're searching for in the SONRIS database. So the total amount is
5 already available to the public via SONRIS.

6 I -- I believe what Roby and Casandra were -- were addressing
7 was, part of the SSTA breakdown that we use internally includes
8 amounts for each one of the wells listed in the SSTA, along with an
9 amount associated for the -- the -- for any facilities that need to be
10 closed, as well as an amount for any other post-closure activities, like
11 site clearance or -- or something like that. So that information is -- is
12 not available in SONRIS, because SONRIS does not have a breakdown
13 of -- of each of those itemized bits of information. That, however, is
14 available to anyone who wants to come review our file or look at that --
15 that data or information. But the -- the overall information for the
16 SSTA itself is available to the public through -- through the SONRIS
17 portal.

18 **MR. LEVY:**

19 Okay. I've -- I've tried, and I wasn't able to get it, but I'll try
20 again.

21 **MR. ADAMS:**

22 If -- if -- if there's a particular SSTA that you would like for us to --
23 to go with you and -- and double-check on, you're welcome to -- to get
24 one of us on the phone, and we'll -- we'll go through it step by step.
25 And if, for some reason, there is a -- an issue with -- with doing that,

1 then perhaps we can find a way to make it simpler and easier to
2 access. But the overall SSTA information should be available in
3 SONRIS.

4 **MR. LEVY:**

5 Thank you, John. I'll probably con -- I'll contact you.

6 **MR. ADAMS:**

7 Please do.

8 **MR. LEVY:**

9 Thanks.

10 **MR. IEYOUB:**

11 One thing, you know, that I wanted to -- I think we've touched on
12 it previously, but in so far as a decision would be made relative to how
13 much the SSTA would contain or how much it would be, we would
14 pretty much depend on the contractors' estimate. I mean, isn't that
15 true? In other words, they'd say, well, you know, it -- I think that
16 probably if we had to plug this well, it would cost such and such. So
17 they had the -- the contractors' information would be a very -- play a
18 substantial part in what we would decide the SSTA would be or the
19 amount. But I think we've canned that now. That's one of the
20 changes we're making now is that we ourselves get an average of
21 similar wells and -- and based on real hard facts, you know, as to what
22 it costs to plug the wells of similar kind, and -- and the size is what we
23 now use to determine, which -- which is a change and which I think is
24 a reform, and I think that we're going to find many more -- we're going
25 to find fewer instances where there's not enough money in the SSTA

1 because of that. Am I --

2 **MR. FULKERSON:**

3 That's correct, sir. Yes, sir. Previously, the contractors -- actually,
4 still currently, the contractors give us a number. By law, the con -- we
5 have the -- an operator that wants an SSTA has to have a contractor
6 give a quote on it.

7 Previously, the contractors had a minimum that was the footage.
8 With the update with the three-well average that our OSR costs from
9 previous P&A'd wells, we give them -- or they -- they can easily pull
10 the average up from online, and that average should be the minimum.
11 Now, they can go over that average, but that is our new minimum.

12 **MR. IEYOUB:**

13 That's true.

14 **MR. FULKERSON:**

15 And any that doesn't choose to meet that minimum, that -- we just
16 consider that SSTA no longer fully funded, and if they don't fully fund
17 the SSTA, then that means the lineage -- you know, you're no longer --
18 you know, the lineage is not protected anymore.

19 **MR. IEYOUB:**

20 Any other questions?

21 (No response.)

22 Thank you. Go ahead.

23 **MR. FULKERSON:**

24 On our next slide is the urgent and high priority. You also kind of
25 see a dip on this from 2021 to '21, '22, that's probably a combination of

1 us P&A'ing some wells and then re-ranking them. Our priority scores
2 are based off wells leaking, wells on water, so we're removing some of
3 the wells on water. And then, also, if you'll remember, we started the
4 surface interventions recently where if a well is leaking, we'll send a
5 wellhead rep out for less than \$5,000, repair it, and then we are
6 inspected post repair, and that will push it from a Category 1, possibly
7 down to a Category 2, 3, 4, because it's no longer leaking. So I -- I
8 think that's probably why you see that number drops them. And it
9 may also be somewhat due to our -- the -- you know, the -- the way
10 we're accounting for wells. Everything will be through SONRIS to kind
11 of facilitate number pulling.

12 Does anybody have any questions?

13 **MR. LEVY:**

14 I have some questions. So you are suggesting that you have lower
15 high priority wells because you've revamped the prioritization process?

16 **MR. FULKERSON:**

17 No, sir. We -- we've not revamped the prioritization process. I -- I
18 -- when we prioritize wells, the wells that achieve a higher priority are
19 due to location. And, you know, one of the major reasons they get
20 ranked high is if it's leaking. So, under \$5,000, OSR is allowed to
21 assess a well with a wellhead representative and stop the leak. So, if
22 we stop the leak, we turn in another inspection showing that the leak
23 is stopped. If the leak is stopped, they'll rerank it based off that --

24 **MR. LEVY:**

25 Isn't a leak an emergency?

1 **MR. FULKERSON:**

2 I don't know that it's necessarily an emergency, but it's something
3 we want to act quickly on.

4 **MR. LEVY:**

5 Are you suggesting that all of the high priority wells are leaking?

6 **MR. FULKERSON:**

7 No, sir. I -- I did not say that whatsoever. That -- high priority
8 wells are scored for different reasons. One of the reasons is, they could
9 be leaking.

10 **MR. LEVY:**

11 Well then how do you come to the conclusion that you have a
12 reduction of high priority wells?

13 **MR. FULKERSON:**

14 The leak could be the reason why it is ranked as a high priority
15 well, so if it's no longer leaking, it could be moved down in priority,
16 because it's -- it's not currently leaking once we rerank it after we've
17 repaired the leak.

18 **MR. LEVY:**

19 So you're suggesting that you remediate the leak and it is no
20 longer a high priority well?

21 **MR. FULKERSON:**

22 We repair the leak. I don't know if remediate is the clear --

23 **MR. LEVY:**

24 You repair the leak?

25 **MR. FULKERSON:**

1 Yes.

2 **MR. LEVY:**

3 Oh, well, that brings us back to the Freshwater City well then,
4 okay, and if we look at that priority list, you know, there's some huge
5 problems with this priority list. So what you're suggesting is that you
6 can reclassify a site based on some remediation that you can do and
7 you can lower the priority and it doesn't need to be repaired or re -- or
8 cleaned up or remediated.

9 Well at the Freshwater City site you selected, no wellhead or
10 wellhead damaged, and, in fact, the wellhead was not damaged. In
11 fact, there was nothing wrong with that wellhead.

12 **MR. FULKERSON:**

13 And I -- I think we've responded this via email to you, sir, but I
14 think they just kind of -- I think that was selected because of the
15 damage to the surface equipment.

16 **MR. LEVY:**

17 But you selected that on the document.

18 **MR. FULKERSON:**

19 That -- if -- if we did --

20 **MR. LEVY:**

21 What you have done is you have selected an incorrect item on a
22 document that uses public money that is untrue.

23 **MR. FULKERSON:**

24 I don't think the -- I -- you know, I -- I think we've responded to
25 this question via email.

1 **MR. LEVY:**

2 You did.

3 **MR. FULKERSON:**

4 I know.

5 **MR. LEVY:**

6 And you admitted it. So what you did is, the rest of the surface
7 site had storm damage, but you selected that the wellhead was
8 damaged. There is a picture of the wellhead. The wellhead is not
9 damaged. That is not true. This is a public document. This is untrue.
10 I -- I'm astounded. I don't know where -- what to do with this. This is
11 500,000. This is taxpayers' money that was expended on a false
12 document.

13 **MR. ADAMS:**

14 We will be -- again, this is John Adams, Assistant Commissioner.

15 I -- I'm -- I'm not familiar with any false reporting on that
16 document, but based on your allegation, which is a very serious
17 allegation, we take it extremely seriously, we will take a look at that
18 and -- and -- and revisit it and see if the inspector who went out there
19 and conducted the initial inspection --

20 **MR. LEVY:**

21 The inspector didn't do anything wrong. He took pictures of the
22 wellhead. The picture is on file. It's -- the -- the -- this document is
23 based upon that picture. If you look at that picture, there is not a
24 single thing wrong with that wellhead. I requested to go see that
25 wellhead and was obstructed from seeing it and was told that I had to

1 get permission from the landowner when, in fact, I sit on this
2 Commission and so I am part of this. I was not able to go see that.
3 There was nothing wrong with that wellhead, because that -- that
4 decision that is selected on this document is based on the picture of the
5 wellhead.

6 **MR. ADAMS:**

7 I hear what you're saying, but, again, I'll be happy to -- to -- to look
8 deeper into it and find out exactly what the -- the issue is, and -- and
9 we will, to the best of our ability, resolve it.

10 **MR. LEVY:**

11 And to put this in perspective, on Valentine's Day, there was an
12 emergency where a well, just down the beach was blow -- was blowing
13 out natural gas. That well was not selected. That well is a threat to
14 the public safety. This well, that is being remedi -- that is being
15 cleaned up is not a threat to the public safety. So that's the problem.
16 The problem is that money was spent on a site that makes no sense,
17 and it is documented.

18 **MR. ADAMS:**

19 Well, the -- my understanding is the documentation shows that it
20 is, in fact, an urgent or high priority well. What you're saying, if I
21 understand you correctly, is that that evaluation was done incorrectly
22 because the situation that we included on that form was inaccurate.
23 And I've already offered to look into that and find out -- verify whether
24 or not that form was properly filled out, and -- and I'll be glad to justify
25 it to you.

1 I -- I don't know the other well that you're talking about. If -- if
2 you would like for us to -- to look at that and -- and find out why an
3 emergency wasn't declared for that one, we can do that.

4 **MR. LEVY:**

5 No. I'm talking about the -- the one on Valentine's Day off the
6 coast of the Cameron -- Cameron parish that somebody bumped into,
7 and it was blowing out natural gas, that was --

8 **MR. ADAMS:**

9 Was that an -- an orphan well, or was that a well that was
10 operated?

11 **MR. LEVY:**

12 An orphaned well, yes.

13 **MR. ADAMS:**

14 Okay.

15 **MR. LEVY:**

16 The point -- the point being is that that well was not selected --

17 **MR. ADAMS:**

18 Do you have a serial number for that well?

19 **MR. LEVY:**

20 -- for -- for plugging.

21 **MR. ADAMS:**

22 Okay. But your question was -- your statement was that we failed
23 to declare an emergency on that one, and --

24 **MR. LEVY:**

25 No, that was not my statement.

1 **MR. ADAMS:**

2 Well, then I apologize. I misunderstood you.

3 **MR. LEVY:**

4 No, no. The statement was Mr. Fulkerson said that there has
5 been a reduction in the number of high priority wells, and I questioned
6 that.

7 **MR. ADAMS:**

8 Yes, sir.

9 **MR. LEVY:**

10 Because the -- the high priority wells are based upon this sheet,
11 this priority sheet.

12 **MR. ADAMS:**

13 Yes, sir.

14 **MR. LEVY:**

15 This sheet comes from the good field people that go out and take
16 pictures of all the stuff that goes on. They take pictures, and then --
17 and then one -- Roby or Ms. Casandra take that picture, and they go
18 down this sheet. And in the case of the Freshwater City site, they
19 looked at the picture, and there is a false statement on this priority
20 list. That's the whole point of the conversation.

21 **MR. ADAMS:**

22 Well -- and, again, we will look in -- into that and -- and -- and see
23 if that's -- whether -- what the status of that is, and -- and if -- if
24 something needs to be done to address it, then we'll address it.

25 Because our -- our intention and our purpose is to -- to be as

1 completely transparent and to utilize the -- the funds that industry
2 has put into the Oilfield Site Restoration fund in a responsible
3 manner.

4 **MR. LEVY:**

5 Well, we're -- we also need to look at the Radiant Oil and Gas well
6 that's being plugged in Eugene Island Block 18, which is a dry hole,
7 and it was drilled in 2014, and they went bankrupt in 2018. I have no
8 idea why that's being plugged. That's another example.

9 **MR. ADAMS:**

10 I -- I'm -- I'm -- and, once again, I -- you catch me at a
11 disadvantage, because I -- I'm not familiar with that well, but, again,
12 we can look into that and see why it -- it -- it is being plugged quite
13 frequently in order to utilize and make the most of -- of the money that
14 we have available. If we're plugging one well in an area, we'll plug as
15 many wells in the same area as we can.

16 **MR. LEVY:**

17 I -- I know -- I understand all that.

18 **MR. ADAMS:**

19 It might have been lumped into that.

20 **MR. LEVY:**

21 I understand that. That's in the standard operating procedures. I
22 understand that, but -- but it appears to me that possibly those
23 procedures are not being applied correctly.

24 **MR. IEYOUB:**

25 Roby, who prepares this documentation; who prepares it?

1 **MR. FULKERSON:**

2 The SOP or the priority scores or --

3 **MR. IEYOUB:**

4 The documentation that Mr. Levy is referring to that -- the
5 document that shows that this is a high priority well, when, in fact, it
6 wasn't or that's --

7 **MR. FULKERSON:**

8 So the inspector will inspect the well. Casandra and I will rank all
9 the -- all the inspections after the inspector takes it. So we'll -- we'll
10 give it a priority score, so we'll score all 4,600 wells.

11 **MR. IEYOUB:**

12 Well, was there a mistake in -- in -- in classing it a high priority? I
13 mean, he -- he's saying that it should not have been a high priority; is
14 that correct?

15 **MR. LEVY:**

16 That's correct.

17 **MR. IEYOUB:**

18 I mean --

19 **MR. LEVY:**

20 I'm also questioning how we have a reduction in the number of
21 high priority wells based upon the manipulation of that one that
22 kicked that well into a high priority. What's going on with this system?
23 What is going on with the standard operating procedure that you can
24 take a -- a site that appears to me to not be a threat to the public, and
25 we can spend over \$500,000 to -- to clean it up, and, yet, we have

1 another well over here off the coast of Cameron that somebody bumps
2 into and it creates an emergency?

3 And the other thing is, is that we spend \$500,000 plugging a 2014
4 well that's a dry hole that was drilled by Radiant Oil and Gas.

5 So Mr. Ieyoub, the -- the question is, if -- if that's -- if we have a
6 reduction in the number of high priority wells, which I do not believe
7 that we have a reduction in the number of high priority wells. And I'm
8 saying the reason I do not believe that we have any reduction in the
9 number of high priority wells is because of the manipulation that has
10 gone on with the -- the way that the priority system is run.

11 **MR. IEYOUB:**

12 Well, when you say manipulation, you -- you're inferring that there
13 was some illegal action on somebody?

14 **MR. LEVY:**

15 Here.

16 **MR. IEYOUB:**

17 Well, what are you -- what are you trying to say here? Are you
18 trying to say that Roby or somebody that works in Conservation
19 purposely listed something as high priority when, you know -- for some
20 reason? What's -- what would be the motive?

21 **MR. LEVY:**

22 Well, it says, it says no wellhead or wellhead damage. There's a
23 picture of the wellhead.

24 **MR. IEYOUB:**

25 Who said -- now -- now, who would say that, Roby, no wellhead?

1 **MR. LEVY:**

2 They agree with that. There -- there is a picture of the wellhead,
3 and the wellhead is not damaged. Don't -- they agree to that. They
4 sent me an email and agreed to that.

5 **MR. IEYOUB:**

6 Why was it listed high priority?

7 **MR. FULKERSON:**

8 I don't believe the well was listed as a high priority well.

9 Do you -- do you have the score in front of you?

10 **MR. LEVY:**

11 The question is, why was the wellhead listed as damaged, and the
12 wellhead was not damaged?

13 **MR. FULKERSON:**

14 It was listed as a --

15 **MR. IEYOUB:**

16 Sir, did you go out -- Mr. Levy, did you go out to that particular rig
17 and determine yourself that the wellhead was not damaged?

18 **MR. LEVY:**

19 I requested to do that, and I was told that I had to get permission
20 from the landowner.

21 **MR. IEYOUB:**

22 Well, that might be the -- you might have to under the law, but --
23 but, I mean, I'm just asking.

24 **MR. LEVY:**

25 But I don't have to, because the process is that Roby or Casandra

1 take the -- the report from the gentleman that goes out there and does
2 the site -- you know, he looks at the site. He takes pictures. From
3 that picture, they make the determination. So it's between the visual
4 of the picture --

5 **MR. IEYOUB:**

6 Right.

7 **MR. LEVY:**

8 -- of the wellhead, and then they selected that the wellhead was
9 damaged, and the wellhead was not damaged in the picture.

10 **MR. IEYOUB:**

11 Did the person that actually fill out the -- that made the report
12 that the wellhead was damaged; did he say that it was damaged?

13 **MR. LEVY:**

14 That -- that person is Casandra, that's Casandra. Casandra
15 selected that.

16 **MR. FULKERSON:**

17 So I -- so I -- actually --

18 **MR. ADAMS:**

19 Hold -- hold on a second. Commissioner, I -- I believe we're getting
20 off the agenda a little bit and getting into the weeds on something.

21 I will -- Mr. Levy, I've already told you that there's a lot of
22 information that you're -- you're coming up with that we don't have
23 readily available, but I -- we will make a full report to you. We will
24 look into this. We will dig down into it as -- as deeply as is necessary,
25 and we will make a full report to you and -- and present it to you

1 before the next -- the -- the next Commission meeting, if that'll -- if
2 that will help us move on from this agenda item right now.

3 **MR. LEVY:**

4 We can move -- we -- we can move on, because there's more.

5 **MR. IEYOUB:**

6 You know, I think a -- sort of an allegation's been made that
7 insinuates that there was some foul play here, which -- which I -- I
8 find hard to believe.

9 But who made the determination it was a high priority well?

10 **MR. FULKERSON:**

11 So, first, it's -- it's not a high priority well. It was scored a 19,
12 which is a moderate.

13 **MR. IEYOUB:**

14 So it wasn't listed as a high priority well?

15 **MR. FULKERSON:**

16 That's correct, but --

17 **MR. LEVY:**

18 Now, the -- the problem is, is that Mr. Fulkerson has said that
19 there is -- has been a reduction in the number of high priority wells.
20 In other words, it went from -- and you -- you could say 672 to 629, our
21 high priority wells went -- it decreased.

22 **MR. IEYOUB:**

23 Yes. Okay.

24 **MR. LEVY:**

25 And I'm saying, what in the world would -- would -- why would we

1 have a decrease in the number of high priority wells across the state of
2 Louisiana?

3 **MR. FULKERSON:**

4 And so to answer that, and I -- I responded that some of it may be
5 that we fixed the leak and the leak moves it to a lower priority, or it --
6 also, it's probably partially due to the way we're accounting for it,
7 because we've moved to a SONRIS accounting system rather than
8 hand counting. And so we pulled those numbers directly off of
9 SONRIS. Now, previously, they're hand counting, but that's not really
10 a system that's, you know, sustainable. So if you can pull the numbers
11 directly off of SONRIS that is reproducible and is readily available to
12 the public.

13 **MR. LEVY:**

14 Therein is the kicker, because he can go in and repair something.

15 **MR. IEYOUB:**

16 Right.

17 **MR. LEVY:**

18 I requested that too, that didn't happen, and there was nothing
19 wrong with the wellhead. So a -- a huge amount of money was
20 expended on a site that didn't need to be cleaned up. That was not
21 appropriate.

22 **MR. IEYOUB:**

23 That really doesn't have anything to do with the process. What
24 he's saying that there are high --

25 **MR. LEVY:**

1 Oh, it does have to do with the process.

2 **MR. IEYOUB:**

3 No, no. Well, just let me -- let me finish here. It's understandable
4 how a high priority well initially would -- could be reduced to a non-
5 high priority well, that is, if we fix the particular problem that -- that
6 created the classification of a high priority well from the beginning, if
7 we fix it, then it can no longer be classified as high priority. You don't
8 see anything wrong with that. But that, you know -- generally. I
9 mean, if -- if something is high priority because, let's say, it has a leak,
10 we classify high priority. We fix that leak; therefore, it's no longer
11 high priority. There's nothing magical about that.

12 **MR. LEVY:**

13 So that goes to the -- to the line item above it where it says the
14 pressure status of the wellhead is not known. And when I requested
15 that from Mr. Fulkerson, the -- it -- it was not an option for the
16 Department of Natural Resources to open a valve to establish what the
17 wellhead pressure was. So, yeah, it's all conflicting. It's like you can't
18 do anything to the wellhead, can't touch wellhead, and, in fact, there is
19 no situation by which you would ever know where the -- the pressure
20 status of the well is known because you can't touch the wellhead.

21 So, in other words, again --

22 **MR. IEYOUB:**

23 Well, you -- you're --

24 **MR. LEVY:**

25 -- none of this makes any sense because we're being told that the --

1 the -- the number of high priority wells has dropped.

2 **MR. IEYOUB:**

3 Right.

4 **MR. LEVY:**

5 But we never touch the well. I've been told we never touch the
6 well. I've been told that that wellhead was damaged at Freshwater
7 City, and the picture shows that there's nothing wrong with the
8 wellhead. It --I -- I just -- I do not believe that the number of prior -- a
9 high -- the number of high priority wells in Louisiana has dropped
10 simply because we have redone these documents. That doesn't make
11 sense to me.

12 **MR. MALEY:**

13 If -- if I can make an observation. I'm just sitting here taking it in.
14 The first thing Roby said was he's changed the method of -- of scoring
15 and classifying. And I know you're focusing on the red bar, but let's
16 look at the blue bar on here just a minute, that's the cumulative
17 number of high priority wells per whatever was -- the scoring method
18 was in place. And if I can read this right, it was 635 for -- through
19 fiscal year 2020 to 2021, that's the total number that have been
20 plugged to date that, whatever scoring system was in place at that
21 time, qualified as urgent and high priority. That number has dropped
22 to 575. There's not 60 wells that unplugged themselves.

23 **MR. LEVY:**

24 That's correct.

25 **MR. MALEY:**

1 It's just reflecting. The -- the scoring system has changed.

2 **MR. LEVY:**

3 Well, the accounting system.

4 **MR. MALEY:**

5 That's what I read into it. You know, I -- I don't have a dog in this
6 -- in this fight, but --

7 **MR. LEVY:**

8 I agree with that.

9 **MR. MALEY:**

10 It seems to me like that's --

11 **MR. IEYOUB:**

12 That's exactly what happened.

13 **MR. ALLEN:**

14 Mr. Commissioner, Mr. Levy has -- has voiced some serious
15 allegations. I think the Department has said that they will look into it
16 and address those allegations or concerns and report back. I think
17 we're spinning our wheels. I think Mr. Levy has said the same point
18 over and over again, and I would request that we continue on with the
19 agenda, please, sir.

20 **MR. IEYOUB:**

21 Okay. Mr. Allen, you make a motion to continue the agenda?

22 **MR. ALLEN:**

23 So moved.

24 **MR. IEYOUB:**

25 Okay. Any second to that?

1 **MR. MALEY:**

2 Second.

3 **MR. IEYOUB:**

4 Mr. Maley seconds.

5 All in favor.

6 (All aye.)

7 Opposed?

8 (No response.)

9 But, but we will -- I can tell you that we will do what we need to do
10 to get whatever information you want concerning that particular well,
11 and there could have been a mistake as to that well, as concerned. I
12 mean, we certainly -- you know, so we will find out whatever
13 information you need and -- and supply you with that. I will tell you
14 that.

15 **MR. LEVY:**

16 Thank you.

17 **MR. IEYOUB:**

18 Okay. Let's move on.

19 **MR. FULKERSON:**

20 Okay. The next slide is orphan wells abandoned by entity. You'll
21 kind of see a drop between 2021 to '21-'22, and, again, that's just going
22 back to the accounting system. We were counting it by hand. It's just
23 not really a system that's sustainable, so we went to a straight
24 SONRIS system. So we've not P&A'd less wells. We're just using
25 SONRIS for it rather than a hand count.

1 But, as you can see, the -- the blue line on top is the orphan well
2 count, and then you'll see the plugged by other means, the total well
3 plugged by OSR, and the wells plugged by OSR and other means.

4 On our next slide, we have the orphan wells by month. We started
5 this I think right around the time I moved over, so we -- we're tracking
6 it since 2019, the wells that go orphan by month, just to see if there's
7 any kind of data we can glean from that. If it tracks oil prices or
8 something like that, I -- I don't think we have enough dates versus
9 data to glean anything from it. You don't see a large jump after
10 COVID or oil price or anything right now. But we'll keep -- we'll keep
11 that on there just kind as a bit of information.

12 **MR. ALLEN:**

13 Roby, is that just the Lafayette district?

14 **MR. FULKERSON:**

15 No, sir. All three are there. There's Lafayette, Monroe, and
16 Shreveport. The printout may just be really bad. I'm sorry.

17 **MR. ALLEN:**

18 Thank you.

19 **MR. FULKERSON:**

20 I've got another copy I'll give you after the meeting, if it helps.

21 Our current orphan level is on the next slide, and it just breaks it
22 down by district, priority score. The wells have not been inspected, and
23 the wells have not been prioritized. If there's any questions there, I'm
24 happy to answer them.

25 **OILFIELD SITE RESTORATION PROJECTS**

1 **MR. FULKERSON:**

2 And on our next slide is our current projects, and these are the
3 projects we're currently working on or about to begin work on. We're
4 currently wrapping up 21-06 in Ouachita Parish. We still have 21-09
5 and 21-10 from 2021 to finish. Freshwater Bayou just has tank
6 removal left. Tigre Lagoon is in the permitting process.

7 **MR. LEVY:**

8 Freshwater -- I mean, I'm sorry. I'm sorry. Can I ask a question?

9 **MR. IEYOUB:**

10 Sure.

11 **MR. LEVY:**

12 Freshwater Bayou, you still have some equipment out there.

13 **MR. FULKERSON:**

14 Yes, sir. That -- we -- we still have to complete some removal out
15 there.

16 **MR. LEVY:**

17 More than just a tank, right?

18 **MR. FULKERSON:**

19 So they told me there's one tank left, and there may be some more
20 equipment, but I -- I know for sure the large tank is the one that they
21 have left. The -- I believe the bridge was out on the way out there and
22 they couldn't -- they didn't have access.

23 We've got a few Lake Hermitage. And the -- let's see, Lake
24 Washington, the -- I believe we have the Coastal Use Permit secured.
25 They're just negotiating with the oyster fishermen.

1 We've got -- we finished -- we should have one well left in 21 --
2 22-006. 22-07, Atchafalaya Bay has just started. 22-008, South
3 Thornwell, that's a tieback, that one is in the permitting process.

4 **MR. LEVY:**

5 I'm sorry. You said Atchafalaya Bay, 22-06 or 22-07?

6 **MR. FULKERSON:**

7 22-07. I'm sorry if I misspoke.

8 **MR. LEVY:**

9 Which one in Atchafalaya -- oh, is that the Radiant Oil?

10 **MR. FULKERSON:**

11 I don't remember, to be honest with you. If you can give me a
12 serial number, I can check later on.

13 **MR. LEVY:**

14 Okay. So there's a rig out there?

15 **MR. FULKERSON:**

16 I don't believe there's a rig out there yet. It looked like they just
17 had moved out there to check the pressures on the wellheads and
18 begin work.

19 On our next page, we've got a couple of upcoming projects. We've
20 got some -- a previous project put together in Cameron Parish. There's
21 wells that were previously on water -- actually, I'm sorry. They were
22 P&A'd on land. They're now on water at the water depth. Some have
23 had wellheads just fall off, and some have -- essentially, it's just a
24 casing stub at the water line. We built a package a while back, and
25 that -- that's probably one we'll move around on.

1 And then Lockport, there's a few wells leaking near water that
2 we'll take care of, as well, but that will be probably in the next fiscal
3 year. The packages -- since we've spent the money this year, we don't
4 have any additional, so these two will probably roll over to the next
5 fiscal year.

6 And the next slide is the estimated OSR funds. So there's a lot of
7 information, a lot going on in this slide, but really it's just a plot pie
8 chart to see you show you kind of where the money is spent. It kind of
9 shows you that, you know, you get a lot of little packages in north
10 Louisiana. Some of the bigger packages we've have are the Masters
11 Creek, Humphreys Field, Iberia and Vermilion Parishes. You can
12 kind of see where the large sums of money are spent.

13 No questions, I'll keep moving on.

14 We throw in this slide, the north Louisiana mandate. We are to
15 spend 20 percent or \$1 million, whichever is less every year in north
16 Louisiana. We usually spend that in a little bit more, but just to keep
17 track of it, this is what we've spent so far this fiscal year, and some of
18 it's due to the emergency and some are projects completed and still to
19 come.

20 And on the next slide, we've got our three emergency projects for
21 this year. We had the Breton Sound that was leaking, I believe post-
22 hurricane; Masters Creek where we found the side outlet (phonetic)
23 valve in Masters Creek leaking from a Yuma well; and the East
24 Cameron Block 4 Well that was leaking out of the side outlet
25 (phonetic) valve. They were able to mobilize out there with a jack-up

1 vessel and secure the leak. So total this year we have about 1.3
2 million in emergency projects.

3 **MR. LEVY:**

4 I have a question about the emergency projects.

5 **MR. FULKERSON:**

6 Yes, sir.

7 **MR. LEVY:**

8 It has come to my attention that you do not notify the public when
9 you have an emergency.

10 **MR. FULKERSON:**

11 I'm not sure exactly what you mean.

12 **MR. LEVY:**

13 And I'm ask -- and I -- and I -- and I -- I'd like to present the
14 question as to why? Because you have a division that interfaces with
15 the press, so it seems to me that, if you have an emergency, that you
16 would contact the -- have that person who interfaces with the press
17 would contact the press.

18 **MR. FULKERSON:**

19 So we do have -- when an emergency occurs, it's called into the
20 State Police hotline, and that essentially releases it to everyone in the
21 state, the EPA, the Coast Guard. I mean, that -- that it hits an NRC
22 number, and, essentially, everyone is notified on that side.

23 **MR. LEVY:**

24 Again, you -- you have a specific person that interfaces with the
25 press, and -- and that is a public hazard. So it seems to me that the

1 Department of Natural Resources should let the public know when
2 somebody runs into an abandoned well off of Cameron Parish and it is
3 blowing out natural gas and saltwater and all sorts of stuff. You
4 should let the public know. Currently, you do not. I find that
5 disturbing. So I'm asking that, whatever process changes that you use
6 the resources that you have, which is a particular division that
7 interfaces with the press and you let the public know when there's an
8 emergency at the DNR with an abandoned well. That is my request. I
9 don't know what the specific -- how to do --

10 **MR. IEYOUB:**

11 No problem with that. I mean, you know, we do have a -- you
12 know, Pat, what -- what -- what happens now -- Courreges, I mean,
13 what, you know -- in so far as when the emergency is declared? I know
14 all the official organizations are notified and --

15 **MR. COURREGES:**

16 And if I'm told there's an emergency, because I'm not necessarily
17 told of every emergency because not every emergency is get the
18 firetrucks out and have a big response. An emergency a lot of times
19 just means we need to spend money in a hurry and it's a leak on a site
20 or something like that where the folks directly affected already know.
21 They were probably the ones who reported it. If we have a case where
22 we have something long-term or ongoing and we're getting press
23 requests about it, I -- I do talk to them then. As far as putting out a
24 specific press release on an incident, normally, if it's that big, where
25 you're talking about a major hazard to craft on water or evacuations

1 necessary, State Police is the lead on that.

2 **MR. IEYOUB:**

3 Okay. So there are various ways that the public is notified, if -- if
4 not by DNR, then certainly by State Police and all the -- and other
5 agencies.

6 **MR. COURREGES:**

7 I think there's a -- if there's a hazard, they -- they put notices out
8 because for that level of emergency, they're the lead agency.

9 **MR. IEYOUB:**

10 Okay. Yeah.

11 **MR. CALLAHAN:**

12 I -- I brought this topic up years ago, I guess. It's -- we've been
13 away for a while. I did have some concerns about interfacing with the
14 public. But knowing from experience, I've done a lot of these, that the
15 direction, no matter who -- no matter who's asking for what, the direct
16 -- they need to be directed to one person, and that would be the agency
17 in charge. Because we can't have a reporter going behind -- behind him
18 looking for somebody from this committee or this -- this -- this -- this
19 work -- so I -- I'm okay with the fact that -- that we don't have to have
20 a -- a speaker out there, someone who look -- or responsible for what
21 this group does. But I think we did -- we need to recognize to follow
22 the lead on the -- on the -- on the controlling agency.

23 **MR. COURREGES:**

24 What happens if you have something where State Police or
25 GOHSEP is taking charge at the outset, when you've got a major event

1 that's leading to evacuations or road shutdowns or something like
2 that, they're taking the lead in dealing with the press and the public.
3 And then once it's sort of under control and then it's decided, okay,
4 this agency is going to take it from here, which we've done in the past
5 -- the big example would always be Bayou Corne, that became DNR's
6 show. I mean, we were in charge of talking to the press and things
7 like that once sort of that initial emergency passes. If you have
8 something that's going to be a problem for a long time, that's usually
9 going to get relegated to whatever agency's subject matter expert.

10 **MR. CALLAHAN:**

11 Yeah. I've been -- I've been -- I've been on -- on a --

12 **MR. COURREGES:**

13 Emergency responses is going to be State -- for the things we deal
14 with, it's going to be State Police, State Police HAZ-MAT.

15 **MR. CALLAHAN:**

16 Every time we have a major event that can be driven up to or
17 walked to, they're going to be the -- you know, they -- they're going to
18 come through the cracks to -- to find somebody to talk to. And I've seen
19 them jam up one of the workers in -- in the field, started asking
20 questions, and he just played it back as we got it all under of control,
21 it's only gasoline. It won't catch fire. Well, they took and ran with that.
22 So the voice has to be clear from one direction.

23 **MR. FULKERSON:**

24 Okay. We'll take that and see what we can put together.

25 The next is just a completed project for Golden Meadow, that

1 project was completed, and we moved on. And we ran into a little bit of
2 logistical issues as you can see from the rig falling in, but that one is
3 completed.

4 The next slide is our surface interventions. As I said, we -- when
5 we get one that's leaking, we'll send it to the District. The District will
6 try to find a wellhead rep, and the wellhead rep will visit with the CES
7 and try to repair the -- the site. So we've had about 39 of those this
8 year for about \$91,000.

9 Any questions related to this?

10 (No response.)

11 We do have one federal update, which is the next slide. This is --

12 **MR. LEVY:**

13 I -- I kind of have an -- I have a question about surface
14 interventions. So, in no instance do the field people carry any
15 combustible gas detector to determine whether or not there's any
16 natural gas coming out of these surface interventions, right?

17 **MR. FULKERSON:**

18 No, sir, I don't -- I don't believe they carry --

19 **MR. LEVY:**

20 Okay. They're like \$120 off of Amazon, you know. Is there any
21 way that we can put that equipment in the hands of the field people so
22 that we can determine whether or not there is natural gas emitting
23 from these surface open pipes, and then, once they are plugged, we can
24 say, those were plugged and that's now no longer leaking methane into
25 the atmosphere? That is a suggestion. I -- it is beyond me, why that is

1 not taking place. I think the 17 wells that were plugged for \$150,000 is
2 a -- is a wonderful thing. They were pictures of open pipe coming
3 directly out of the ground, conduits directly to methane emitters. I
4 don't understand why they weren't documented as not or emitting
5 natural gas and methane and then plugged and then signed off as
6 that. That would be just be a wonderful thing that the Department of
7 Natural Resources could do, but it's not being done. Again, the
8 technology is \$120, and they're available on Amazon. So that is a
9 suggestion.

10 **MR. FULKERSON:**

11 Okay. Yeah. I think that's definitely a suggestion we can take a
12 look at. I -- but we'll probably have to look into it a little bit more
13 purchasing them and training the guys, but I -- I think that's
14 something we --

15 **MR. CALLAHAN:**

16 That -- that also needs to include sour gas.

17 **MR. FULKERSON:**

18 Okay. Okay. I'll take that and I'll see if I can come back at the next
19 meeting with something about it. And we probably have a little bit
20 more on the methane on the federal stuff later on, sir.

21 **FEDERAL AND THIRD-PARTY ACTIVITY**

22 **MR. FULKERSON:**

23 So the next slide is the federal package. The EPA should begin Big
24 Lake in Cameron Parish sometime in May. They have secured the
25 funds and they're applying for their CUP now. So, hopefully, if the

1 CUP is expedited, we should see them start work sometime in May is
2 what we're expecting. They have that project and then one additional
3 project in Tigre Lagoon for us on the slate right now.

4 If there's no questions there, I can slide to the next page.

5 **FEDERAL FUNDING**

6 **MR. FULKERSON:**

7 So this is a Notice of Intent. Essentially, this is the federal
8 funding update. We kind of talked about it last meeting, but I kind of
9 wanted to update everyone where we're at with it now.

10 The Department of Interior issued their final guidance. I want to
11 say it was last week or the week before for the initial grant. The initial
12 grant is \$25 million. We expect it sometime this summer. You have to
13 apply for it by the middle of May, and we expect funding sometime
14 over the summer. There's additional grants after that. So if you look, I
15 -- I -- the -- the initial grant is 25. The Phase One of the Formula
16 Grant is 22.3 million. The total Phase One is 47.3. And then the total
17 estimate of initial amount is about \$111 million, that's the initial total
18 eligibility. We'd like to get more, if possible. We're kind of putting
19 together plans on how to spend the initial \$25 million right now with
20 the initial guidance -- or the final guidance for the initial money just
21 coming out last week, we're still trying to determine how to bid it and,
22 essentially, review that final guidance to determine what exactly are
23 our deliverables.

24 Three key metrics that they have are remediating water
25 contamination, methane reduction, and burden of adverse health or

1 environmental effects of orphan wells of community -- on communities
2 of color, low-income communities, and tribal and indigenous
3 communities. Those are three metrics. We're just trying to determine
4 how to rank those with our current system and how -- what metrics we
5 can report back to them.

6 Are there any questions related to the federal funding?

7 **MR. LEVY:**

8 Does the Department of Natural Resources require the vendor to
9 accept responsibility for the plug operation after completed?

10 **MR. FULKERSON:**

11 They -- I believe the -- they are responsible for the quality of their
12 -- their work. I don't know that we've ever had the situation come up
13 before. Okay. I don't -- it doesn't sound like we've had to address that
14 to date, but I'd imagine they're responsible for their own quality of
15 work.

16 **MR. LEVY:**

17 In my discussions with major oil -- oil service companies said that
18 they will not do this because the State of Louisiana requires that they
19 take on the liability of the well for the life of it. So that's a problem.

20 **MR. FULKERSON:**

21 And you mean just a federal package or any -- any OSR package at
22 all?

23 **MR. LEVY:**

24 (Unintelligible.)

25 **MR. FULKERSON:**

1 Okay.

2 **MR. LEVY:**

3 I don't recognize any of the vendors, so it's -- it seems -- you know,
4 I've looked through the list of the vendors. I don't recognize any of
5 them.

6 **MR. FULKERSON:**

7 Okay.

8 **MR. LEVY:**

9 The large service companies that I've dealt with through my
10 career, they pay people. They have benefits. They have safety
11 programs. They're well documented. They're not going to get on board
12 with these programs if they are required by the State of Louisiana to
13 accept responsibility and liability for the life of the well. I mean, that's
14 just not going to happen. They're not going to take on that
15 responsibility. So the State of the Louisiana is going to have to be
16 competent enough to put these programs together to bring in the best
17 companies to go ahead and do this. And as we get the federal funding,
18 we need competent -- competent service companies to come in and plug
19 this stuff.

20 **MR. FULKERSON:**

21 Yes, sir.

22 **MR. IEYOUB:**

23 Well, that's a policy decision, and, obviously, the State don't want
24 to bear the responsibility and the liability. So, normally, under the
25 present law, I think the operator is responsible, if I'm not mistaken.

1 And we have our lawyers in here, you know. We certainly don't want
2 to shift the liability for their work to the State. I mean, so it's a policy
3 decision, I would think.

4 **MR. FULKERSON:**

5 I would think so as well, but I -- I -- I can't promise that.

6 **MR. ALLEN:**

7 Mr. Commissioner, can I --

8 **MR. IEYOUB:**

9 Sure, yes, sir.

10 **MR. ALLEN:**

11 I would think that that topic of discussion should be covered under
12 new business.

13 And I have a question while we're on this this federal update, if
14 you, please. When do you think that money is going to -- the initial 25
15 million bucks, is that going to show up this fiscal year? So that'll be a
16 -- if it is, the second part of the question, will it be a big push to try to
17 spend it this fiscal year on some of these other measures we talked
18 about already?

19 **MR. FULKERSON:**

20 So the -- we expect it to arrive either at the end of this fiscal year
21 or the beginning of the next fiscal year. Because we -- we started it
22 June 30th is the last day. So we -- we would expect the funds to arrive
23 either at the beginning in June or at the end of the summer, July,
24 August.

25 So there is a push to P&A wells. They -- they use terms in their

1 guidance of -- if you'd like to read it, I -- I think actually -- the easiest
2 way to do is, you Google DOI Final Guidance, and it's the first term
3 that pop -- or it's the first selection that pops up, and that's the initial
4 guidance and their final release last week or the week before, and it
5 kind of spells out all the requirements. And they use the word
6 "obligate," so you -- they don't really specify what the term "obligate"
7 means, and so does that mean spend the funds in within a year, but
8 the funds have to be obligated within a year, which we're not exactly
9 sure what that term means. But, you know, you -- it -- the general
10 thought is it means the funds are encumbered and a contract signed
11 for the funding.

12 **MR. ALLEN:**

13 But it sounds like the feds are making up the rules as they go
14 along, and we'll just play by the rules.

15 **MR. FULKERSON:**

16 We -- we will play by the rules. We -- there is quite a bit of money
17 left, so we'd like to get as much as possible to take care of the orphan
18 problem.

19 **MR. ALLEN:**

20 Thank you, sir.

21 **MR. FULKERSON:**

22 Are there any other questions related to the federal funding?

23 (No response.)

24 **INTRODUCE FOR APPROVAL NEW OSR CONTRACTORS**

25 **MR. FULKERSON:**

1 Okay. Our next item on the agenda is approve new OSR
2 contractors. Generally, we just read one at a time. We've -- they've --
3 they've, at this point, turned in all the required documents to us. If
4 you'd like to review any of them, you're welcome to, but I'll read them
5 off as we go, and we can start the process of approving them.

6 The first is Brammer Engineering headquartered in Shreveport,
7 Louisiana, for general abandonment.

8 **MR. IEYOUB:**

9 Okay. Do I have a motion to approve?

10 **MR. MALEY:**

11 So moved.

12 **MR. IEYOUB:**

13 Mr. Maley, moves. A second?

14 **MR. CALLAHAN:**

15 Second.

16 **MR. IEYOUB:**

17 Mr. Callahan seconds.

18 All in favor -- all of those in favor of approving Brammer
19 Engineering, say aye.

20 (All aye.)

21 Any opposed?

22 (No response.)

23 They're accepted. They're approved.

24 Next.

25 **MR. FULKERSON:**

1 Next, we have RPS Cementing out of Livonia, Louisiana. They're
2 applying for land and water P&A on all depths.

3 **MR. IEYOUB:**

4 Motion?

5 **MR. CALLAHAN:**

6 Motion.

7 **MR. IEYOUB:**

8 Mr. Callahan moves.

9 **MR. ALLEN:**

10 I'll second.

11 **MR. IEYOUB:**

12 And Mr. Allen seconds.

13 All those in favor of approving RPS Cementing in Livonia, say aye.

14 (All aye.)

15 Opposed?

16 (No response.)

17 They're approved.

18 Next.

19 **MR. FULKERSON:**

20 The next we have is Tolbert Construction out of Oil City,
21 Louisiana, and they're applying for P&A work for wells from zero feet
22 to 5,000 feet.

23 **MR. IEYOUB:**

24 Motion?

25 **MR. CALLAHAN:**

1 Motion.

2 **MR. IEYOUB:**

3 Mr. Callahan moves.

4 **MR. MALEY:**

5 Second.

6 **MR. IEYOUB:**

7 Who moved? Oh, Mr. Maley. Mr. Maley moves, and Mr. Callahan
8 seconds (sic).

9 All those in favor?

10 (All aye.)

11 Any opposed, opposition?

12 (No response.)

13 Okay. Tolbert Construction is accepted, approved.

14 Next.

15 **MR. FULKERSON:**

16 Next, is Castor Well Services, LLC, in Tullos, Louisiana, P&A
17 work from zero to 10,000 feet in the Monroe area.

18 **MR. IEYOUB:**

19 Motion to approve.

20 **MR. CALLAHAN:**

21 Motion.

22 **MR. IEYOUB:**

23 Mr. Callahan. Second?

24 **MR. ALLEN:**

25 Second.

1 **MR. IEYOUB:**

2 Mr. Allen.

3 All those in favor, say aye.

4 (All aye.)

5 Any opposed?

6 (No response.)

7 Castor Well Services, LLC, is approved.

8 Next.

9 **MR. FULKERSON:**

10 And the last is North Wind Site Services, LLC, and they're
11 applying for P&A and site remediation on land wells from 10 -- from
12 zero to 10,000 feet.

13 **MR. IEYOUB:**

14 Motion to approve?

15 **MR. CALLAHAN:**

16 Motion.

17 **MR. IEYOUB:**

18 Mr. Callahan.

19 **MR. MALEY:**

20 Second.

21 **MR. IEYOUB:**

22 Mr. Maley seconds.

23 All those in favor, say aye.

24 (All aye.)

25 Any opposed?

1 North Wind Site Services, LLC, accepted, approved. Okay.

2 **MR. CALLAHAN:**

3 Where are the other names or lists? I mean, do we -- we monitor
4 how long they have -- have a contract with us?

5 **MR. FULKERSON:**

6 So the list is a running list, and it's -- they are renewed yearly. So
7 they have to send us information, essentially, an update every year.
8 And recently, they updated as well because we rolled out that online
9 system, so they all have to join the online system.

10 **MR. CALLAHAN:**

11 Have you looked the data -- looked the data up to see how many of
12 these contractors we still have, who's on the list?

13 **MR. FULKERSON:**

14 Do you happen to remember how many we have on the list?

15 **MR. CALLAHAN:**

16 I know we took --

17 **MR. MALEY:**

18 It's on the website.

19 **MS. PARKER:**

20 I think the list -- the last time we approved the list was like 30
21 something, and then, with these five, I think it was around 40, 41.

22 **MR. CALLAHAN:**

23 I remember we did a -- a move to try to reduce some of those. I
24 remember that.

25 **MS. PARKER:**

1 Yes, sir. I think that's -- that was the list that was like 31 or 32. I
2 mean, I can -- I can find out for sure and get in touch with you.

3 **MR. CALLAHAN:**

4 My question is, I get a -- if I get a contract that -- that's not -- not
5 active, how long do we continue to keep him on the list until we call
6 him and ask the question, hey, you've been this -- you've been doing
7 this for 20 years for us, you're not -- you're not -- you know, you
8 haven't done any work, you haven't done any work, you've been on the
9 backseat just carrying extra baggage?

10 **MS. PARKER:**

11 Well, there are also a few contractors on there that they don't do
12 any P&A work for us, but they're the third-party contractors that
13 people use for their SSTA assessments. So I -- I don't think we've
14 discussed giving a contractor a set amount of years to not be active
15 before we decided to kick him off.

16 **MR. CALLAHAN:**

17 Right. We did this just a couple years ago and it pruned the list.

18 **MS. PARKER:**

19 Yes, sir. Those were the ones that had not sent in their yearly
20 OSR-OR-1.

21 **MR. CALLAHAN:**

22 So it would -- would it be hard to do to send out a notice to these --
23 these people that have not got -- not had a single work -- work time
24 with us and just sent them a letter, hey, are you still alive?

25 **MS. PARKER:**

1 I -- I don't see the -- where it would be a problem, if that -- if that's
2 something y'all want to --

3 **MR. MALEY:**

4 Well, it seems like that's what you do annually, if they have to fill
5 out a form and renew an affidavit or whatever they do.

6 **MS. PARKER:**

7 Yes, sir.

8 **MR. MALEY:**

9 So if they're still interested and it doesn't really cost you anything
10 to carry them on your list, if -- if they want to bid or not bid, that's --
11 that's their business decision.

12 **MR. CALLAHAN:**

13 So that's -- that's an annual sweep then?

14 **MR. MALEY:**

15 Yes.

16 **MR. CALLAHAN:**

17 Okay. I wasn't aware of that.

18 **MR. FULKERSON:**

19 And we have quite a few on the bid list that attend the site visit.
20 They don't bid, but a lot of times, they're platform deconstruction. So
21 they may not do the P&A, so they'll join with a P&A company and do
22 the platform deconstruction for them.

23 **MR. CALLAHAN:**

24 Yeah.

25 **MR. FULKERSON:**

1 So we don't really have a method of removing someone just
2 because they're not the general contractor, but it kind of -- I guess it's
3 the system that works, if that makes sense.

4 **MR. CALLAHAN:**

5 And -- and, you know, they may -- they surely work for other
6 people that they may be sending that -- that -- those people a resume
7 saying that we're -- that they're eligible to work out -- they're on our
8 list.

9 **MR. FULKERSON:**

10 Yeah. If they're on the list, they'll -- they'll automatically -- as soon
11 as we roll out a bid project, they're emailed the bid project, so they're
12 all known. Everyone is notified immediately.

13 **MR. CALLAHAN:**

14 Okay. Thank you.

15 **MR. FULKERSON:**

16 Okay. So our next topic is underwater obstructions, and we just
17 plan to use the site clearance on some of our water packages. We've
18 got Tigre Lagoon and Lake Hermitage, which probably around
19 \$800,000 worth of platform removal or more, so that -- that's kind of
20 the intention this year.

21 **MR. MALEY:**

22 And just as clarification, this is not OSR funds. This is -- this is
23 separate --

24 **MR. FULKERSON:**

25 That's correct, yes.

1 **MR. MALEY:**

2 -- underwater obstruction funds?

3 **MR. FULKERSON:**

4 Completely different fund, yes, sir.

5 Our next topic is performance indicators. So we finished three of
6 the four quarters. We used the same numbers last year as 225 sites
7 restored. Right now, we're sitting at about 115. So we've got quite a
8 few projects ongoing now. I think I counted last, there was four or five
9 contractors working. It could be pretty close just depending on what
10 the weather looks like and if the contractors move from one project to
11 the next pretty quickly. I don't know that we'll hit the 225, but I -- I
12 think the numbers should rise a decent amount this -- this quarter.

13 Commissioner, we're at the last slide I have, which is a new
14 business, old business.

15 **OLD BUSINESS/NEW BUSINESS**

16 **MR. IEYOUB:**

17 All right. Any old business or new business?

18 **MR. CALLAHAN:**

19 Of course, the legislature is -- it's in session right now, and I think
20 -- or I heard that there was some bills coming out that they were
21 trying to pass in -- in maintaining or in -- about this -- this committee.
22 We -- can we expect something coming out of -- out of the legislature at
23 this -- at this session that affects -- that deals with this committee.

24 **MR. IEYOUB:**

25 That affects this Commission?

1 **MR. CALLAHAN:**

2 Commission, yes.

3 **MR. IEYOUB:**

4 I believe -- you know, John, I think that we have this -- there's a
5 bill in regarding an executive -- okay.

6 **MR. CALLAHAN:**

7 I didn't mean to cut the line.

8 **MR. IEYOUB:**

9 No, no. That's --

10 **MR. CANFIELD:**

11 Yeah. There are actually two bills dealing with the OSR fund or
12 the OSR Commission, both are authored by Senator Allain. One
13 creates a position, it's a director I think of OSR is the term, and it
14 states that it's to be an unclassified position. It also authorizes the
15 OSR Commission, I believe to -- by a two-thirds vote to make a request
16 to the Commissioner -- or the Secretary to reconsider the director's
17 appointment.

18 There are changes regarding like large packages for non-priority
19 wells. It's got requirements in there -- statements in there about it
20 being done for efficiency purposes to try to plug as many wells as
21 possible.

22 It also has I think, is it a 20 percent limit, Roby? I'm trying to
23 remember of the OSR, so you can spend no more than 20 percent on
24 those large package non-priority well packages is the way that I
25 remember it being written.

1 The other bill that I'm remembering on the fund side, it tries to
2 make sure that none of the federal money that comes in counts against
3 the State OSR fund limits, you know, that would say, let's stop
4 collecting the fee that's paid. So you would allow for the additional
5 federal money to come in, but still have however much more money we
6 would've otherwise had under the State program. So I think the
7 intent there is to make sure that the federal grant program doesn't
8 unintentionally, you know, lessen how much you can spend or what
9 you can do with the State's side of the program.

10 And, if I remember correctly, I think they both have passed the
11 Senate and I believe they on the House. I think there was -- one of
12 them came up in the House Natural Resources, it was either this week
13 or late last week. My days are running together. And the second one, I
14 think, was dual referred, so it had to go before a finance committee on
15 the Senate side, so it's behind the schedule of the first.

16 **MR. CALLAHAN:**

17 That doesn't sound very bad. Good. Thank you.

18 **MR. IEYOUB:**

19 Any other new business or old business?

20 **MR. LEVY:**

21 I have some questions about this Radiant Oil and Gas well. I -- I
22 don't understand why it was selected for plugging. It's a dry hole.

23 **MR. FULKERSON:**

24 I don't remember which well this -- it -- do you remember what
25 package it is or --

1 **MR. LEVY:**

2 Eugene Island Block 18. Yeah, it is Serial No. 247970. The
3 package is 431-PA 22-007, 22-007. The dry hole. I believe the
4 reasoning is it is a navigation hazard.

5 **MR. FULKERSON:**

6 I remember at the Atchafalaya Bay was the one we built around
7 an SSTA. I think there's a SWD related to that one that has a large
8 SSTA attached to it. And the Radiant Oil may have just been grabbed
9 because of location proximity to that well.

10 **MR. LEVY:**

11 So it's location proximity?

12 **MR. FULKERSON:**

13 If I remember right, yes, sir. I know if it's -- if it's the St. Mary's
14 Parish, there was an SSTA, that was the one we discussed for 443,000,
15 and so I think we just grabbed the well nearby.

16 **MR. LEVY:**

17 Okay. So I -- I don't understand the logic behind spending that
18 amount of money by plugging a -- that dry hole, regardless of the
19 proximity.

20 **MR. FULKERSON:**

21 I think kind of our stance has been that it saves on mobilization
22 later on. So if the wells are in close proximity, we'll go on and P&A a
23 lower ranked well next to a higher ranked well. We do try to spend the
24 SSTA funds so we can get reimbursed to the account and get those
25 funds spent down.

1 **MR. LEVY:**

2 Okay. I also requested a list of banned operators, or if there is a
3 list of banned operators, that cannot do business in Louisiana, because
4 they went bankrupt in 2018. They did not go bankrupt in Texas, and
5 they are currently raising money to drill in offshore Louisiana again.
6 So the DNR is in the process of plugging their dry hole, and they are in
7 the process of raising money to drill again in offshore Louisiana.

8 Did you have something to say, John?

9 **MR. ADAMS:**

10 Yeah. This is John Adams. Again, we will be happy to investigate
11 that situation. We investigate those situations on a regular basis. And
12 when we find that it is a related company, we turn that over to the --
13 the Attorney General's Office for them to pursue, if -- if they decide
14 that there's -- there's grounds to pursue. We don't make those
15 decisions. We just do the research and provide the data to -- to them to
16 let them make that decision. I -- I --

17 **MR. LEVY:**

18 Isn't there a statute that says that the Department of Natural
19 Resources has the right to sue for the cost of -- of the plugging without
20 regard to transferring it over to the Attorney General?

21 **MR. ADAMS:**

22 That's a question that would need to be addressed to the
23 Department of Natural Resources. All the people that you see here
24 that -- that administer the OSR program work for the Office of
25 Conservation, which I realize there's a subtle distinction between DNR

1 and the Office of Conservation, but when it comes to the ability to sue
2 or be sued, it's a very important distinction that -- that -- that we don't
3 have.

4 So, again, we're the -- the -- the boots on the ground portion of the
5 program, so we will find and gather the data and submit it to the -- the
6 -- the Attorney -- the Office of the Attorney General for them to work
7 with in conjunction with the Department or the Secretary's authority
8 to collect well -- to collect reimbursements.

9 With regard to banning operators, that is within the
10 Commissioner's authority. If an -- if an operator goes orphaned, both
11 them -- the operator itself and any officers of that operator are
12 prevented from being officers of a -- of another operator, both -- both
13 the operator and the officers are prevented from -- from doing business
14 under the Office of Conservation's authority for a period of two years
15 after whatever situation created their orphaning gets fixed or
16 repaired. So, for example, if they -- if -- if they're orphaned because
17 they failed to comply with 29-B regulations, and the OSR program has
18 to go in and -- and -- and plug the wells, they will never be allowed
19 back in Louisiana, because those wells can never be -- unless they
20 come back in and reimburse the OSR program, at which time the two-
21 year period would begin to run at that time.

22 What -- what confuses people a lot of times and in a lot of
23 instances is you'll have companies of a similar name, but it's not the
24 same company, and it's not the same officers of the company, because
25 we -- we track those, and we -- we disallow that. But if it's a company

1 with a similar name, well, then, obviously, that's a different business
2 entity that -- that we -- we wouldn't prevent. But that sometimes leads
3 to confusion as to why somebody seems to be operating, even though
4 they -- they were -- they went orphaned, so --

5 But if -- if you're concerned about a specific operator, we will
6 absolutely look into that and verify that, number one, they're not
7 currently operating, neither them nor their officers, and, number two,
8 if they do still have viable assets, we'll -- we'll turn that information
9 over to the Attorney General's Office for them to make a
10 determination as to whether to -- to -- to pursue or not.

11 **MR. LEVY:**

12 Okay. I don't think either one of those is going to be an issue. I
13 don't think either one is going to have that. I don't believe that -- they
14 are in the process of raising money to do it again.

15 **MR. ADAMS:**

16 Then I'm not sure what recourse you --

17 **MR. LEVY:**

18 Right.

19 **MR. ADAMS:**

20 -- you think we should have.

21 **MR. LEVY:**

22 That -- that's why I requested, is there a list? And, you know, I'd
23 like -- I just -- I'm just trying to check and see if there -- if there is
24 some pro -- something that will prevent this from happening again. I'm
25 not saying that it is happening or that anything needs to be turned

1 over to Jeff Landry. I'm not suggesting that. What I'm suggesting is
2 that this is happening in real time, that this dry well, for whatever
3 reason, that is spending half a million dollars and we're plugging it, I
4 guess is a -- is a navigational hazard or the -- or because -- because
5 there's a well that's relatively close, we're spending half a million
6 dollars to plug it of taxpayer money, but those -- these same very
7 people are raising money to drill again. So is there some way that I
8 can follow along with a list of banned people so that these people don't
9 come back and do the exact same thing again?

10 **MR. ADAMS:**

11 We can provide you a list of operators that have lost their right to
12 operate.

13 **MR. LEVY:**

14 I would like to see that list.

15 **MR. ADAMS:**

16 In addition to that, every time an operator applies for a permit, we
17 compare that name and their officers to -- to our list of banned
18 operators and -- and make sure that that situation doesn't happen. So
19 we already have a -- a tool in place to do that, so your concern is
20 something that we do on a routine basis.

21 I -- I appreciate you giving me the -- the serial number of the well
22 in question. We will, again, look into that. It may be that -- that the --
23 the -- and I don't know if the entire bid package was -- was \$500,000,
24 or if -- or -- or if the -- the -- generally, a bid package isn't bid out based
25 on a single well, and it sounds like this one is no exception to that.

1 **MR. LEVY:**

2 Right. There were two wells. The other one is a Harvest well.

3 **MR. ADAMS:**

4 Again, I'll be happy to look into that and see exactly what's --
5 what's going on with that, and we'll be glad to provide you with a -- a
6 report and update on that, so.

7 **MR. LEVY:**

8 And I think you can understand my, is that, I mean, it's
9 essentially an economic mistake that a -- that an operating company
10 made, it's really not a threat, it's in a sea of navigational hazards out
11 there. There are stuff all over the place, and, yet, the State of
12 Louisiana is paying to plug it.

13 **MR. ADAMS:**

14 I will have to look into it to see what the justification for including
15 that well in that package is.

16 **MR. LEVY:**

17 Thank you.

18 **MR. IEYOUB:**

19 Anything further, any new business, old business?

20 (No response.)

21 All right. Any public comments that would like -- anybody in the
22 public would --

23 **MR. LEVY:**

24 Before that, I do have one other old business.

25 **MR. IEYOUB:**

1 All right. Okay.

2 **MR. LEVY:**

3 So I have been looking at the standard operating procedure and in
4 Section 7, Section 7 is the standard operating procedure review,
5 revision, and approval section. It says the standard operating
6 procedure may be revised as often as necessary, but must be reviewed
7 at least once every two years. One or more individuals with
8 appropriate training and expertise with the process should review the
9 SOP. Upon reviewing and updating the SOP to include the revision,
10 the SOP shall be routed for approval. Failure to perform the review
11 shall not invalidate the policy.

12 I understand that there was a relatively recent audit done on the
13 Department. I don't know, maybe the audit missed that, but if this is
14 the latest revision, this was done in August of 2016, so this is out of
15 date. I would suggest that this be updated.

16 And, also, it should be updated to an include, I would think,
17 document controls on the -- on the orphaned well plugging
18 prioritization system checklist. There's no revision numbers on these.
19 We can't follow how these have changed. And this is the document
20 that I'd referenced earlier.

21 So any normal business today, dates or document controls these --
22 these things. And I -- is the last revision for this 2016?

23 **MR. IEYOUB:**

24 What -- what revision of what specifically?

25 **MR. LEVY:**

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 on April 21, 2022, 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 73, 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

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