

State of Louisiana

OILFIELD SITE RESTORATION

COMMISSION MEETING

DECEMBER 15, 2022

1:00 p.m.

Oilfield Site Restoration Commission Meeting

Thursday, December 15, 2022

1:00 p.m.

MEMBERS PRESENT:

Thomas Harris, Secretary

Richard Ieyoub, Commissioner of Conservation

Barney Callahan, LWF, Sierra, and Audubon Society

Timothy Allen, Louisiana Landowners Association

Steve Maley, LOGA

David Levy, At-Large

Lisa Creasman, Nature Conservancy

STAFF PRESENT:

Roby Fulkerson, Office of Conservation, OSR Staff

Cassandra Parker, Office of Conservation, OSR Staff

Chris Sandoz, Office of Conservation

John Adams, Assistant Commissioner of Conservation

Blake Canfield, Attorney, LDNR

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Oilfield Site Restoration Commission Meeting

December 15, 2022

ROLL CALL

MR. HARRIS:

Good afternoon, everyone. I'd like to call this meeting of the Oilfield Site Restoration Commission to order.

Cassie, would you call the roll, please?

MS. PARKER:

Yes, sir. Mr. Thomas Harris.

MR. HARRIS:

Present.

MS. PARKER:

Mr. Richard Ieyoub.

MR. IEYOUB:

Present.

MS. PARKER:

Ms. Lisa Creasman.

MS. CREASMAN:

Here.

MS. PARKER:

Mr. Steve Maley.

MR. MALEY:

Here.

1 **MS. PARKER:**

2 Mr. Barney Callahan.

3 **MR. CALLAHAN:**

4 Here.

5 **MS. PARKER:**

6 Mr. David Levy,

7 **MR. LEVY:**

8 Here.

9 **MS. PARKER:**

10 Mr. Timothy Allen.

11 **MR. ALLEN:**

12 Here.

13 **MS. PARKER:**

14 I think that constitutes a quorum.

15 **MR. HARRIS:**

16 Thank you, Cassie.

17 Our first agenda item?

18 **MS. PARKER:**

19 Yeah. The first order of business for the meeting is to approve the
20 meeting transcript for the July 27, 2022, meeting. Since the last one
21 we had was not a true meeting, we don't have to approve that
22 transcript.

23 **MR. HARRIS:**

24 Thank you.

25 Do I hear a motion to approve the minutes?

1 **MR. ALLEN:**

2 Motion.

3 **MR. CALLAHAN:**

4 Second.

5 **MR. HARRIS:**

6 By Mr. Allen, and second by Mr. Callahan.

7 All in favor?

8 (All aye, except Mr. Levy who did not vote.)

9 All opposed?

10 (No response.)

11 The motion carries.

12 Thank you. Cassie?

13 **MS. PARKER:**

14 Okay. Then we'll move to the next order of business with the fund
15 status. As of the end of July -- I mean, June, we have almost \$6
16 million encumbrance -- in encumbrances and almost \$14 million in the
17 fund balance with those encumbrances.

18 Do I have any questions?

19 (No response.)

20 **MR. HARRIS:**

21 Hearing none, please proceed.

22 **MS. PARKER:**

23 Okay. And then the next page would be the November 30, 2022,
24 stats where we have over \$6 million in gas collect -- gas tax collected,
25 around 350 in oil tax, and interest \$1,608 -- I'm sorry -- \$16,800. The

1 inactive fee is around \$737,000, for a total of around \$7.4 million, and
2 the projected remaining \$4.3 million to be collected.

3 **MR. HARRIS:**

4 I do have a question. Does that include money that is already
5 encumbered?

6 **MS. PARKER:**

7 No, sir. These are just collections.

8 **MR. HARRIS:**

9 Collections, okay.

10 **MR. MALEY:**

11 And this is for the time period beginning -- your fiscal year is --

12 **MS. PARKER:**

13 July 1st through --

14 **MR. MALEY:**

15 -- July --

16 **MS. PARKER:**

17 -- November 30th.

18 **MR. MALEY:**

19 So you've collected \$6.2 million in gas since July?

20 **MS. PARKER:**

21 Yes, sir.

22 **MR. MALEY:**

23 And that's five months?

24 **MS. PARKER:**

25 Yes, sir.

1 **MR. MALEY:**

2 Okay.

3 **MS. PARKER:**

4 The next one is just a graph showing the collections we have so far.

5 And the next slide would be the total collections by month. It just
6 shows that we have higher collections in certain parts of the year.

7 And then financial security update, and we have collected over
8 \$332,000 in financial security, which runs us to a total of over \$11
9 million.

10 And then the funds spent, we've yet to spend down any of our
11 collected securities this year.

12 Any questions?

13 **MR. MALEY:**

14 For clarification, this is wells that have been plugged into the
15 program that were secured by a site-specific trust account or a bond
16 or --

17 **MS. PARKER:**

18 Yes, sir. Well, we haven't plugged any in the -- in the program this
19 year to date, but, yeah, the -- the financial security collected are the
20 ones that have bonds or letters of credit or CDs or cash.

21 **MR. MALEY:**

22 But the wells have to be plugged first, so they were plugged in a
23 prior fiscal year?

24 **MS. PARKER:**

25 No, sir. When the -- when the operator goes orphan, we collect

1 their financial security. We use that to reimburse the fund once wells
2 are plugged, but we are holding whatever financial security we collect
3 until that time in a separate account.

4 **MR. MALEY:**

5 Okay. So it's a matter of which -- of which --

6 **MS. PARKER:**

7 Yes, sir.

8 **MR. MALEY:**

9 Okay.

10 **MS. PARKER:**

11 Okay. The next slide is the money recovery for emergency and
12 regular projects that we have done. Emergency 19-003 in the
13 Valentine Field, the litigation is ongoing. Emergency 20-003 in South
14 Thornwell Field, no update to date. 21-011 in the Freshwater Bayou,
15 all money recovery letters were sent out. PA 20-007 is -- we're
16 currently working with an operator in the lineage to get some of that
17 money paid back. Same thing with Tigre Lagoon, except for the LLOG
18 is not going to pay us back, they opted to actually do the work
19 themselves instead of us do the work and then pay us back. And then
20 the Lockport, 23-005, those companies, Chevron, Hess, Pioneer, have
21 been contacted. Chevron has responded but will not intervene. And
22 then the East Cameron Block 4 in Wildcat Field, package 23-00 -- that
23 should be 6, sorry -- ExxonMobil, Anadarko, Devon, and Unit
24 Corporation, letters were sent out.

25 Any questions?

1 **MR. ALLEN:**

2 Just one. On the first one, the Valentine Field, can you elaborate
3 on what the litigation with the Attorney General's Office is?

4 **MS. PARKER:**

5 I'm going to have to get in touch with an attorney.

6 **MR. RICE:**

7 We're entering settlement negotiations --

8 **MR. HARRIS:**

9 And identify yourself as well, please.

10 **MR. RICE:**

11 Jonathan Rice, I'm an attorney with Conservation. At this time
12 with the Valentine well, we're in settlement negotiations with Liberty
13 Insurance. It's one of the insurance companies. We had to -- they had
14 to take this to the Supreme Court following one of the provisions in
15 their insurance policy, so now that the Supreme Court has kicked it all
16 out, we're going to take it from there and just lean on the Attorney
17 General's Office to actually set up a settlement conference for
18 December. If not December, then January. So, hopefully, we'll see
19 some movement here soon, and we're talking about, I think, that
20 policy is 1 to 2 million, and then there's a subsequent policy that I'm
21 not as familiar with that will have to be bridged (phonetic) with the
22 Attorney General's Office, but could be another million or so.

23 **MR. ALLEN:**

24 So it's a work in progress then.

25 **MR. RICE:**

1 Yes, yes, it is. And then it -- but the light at the end of the tunnel.

2 **MR. ALLEN:**

3 Thank you.

4 **MR. RICE:**

5 Thank you.

6 **MR. HARRIS:**

7 Thank you, Jonathan.

8 **MR. MALEY:**

9 And the Lockport, that doesn't ring a bell with me. Can you
10 provide a little bit of detail about what's going on there?

11 **MS. PARKER:**

12 What kind of details would you like, sir?

13 **MR. MALEY:**

14 Well, whoever these companies involved, what were they asked to
15 do and --

16 **MS. PARKER:**

17 Oh, the standard \$250,000 letter was sent out saying that we
18 expected these wells to cost more than that to plug, and we give them
19 the option to either plug them themselves, like LLOG did with the
20 Tigre Lagoon -- Tiger Lagoon. I'm sorry.

21 **MR. MALEY:**

22 Right.

23 **MS. PARKER:**

24 Or to reimburse us once we have plugged and abandoned those
25 wells.

1 **MR. MALEY:**

2 So none of the three operators presented with that opportunity --

3 **MS. PARKER:**

4 Yes, sir.

5 **MR. MALEY:**

6 -- took the avenue of going ahead and doing the work?

7 **MS. PARKER:**

8 I guess I should say, no, sir, no, sir, none of them did.

9 **MR. MALEY:**

10 But they potentially might?

11 **MS. PARKER:**

12 Once -- once the project is complete and we -- we definitely have
13 spent the \$250,000 threshold on any of these wells, they will receive
14 another letter stating that we spent the money and due to that -- that
15 regulation that we would be trying to recoup the money from them.

16 **MR. MALEY:**

17 Thank you.

18 **MS. PARKER:**

19 You're welcome.

20 Any further questions?

21 (No response.)

22 **MR. HARRIS:**

23 The next item?

24 **MS. PARKER:**

25 The next slide would be the urgent and high-prior wells. It's kind

1 of hard to read on your sheets because it's not in color, but the top --
2 the dark color is we have 509 remaining high-priority wells, and we
3 have plugged 644. Okay.

4 **MR. LEVY:**

5 The high -- what are the scores --

6 **MS. PARKER:**

7 It's above 20 to 29 and then above 30 for the high -- the urgent, I
8 mean. And then the next --

9 **MR. MALEY:**

10 If I'm reading it correctly, it looks like you've plugged 17 in fiscal
11 year or the high-priority, and it's made a slight dent in the number of
12 remaining wells.

13 **MS. PARKER:**

14 I can't tell you exactly, but I can look at it and get it to you, but,
15 yeah. We've done quite a few, because we're focusing now on south
16 Louisiana with the federal monies being spent up north, so --

17 **MR. MALEY:**

18 And the federal money you're talking about is -- is -- that's outside
19 the -- the scope of what we're here to talk about today?

20 **MS. PARKER:**

21 Yes, sir. It's -- it's a total separate pile of money. It's not counted
22 as 404 because those are just taxes collected on -- I ought to not say
23 "just," those are collected from people operating within the state of
24 Louisiana; whereas, the federal money is a different tax base.

25 **MR. MALEY:**

1 And is -- is that activity competing with the Act 404 functioning of
2 the orphan well funds?

3 **MR. HARRIS:**

4 This is -- we're running both in parallel. In other words, Roby and
5 Cassie and those folks are going to continue doing exactly what they're
6 doing with the -- you know, the existing orphan well program. They're
7 also going to be involved heavily in the IIJA money, but we're doing
8 both of those simultaneously and parallel.

9 **MR. MALEY:**

10 And, presumably, there's some funding that goes along with the
11 federal that helps out with the overhead --

12 **MR. HARRIS:**

13 Yes, absolutely. And there's also additional strings that comes
14 with that federal money. There are a number of reporting
15 requirements that we don't normally bother collecting data for with
16 our existing orphan well program.

17 **MR. MALEY:**

18 But I think that's an important point you made that for a long
19 time, north Louisiana got a lot of the attention because it was cheap
20 and fast and you get more wells done.

21 **MS. PARKER:**

22 Yes, sir. We also had that mandate where we had to spend \$1
23 million up there, so...

24 **MR. MALEY:**

25 But I'm glad to see that south Louisiana, which is -- is getting

1 more of the attention of these funds anyway.

2 **MR. HARRIS:**

3 And, really, with the first -- the first bucket of federal money
4 under IIJA, we're trying to plug a lot of wells, as many as we can, and
5 then each year we expect to get additional funds, and we're going to
6 start tackling and trying to make a dent in high-priority south
7 Louisiana wells with the subsequent buckets of money.

8 **MR. MALEY:**

9 Okay. I wasn't trying to drag us into the weeds. I just wanted
10 some clarification.

11 **MR. HARRIS:**

12 Oh, no.

13 **MR. ALLEN:**

14 It is a fair question, and we had this discussion at our unofficial
15 meeting a couple months ago when you were off playing oilfield -- or
16 whatever in the heck it was, and --

17 **MR. HARRIS:**

18 Congratulations, by the way.

19 **MR. ALLEN:**

20 Congratulations is right.

21 **MR. MALEY:**

22 Thank you.

23 **MR. ALLEN:**

24 But it is a good question, and I guess I asked the question back
25 then it's out of the purview of our responsibility, but we would still like

1 to know what's happening with that federal money --

2 **MR. HARRIS:**

3 Yeah.

4 **MS. PARKER:**

5 Yes, sir.

6 **MR. ALLEN:**

7 -- so we will request updates.

8 **MR. HARRIS:**

9 And we would be glad to provide them. We don't have a whole lot
10 yet. We're still in the process of signing all the contracts, but we're
11 hoping to get some crews out in the field hopefully by the end of the
12 year, and by our next quarterly OSR meeting, I expect we'll be able to
13 give you a more substantial update on how that progress is going, how
14 many wells have been plugged, and where we are with that.

15 **MR. ALLEN:**

16 Got you.

17 **MS. PARKER:**

18 Okay. And then we move on to the orphan wells abandoned by
19 OSR slide where it shows we have 4,544 remaining wells to be
20 plugged, and the OSR has plugged 3,523.

21 The next slide would be the current orphan numbers that shows
22 the 4,544 total wells. Then you see the high-priority 1s in Lafayette
23 that we're showing right now, that's what we're trying to -- to get that
24 number down this year is what we're trying to do.

25 Any questions?

1 **MR. ALLEN:**

2 So I'm a slow learner. Back up a slide.

3 **MS. PARKER:**

4 All right.

5 **MR. ALLEN:**

6 Out of the 4,544 wells left to be plugged --

7 **MS. PARKER:**

8 Yes, sir.

9 **MR. ALLEN:**

10 -- will any of those be accomplished through the IIJA funds?

11 **MS. PARKER:**

12 Yes, sir.

13 **MR. HARRIS:**

14 Yes.

15 **MR. ALLEN:**

16 A good bit. Estimate, what percentage are we talking about?

17 **MS. PARKER:**

18 I think they were trying to get to 500 wells.

19 **MR. HARRIS:**

20 Yeah, that's what we're hoping, that's in addition to the work
21 that's, you know, ongoing with -- that we've been doing every year with
22 the orphan well program. We're hoping to get an additional 500 in the
23 first year. We're still waiting for more exact figures of how much --
24 how many dollars we're going to get in subsequent years, so that's still
25 to be determined. But, you know, I'm hoping over a five-year period

1 we can put a very significant dent in the -- in the total number of
2 orphan wells.

3 **MS. CREASMAN:**

4 So with the -- is my mic working? With the wells that will be
5 funded by IIJA, are they prioritized the same way all the others are, or
6 is there something different you have to consider with that money?

7 **MR. HARRIS:**

8 With those dollars, we're just trying to plug as many wells as we
9 can in the -- in the first year following the first draw (phonetic). As we
10 move along, you know, we hope we will be collecting methane emission
11 data. You know, we're going to try to look at that, analyze it to see
12 where we can get the biggest bang for the buck in methane emissions,
13 and factor that in our prioritization, along with the other priority
14 items we look at, potential to impact groundwater, potential to impact
15 human health, and other considerations. But, yeah, we're -- we don't
16 know what the answer is going to be yet, but we're looking forward to
17 getting that data and seeing what -- if we can find where we get the
18 biggest bang for the buck.

19 **MR. LEVY:**

20 What is IIJA?

21 **MR. HARRIS:**

22 Oh, I'm sorry. The Infrastructure Investment Jobs Act. It was the
23 one that was passed -- the first of the big spending bills that were
24 passed. They had money in there for orphan wells, money for a
25 number of different programs.

1 **MR. LEVY:**

2 I know it as the federal money.

3 **MR. HARRIS:**

4 And that's the reason, you know, we didn't want to intermingle
5 those two, our State program and the federal funds. We wanted to
6 keep the money separate. There are additional reporting
7 requirements, so we made the decision to run them as parallel
8 programs.

9 **MR. CALLAHAN:**

10 Do you see an increase in workforce opportunities?

11 **MR. HARRIS:**

12 That -- that is certainly there. That's one of the reasons, the
13 justifications, for appropriating that money was to take people who
14 were out of work and put them back to work, as well as addressing the
15 environmental issues. So one of the things we're required to report on,
16 number of jobs created, impacts to disadvantaged communities,
17 methane data, and a number of other federal strings that -- that
18 always seem to come with federal money.

19 **MR. MALEY:**

20 I have one comment about this page we're talking about, in
21 particular. The page that y'all used to display was a lot of numbers,
22 but you could get out of it how much activity was happening at least
23 quarter to quarter and see what the change in the balances were, how
24 many wells were being plugged in each district and so forth, and this
25 is -- this is informative, but it's just a snapshot in time, and something

1 that I'm interested in if you could figure out a method to display it is to
2 show this is -- this is kind of where the wells are being plugged, this is
3 where operators are taking over wells out of the program, and so forth.

4 **MS. PARKER:**

5 Yes, sir.

6 **MR. MALEY:**

7 I always refer to that as like balancing the checkbook, you know.
8 It's one thing to know how much you've got in your account, but if you
9 understand the flow of it coming and going, you're -- you know a lot
10 more.

11 **MS. PARKER:**

12 Yes, sir.

13 Do we have any further questions or comments?

14 (No response.)

15 We'll move on to current projects. The next slide will show that we
16 have 23-003 in Masters Creek, that's pretty much right now the only
17 northern Louisiana project that we have on the books. 23-004 in St.
18 Landry Parish, it's a NORM contamination that we plugged and
19 abandoned the well. We cleaned up the facilities, so we'll take care of
20 that NORM contamination. 23 --

21 **MR. LEVY:**

22 I have a question about the selection of that.

23 **MS. PARKER:**

24 Okay.

25 **MR. LEVY:**

1 So it was selected based upon the NORM --

2 **MS. PARKER:**

3 Yes, sir.

4 **MR. LEVY:**

5 -- radiation?

6 **MS. PARKER:**

7 Yes, sir.

8 **MR. LEVY:**

9 So there's nothing on the prioritization checklist that references
10 NORM.

11 **MS. PARKER:**

12 No, sir, but there was a NRDA report stated by our CES which
13 shows that there's NORM contamination on that site. Actually, I
14 know we sent you one, but that was the latest -- I think if we go back
15 one inspection, it might be that NORM --

16 **MR. LEVY:**

17 I saw -- I saw the reference to the NORM detection, but the well is
18 in the middle of 25-acre pasture.

19 **MS. PARKER:**

20 Okay. Yes, sir.

21 **MR. LEVY:**

22 You know, I -- I just question -- I thought it was being plugged
23 because there was a spill from the -- from the line that goes from the
24 tank to a truck.

25 **MS. PARKER:**

1 That was part of it too, sir, yes, sir. And also, the -- the landowner
2 contacted us about concerns.

3 **MR. LEVY:**

4 Okay. Well, other landowners have contacted about concerns.

5 **MS. PARKER:**

6 Yes, sir.

7 **MR. LEVY:**

8 Like the Bath (phonetic) well in north Louisiana in 2017.

9 **MS. PARKER:**

10 Yes, sir.

11 **MR. LEVY:**

12 And that's been emitting methane for years, that actually leaks
13 methane in a -- in a neighborhood. That didn't get picked. So I -- I
14 don't -- from -- from the beginning, I don't understand how the wells
15 are picked on this --

16 **MS. PARKER:**

17 Is that the 22697?

18 **MR. LEVY:**

19 Yeah, 22697. It leaked. It was plugged. It leaked again. It was
20 fixed. It leaked again, and it was fixed again. So -- it's been leaking
21 methane in this man's back yard for years. He's been complaining
22 since 2017. This -- this well, somebody complained once, immediately,
23 it's getting -- it's getting plugged. It's one well in the middle of a
24 pasture. The other well is in a neighborhood in Shreveport, and it's
25 not getting attended to. So I just -- ever since I've been on this

1 Commission, I've tried to find out who picks the wells and how the
2 wells get picked, and I have not gotten an answer. This appears to me
3 -- this is a black man in Shreveport that cannot get this well plugged
4 10' from his house. Another well that is in St. Landry, this man calls
5 up, complains one time, and his well gets -- it's now getting fixed. It's
6 getting plugged, because of NORM contamination that's in the center
7 of a 25- acre cow pasture. I just don't understand -- I don't know that I
8 can continue to be a part of this. It doesn't make any sense. You
9 know, I've contacted the EPA, Environmental Justice Division, about
10 this. They don't seem to be responding to this. I don't know how we
11 can continue to do this. This single well has a spill that came from a
12 line that leaked. There's nothing wrong with this well. It's a 17 on the
13 priority list -- 18 on the priority list. I just -- I have a really hard time
14 morally continuing to deal with this. We just spent \$915,000
15 (phonetic) cleaning up ExxonMobil's property that is now going to be a
16 carbon sequestration project. I -- none of this makes any sense. You
17 spent \$915,000, but won't spent \$150,000 to spend up this well in this
18 black man's back yard. How can we sit here and do this all day long?

19 **MR. MALEY:**

20 The well you're talking about in Shreveport, I think I remember
21 from several years back. There hadn't -- it's in a residential
22 neighborhood, correct?

23 **MR. LEVY:**

24 Initially, the well was --

25 **MR. MALEY:**

1 And it was subject of a TV report, right, on Channel 8 --

2 **MR. LEVY:**

3 Yeah.

4 **MR. MALEY:**

5 Well, there's 4,500 wells to keep track of, but this one caught my
6 attention, and I'll tell you why, because it was apparent to me in
7 looking at it that what was shown on TV was a well that was properly
8 plugged and abandoned with a plate welded on top of cut casing and a
9 serial number in bead (phonetic) on top of it. And what I witnessed,
10 and I haven't seen it in five years or so, but there was a hole that had
11 been drilled in the top of the plate, that was my impression, and there
12 was gas bubbling out of that hole. I -- there -- I've got a question of
13 how that hole got there. And, you know, if -- the public in Louisiana is
14 going to encounter situations where they -- where they come across
15 old, abandoned wells where there's a residential subdivision placed
16 where -- where there's a history of oil and gas production, they need to
17 be educated don't mess with it, and that's -- that's my impression. The
18 fact that the man is black, what that has to do with it and what you're
19 alleging there, I have no idea.

20 **MR. LEVY:**

21 I'm alleging that it's racial injustice, specifically.

22 **MR. HARRIS:**

23 Mr. Levy -- Mr. Levy, your moral outrage notwithstanding, we
24 would have liked to have plugged that well years ago. I believe there
25 is a dispute regarding the value of the tree that would have be cut

1 down to -- to plug that well to get a drilling rig in there. I don't know
2 if --

3 **MS. PARKER:**

4 That's correct, sir.

5 **MR. LEVY:**

6 Okay.

7 **MS. PARKER:**

8 It was actually in a package to be plugged.

9 **MR. LEVY:**

10 If there is an issue with the value of the tree, there didn't seem to
11 be an issue with expending \$915,000 to plug a benign saltwater
12 injection well at Freshwater City on property owned by ExxonMobil
13 that is now --

14 **MR. HARRIS:**

15 We -- Mr. --

16 **MR. LEVY:**

17 -- going to be used as a carbon sequestration project.

18 **MR. HARRIS:**

19 Mr. Levy, we've been over that again and again and again.

20 **MR. LEVY:**

21 No, no, no, sir, Mr. Harris. We have not been over that. Since
22 then, it has been announced that ExxonMobil will be using that area
23 as a carbon sequestration project. So, you know, the question
24 becomes, did the DNR know about the -- the idea that it was going to
25 become a sequestration project in the future.

1 **MR. HARRIS:**

2 I believe that's irrelevant. That site, we've been over again and
3 again. The reason that site was selected was because of the tanks that
4 had been blown off of their pad. It's --

5 **MS. PARKER:**

6 Yes, sir, that's correct.

7 **MR. LEVY:**

8 That's a piece of private property.

9 **MR. HARRIS:**

10 It doesn't matter. Almost all of the wells that we plug using OSR
11 funds are typically on private property. It's a very small percentage
12 that are on -- on State lands or water bottoms.

13 **MR. LEVY:**

14 So we're in the business of cleaning up surfaces and not plugging
15 wells, because that well is a saltwater injection well and is benign.

16 **MR. HARRIS:**

17 And the reason we plugged it, we had already mobilized to -- to
18 clean those tanks that had been blown off of their pad by a hurricane.

19 **MR. LEVY:**

20 Okay. So I think that the -- the -- I think that the --

21 **MR. HARRIS:**

22 Or washed off, rather.

23 **MR. LEVY:**

24 I think that the illustration of the priorities here is very clear that
25 -- that, in one case, you have a well that's 10' from the back door of a

1 person's home that is emitting methane, has done it multiple times,
2 through multiple inspections. That well won't get plugged.

3 However --

4 **MR. HARRIS:**

5 If he'd let us cut down the tree, it would.

6 **MR. LEVY:**

7 However, the surface tanks at the Freshwater City well -- the
8 Freshwater City well on property owned by ExxonMobil that is
9 becoming a carbon sequestration project, that will get cleaned up.

10 **MS. CREASMAN:**

11 I think that's kind of comparing a little bit some apples and
12 oranges. And I guess --

13 **MR. LEVY:**

14 Well, let me go -- let me go apples to apples.

15 **MS. CREASMAN:**

16 I want to ask a question though. With the well up in the
17 Shreveport area, Steve, you were saying that one time there was a
18 hole in it, right, and then they replaced --

19 **MR. MALEY:**

20 There came to be a hole in it.

21 **MS. CREASMAN:**

22 But, I mean, it's been attempted to plug it twice, and it's --

23 **MR. HARRIS:**

24 It had originally been properly plugged and abandoned. There
25 was -- again --

1 **MS. PARKER:**

2 Yeah. It was in a package in, I think, 2018 to be plugged, and
3 that's when we had the disagreement about the amount of the tree
4 with the landowner, and, therefore, we have fixed the leak. It is no
5 longer leaking methane.

6 **MR. LEVY:**

7 Ms. Creasman, I'm trying to compare apples to apples, which
8 would be the Shuteston well. So the Shuteston well is secure, and
9 there is a NORM issue, but it's in the middle of a 25-acre pasture, so
10 it's not a threat to anyone's health.

11 **MR. HARRIS:**

12 In your opinion.

13 **MS. PARKER:**

14 Exactly. The landowner said that they were building something
15 out there is why we started looking at that well.

16 **MR. LEVY:**

17 So you have 150 psi extended vessel that's in this man's back yard
18 that's pressurized with methane, right, and you don't consider that to
19 be a threat to him?

20 **MR. HARRIS:**

21 We do and we would have plugged it back in 2018 if the gentleman
22 would allow us to cut down the tree and get a drilling rig in there, we
23 would have been happy to. We had it as part of a package of wells to
24 be plugged, but we're being held hostage a little bit by the gentleman's
25 tree.

1 **MR. SANDOZ:**

2 Mr. Levy, Chris Sandoz. If I might add that we've got 4,500 wells
3 to choose from, and -- and they all represent things that need to be
4 addressed, right, so we have a very large menu of projects. The well
5 was included, as everyone said, in a 2018 package. It was pulled. I
6 think we lack some of the tools we'd like to have to negotiate with
7 landowners. However, we have repaired that well several times, and
8 it has been included in the package of federal wells that will be
9 plugged using the federal money.

10 **MR. LEVY:**

11 And that's kind of a problem because the federal money is coming
12 in and it's going to take care of the real problems, while the projects
13 like the ExxonMobil Freshwater City project aren't going to get spent.

14 So also the Radiant Oil and Gas dry hole was plugged in Eugene
15 Island Block 18.

16 **MS. PARKER:**

17 Yes, sir. That one was addressed because it was near to another
18 one that was leaking --

19 **MR. LEVY:**

20 I understand that. It's a dry hole.

21 **MS. PARKER:**

22 So what? It's next door to one of them that is leaking and why
23 spend the extra money to mob/demob to that well when you've already
24 got something that's there.

25 **MR. LEVY:**

1 -- saltwater injection well that was --

2 **MS. PARKER:**

3 Yes, sir. Yes, sir. Guess what? It's still part of the 4,500 wells we
4 have to plug. Sooner or later, the money will get spent on that well.

5 **MR. LEVY:**

6 Why are so many saltwater injection wells being plugged?

7 That's --

8 **MS. PARKER:**

9 Again, why does it matter? It's still part of our 4,500 wells.

10 **MR. LEVY:**

11 It does matter because some of the wells are a bigger threat to the
12 environment and -- and -- and the health of people. That's why.

13 **MR. HARRIS:**

14 Mr. Levy, one thing I think there's a basic misunderstanding on --
15 on how we put these bid packages together. We don't go plugging in
16 exact order of the prioritization score. We package wells together that
17 are in the same field in order to minimize the mobilization costs, and,
18 really, allow us to plug the most wells possible with the limited dollars
19 available. I -- it sounds like you'd like us to plug one well at a time
20 based on no other factors other than prioritization. We -- we package
21 these wells together in bid packages that make sense and give us the
22 biggest bang for our buck.

23 **MR. LEVY:**

24 There appears to me to be no connection between the prioritization
25 system and plugging, okay. So none of it makes any sense. It appears

1 to me that the wells are picked for some other reason. And I
2 understand the econ -- you know, the theory that there's some
3 economic advantage to group these things together. The -- the number
4 of saltwater injection wells that have been plugged does not seem
5 reasonable, when there are these -- so many of these wells that are a
6 threat to public safety and the environment and, yet, they're being
7 plugged, and dry holes.

8 **MR. HARRIS:**

9 The vast majority -- and, again, if any of the -- if Chris or Cassie
10 want to jump in, typically, when you have orphan wells, it's not
11 unusual at all for a saltwater disposal well to be owned by the same
12 operator and in the same field for logistical reasons. So, yeah, we plug
13 saltwater disposal well when they're orphaned, as well.

14 **MR. LEVY:**

15 Well, the Radiant Oil well that was plugged was plugged in
16 conjunction with a saltwater injection well that had a leaking fitting
17 on surface. Those were the two wells in that project, so those two
18 wells were done at the same time. So there's no prioritization. There's
19 no method by which any of these are picked.

20 **MR. HARRIS:**

21 We're going to have to agree to disagree, Mr. Levy. You have your
22 opinion, and, you know, we stand by what we do. It's public record.
23 We do use the prioritization system, but we also try to maximize the
24 public dollars as best we can.

25 **MR. LEVY:**

1 Okay. And to close out this discussion, you know, Resolution 3083
2 says that the -- that the duty of the Commission is to approve and
3 evaluate priority lists for site restoration annually. I've been on this
4 Commission for a year now, and I've not voted on anything, so --

5 **MR. HARRIS:**

6 And we never have voted on every well that gets plugged. We
7 have voted on the ranking system that we use, and that is a -- a guide
8 that we use to go about plugging wells. Again, we don't do them in
9 exact order, that would have us crisscrossing the state, mobilizing one
10 time for each of the 4,600 wells, which is just not a practical way to get
11 this work done.

12 **MS. PARKER:**

13 Yes, sir. Anybody on the committee can recommend anything they
14 want to see on the prioritization sheets, so if you have something that
15 you would like to add or take away or whatever -- but you have to
16 understand, it's going to be voted on by everybody.

17 **MR. LEVY:**

18 No. I understand all that. I completely understand the
19 prioritization system. I've spent a year, I've researched it. I
20 understand how it works. None of it makes any sense.

21 **MS. PARKER:**

22 Again, you can -- you can make any recommendation you would
23 like to, sir, to make it make sense to you and we will put it before the
24 committee to be voted on.

25 **MR. HARRIS:**

1 Like every other member.

2 Any other questions?

3 (No response.)

4 **MS. PARKER:**

5 Okay. The final project we have on the current projects list is 14
6 wells in Lockport for around \$1.5 million to plug those wells, and I
7 think it got signed off on -- I mean, approved and signed off on to go
8 out sometime next week, so that one should be started soon.

9 And then upcoming projects --

10 **MR. ALLEN:**

11 Excuse me, Casandra. Are those land wells in --

12 **MS. PARKER:**

13 It's in marsh. I attended the site visit. Some of them are in water,
14 some of them are on land, but it's all in the marsh. It's right there
15 around 210 overpass in Lake Charles.

16 **MR. ALLEN:**

17 Oh, Lockport?

18 **MS. PARKER:**

19 Yes, sir.

20 **MR. ALLEN:**

21 A Lockport Field in Lake Charles?

22 **MR. MALEY:**

23 The Lockport Field, yeah, is visible from 210. I was confused for a
24 minute, too.

25 **MR. ALLEN:**

1 All right. I stand corrected.

2 **MR. MALEY:**

3 But it's -- I think a lot of those wells are drilled on land, and the
4 ground is submerged.

5 **MS. PARKER:**

6 Yes, sir, yes, sir.

7 And then the upcoming project we have is East Cameron Block 4
8 and Wildcat Fields in Cameron Parish. That will be seven wells. The
9 site visit was held on the 7th. The question and answer period just
10 ended, and that went out today, if I'm not mistaken. The bid opening
11 should be on the 22nd.

12 The next thing we'll cover is the north Louisiana mandate. Like I
13 said, the only project we have going on so far is the -- that Rapides
14 Parish Masters Creek Field package. I think it was three -- three
15 wells to plug and abandon, and we had a big remediation project that
16 was included in that project, which we were -- we have had to remove
17 due to legacy site -- what's the word I'm looking for?

18 **MR. SANDOZ:**

19 It's a legacy lawsuit where a private owner is pursuing former
20 operators for the damage to their property.

21 **MS. PARKER:**

22 So it went I think from like almost \$900,000 to plug those wells
23 and remediate that site to almost \$400,000 (phonetic).

24 And we do have a potential for a second Rapides Parish package.
25 That's going to take some back and forth with our lawyers, because, if

1 I'm not mistaken, it's near a -- a nursery and a home and we would
2 have to get everything situated with the landowners.

3 **MR. MALEY:**

4 Plant nursery or baby nursery?

5 **MS. PARKER:**

6 Plant nursery. Sorry.

7 **MR. MALEY:**

8 I had a question about the previous -- the Shoreline package, that's
9 some of the money that came out of the bankruptcy settlement?

10 **MS. PARKER:**

11 Yes, sir. If I'm not mistaken, we still have around \$650,000 left to
12 spent, it's just that every time we get one together, something comes
13 up where we end up having to spend that money on something else --
14 not that money, but, you know, spend our budget on something else.

15 **MR. MALEY:**

16 But the Shoreline money is spent on Shoreline --

17 **MS. PARKER:**

18 Only, Shoreline only wells, yes, sir.

19 **MR. MALEY:**

20 Thank you.

21 **MS. PARKER:**

22 Okay. The next slide is for federal, Coast Guard declined to
23 complete a Bayou Lafourche project.

24 **MR. SANDOZ:**

25 I think that was a -- that was a bubbling -- they thought it was a

1 pipeline at first. Coast Guard paid to excavate it. They believe it's a
2 well, but they chose not to continue with the federal project, so it's
3 something we'll have to address. And I believe it was an orphaned
4 operator but not an orphaned site.

5 **MS. PARKER:**

6 Site, right.

7 **MR. SANDOZ:**

8 And we're having to orphan it, yes.

9 **MS. PARKER:**

10 All right. The next --

11 **MR. MALEY:**

12 Is there any data available on that?

13 **MS. PARKER:**

14 I know there was emails back and forth. I don't know if there was
15 any like projects set up or anything.

16 **MR. MALEY:**

17 Have you identified a well by serial number or --

18 **MR. SANDOZ:**

19 Yeah. I think we have. I think we have identified the well.

20 **MR. MALEY:**

21 Okay. I'll ask outside the meeting. Thank you.

22 **MS. PARKER:**

23 Okay. I'll look that up.

24 Federal funding update is, the contracts to be signed hopefully by
25 the end of the week, and they should begin work as soon as possible,

1 abandonment work and landowner contract and all the presite visits
2 to begin immediately once those contracts are signed.

3 The next slide we have is just showing some of the wells -- what
4 some of the wells look like in East Cameron Block 4 package.

5 Finally, we're on to approve new OSR contractors, the -- does
6 anyone have any questions?

7 Okay. The first one is Weston Solutions. It's based out of
8 Pennsylvania, and they have an office here in Baton Rouge. The work
9 they plan to do is plug and abandonment, site restoration, sampling,
10 and they're for land only, all depths.

11 Mr. Harris -- I'm sorry, Secretary Harris, do you want to vote on
12 these individually, or do you want me to read them all and then vote
13 on all of them?

14 **MR. HARRIS:**

15 I guess the question, is there anyone here from Weston, Dynamic,
16 GDP, or Tony Cook that would like to speak?

17 **MS. PARKER:**

18 I think we do have a representative from Tony Cook if he would
19 like to -- do you want to say something?

20 **MR. HARRIS:**

21 Welcome. Thanks for coming. If it pleases the Commission
22 members, if you wouldn't mind come on up and introduce yourself,
23 please.

24 **MS. PARKER:**

25 Yeah. Just state your name and give us a little bit of information

1 about the company.

2 **MR. FRANCIS:**

3 Good afternoon. My name is Brian Francis (phonetic). I work
4 with Tony Cook at Tony Cook Construction. Tony purchased Thalan
5 (phonetic) Construction's business in south Louisiana. Our primary
6 business is building oilfield locations. We actively build in north
7 Louisiana and south Louisiana. We have heavy equipment, dozers,
8 excavators. We also work with a few of the environmental companies
9 doing the legacy lawsuits. We work closely with them for remediation
10 work. And so we're -- folks with lots of years of experience in the oil
11 and gas industry, so we're excited to possibly get on the list as a -- as a
12 contractor.

13 **MR. HARRIS:**

14 Thank you, sir.

15 Cassie, and I guess we could go through them one at a time.

16 **MS. PARKER:**

17 Okay. Like I said, Weston Solutions. Do you want to --

18 **MR. HARRIS:**

19 Yeah. Do I hear a motion to approve Weston as an OSR
20 contractor?

21 **MR. MALEY:**

22 So moved.

23 **MR. HARRIS:**

24 Moved by Mr. --

25 **MR. LEVY:**

1 There's no question and answer -- are they going to do downhole
2 work or -- yes or no; do we know?

3 **MS. PARKER:**

4 Yeah, P&A work. They have P&A work on their --

5 **MR. HARRIS:**

6 Actually, and we're discussing Weston Solutions. There's no one
7 here from Weston to answer those questions.

8 **MR. LEVY:**

9 And we're supposed to just vote on that with no information?

10 **MR. HARRIS:**

11 You can -- you can ask questions of our staff. You can vote for
12 approving them, or you can vote against. To my knowledge, those are
13 your options.

14 **MS. CREASMAN:**

15 So has Weston Solutions, they've applied, right, and gone through
16 review and --

17 **MS. PARKER:**

18 Yes, ma'am, yes, ma'am. Every potential contractor sends us an
19 application. We review it, and then we present it to y'all.

20 **MS. CREASMAN:**

21 There's a set of standards that's required?

22 **MS. PARKER:**

23 Yes, ma'am.

24 **MS. CREASMAN:**

25 And then they do escrow for --

1 **MS. PARKER:**

2 Ma'am?

3 **MS. CREASMAN:**

4 Do they set up an escrow account or --

5 **MS. PARKER:**

6 No, ma'am. We no longer require bonds to do any of our work. I think they
7 just have to have the insurance to be able to --

8 **MR. HARRIS:**

9 Anything in accordance with State bid law requirements. And, you know,
10 we've been approached back in 2016, and probably before, on how we could
11 lower the cost of doing this plugging work. Some of the things, you know, I was
12 asked, I know Commissioner Ieyoub was asked, can't we waive certain bid --
13 State bid law requirements, and we looked into the law which allows me the
14 latitude to do that but only if it's consistent with State bid law, which is kind of a
15 catch 22, because if I waive a requirement that's part of State bid law, in my
16 opinion, it's no longer consistent with State bid law. So, you know, we've --
17 we've had some changes in statute that give us a little bit more flexibility with
18 some of the requirements, but, at the end of the day, they have to meet the -- the
19 requirements laid out in statute. And by the time it gets put to a vote of the
20 Commission, it's my understanding that it's implicitly recommended by --

21 **MS. PARKER:**

22 Yes, sir.

23 **MR. HARRIS:**

24 -- staff, unless otherwise noted.

25 **MS. PARKER:**

1 Yes, sir.

2 **MR. LEVY:**

3 So there is no minimum requirement for technical capability with regard to
4 access to downhole? It's just a matter of filling out the four-form sheet.

5 **MR. HARRIS:**

6 I'll ask the folks that receive the application.

7 **MS. PARKER:**

8 Pretty much, because we have several people that bid on our projects that
9 have no downhole capabilities, but they hire out -- they subcontract out the
10 people who do.

11 **MR. LEVY:**

12 So most of the wells today are being plugged rigless with a crane. So what
13 we're doing is -- well, what the State is doing, what I'm not -- I'm not doing.
14 What the State is doing is accessing all these downhole environments with rigs
15 without any pressure control. There was an accident in Belle Isle recently where
16 some people were injured doing the very same thing. It seems to me that there
17 are no checks and balances here whatsoever with regard to accessing this
18 downhole environment, and this is being voted on with no information
19 whatsoever regarding that expertise to access this downhole environment. So I'll
20 be voting no.

21 **MR. HARRIS:**

22 Okay. Would you care to make a motion to change the way we do things?

23 **MR. LEVY:**

24 Well, I'll move that we should change the requirements for the -- all of the
25 vendors that access --

1 **MR. ALLEN:**

2 With all due respect, I think I had a motion on the floor already that never
3 really got seconded, and we're really not supposed to have discussion until you
4 have a second to a standing motion.

5 **MR. HARRIS:**

6 A valid point of order, Mr. Allen. Thank you.

7 And if you'll hold that, we will get back to that.

8 **MS. CREASMAN:**

9 Second.

10 **MR. ALLEN:**

11 I think we had a motion from Mr. Maley and a second --

12 **MR. HARRIS:**

13 -- and a second from Ms. Creasman.

14 **MR. ALLEN:**

15 That was to approve Weston Solutions.

16 I did have one question, if I may, not so much with Weston, but all of these
17 applicants, when I see the bullet point that says land only, all depths, what does
18 that mean all depths, when you're talking about a surface contractor?

19 **MS. PARKER:**

20 Yes, sir. The -- the -- the way that our application is set up for contractors, it
21 is broken out zero to 5,000, 5,000 to 10,000, over 10,000. So when I say all
22 depths, that they're working on land at any of those depths.

23 **MR. MALEY:**

24 You're talking about well depth.

25 **MS. PARKER:**

1 Yes, sir, well depth. I'm sorry. Plugback depth for the well.

2 **MR. ALLEN:**

3 So, in Weston's case, when I read land only, I'm -- you're talking
4 just land locations, not a barge location --

5 **MS. PARKER:**

6 Yes, sir, no water location.

7 **MR. ALLEN:**

8 You can drive a P&A rig or a crane to, right?

9 **MS. PARKER:**

10 Yes, sir.

11 **MR. ALLEN:**

12 Okay. All depths meaning all geographic depths.

13 **MS. PARKER:**

14 Yes, sir.

15 **MR. ALLEN:**

16 Okay. Thank you for that clarification.

17 **MS. CREASMAN:**

18 The next one, it says all locations, so I guess that means it could be
19 off a barge or --

20 **MS. PARKER:**

21 Yes, ma'am. That would be water locations and land locations, all
22 depths, again, at any well depth.

23 **MR. ALLEN:**

24 Thanks for that clarification.

25 **MR. LEVY:**

1 And the implication on depth is essentially danger, okay, because
2 the deeper you go, the higher the pressure.

3 **MR. IEYOUB:**

4 Each bid package has certain specifications that must be met,
5 right, before anybody would get the bid?

6 **MS. PARKER:**

7 Yes, sir.

8 **MR. IEYOUB:**

9 I mean, you have -- you have specifications, and then you look at the persons
10 that are bidding and see whether or not they can comply with the specifications
11 that are required to carry out the job, right?

12 **MS. PARKER:**

13 Yes, sir. Not only do we have specifications for -- for each well in our bids,
14 they have to provide a list of the equipment that will be used in said plugging of
15 those wells when they send in their lump-sum bid.

16 **MR. IEYOUB:**

17 And, obviously, before you would let a bid to a particular company, you feel
18 secure in allowing them to do to the job because they -- they meet with the
19 requirements that need to be met in order to do to the job?

20 **MS. PARKER:**

21 Yes, sir.

22 **MS. CREASMAN:**

23 And so kind of following up on something, so -- so if they are subbing out to
24 another company to do the drilling, do some of those requirements pass to that
25 company; are they required to meet --

1 **MS. PARKER:**

2 Yes, ma'am. They all -- it all passes.

3 **MS. CREASMAN:**

4 Thank you.

5 **MR. MALEY:**

6 What about the role of inspectors?

7 **MS. PARKER:**

8 Well, we try to have inspectors on every single plug and abandonment
9 project for OSR, so our inspectors for our -- each district are -- should be out
10 there.

11 **MR. LEVY:**

12 Who makes a rig rigless call?

13 **MS. PARKER:**

14 We do. And that would be something I would have to discuss with Roby on
15 and Chris when it occurs.

16 **MR. HARRIS:**

17 Are there any other questions?

18 (No response.)

19 We have a motion and a second to approve Weston Solutions. All in favor,
20 signify by saying "aye."

21 (Ieyoub, Creasman, Callahan, Maley, Allen all aye.)

22 All opposed?

23 (Levy opposed.)

24 The motion carries.

25 Next is Dynamic.

1 **MS. PARKER:**

2 Yes, sir. The Dynamic Group is based out of Baton Rouge. They are a
3 general contractor with remediation and restoration management background.
4 Like I said, they will be set up for all locations, all depths, and if I'm not
5 mistaken, they are the ones that have the Shreveport -- no, Monroe - CMAR
6 Construction Management over the IJJA wells up in Monroe.

7 **MR. ALLEN:**

8 I make a motion to approve Dynamic Group, LLC, please.

9 **MR. HARRIS:**

10 Thank you, Mr. Allen.

11 **MR. IEYOUB:**

12 Second.

13 **MR. HARRIS:**

14 Second by Commissioner Ieyoub.

15 Any questions regarding Dynamic?

16 **MR. LEVY:**

17 Do they have any downhole experience? They are a construction company,
18 aren't they?

19 **MS. PARKER:**

20 I do believe so, yes, sir.

21 **MR. LEVY:**

22 Yeah. So they don't have any downhole experience.

23 **MR. HARRIS:**

24 I -- I believe, in this case, they are -- they are hiring subcontractors with --
25 typically, a lot of the same subcontractors who are already on the OSR list.

1 **MS. PARKER:**

2 Like I said before, a lot of our contractors on our list that do bid on our -- our
3 projects are not downhole companies. They sub out to downhole companies.

4 **MR. HARRIS:**

5 And the contract that they're working under requires that the work be done
6 with people -- by people with significant experience.

7 Let's see. We have a motion and a second. All in favor, signify by saying
8 "aye."

9 (Ieyoub, Creasman, Callahan, Maley, Allen all aye.)

10 All opposed?

11 (Levy opposed.)

12 **MR. HARRIS:**

13 Motion carries.

14 Third, GDP Drilling.

15 **MS. PARKER:**

16 Okay. GDP Drilling, based out of Tulsa, Oklahoma. They are a P&A
17 company and site remediation/restoration. They will set up for land only, all
18 depths.

19 **MR. HARRIS:**

20 Any questions?

21 Is there -- do I hear a motion?

22 **MR. CALLAHAN:**

23 Motion.

24 **MR. HARRIS:**

25 Motion, Mr. Callahan.

1 **MS. CREASMAN:**

2 Second.

3 **MR. HARRIS:**

4 Second, Ms. Creasman.

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

6 (Ieyoub, Creasman, Callahan, Maley, Allen all aye.)

7 All opposed?

8 (Levy opposed.)

9 **MR. HARRIS:**

10 Motion carries.

11 Finally, Tony Cook Construction.

12 **MS. PARKER:**

13 Yes, sir. Tony Cook Construction, LLC, based out of Rayne, again, a
14 general contractor site group remediation/restoration, set up for land only, all
15 depths.

16 **MR. IEYOUB:**

17 I move.

18 **MR. HARRIS:**

19 Motion by Commissioner Ieyoub.

20 **MR. ALLEN:**

21 Second.

22 **MR. HARRIS:**

23 Second by Mr. Allen.

24 Questions?

25 **MR. LEVY:**

1 Mr. Cook (sic), do y'all have any downhole experience?

2 **MR. FRANCIS:**

3 No, we do not.

4 **MR. LEVY:**

5 Okay. Thank you.

6 **MR. HARRIS:**

7 Just a general comment, the environment we're under right now, the -- all
8 this additional federal money has the -- more dollars chasing a limited number of
9 resources in the form of drilling contractors. It's not surprising that, you know,
10 there -- we're seeing some -- some new faces.

11 So, at any rate, for Tony Cook, do I hear a motion?

12 **MR. CALLAHAN:**

13 I move.

14 **MR. HARRIS:**

15 Mr. Callahan.

16 **MR. IEYOUB:**

17 I'll second.

18 **MR. HARRIS:**

19 Second by Commissioner Ieyoub. Did we do this already?

20 **MR. ALLEN:**

21 Yeah.

22 **MR. HARRIS:**

23 I'm sorry. I lost track of where we were.

24 **MR. IEYOUB:**

25 I moved, and it was seconded by --

1 **MR. HARRIS:**

2 Okay. Apologies.

3 **MS. CREASMAN:**

4 I think Mr. Francis -- I don't know.

5 **MR. FRANCIS:**

6 I'm not sure -- this is Brian Francis again. I'm not sure --

7 **MR. LEVY:**

8 Oh, I'm sorry, Mr. Francis.

9 **MR. FRANCIS:**

10 Yeah. Just a point of clarification, when you -- you asked the comment
11 about downhole experience, to -- to specify exactly what you're talking about, as
12 I'm 48 years old. I've been in the drilling fluids business since I was -- since I
13 was born. My family had a drilling fluids business, so, in that aspect, I do have
14 downhole experience. I don't know if you're referencing being a wire line
15 operator or being a driller or what aspect of the downhole are you referring to is,
16 yes, we do have downhole experience with certain aspects of the well.

17 **MR. LEVY:**

18 Mr. Francis, I appreciate you coming here, and I -- I hope that we can get
19 you on board as a -- my grandparents were from Rayne, so --

20 **MR. FRANCIS:**

21 Okay.

22 **MR. LEVY:**

23 -- we -- we share that in common. And I -- I understand wire line
24 experience. What I'm concerned here is the workers that have to go on these jobs
25 that go and P&A these wells.

1 **MR. FRANCIS:**

2 Correct.

3 **MR. LEVY:**

4 If you've got a crane out there and you start pulling tubing on these wells,
5 and the well starts to come in because you don't have any control on these wells.
6 I'm not sure that there's anybody looking out for the workers involved here. I'm
7 concerned for your company and your -- your guys. So -- and if you have wire
8 line experience, you know about, you know, BOPs (phonetic) and grease units
9 and pressure control and all those other things. There's a lot of people in Rayne
10 that have a lot of experience with pressure control and wells. There's a
11 tremendous amount of resource that we could bring together. My concern is that
12 we have the proper safety protocols in place, that we have the proper people in
13 control of these jobs before we start putting people in charge of these jobs. We
14 don't want to put somebody in charge on a location to start pulling tubing on a
15 well that's abandoned, been sitting there for a long time, plugged up somewhere,
16 and you start yanking on some stuff, and you release some pressure and some
17 people get -- it happened in Belle Isle recently. People got hurt, you know.

18 So the concern here -- and if I vote no, the concern here is for the safety of
19 you and your fellow workers and your company. It's -- it's -- that's my biggest
20 concern here.

21 **MR. FRANCIS:**

22 Thank you. I just wanted to clarify that about the downhole experience.

23 **MR. HARRIS:**

24 Thank you.

25 We have a motion to approve Tony Cook Construction. All in favor, signify

1 by saying "aye."

2 (Ieyoub, Creasman, Callahan, Maley, Allen all aye.)

3 All opposed?

4 **MR. LEVY:**

5 I'm going to abstain.

6 **MR. HARRIS:**

7 Thank you, Mr. Levy. So noted.

8 The motion carries.

9 Casandra, the next -- do we have another agenda item?

10 **MS. PARKER:**

11 The next slide would be the performance indicators for the first quarter of
12 this year. We have plugged a total of 35 wells, and, if I'm not mistaken, our goal
13 for the year is 200 wells. Plugging wells in south Louisiana will probably fall a
14 little bit short of that, so just as a heads up for the committee.

15 And then that's all of the information I have to present today.

16 And if anybody has any new business/old business to --

17 **MR. LEVY:**

18 Casandra, I would like to say that I have seen a tremendous amount of work
19 that y'all have all done, you and Chris and Roby, a lot of work, a lot of wells that
20 have gotten cleaned up, you know. I'm very thankful.

21 **MS. PARKER:**

22 Thank you, sir. I appreciate that.

23 **MR. SANDOZ:**

24 Thank you, Mr. Levy.

25 **MR. HARRIS:**

1 I promised we'd get back, Mr. Levy, if you'd care to make -- we were
2 discussing a possible motion, you were -- a few minutes ago?

3 **MR. LEVY:**

4 Yeah. Well, I'll move to institute a review of acceptance of vendors that are
5 allowed to work downhole.

6 **MR. HARRIS:**

7 Well -- and, just a suggestion, I mean, certainly, we could do that now. If
8 you'd like to have a more specific proposal for next time?

9 **MR. LEVY:**

10 Okay. I move that it would be broken out from the regular vendor selection
11 process and there be a criteria that a downhole company have specific experience
12 or the technical expertise. There must be some way that we can have a
13 requirement that -- that these people that are in charge of these operations are
14 qualified to do it.

15 **MS. CREASMAN:**

16 And I may have misunderstood that if Company A is a construction company
17 does not do the P&A, but they then hire Company B to do the P&A, that
18 company has to meet the same requirements --

19 **MS. PARKER:**

20 Yes, ma'am.

21 **MS. CREASMAN:**

22 -- as if they were the one -- the main --

23 **MS. PARKER:**

24 The specifications that we lay out in our bid process -- packets -- I'm sorry --
25 will be -- have to be addressed by whoever is doing the -- the --

1 **MS. CREASMAN:**

2 Anywhere along the --

3 **MS. PARKER:**

4 Yes, ma'am. So it could be a sub of a sub of a sub. It still has to be what we
5 laid out in our bid packet.

6 **MR. LEVY:**

7 Downhole experience is not a commodity. It's not -- it's not like there are
8 more downhole experienced companies available than there are construction
9 companies, that's the issue. So there should be a higher requirement.

10 **MR. SANDOZ:**

11 If I -- if I --

12 **MR. LEVY:**

13 That's the concern.

14 **MR. SANDOZ:**

15 Mr. Levy, if I may, and I think we have -- we have a lot of companies that
16 are construction companies, project management companies, that are seeking
17 approval as contractors. Those companies are going to want to submit a bid.
18 When they submit a bid, they're going to submit a list of their subcontractors, and
19 that's likely where you see the downhole experience is the subcontractors.
20 They'll be listing equipment that they plan to use and who they are hiring to do
21 the specific work.

22 **MR. ALLEN:**

23 And as part of the selection process, when you guys are evaluating those
24 proposals, you're looking at who those downhole contractors are -- those
25 subcontractors.

1 **MR. SANDOZ:**

2 That's correct.

3 **MR. ALLEN:**

4 You're evaluating their past and background. They're being fully vetted, as I
5 appreciate it, and before you issue a contract, you are -- "you," staff and the
6 Department, are satisfied that that downhole portion of the project will be
7 adequately taken care of; is that --

8 **MS. PARKER:**

9 Not only -- not only with the subcontractors, but with the equipment they
10 plan on doing the work with, if that makes sense.

11 **MR. LEVY:**

12 Please understand, I know it may not seem this way, but the intent -- at least
13 my intent is to make sure that you guys are covered.

14 **MS. PARKER:**

15 Yes, sir, I understand.

16 **MR. LEVY:**

17 You know, I've got to tell you, the Shuteston -- there's a Shuteston site
18 inspection report, I'm looking at a guy standing under a crane with no hard hat. I
19 mean, there's some problems with the --with the vendors that are doing some of
20 this work. Having experience with (unintelligible) oil companies, this kind of
21 stuff just wouldn't fly. We've got a lot -- no oil company is going to start pulling
22 on a well without well control, so we've got some -- there's some really weird
23 things that I see that are going on. It's troubling.

24 **MR. SANDOZ:**

25 Mr. Levy, we do specify well control equipment in our bid packages.

1 **MS. PARKER:**

2 Yes, sir. There's not any wells that we plug that don't have BOPs (phonetic)
3 on them and they have to be tested onsite to make sure they're operational.

4 **MR. HARRIS:**

5 We do have a motion. Anyone care to second?

6 (No response.)

7 Hearing none, that motion fails to carry.

8 Any public comment from Mr. Francis or Mr. Levy's cameraperson, either of
9 y'all have any public comments?

10 Oh, my apologies, ma'am. I'm sorry, ma'am. I can't hear you. Can you
11 come to the microphone, please?

12 **MS. DERMANSKY:**

13 I understand the way the priority list works, that it's not set in stone, that it's a
14 whole bunch of things together. You know, Patrick explained that pretty well.

15 What I don't understand is when you make the decisions, who's actually
16 voting, because you don't seem to vote on --

17 **MS. PARKER:**

18 No, ma'am. The committee does not make the decision which wells we go
19 plug.

20 **MS. DERMANSKY:**

21 So who does it?

22 **MS. PARKER:**

23 Usually, it is set up by -- sent up by District Managers, and they get those
24 wells from their inspectors, and they -- the inspectors are the ones that are on the
25 ground. They know whether a well is leaking or not, so they'll tell their District

1 Managers. The District Managers get in touch with Roby and myself, and we
2 discuss which wells need to go out in which packages.

3 **MR. HARRIS:**

4 And -- and the Commission, this body, provides general oversight. The day-
5 to-day operations are handled by Office of Conservation staff.

6 **MS. DERMANSKY:**

7 Who makes the final choice? So you guys make the recommendations.
8 Then you guys have -- you two look at it. Like, I'm trying to actually --

9 **MR. HARRIS:**

10 We provide -- we meet quarterly to provide general oversight of the program.
11 The -- this Commission voted to approve the ranking system that we use. We
12 don't vote on the ranking of every -- every single well site.

13 **MS. DERMANSKY:**

14 I -- I get that part. I'm just still like who actually is the decider? Is it
15 different people for different packages?

16 **MR. SANDOZ:**

17 No. I would say -- I would say it's Roby Fulkerson, the OSR -- is the final --

18 **MR. HARRIS:**

19 Ultimately, it's the Commissioner of Conservation.

20 **MS. DERMANSKY:**

21 So it's Roby?

22 **MR. IEYOUB:**

23 There's not just some arbitrary system of choosing. You know, if there's
24 downhole experience that's required, that is -- we make sure that the bid --

25 **MS. DERMANSKY:**

1 I'm not -- I'm not asking about the bids. I don't have any questions about --

2 **MR. IEYOUB:**

3 Let's just say learned engineers in the Office of Conservation make the
4 choice based on whether or not -- speak up, guys.

5 **MS. PARKER:**

6 Yes, sir.

7 **MR. SANDOZ:**

8 So we have performance indicators that -- that Cassie presented that, it's a
9 number of wells we have to meet. We have a certain amount of money that has
10 to spent in north Louisiana. I believe that was dictated by the legislature.

11 **MS. PARKER:**

12 Yes, sir.

13 **MR. SANDOZ:**

14 So -- so staff, you know, as I was trying to explain earlier, we have 4,500
15 wells. Every single well --

16 **MS. DERMANSKY:**

17 I don't think y'all -- my question --

18 **MR. SANDOZ:**

19 Every single well --

20 **MS. DERMANSKY:**

21 -- was a lot simpler than you think. I'm not asking you how you decide. I'm
22 asking exactly who decides.

23 **MR. SANDOZ:**

24 Well, I think -- I think it's a mixture of folks. I think it's the District
25 Managers, I think it's Roby, I think we get a budget. I mean, we're -- we're trying

1 to do a lot of different things with this program.

2 **MS. DERMANSKY:**

3 So if you're a writer and you're trying to write the answer, you're telling me
4 you think, and it's a bunch of different things. So what my takeaway is, there is
5 no one person.

6 **MR. HARRIS:**

7 Actually, I disagree. These folks --

8 **MS. DERMANSKY:**

9 That's fine. No. I'm just looking for an answer. I'm not trying to argue.

10 **MR. SANDOZ:**

11 Absolutely, so that's exactly --

12 **MR. HARRIS:**

13 Do you want to hear an answer?

14 **MS. DERMANSKY:**

15 Yeah, please.

16 **MR. HARRIS:**

17 These folks use a number of things. They use the ranking system. They use
18 budget -- just hold on.

19 **MS. DERMANSKY:**

20 They don't just like --

21 **MR. HARRIS:**

22 Ma'am, you're out of order. You asked a question. I'm the Chairman --

23 **MS. DERMANSKY:**

24 I'm -- you said I looked frustrated. I am because I'm not asking how. I'm
25 asking who. I'm just trying to make sure you understand my --

1 **MR. HARRIS:**

2 Ma'am, you're -- you're out -- you are out of order.

3 **MS. CREASMAN:**

4 I think that there's a relationship there, in my mind, that it sounds like Roby
5 -- well, actually, the Commissioner is the final voice in it, but multiple people
6 with expertise and perspectives on it weigh in. So it may be Roby makes the
7 decision, but if I have important information that influences him, then I'm a part
8 of that decision, too. I think that's all they're trying to say is that it's multi-faced
9 when that final decision is made. It's not just like somebody is the king of the
10 hill.

11 **MS. PARKER:**

12 Right. There's not going to be one -- one --

13 **MS. DERMANSKY:**

14 -- an answer. You're explaining it. You asked me if I had any questions.

15 **MR. HARRIS:**

16 And I did, and I've repeatedly tried to answer them and you won't let me
17 finish --

18 **MS. DERMANSKY:**

19 She did.

20 **MR. HARRIS:**

21 --- like you're doing --

22 **MR. LEVY:**

23 I think it's the Commissioner of Conservation.

24 **MS. PARKER:**

25 There's no one person is what we're saying.

1 **MR. HARRIS:**

2 Absolutely. That's what I've been trying to tell you.

3 **MS. PARKER:**

4 You can't write it up as being this person makes the decision.

5 **MS. DERMANSKY:**

6 A follow-up question is, when you have a decision made -- is there like a
7 name on it or is it like the whole --

8 **MS. PARKER:**

9 Say again. I don't understand what you said.

10 **MS. DERMANSKY:**

11 Is --

12 **MR. HARRIS:**

13 Excuse me. Excuse me. Thank you. What I've been trying to say for the
14 last five minutes is, ultimately, all of the staff report to the Commissioner of
15 Conservation who is appointed by the Governor. He is over his staff, and this
16 body, all of whom are appointed by the Governor, provide oversight to the
17 process. That's the way it's set up under law, and that's what we've been doing.

18 **MS. DERMANSKY:**

19 So, ultimately, this -- the decision is yours? That's all I wanted to know.

20 **MR. HARRIS:**

21 Yeah. Thank you.

22 **MR. ALLEN:**

23 That's been answered a long time ago.

24 **MR. HARRIS:**

25 Thank you very much.

1 **MR. LEVY:**

2 Thank you for asking the question, because I've been trying to find out for a
3 year too.

4 **MR. HARRIS:**

5 Do we have a motion to adjourn?

6 **MR. ALLEN:**

7 Motion to adjourn, please.

8 **MR. HARRIS:**

9 Thank you, Mr. Allen.

10 Is there a second?

11 **MR. IEYOUB:**

12 Second.

13 **MR. HARRIS:**

14 Second by Commissioner Ieyoub. Hearing no objection, this meeting is
15 adjourned.

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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 December 15, 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 61, 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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