

*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, April 27, 2017  
1:30 p.m.

**MEMBERS PRESENT:**

- Thomas Harris, Secretary, DNR
- Paul Frey, LLA
- Gifford Briggs, LOGA
- Steve Maley, LOGA
- 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
- Gary Ross, OOC
- John Adams, Staff Attorney

**I. Roll Call:**

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

**II. Approval of the February 2017, Meeting Minutes:**

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

*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, April 27, 2017  
1:30 p.m.

### **III. Fund Status:**

Matt Simon reported that the third-quarter oil and gas collections totaled approximately \$3 million, which includes \$760,000 which OSR received from the inactive well fee assessment. The OSR Fund closed out the third quarter with approximately \$803,000 in encumbrances and expenditures, and there is currently approximately \$3 million cash available in the Fund account.

Tyler Gray inquired as to whether the inactive well fee assessment was from a bill that was passed in the legislature last year and how often that assessment would be deposited into the Fund. It was answered that the \$760,000 amount is as a result of the bill that was passed last year, and the fee assessments are invoiced each May for collections.

Gifford Briggs and Thomas Harris had discussions regarding the requests for refunds from the OSR, and Blake Canfield advised that recent discussions he had with the Department of Revenue that there are a few outstanding refund requests; however, the current accounting is less than originally thought would be refunded from the Fund.

Barney Callahan inquired as to whether there were any bills in the legislature currently that may affect the OSR Fund. Richard Thomas indicated that House Bill 98 is to repeal the provision in 30:87(D) relative to the OSR fee being proportionate to the severance tax collected on the production of the well.

Gifford Briggs informed the Commission that Representative Stuart Bishop is the author of a bill, wherein, if an operator takes over a well that has been inactive for a period of two years or longer, it would receive a 50 percent reduction in the severance tax rate, and if a well has been inactive for five years or longer, the severance tax rate would be reduced by 75 percent, and these reductions would apply to wells that are on the orphaned well list and ones that are not on the orphan well list, as well.

*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, April 27, 2017  
1:30 p.m.

#### III. Fund Status (continued):

A graphical representation was presented demonstrating the annual fees collected per fiscal year since 2011. The collections were separated by oil production collections and gas production collections.

---

There are currently 77 Site-Specific Trust Accounts administered by the Program covering 1,764 active wells secured with a combination of cash and various financial instruments, totaling approximately \$211 million.

#### IV. Program Statistics:

A. Matt Simon discussed in detail the Program statistics.

To date, the Program has plugged and abandoned 2,804 orphan wells through the third quarter.

There were 702 orphan wells plugged by means other than the OSR Program during the third quarter totals which consisted of wells plugged by the operator of record and wells plugged through co-ops with the Commissioner of Conservation.

Currently, there are 3,570 orphan wells remaining statewide. One hundred seventeen (117) wells were added to the orphan well count during this quarter.

A graphical representation was presented demonstrating the current orphaned well count in the state (3,570) compared to the cumulative number of wells plugged by the Program (2,804). In addition, a graphical representation was presented separating the wells plugged by the OSR Fund, wells plugged by other means, and cumulative wells plugged.

*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, April 27, 2017  
1:30 p.m.

#### **IV. Program Statistics (continued):**

**A.** A graphical representation was presented demonstrating the number of plugged urgent and high-priority scored wells (512) versus the number of remaining urgent and high-priority wells (397) to be plugged.

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

During this quarter, the Program plugged seven urgent and high-priority wells. The percentage of revenue spent on urgent and high-priority wells this fiscal year is 38 percent.

A total of 60 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.

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

Through the third quarter, 55 wells have been plugged and abandoned by the Program.

*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, April 27, 2017  
1:30 p.m.

---

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

---

There are seven current active projects, consisting of 99 wells, 25 of which are high-priority wells, for a total cost of approximately \$917,657.63.

There was some discussion about PA 17-003 and there being a delay in the project because of an oyster lease and landowner issues. The well is a high-priority well, but not leaking, and the project issues are being handled through the Conservation legal staff for resolution.

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

The EPA plugged and abandoned a leaking well in Dry Larto Island, and OSR didn't have to expend any funds for this project.

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, April 27, 2017  
1:30 p.m.

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

---

Two contractors, Cycle Marine Group, Inc., and Deep South Oilfield Construction, have applied to be included on the approved 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.

---

Tyler Gray made a motion to add these companies to the contractor's list.  
Steve Maley seconded the motion.  
No objections from the Commission.  
The motion was passed .

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

July 20th, 2017, is the tentative date set for the next Commission meeting, at 1:30 p.m. in the LaSalle Building hearing room.

#### **ADJOURN:**

Gifford Briggs made a motion to adjourn.  
Barney Callahan seconded the motion.  
No objections or further comments from the Commission.  
The meeting was adjourned.