

*JOHN BEL EDWARDS*  
GOVERNOR

# *State of Louisiana*

*THOMAS HARRIS*  
CHAIRMAN  
*RICHARD IEYOUB*  
VICE CHAIRMAN

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

## **MEETING MINUTES**

LaSalle Building  
617 North Third Street  
Thursday, October 20, 2016  
1:30 p.m.

### **MEMBERS PRESENT:**

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

### **OTHERS PRESENT:**

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

### **I. Roll Call:**

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

### **II. Approval of the July 2016, Meeting Minutes:**

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

*JOHN BEL EDWARDS*  
GOVERNOR

# *State of Louisiana*

*THOMAS HARRIS*  
CHAIRMAN

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

**RICHARD IEYOUB**  
VICE CHAIRMAN

## MEETING MINUTES

LaSalle Building  
617 North Third Street  
Thursday, October 20, 2016  
1:30 p.m.

### III. Fund Status:

Matt Simon reported that the first-quarter collections totaled approximately \$1.02 million. The OSR Fund closed out the first quarter with approximately \$437,000 in encumbrances and expenditures, and there is currently approximately \$1.5 million in the Fund account.

The Program administers 74 Site-Specific Trust Accounts which currently covers 1,774 active wells secured with a combination of cash and various financial instruments totaling approximately \$2.26 million.

### IV. Program Statistics:

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

To date, the Program has plugged and abandoned 2,781 orphan wells. Currently, there are 3,275 orphan wells remaining statewide.

Two hundred seven (207) wells were added to the orphan well count during this quarter.

Tyler Gray questioned whether the LOSCO, USCG, and EPA well count was included in the total orphan wells plugged by the Program. Matt Simon indicated that, no, they weren't included, in this case, in the 2,781 orphan wells plugged to date by the Program with 404 funding since the Program's inception. The total wells enumerated to the right of the heading for LOSCO, USCG, and EPA were additional wells plugged and abandoned by using those entities' funds. However, those wells plugged by these other entities are reducing the number of wells remaining statewide.

Tyler Gray requested that there be an indicator of total wells plugged, whether by the 404 funds or by monies from an outside entity since the issue was raised in the past legislative session as to how many total wells the Program was plugging, and he wants to make sure that all wells are included, including those by outside entities, so the number of orphaned wells remaining is correct.

*JOHN BEL EDWARDS*  
GOVERNOR

## *State of Louisiana*

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

*THOMAS HARRIS*  
CHAIRMAN  
*RICHARD IEYOUB*  
VICE CHAIRMAN

### **MEETING MINUTES**

LaSalle Building  
617 North Third Street  
Thursday, October 20, 2016  
1:30 p.m.

#### **IV. Program Statistics (con't):**

Thomas Harris and Richard Ieyoub concurred with the suggestion by Tyler Gray to report the total number of wells plugged regardless of the source, in addition to wells plugged strictly by 404 funds. Matt Simon said he could make separate line items in the statistical review, one with total wells plugged by any source, and one with total wells plugged strictly by the Program since its inception.

Brent Campbell informed the Commission that LOSCO is no longer plugging and abandoning wells, but because they have plugged some since the inception of the OSR Program, their numbers are still included in the statistical report.

Matt Simon also informed the Commission that some of the wells that are no longer on the orphan list may not be plugged and abandoned; they may be taken over by companies to plug and abandon themselves without having the Program be responsible for that task. In this quarter, 84 wells fall into that category, they were reverted from Status 23, orphaned, to operators of record removed them from the list.

Paul Frey inquired of John Adams regarding a bill in the legislature this past session relative to finding prior operators and what the status is regarding that. John Adams said that initiative began August 1, 2016, and was fully implemented. However, only wells transferred after August 1st, if they become orphaned, will have contact information of the operator of record and the landowner, and the landowner can decide if there is some action they can or want to try to take to incentivize the operator to take responsibility of the orphaned well, above and beyond what the Program is doing.

John Adams informed the Commission that if an operator orphans one well, the Program orphans every well that operator has control of. The theory is that if an operator allows one well to not be compliant and orphaned, then they should not be allowed to operate any wells. This action is to incentivize the operators to keep all wells in compliance.

*JOHN BEL EDWARDS*  
GOVERNOR

# *State of Louisiana*

*THOMAS HARRIS*  
CHAIRMAN

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

**RICHARD IEYOUB**  
VICE CHAIRMAN

## **MEETING MINUTES**

LaSalle Building  
617 North Third Street  
Thursday, October 20, 2016  
1:30 p.m.

### **IV. Program Statistics (con't):**

**A.** A graphical representation was presented demonstrating the current orphaned well count in the state (3275) compared to the cumulative number of wells plugged by the Program (2781).

A graphical representation was presented demonstrating the number of plugged urgent and high-priority scored wells (504) versus the number of remaining urgent and high-priority wells (389) to be plugged.

### **B. Fiscal Year 2016-2017 First Quarter Program Performance**

During the fourth quarter of this fiscal year, the Program plugged five urgent and high-priority wells.

The percentage of revenue spent on urgent and high-priority wells this fiscal year is 23 percent. The percentage will increase because there are currently projects on bid.

A total of 37 orphaned wells were plugged and abandoned this quarter.

### **V. Oilfield Site Restoration Program Projects:**

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

*JOHN BEL EDWARDS*  
GOVERNOR

## *State of Louisiana*

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

*THOMAS HARRIS*  
CHAIRMAN  
*RICHARD IEYOUB*  
VICE CHAIRMAN

### **MEETING MINUTES**

LaSalle Building  
617 North Third Street  
Thursday, October 20, 2016  
1:30 p.m.

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

##### **A. Completed Projects:**

Five projects, which totaled 52 wells were completed in the first quarter, including some high-priority wells, and one project, PA 17-001, the Program was reimbursed by BP.

##### **B. Active Projects:**

There are three current active projects, consisting of 27 wells, 16 of which are high-priority wells, for a total cost of approximately \$48,000.

#### **VI: Federal and Third-Party Activity:**

The OSR Program continues to enlist the assistance of outside agencies when necessary to plug and abandon wells.

*JOHN BEL EDWARDS*  
GOVERNOR

## *State of Louisiana*

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

*THOMAS HARRIS*  
CHAIRMAN  
*RICHARD IEYOUB*  
VICE CHAIRMAN

### **MEETING MINUTES**

LaSalle Building  
617 North Third Street  
Thursday, October 20, 2016  
1:30 p.m.

#### **VII: Old Business/New Business:**

Three contractors, Blanchard Contractors, Inc., C Dive, and Crescent Drilling and Production, Inc., have applied to be included on the contractor's list. All their paperwork is in order, and Matt Simon asked the Commission for a motion to add these contractors to the list. There are currently over 60 approved contractors on the list. Each year the contractors are required to send in current information of their company, credentials, and up-to-date Louisiana contractor's license. If a company on the list fails to respond or is no longer qualified, they will be removed from the list.

Paul Frey made a motion to add these contractors to the list.  
Tyler Gray seconded the motion.

Barney Callahan suggested that a stipulation in the bid contract should be for a contractor to have a member identification with and utilize Louisiana One Call. Brent Campbell said it is not required under the rules, but it is in the bid package that the contractor has to utilize this service. Barney Callahan said it was state law, and so Brent Campbell said, yes, he would look into it.

There was no objection to the motion.  
The motion was approved.

*JOHN BEL EDWARDS*  
GOVERNOR

## *State of Louisiana*

*THOMAS HARRIS*  
CHAIRMAN

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

**RICHARD IEYOUB**  
VICE CHAIRMAN

### MEETING MINUTES

LaSalle Building  
617 North Third Street  
Thursday, October 20, 2016  
1:30 p.m.

#### **VII: Old Business/New Business (con't):**

Brent Campbell commented regarding streamlining the bid process. The OSR Law, R.S. 92-C, allows the Program to deviate from the Public Bid Law if the Commissioner of Conservation promulgates rules specifying the particulars of the differences.

One of the considerations was the length of time between advertisement and work commencement, which is currently about a 75-day period. It is desired that a change be made to initiate projects more quickly, which may be achieved through a shorter advertisement period from possibly the current publishing of three consecutive weeks to publishing one week in the State journal. The approved contractors on the list are sent out notifications, and since they are the only ones that can bid on projects, it may not be necessary to publish the bid for three weeks.

Richard Harris questioned whether the legal staff has examined this proposal for meeting statutory requirements for notice. Mr. Campbell responded that, yes, the legal staff has gone over it, and that the OSR Law does provide for a deviation from the Public Bid Law. Mr. Harris asked for a memo outlining the proposal, changes, and how it would meet the statutory requirements.

Barney Callahan and Tyler Gray commented that it really isn't a public bid if the bidders can only come from a specified list, and there may not be a requirement, in that instance, for it to be published at all. Brent Campbell and Paul Frey said there are other agencies that do not adhere to the Public Bid Law when there are specific limited bidders for projects, but Mr. Campbell said he would check further into it and draft some language to present to the legal staff and to the Commission.

Gary Ross explained that a discussion was had and it is felt at least one publishing should be done to notify the landowners and/or the parishes or municipalities in the areas where work would be conducted, in addition to the AGC's, Association of General Contractors, and F.A. Davis's interest in contracting activity, but would reduce the publishing from three weeks to one week would provide an adequate timeframe while shortening the length of time for the bid process.

*JOHN BEL EDWARDS*  
GOVERNOR

## *State of Louisiana*

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

*THOMAS HARRIS*  
CHAIRMAN  
*RICHARD IEYOUB*  
VICE CHAIRMAN

### **MEETING MINUTES**

LaSalle Building  
617 North Third Street  
Thursday, October 20, 2016  
1:30 p.m.

#### **VII: Date of Next Meeting:**

January 19, 2017, is the tentative date set for the next Commission meeting, at 1:30 p.m. in the LaSalle Building hearing room.

#### **ADJOURN:**

Barney Callahan made a motion to adjourn.  
Paul Frey seconded the motion.

The meeting was adjourned.