



BOBBY JINDAL
GOVERNOR

State of Louisiana
DEPARTMENT OF NATURAL RESOURCES
OFFICE OF CONSERVATION

STEPHEN CHUSTZ
INTERIM SECRETARY

JAMES H. WELSH
COMMISSIONER OF CONSERVATION

**DECLARATION OF EMERGENCY
AND DIRECTIVE**

Pursuant to the authority granted to the Commissioner of Conservation and Assistant Secretary of the Louisiana Department of Natural Resources under La. R.S. 30:1, et seq., particularly La. R.S. 30:6.1;

It is hereby declared that Texas Brine Company, LLC has reported that samples taken by Texas Brine Company, LLC, on September 7, 2012, in the cap-rock at approximately 400 - 415 feet below ground level from a well drilled near their Oxy Geismar No. 2 Well site (SN 151646), suggests the possibility that natural gas at that depth is present in and around the cap rock above the Napoleonville Salt Dome. Furthermore, Texas Brine Company, LLC also encountered on September 7, 2012 a pocket of natural gas at approximately 120 - 150 feet below ground level in the Mississippi River Alluvial Aquifer.

It is hereby declared that a geotechnical borehole installed on September 13, 2012 by a contractor of the Office of Conservation to sample for the presence of natural gas encountered a pocket of methane at approximately 45 feet below ground level roughly 1000 feet to the North, Northwest from the Oxy Geismar No. 2 Well site (SN 151646). There is also continuous bubbling of natural gas in the Bayou Corne area with several additional bubbling sites being discovered since September 1, 2012.

It is hereby declared that on September 13, 2012, the Louisiana Department of Health and Hospitals, Office of Public Health issued a letter in which it stated that high levels of methane were found in industrial water wells in the Bayou Corne area with methane concentrations as high as 26,600 µg/L and 27,700 µg/L. Furthermore, the letter further states that based upon these levels immediate remediation is warranted.

It is hereby declared that the presence of natural gas in formations and sands shallower than the underlying cap-rock, and in the Mississippi River Alluvial Aquifer and its top stratum in and around the Bayou Corne area has the potential to threaten lives, the environment, property and operations, sites and facilities under the regulatory authority of the Commissioner of Conservation.

It is hereby declared that based upon the new evidence this Emergency Declaration is issued to PONTCHARTRAIN NATURAL GAS SYSTEMS (P038) to require the following.

It is further declared that this emergency incident is of such magnitude as to require PONTCHARTRAIN NATURAL GAS SYSTEMS (P038) to expeditiously undertake and PONTCHARTRAIN NATURAL GAS SYSTEMS (P038) is specifically directed and ordered to perform all of the following within the deadlines stated below:

- 1) In order to determine the extent and source of the above described natural gas and to take steps to abate the presence of this natural gas, **immediately begin** implementation of a plan to


- sample and assess natural gas in the cap rock and all shallower strata and to the extent necessary to protect the public, safely capture, vent or flare any natural gas found to have impacted or threatening to impact the Mississippi River Alluvial Aquifer and the shallower formations and sands on its property/lease(s) located atop the Napoleonville Salt Dome;
- 2) **Immediately begin** to implement a plan to analyze for any potential impact the groundwater aquifer underlying its property/lease(s) and report daily groundwater production from any water wells on its property/lease(s);
 - 3) In order to determine the source of natural gas and the safety of its natural gas storage operations, **immediately begin** to implement a plan to prove the integrity of the storage caverns associated with the following well(s) NATURAL GAS STORAGE NO. 001 (SN 971444) including providing the Office of Conservation with daily reports of cavern pressure;
 - 4) Provide the plans required in directives 1, 2 and 3 above to the Office of Conservation by 3:00 p.m. Monday, September 17, 2012;
 - 5) Provide to the Office of Conservation daily updates on any and all activities, data or other results associated with complying with this Emergency beginning on Tuesday, September 18, 2012; and
 - 6) Undertake in an expeditious manner any changes or amendments to the plans required by this emergency declaration as ordered by the Commissioner of Conservation

It is further declared that, consistent with La. R.S. 30:6.1.B, if PONTCHARTRAIN NATURAL GAS SYSTEMS (P038) fails to begin the actions listed above within the deadlines set forth, orders demanding compliance and civil penalties may be issued to PONTCHARTRAIN NATURAL GAS SYSTEMS (P038) R.S. 30:1, et seq.

It is further declared that if PONTCHARTRAIN NATURAL GAS SYSTEMS (P038) fails to begin the actions set forth herein within 24 hours or by the respective deadlines, whichever is later, the Department of Natural Resources shall be allowed to undertake necessary actions for purposes of assessing the natural gas, its source, and to recover, vent or flare the gas as needed. Recovery of costs expended by the Department of Natural Resources from PONTCHARTRAIN NATURAL GAS SYSTEMS (P038) shall be available in accordance with the statutes, rules, and regulations applicable to the source of funds.

Nothing herein shall supersede any previous emergency declarations or directives associated with the recent natural gas bubbling and sinkhole in the Bayou Corne area.

SO DECLARED, ORDERED, AND DONE this 14th day of September 2012 at Baton Rouge, Louisiana.



JAMES H. WELSH
COMMISSIONER OF CONSERVATION