LDNR – Office of Conservation Injection & Mining Division

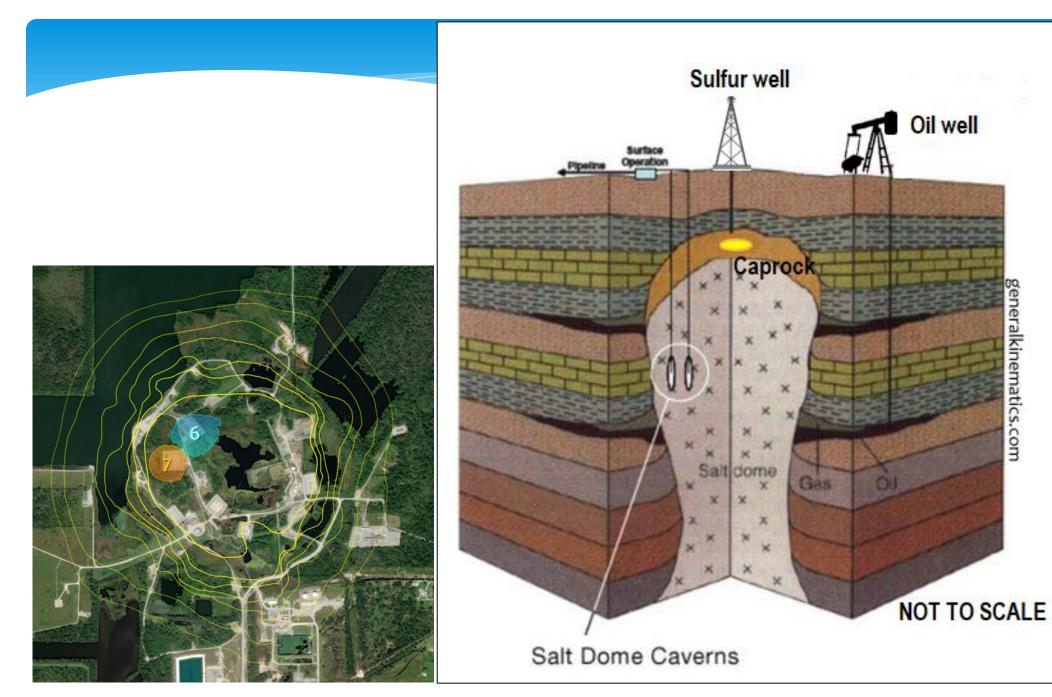
Briefing for The Town of Sulphur

Sulphur Mines Salt Dome Calcasieu Parish, Louisiana

December 19, 2023



State of Louisiana DEPARTMENT OF NATURAL RESOURCES

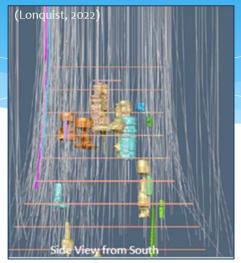




generalkinematics.com

Sulphur Mines Salt Dome History: 1868 to 2023

Below: The white lines are historic traces of wellbore paths around the dome





- **155-years** of **hydrocarbon** exploration (1860's)
- **50-years** of **sulfur** extraction from caprock (1880's)
- **77-years** of **solution-mining** of rock salt (1940's)
- 67-years of hydrocarbon storage in salt caverns (1950's)
- **50-years** of **SWD Caprock Disposal** (1960's)
- 1978-1994: DOE-SPR occupied (5) caverns for crude storage
- DOE-SPR left crude oil behind in the caverns, the total amount is estimated to be about 112,000 bbls.

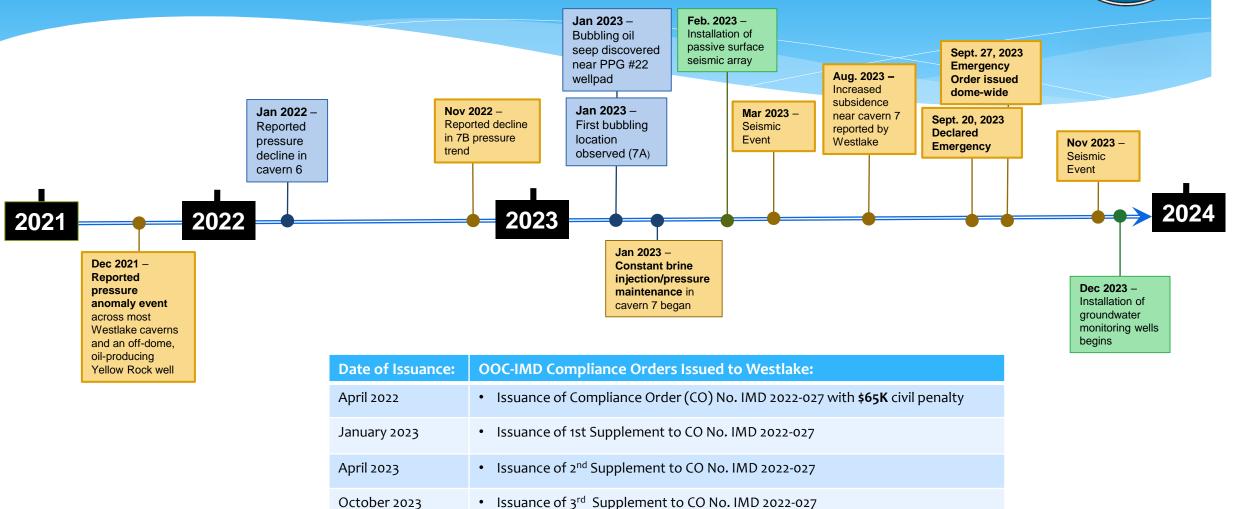
Concerns:

- Approx. 850+ known wells drilled into caprock and most were used for sulfur mining
- Many wells not properly plugged creating potential vertical conduit(s) to surface
- Unknown amount of produced fluids (likely under-saturated) injected into caprock for disposal, likely contribute to dissolution of the salt stock
- Historic drilling practices have **compromised the salt stock and caprock**, inducing dilation (damage) and ground subsidence



Above: 1-million ton block of sulfur (40' tall). About 10.5 million tons were produced from the Sulphur Mines dome

Recent Timeline – 2021 to Present



NAME AND OF MATTER

Site Location (surface)

Approximate Distances:



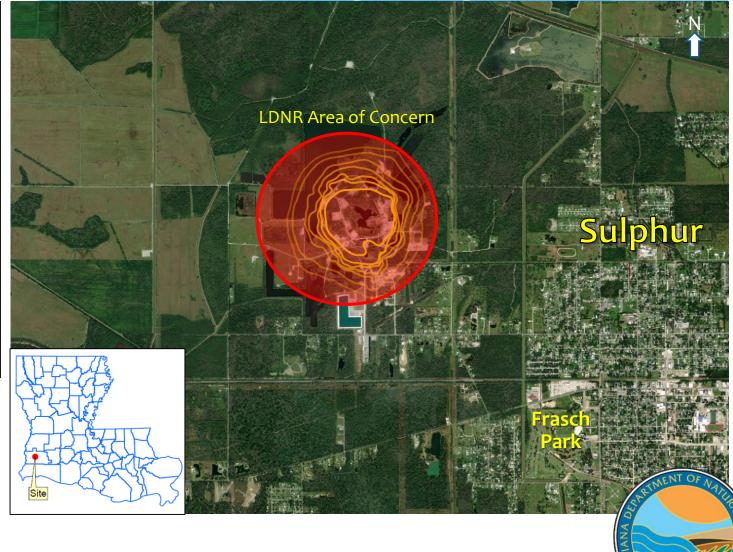
- Approx. 9.5 miles west of Lake Charles, LA. Approx. 18 miles from LA/TX stat.
- Approx. 18 miles from LA/TX state line

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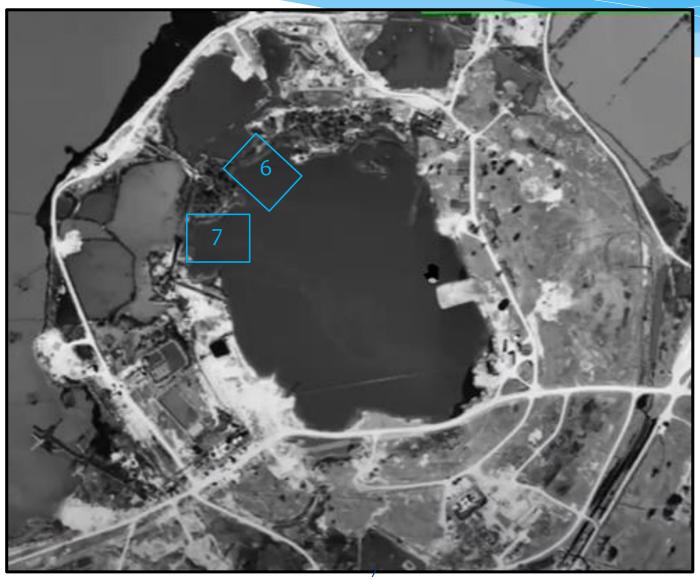


Surface Location: 3200-ft. Area of Concern





Historical Site Location: 1954 Imagery of Sulphur Mines Salt Dome (USGS)



*Outlined in blue are the approx. current locations of cavern 6 & 7 well pads



Site Location (subsurface)

Cavern Operator: Westlake US 2, LLC

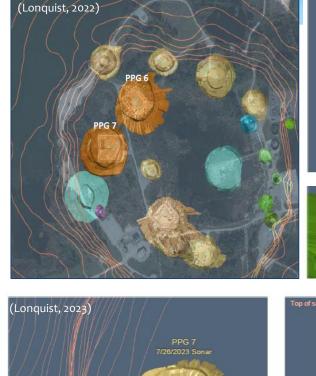
Cavern No. 6: Drill date = 08/26/1955; Inactive in 2014 (no longer mining) Cavern No. 7: Drill date = 10/22/1957; Inactive in 2014 (no longer mining)

→ January 2023: 24/7 injection began into Cavern 7 (rate ~320 gallons per minute) after loss of mechanical integrity. Pressure rapidly declines if injection rate decreases or stops

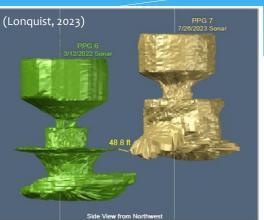
- Volume of Brine Injected into Cavern 7B: ~3.2 mmbbls (as of 12/18/2023)
- Volume of oil recovered out of PPG 7B: ~54,975 bbls (as of 12/18/2023)

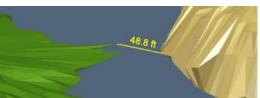
Primary Concerns:

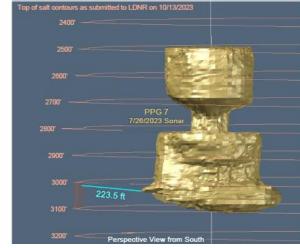
- 1. Structural and mechanical integrity of Caverns 6 and 7
- 2. Migration path of the fugitive brine from Cavern 7
- 3. Unknown source of hydrocarbons and release to surface
- 4. Potential threat to Chicot Aquifer (groundwater)



223.51

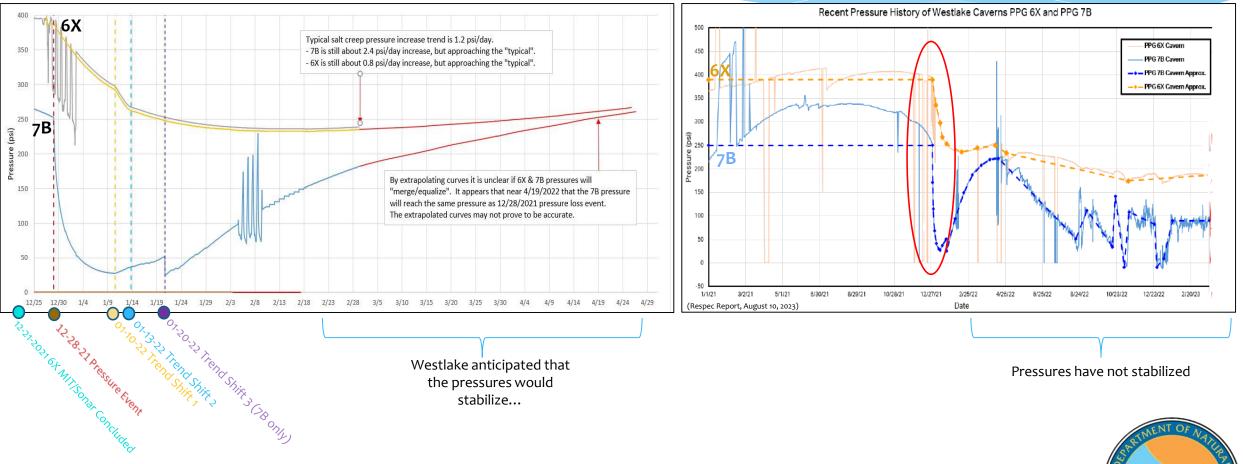






Pressure Data: Caverns 6 and 7

The Event – December 28, 2021

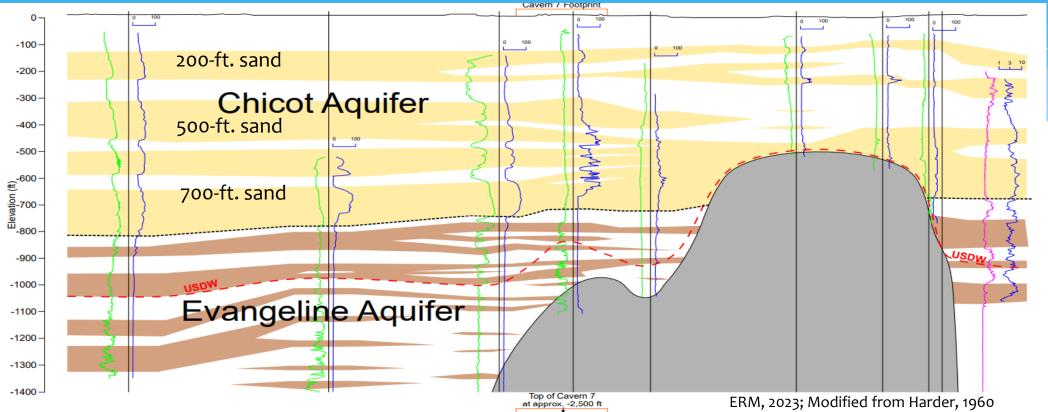


This event occurred within a week of concluding a mechanical integrity test (MIT) on cavern 6 (PPG 6X)



Potentially Impacted Areas: Groundwater

Generalized NW-SE Cross-Section



- There are 2 water bearing formations or aquifers in this area of the State, the **Chicot** and **Evangeline aquifers**.
- The **Evangeline aquifer** is **saline** near the dome and is not utilized.
- The **Chicot aquifer** is the sole source aquifer in this area and consists of the **200-ft.**, **500-ft.**, and **700-ft.** sands all of which are utilized regionally.



Chicot Aquifer Investigation

- Identified all water wells within a 5-mile radius. Inspections have found a large number of domestic wells in the area no longer exist.
- Gathering available data on existing wells related to drawdown, static water levels, and water quality from USGS, OPH, etc. to establish background/baseline.
- Directed the operator to install (9) monitoring wells to evaluate the Chicot Aquifer around the caverns and dome.
- Pursuing assistance with aquifer modeling and evaluation through LSU and 3rd party contractor (procurement pending).



Seismicity Micro-Earthquake (MEQ) – <u>Passive Seismic Array</u>

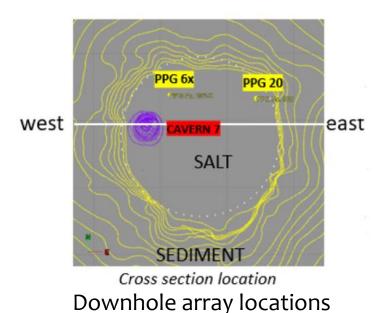


Figure 1. Google map image showing the location of the broadband seismic (Trillium Compact Sensors, yellow symbols and labels) stations near and at the Sulphur Mines Salt Dome.

"En	ergy Equivalents"	Magnitude			Displacement	Francianau
Magnitude 0	Potential Energy minivan dropping 3 feet	range	Class	Length scale	scale	Scale
-1 -2	bbl oil dropping 3 feet jug of milk 3 feet	2 to 4	Small	0.1–1 km	4-40 mm	1-100 Hz
		0 to 2	Micro	10–100 m	0.4-4 mm	10-1,000 Hz
Magnitude 0	Kinetic Energy Rifle	-2 to -0	Nano	1-10 m	40-400 µm	0.1-10 kHz
-1	Pistol	-4 to -2	Pico	0.1-1 m	4-40 µm	1-100 kHz
-2 Source for Energy table: Improved Engineering of	Air rifle Microsessmic imaging of Hydraulic Fracturing: Unconventional Shale Reservors (Distinguished	*Magnitu	de is Lo	garithmic		

12/28/2021: "The Event" is suspected to have been a MEQ event

- **3/18/2023:** MEQ event registering 0-1 (origin inconclusive likely due to depth); deep MEQ's cannot be accurately located using a surface array
- **11/1/2023:** MEQ event (size and origin inconclusive)
 - 1st Quarter of 2024: Anticipated installation of a downhole seismic array. This will provide **instant notification** and will have less "noise" and more accuracy than that of the surface array.



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Observed Impacts: Bubbles and Sheen Over the Dome

1/13/2023: First report of gas bubbling at the wellhead cavern 7.

Since January 2023, oil has continued to seep to the surface

Laboratory Analyses:

- Indicate that the samples of **methane** coming to surface is *mostly* thermogenic
- Indicate that **oil** sampled from the ground surface is closely related to the oil being locally produced by Yellow Rock (oil & gas operator)
- Indicate that the **oil recovered from Cavern 7** closely matches Middle Eastern oil profiles similar to the type of oil stored by the **Dept. of Energy-Strategic** Petroleum Reserve at this site from 1978-1994

*Note: Drought conditions and lack of rain affect bubbling observation efforts

27 Gas Bubbling/Oil Sheen Locations



Observed Impacts: Sheen & Oil Seep





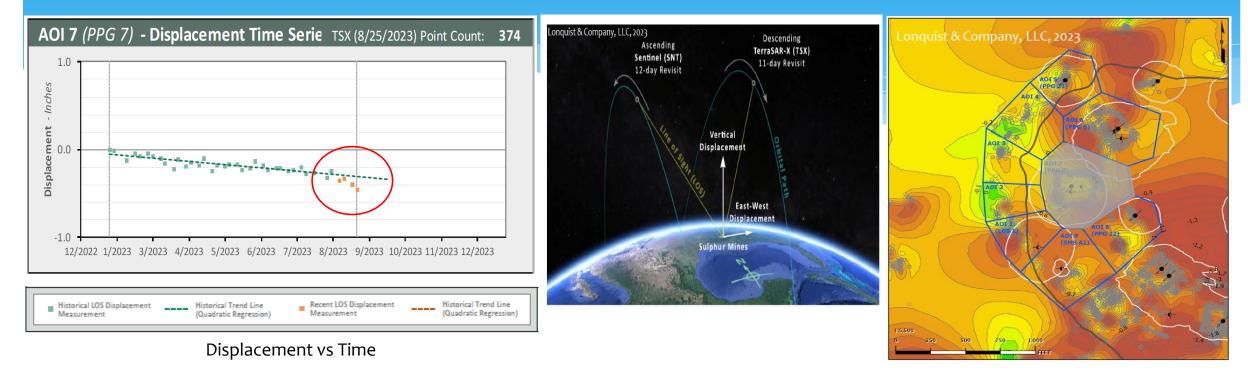








Observed Impacts: Subsidence



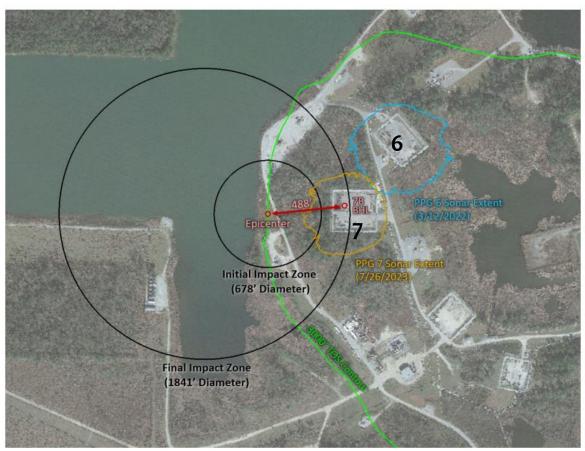
Note: Shaded AOI 7 covers the footprint of Cavern 7

- Satellite (InSAR) monitoring of surface movement (subsidence) can be a reliable predictor for subsurface movement prior to rapid collapse (documented after Bayou Corne sinkhole event in 2012).
- 8/25/2023 Westlake began reporting possible variation from the historic trend line for subsidence rates; this variation is still being investigated by Westlake

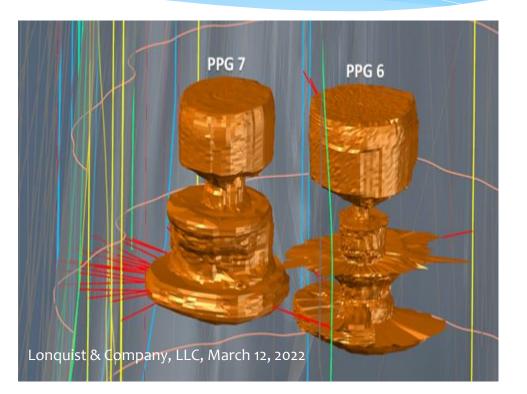


Subsidence and Potential Sinkhole Formation

Westlake's Impact Zone Analysis – November 2023



LDNR has retained Agapito Associates, Inc. and they are working to validate the potential impact zone

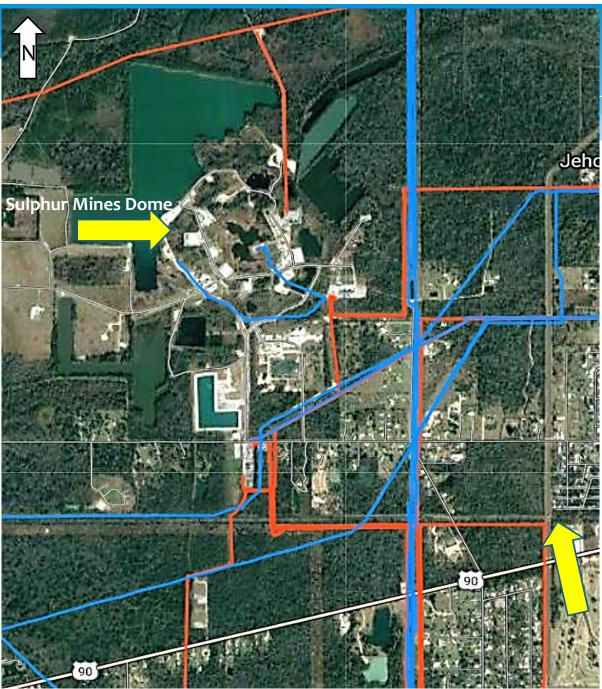




Existing Pipelines

Red Lines = liquid hydrocarbon pipelines

Blue Lines = gas pipelines





Town of Sulphur City Limits

www.npms.phmsa.dot.gov

Response Actions Taken by LDNR-OOC

OOC's Response to Date:

- Issuance of Compliance Order No. IMD 2022-027 (plus three additional supplements) to Westlake with a civil penalty of \$65,000
- 1-2 times weekly site inspections of the AOI/AOC by LDNR
- Subpoenas Issued and documents received
- Continuous review of data and monitoring
- Regularly scheduled meetings and progress checkins with Westlake, adjacent dome operators, and other stakeholders
- Dedicated Sulphur Mines informational website (updated daily)

OOC's Resources deployed to Sulphur Mines:

- In-house geologists and engineers continuously reviewing data as submitted
- Weekly site visits by OOC field inspectors
- Third party contractors
 - Agapito
 - TetraTech
 - LSU



	itoring Required		Ongoing & Planned Projec Required by OOC		
Report Type	Reporting Frequency		Project Type	Date Expected	
Pressure and Operational Reports	Daily		Geomechanical Model (Phases 2- 5)	Mid January 2024	
Satellite (InSAR) Subsidence Reports	Every 4, 7, and 12 days		Monitoring Well Installation, Logging and Sampling	End of January 2024	
Microseismic Reports	Biweekly		Borehole seismic		
Water Well Sampling	Monthly		installation in cavern nos. 6 & 20	Early 1 st Quarter 2024	
Bubble Site Gas and Water Sampling	Quarterly	19	Containment Structure	TBD	

Community Questions

Service Alexander Ale

- 1. What type of experts and resources have been sent to the area to study what's going on?
- 2. Who picks up the bill for that type of work?
- 3. When referring to these caverns, how many are we talking about that are being studied? Or, is there a "problem" with a certain number of caverns and underground are many caverns?
- 4. Could you help us "picture" what it looks like beneath the surface?
 - a. How far down is the cavern?
 - b. Do individual caverns hold petroleum products?
 - c. How long has the oil been in these caverns? If that is what holds the oil, are these caverns compromised, weakened, unable to hold pressure, etc.?

- 5. Did Westlake Corp. alert you to a potential problem based on something happening at the surface, inability of cavern to maintain pressure, or other problem?
 - a. Or, does your department or some other department check on these sites periodically? (How was the potential for problem discovered?)

6. What is under the Dept. of Natural Resources purview/umbrella? Which department is overseeing this issue?

7. I have contacted GOHSEP, and the local head of that program said that they have not taken any action? Why were they authorized? What kind of action do you see them taking?

Community Questions Continued



8. What is the potential problem that led to the Declaration? What is your primary concern? Contaminating the water with salt, petroleum, other? An explosion? Are you trying to "get at" the reserves? Is there the danger of a sinkhole?

9. Will the first collapse cause any other dome to collapse?

10. How would it affect all of these underground pipelines?

11. What would be the effect on the houses according to the distance from the collapse of the dome?

12. Any warning signs?

13. Any flooding?

14. Any methane gas released?

LDNR-OOC Website Access



Sulphur Mines Investigation 2023 MAIN MENU: Monitoring Imagery Front Page Maps **Daily Reports** Geomechanical Photos & Video Inspections Seismic Work Plans Subsidence **Other Reports Document Access** Sampling

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Search

https://dnr.louisiana.gov/SulphurMines

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Coordinating Agencies and Consulting Experts



THE STARE SUBSE





COUISIANA OIL SPILL coordinator's office



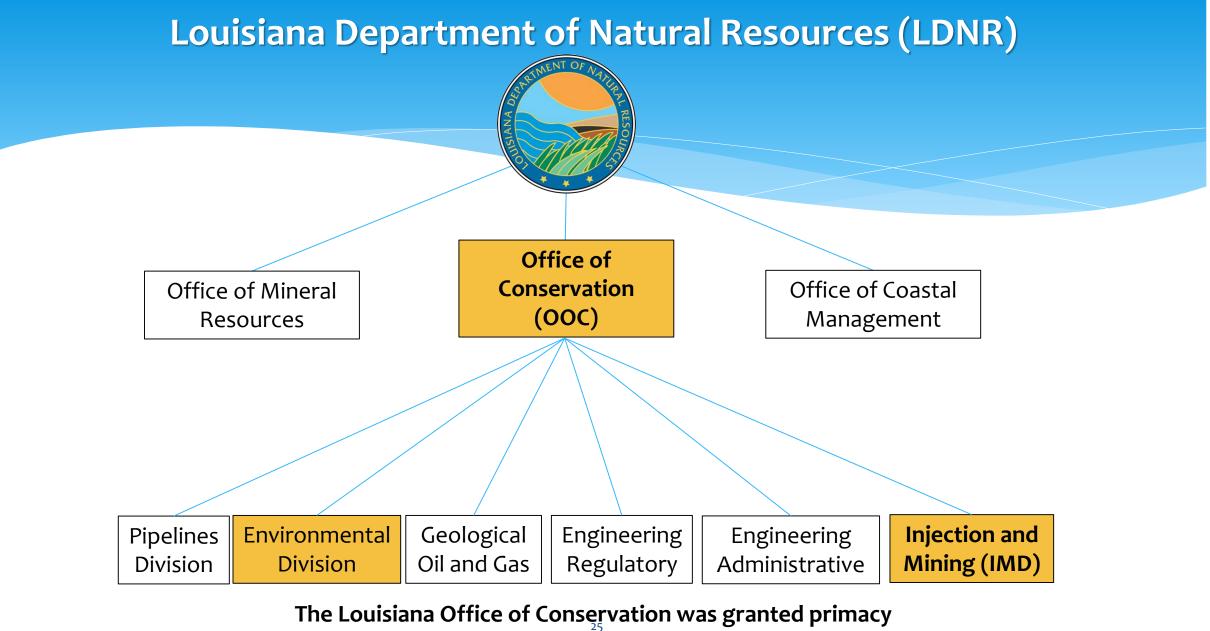
Agapito Associates, Inc. ENGINEERS & GEOLOGISTS



LSU

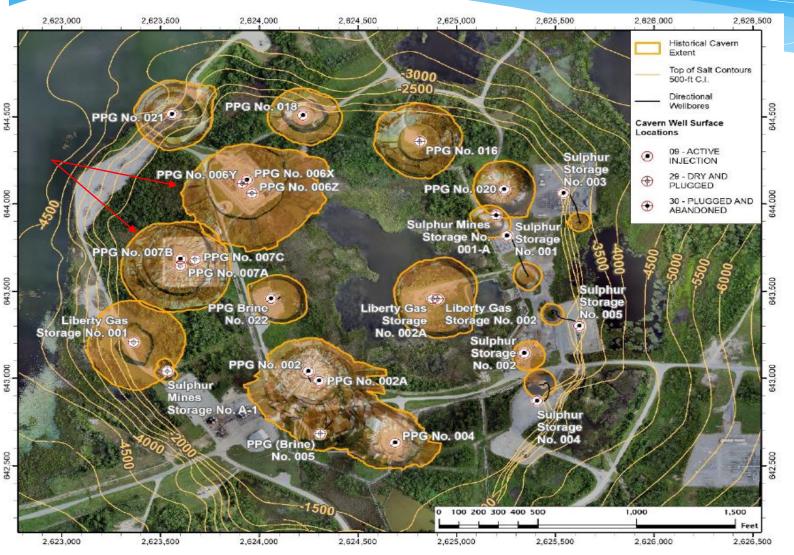


Reference Slides



of the UIC program in 1982

Reference Slide Current Operations/Operators



- 19 Total Caverns
- **5** Caverns in active LPG storage (eastside)
- 3 Caverns actively brine mining
- 4 Caverns inactive
- 10 Caverns P&A
- 2 Active Cavern Operators: Westlake and Boardwalk
- 1 Inactive Operator with 2 P&A caverns: Liberty Gas Storage



Reference Slide

Additional OOC-Ordered Data Submitted by Westlake to Date:

- 1. Thermal Aerial Imagery of Salt Dome (day & night)
- 2. 4 & 7 Day Satellite Updates (SNT and TSX/PAZ)
- 3. Deployment of Surface Micro-Seismic Array (MEQ detection)
- 4. Daily Pressure Updates (operator reported)
- 5. Daily Observation Updates (operator reported)
- 6. Daily VOC testing with PID (operator reported)
- 7. Quarterly Water Sampling and Testing
- 8. Isotopic & Lab Analyses of Oil, Gas, and Water at Multiple Locations
- 9. PPG 7B Recovered Oil Reporting (timing varies)
- 10. Plan and Phase 1 of Geomechanical Model
- 11. Plan and Preliminary Risk Failure Report
- 12. Plan to Conduct USDW Evaluation
- 13. Plan to Install Groundwater Monitoring Wells
- 14. 6X and 7B Sonar Survey and Historical Comparisons
- 15. Plan to Acquire 3D Seismic Data for Mapping
- 16. Model of Depressurization Scenario (6X/7B)

- 17. Boat & Airboat Inspections and Path Clearing
- 18. Restriction of Access to Dome Facility
- 19. Westlake's Updated Emergency Response Plan
- 20. All Site Personnel Equipped with H2S Sensors & PPE
- 21. Installation of Downhole Pressure and Temperature Gauge (7B)
- 22. Top of Salt, Top of Caprock, Faulting, and Cavern Distances maps
- 23. Containment structure plans
- 24. Thermography Plan
- 25. Decommissioning Plan
- 26. Groundwater Metering Plan
- 27. Impact Zone Estimate
- 28. Delineation of Potential Impacts to Infrastructure
- (Surface & Subsurface)
- 29. Bathymetric survey plans for Central Lake and Salt Lake



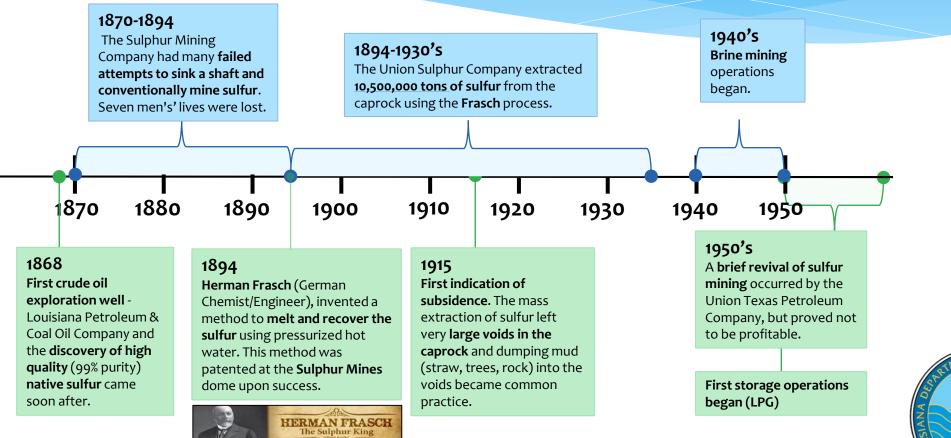
Additional OOC-Ordered Data (not yet submitted):

Technical

- Installation of tilt meters in all wells possible, would act as immediate alarm
- Continued satellite monitoring and future installment of artificial reflectors
- Additional monitoring wells (on and off dome)
- Plan for cavern backfilling
- Metering of expelled hydrocarbon at known surface locations
- Brine plume monitoring and identification of leak path
- Thermography camera(s) for instant hydrocarbon detection at the ground surface
- Collaborate with 3rd party experts environmental remediation, rock mechanics, geophysical
- All dome operators to coordinate a dome-wide salt and caprock mapping effort



Timeline: Pre-1950s





Timeline: 1950 to 2022

