

State of Louisiana

OILFIELD SITE RESTORATION

COMMISSION MEETING

October 15, 2020

1:30 p.m.

Oilfield Site Restoration Commission Meeting

Hearing Held by Zoom

Thursday, October 15, 2020

1:30 p.m.

MEMBERS PRESENT:

Thomas Harris, DNR, Secretary

Richard Ieyoub, Commissioner of Conservation

Cynthia Dupree, LLA

Steve Maley, LOGA

Barney Callahan, LWF & Sierra & Audubon Society

John Connolly, At-Large

Tyler Gray, Mid-Continent (LMOGA)

STAFF PRESENT:

Gary Ross, Office of Conservation, Assistant Commissioner

John Adams, Office of Conservation Attorney

Roby Fulkerson, Office of Conservation, OSR Staff

Casandra Parker, Office of Conservation, OSR Staff

OTHERS PRESENT:

Richard Haik

Oilfield Site Restoration Commission Meeting

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SECRETARY HARRIS:

My name is Tom Harris. I'm the Chairman of the OSR, and I would like to call this meeting to order.

Would you, please, call the roll, Roby?

MR. FULKERSON:

Yes. Thomas Harris.

MR. HARRIS:

Here.

MR. FULKERSON:

Richard Ieyoub.

(No audible response.)

MR. FULKERSON:

Cynthia Dupree.

MS. DUPREE:

I'm here.

MR. FULKERSON:

Donald Briggs.

MR. BRIGGS:

(No response.)

MR. FULKERSON:

Lisa Creasman. I -- I don't believe Lisa will make it. She let us know earlier today she was kind of -- dental emergency.

1 **MR. FULKERSON:**

2 Steve Maley.

3 **MR. MALEY:**

4 Here.

5 **MR. FULKERSON:**

6 Barney Callahan.

7 **MR. CALLAHAN:**

8 Right here, I believe.

9 **MR. FULKERSON:**

10 John Connolly.

11 **MR. CONNOLLY:**

12 Here.

13 **MR. FULKERSON:**

14 And Tyler Gray.

15 **MR. GRAY:**

16 Here.

17 **SECRETARY HARRIS:**

18 So, Roby, I assume we have a quorum?

19 **MR. FULKERSON:**

20 Yes, sir, we should have a quorum.

21 **SECRETARY HARRIS:**

22 Thank you. Our first order of business today is approving the
23 minutes from our last meeting. I believe those were sent out, and you
24 have had a chance to review those.

25 Would like anyone like to make a motion to approve the minutes?

1 **MS. DUPREE:**

2 So move.

3 **SECRETARY HARRIS:**

4 I'm sorry. Who was that?

5 **MS. DUPREE:**

6 Cynthia.

7 **SECRETARY HARRIS:**

8 Oh, Cynthia. Thank you.

9 Do I hear a second?

10 **MR. MALEY:**

11 Second.

12 **SECRETARY HARRIS:**

13 Second by Steve Maley.

14 Are there any objections, any questions, any comments?

15 (No response.)

16 **SECRETARY HARRIS:**

17 Hearing none, those minutes are approved. Thank you.

18 Roby, our next agenda item is the fund status. Would you go over
19 that, please?

20 **MR. FULKERSON:**

21 Yes, sir. One second, and I'll share the screen. Okay. Is everybody
22 able to see my screen now?

23 **MR. MALEY:**

24 Yes.

25 **MS. DUPREE:**

1 Yes.

2 **MR. FULKERSON:**

3 Okay. Perfect.

4 Currently, the orphan fund status in the last quarter until September
5 30, 2020, we've collected \$2,793,828, that's around \$2 million from the
6 gas tax, around \$216,000 from the oil tax, and then the other significant
7 would be the financial security escrow reimbursements show to be about
8 \$500,000. The total projected collections show fiscal year '21 to be \$7.2
9 million.

10 I thought one question that may come up is how much we've
11 collected in relation to last year, just -- so I pulled up September 30,
12 2019. We've collected actually slightly less. The gas tax last year was
13 \$2,174,000. The big difference is the financial security. We're -- that
14 financial security put us about \$500,000 lower. So last year at this same
15 time, we'd collected \$3,280,276.

16 In terms of what we have going on currently, we've got a total
17 encumbrances of about \$5 million put together. We've got eight projects
18 for 2021 put out. We have one emergency that's not included in the
19 encumbrances, which we can kind of get to the description of the
20 emergency here in a few minutes, but we had a site remediation
21 intervention in Kaplan Parish -- or actually Vermilion in Kaplan Field.
22 That should be about \$200,000, \$300,000, so that hasn't -- that isn't on
23 there quite yet because it was declared an emergency.

24 So, right now, the current fund balance puts us at \$1,709,543, and
25 the total projected fund balance for the year is \$8,915,715.

1 That's kind of all I've got there.

2 **MS. DUPREE:**

3 Thank you, Roby. Thank you so much.

4 **MR. ADAMS:**

5 Roby --

6 **SECRETARY HARRIS:**

7 Are there -- is it -- go ahead, Roby.

8 **MR. FULKERSON:**

9 If there's any questions, or I can continue on with the slides if you
10 guys would like to. I'll kind of leave it up to y'all how y'all want to
11 handle this.

12 **MR. MALEY:**

13 I was just trying to do the math in my head. \$7.2 million is projected
14 collections for the entire year, or is that future?

15 **MR. FULKERSON:**

16 I believe that's for the entire year, yes, yes, sir.

17 **MR. MALEY:**

18 Okay. And that amount added to \$1.7 million --

19 **MR. FULKERSON:**

20 Should be the --

21 **MR. MALEY:**

22 That's the \$8.9 projected fund balance?

23 **MR. FULKERSON:**

24 That's correct, yes, sir.

25 **MR. MALEY:**

1 Okay.

2 **MR. ADAMS:**

3 Hey, Roby. This is John Adams. I just wanted to make sure you
4 could hear me.

5 **MR. FULKERSON:**

6 I can, yes, sir.

7 **MR. ADAMS:**

8 I also wanted to let the record reflect that I've got Gary Ross and
9 Commissioner Ieyoub in here with me. They're -- they're watching off
10 on my -- my connection.

11 **MR. FULKERSON:**

12 Great. Thank you.

13 **MR. ADAMS:**

14 That's it. Thank you.

15 **MR. FULKERSON:**

16 And to continue on with the slide show, this is just kind of going
17 over the same numbers where the total collected is right over \$2 million,
18 and then you've got the inactive well assessment fees that have been
19 issued for the year. I believe we've got the gas fees slightly over \$2
20 million, and the oil fees I believe were right around -- let's see, that was
21 \$200,000.

22 Any questions on the funding balance or any questions related to
23 that?

24 Last year and this year, it's -- from what I saw, it looks like it's going
25 to be pretty similar.

1 All righty. I guess we'll plow ahead to the statistical review of
2 orphan sites in Louisiana. So this again is through September 30th. So,
3 recently -- I guess we'll start off, the orphan wells plugged by the OSR
4 Program, the total is 3,408. Since July, we've plugged about 45 more
5 wells, that wasn't added to this list. A bunch of those were from
6 packages from 20 -- 2019-2020 fiscal year put out, and they're just kind
7 of finishing up those projects.

8 We'll plowing into the 20-001, 002, 003 projects right now. I
9 believe we've got two or three projects going in Monroe and Shreveport.
10 You'll probably see on the next quarter quite a few P&A'd up there, and
11 we've got a few projects coming up for Lafayette as well. Less wells
12 overall, but the project scopes are slightly different.

13 Other site restoration activities, we really haven't had much this
14 month -- this quarter. Not much has been done by the Coast Guard,
15 EPA, or LOSCO. Right now the only other site, we've got a -- the
16 Kaplan site cleanup in Vermilion Parish.

17 Orphan wells remaining statewide, the Priority 1, we show 52;
18 Priority 2 is 530; Priority 3 is 1,686; and Priority 4, it's 2,030 wells.

19 **MR. CALLAHAN:**

20 You mentioned the two -- two projects, those post-hurricane damage
21 response?

22 **MR. FULKERSON:**

23 Yes, sir. One of them -- well, I believe the Kaplan site is probably
24 not post-hurricane damage. We've got two projects -- and I've got some
25 slides at the end. We've got two projects we can -- that we'll have to

1 intervene in, in some form, and those are directly related to the
2 hurricane.

3 **MR. CALLAHAN:**

4 Yes.

5 **MR. FULKERSON:**

6 Probably both hurricanes.

7 **MR. CALLAHAN:**

8 I saw the pictures in the -- the information you sent out. But just a
9 quick question, I don't want to get off -- off a sideline, is there money in
10 there under sort of an emergency fund only?

11 **MR. FULKERSON:**

12 No, sir. The general -- it would be from the general orphan fund,
13 unless they have a SSTA or bond that we've called.

14 **MR. CALLAHAN:**

15 Got you. Okay.

16 **MS. PARKER:**

17 The \$500,000 is for (unintelligible).

18 **MR. FULKERSON:**

19 Okay. Also, one thing I forgot from last time that Michelle had
20 asked us if we'd say our name before we talk, so I -- I apologize for that,
21 Michelle. I should have reminded all of us to do that, that's my fault. So
22 from here on out, I'll make sure I try to say my name, or if we could to
23 help her out while she's transcribing this after the fact.

24 **SECRETARY HARRIS:**

25 Roby, this is -- this is Tom Harris. Do we have any -- we just ended

1 the -- the first quarter of the fiscal year. Do we have any projections or
2 goals for number of wells to be plugged this fiscal year?

3 **MR. FULKERSON:**

4 Yes, sir. Our -- our performance indicator for the year is 225 wells.
5 Right now, as we stand, we've -- we've got enough packages to put out to
6 put out about 200 wells for the year. We're going to issue one more or
7 two more packages in north Louisiana, and that should put us over the
8 225 wells, weather permitting, and that would accomplish the -- also
9 meet the goal of the \$1 million in north Louisiana, which we should meet
10 without those additional packages.

11 **SECRETARY HARRIS:**

12 Outstanding. Thank you.

13 **MR. FULKERSON:**

14 All righty. So, for the recently orphaned wells, in July, we had 137
15 wells orphaned, in August we had 66, and in September we've had three
16 wells. So in total, we've had 206 wells first quarter.

17 Okay. Continuing on to the orphan well count versus cumulative
18 wells plugged, as you can see, the orphan well count for this quarter total
19 for the state is 4,427 wells, and we've plug and abandoned 3,408 wells.

20 Orphan wells plugged, this is kind of a total graph, slightly different
21 because we'll include plugged by other means. So the plugged by other
22 means shows slightly over 500 wells. Wells plugged by OSR funds are
23 the gray line, so that's, you know, right over 3,000 wells, 3,400, I guess.
24 The total plugged is the yellow line, and then the orphan well count is the
25 blue line slightly above it. So you get the 4,427, and then the wells we've

1 plugged with OSR and other means.

2 This quarter, we -- we have not had any other wells plugged by any
3 other means, via co-op, the Coast Guard, or EPA.

4 Okay. Continuing on, urgent and high-priority scored orphan wells,
5 so for 2021, the urgent and high-priority is the red bar on the far right.
6 It's slightly less than 600, and the cumulative urgent and high-priority
7 scored -- wells scored P&A'd by OSR is 627. So we -- we've gained
8 about 20 wells in this, I guess -- I guess you could say in this quarter, and
9 the wells remaining dropped slightly.

10 Continuing on -- and this was our performance indicators, so I think
11 you've seen in the past for '19-'20, the performance indicators included
12 indicators around urgent wells and also priority scoring. The -- we've --
13 we've kind of gone to a system where they track the total wells in the
14 year. You'll see that we're still P&A'ing quite a bit of urgent and high-
15 priority wells. They're just included in the package, so rather than track
16 two or three different performance indicating numbers, we just are going
17 to go by total well count. So for this year, the first quarter, we've P&A'd
18 45 wells, that's as of September 30th. We've probably got a handful
19 more in the last couple of weeks.

20 **MS. PARKER:**

21 About 15.

22 **MR. FULKERSON:**

23 About 15 more, so probably -- we've got about 60 wells up to -- up
24 to this date, and our target is 225.

25 In terms of how the performance is going, I think it's going pretty

1 well, all things considered. We've had quite a few named storms come
2 through the state, that slows us down, not only in south Louisiana, but in
3 north Louisiana. A hurricane that comes through here, that -- you know,
4 the rain kind of pushes them off for a week or two up there. So, overall,
5 that's -- they've done pretty well. Since the storm, they've gone back to
6 work pretty efficiently, so that's going pretty well.

7 Any questions along these lines?

8 (No response.)

9 **MR. FULKERSON:**

10 All right. Plowing on -- let me rotate this view.

11 **MR. ADAMS:**

12 Roby, hold on a second. The Commissioner has got a question for
13 you.

14 **MR. FULKERSON:**

15 Yes, sir.

16 **MR. IEYOUB:**

17 Well, actually, I just wanted to say that we -- we have a lot of work
18 to do on orphan wells; however, you -- you'll notice the guidelines -- or
19 the -- the charts and statistics are indicating that we're on an upward
20 curve in getting to these orphaned wells. We're showing more wells
21 plugged during a particular period of time, as well as more contractors,
22 and that's a direct result of some work we did up in the legislature last
23 session where we opened up the -- the Program for contractors to -- or
24 operators to be involved in actually plugging the wells. And I think
25 you'll -- you know, in the future, we're going to see an upward trend in,

1 not only the number of the orphaned wells that we're going to be able to
2 plug, but also the number of contractors that are willing to do the work.
3 And they -- it -- it's really been encouraging, and -- and I commend all
4 our staff in -- in the office for the work they did on this, and, hopefully,
5 we'll continue to improve.

6 Thank you.

7 **MR. FULKERSON:**

8 Thank you, Commissioner.

9 Roby Fulkerson, again. Yeah. We've had quite a few new bidders
10 come in, I want to say, at -- at the end of July, beginning of August, so
11 we -- we've definitely seen a sizable increase. We should -- for these
12 next few bid packages, I -- I believe they came in right at the beginning
13 end of some of the bidding, so the next couple bid packages you'll
14 probably see a handful of extra bidders or more bidders than we've seen
15 in the past, which is much appreciated.

16 Okay. Continuing on to projects we've got going, we've got --
17 essentially carrying on right now, we've still got the 18-005 in Monroe
18 Field. Essentially, that's being carried forward. I believe they're still
19 doing gas monitoring, no active work for us up there other than the
20 monitoring. I'm sorry. The Monroe Field is, they've got two or three
21 wells out there that they've been carrying to P&A. Essentially, I believe,
22 it's rained out, and they're not going to get to them again this year is what
23 it's looking like. I think they've had a pretty wet season up in Monroe.

24 The Emergency 18-003 in Bethany-Longstreet, and I believe they
25 just have the status where they're gas monitoring.

1 And we've got PA 20-003 in Caddo-Pine Island, 004 in Monroe
2 Field, 005 in Monroe Field, 006 in Caddo-Pine Island, and 007 in
3 Terrebonne Parish.

4 009 in Russo Field also -- also should be beginning here shortly.
5 That is an intervention on -- or a P&A of two wells in Russo Field in
6 Lafourche Parish. One is slightly leaking around a neighborhood, and
7 there's an SWD attached to it, so they'll take care of both the SWD, the
8 leaking site, and there's a little bit of surface equipment, some fencing,
9 and some pipe that's (unintelligible).

10 Completed projects, PA 20-002 in Monroe Field and 20-008 in
11 Athens Field. And then our north Louisiana mandate, as well.

12 For this fiscal year, we are on track to meet the \$1 in north
13 Louisiana. We'll probably go over it in an attempt to reach the 225, so I
14 -- unless weather slows us down, we should hit both indicators.

15 If there's no questions there, I'll kind of continue on to a couple of
16 items we've got going on.

17 First, there's an emergency. We should be kind of towards the end
18 of wrapping it up. It's a site remediation restoration in Kaplan Field in
19 Vermilion Parish. We received I think a complaint that there was an
20 issue with an old abandoned field from Seabass Oil and Gas. We went
21 out there. Initially, we were going to try to pump it out and just take care
22 of the fluid, but when we got out there, we realized the problem was
23 bigger than essentially what we had expected.

24 It was quite a bit of oil and saltwater in this pit -- or in this -- on the
25 site. So I think we ended up sucking out and disposing of around 5,000

1 barrels of fluid. Some of that -- what hampered us was that it came
2 through during a hurricane. We found it before Laura and Delta, so we
3 wanted to get it taken care of before the storms came through. After we
4 removed the -- the fluid, essentially, the storm came through and kind of
5 filled it up again, so we had to dispose of that as well.

6 But currently, we've sucked all the fluids out. We've cleaned the
7 ditches. We've removed the top three feet of soil. They're going to
8 remove another foot. All the equipment is gone. I believe some of it had
9 a little bit of NORM material in it. They've cleaned the site up and any
10 of the oil in the ditches, so we were able to secure that site. So, currently,
11 they are in the process of removing one more foot of soil. They've got do
12 a little dirt work, in terms of getting some clay and some other material
13 on the site to close it, and then that should be the end of this project. So I
14 -- I would imagine we've got maybe a week or two left.

15 Is there -- does anybody have any questions related to this one they'd
16 like to talk about now or...

17 **MR. MALEY:**

18 Roby, this is Steve Maley.

19 **MR. FULKERSON:**

20 Yes, sir.

21 **MR. MALEY:**

22 Do you have a well serial that goes with that?

23 **MS. PARKER:**

24 973748.

25 **MR. FULKERSON:**

1 973748, yes, sir, 973748.

2 **MR. MALEY:**

3 Okay. Thank you. And this being an emergency, is there any
4 activity required of the OSR Commission? I guess if somebody wanted
5 to raise an objection to it, now would be the time?

6 **MR. FULKERSON:**

7 Yes, sir, that's correct. If there is an objection, we can stop the
8 process. We probably have about a week left, and I want to say we've
9 spent right at \$200,000 on this.

10 **MR. MALEY:**

11 Okay. I appreciate the information.

12 **MR. FULKERSON:**

13 Thank you.

14 **MR. MALEY:**

15 How long has this -- can I ask one more question?

16 **MR. FULKERSON:**

17 Sure.

18 **MR. MALEY:**

19 How long has the well be idle; do you know?

20 **MR. FULKERSON:**

21 Well, if you give me one second, I can pull it up on SONRIS and let
22 you know.

23 **MR. MALEY:**

24 I guess I could do that myself, but... I guess that was an SWD code
25 or serial number?

1 **MR. FULKERSON:**

2 Yes, sir. It's an SWD. I'm not quite sure why they have oil in the
3 same -- in that facility, but it's there, nonetheless.

4 **MR. MALEY:**

5 So there's no producing wells associated with it?

6 **MR. FULKERSON:**

7 No, sir.

8 **MR. MALEY:**

9 Is well plugging part of what you're going to do, or is that a
10 separate?

11 **MS. PARKER:**

12 It's in the Welsh project.

13 **MR. FULKERSON:**

14 It's in the Welsh project, yes, sir. I -- that's correct. Casandra caught
15 me there.

16 So we've actually -- we're plugging the well. We declared an
17 emergency to take care of the site. We were concerned about storms
18 coming in and breaching the firewall. We didn't consider the well P&A
19 in it because we just wanted to get the site cleaned up prior to a large
20 storm coming through.

21 So we included the well P&A in the Welsh project. It's in the
22 general area. We've got a Welsh project that's, you know -- I'm sure you
23 guys are all relatively familiar with the I-10 area exits (phonetic). Welsh
24 has got an entrance and exit off of I-10. There's a well there that we've
25 had -- I think there was actually a handful of wells that were P&A'd a

1 while back for the DOTD. One well was left, and it's got a slight leak to
2 it, so we were going to P&A a handful of wells there and incorporated
3 this SWD into the package, and that won't be an emergency. It will just
4 be a conventional package.

5 **MR. MALEY:**

6 I see. Okay.

7 **MR. FULKERSON:**

8 Now, I'm showing that it orphaned in May 2019, on May 20th.

9 **MR. MALEY:**

10 Thank you.

11 **MR. FULKERSON:**

12 No problem.

13 So we have a second emergency. I believe we're processing the
14 paperwork today to declare the emergency. So this is in Boston Bayou
15 Field in Vermilion Parish. This well -- it started -- they discovered it
16 around I want to say April of this year, of 2019. When they discovered
17 the leak, they -- or 2020, I'm sorry, April 2020. They discovered a leak.
18 We hired a wellhead representative to go out and attempt to fix the leak.
19 They were able to inject some sealant into the valve and seal it, and they,
20 essentially, go out and check on it every now and then. It was one of the
21 -- the wellheads that we followed up on after Laura. And we found, after
22 Laura, it looks like the -- the hurricane actually damaged the wellhead
23 further, and it's got quite a substantial leak to it now. As you can see
24 from the valve, it's got that pressure differential across it. That pressure
25 differential across it is just creating the hydrates or that gas or -- you

1 know, it's got the ice across it, so the valve is actually iced up.

2 We've had wellhead companies look at it. It's a dual well, so it will
3 be a dual emergency, but it's -- you'll see two serial numbers, but it's only
4 going to be a single well. From our information, it looks like the dual
5 tree was put back on, but it looks like they're -- one of the two sides, the
6 D side, was actually abandoned. We don't know what abandoned means
7 -- the WH-1 doesn't have a clear history -- whether or not they pulled all
8 the tubing out, if there's one joint of tubing, if there's -- we know they
9 pulled the tubing, we just don't know what they ran back in there with.

10 So our intention for this one is to intervene in the site. We'll
11 probably put out the bid here in the next week or so. I think we're still
12 working out the bid walk date, and we're still working out the site -- I'm
13 sorry -- the site visit date, and the bid turn-in date. We plan to submit it
14 to all bidders. We've had quite a few new bidders out, so we'll -- we'll
15 probably just submit it to everyone and set up the site visit that way.

16 If there's any questions, please, let us know.

17 The -- the intention is to intervene and P&A the well, and this is not
18 on the total encumbrances yet. As it's an emergency, we have not --
19 since -- and it hasn't been declared yet. It is not included in the -- the
20 initial slide for September 30th for the balance sheet.

21 **MR. MALEY:**

22 Steve Maley, again. Is -- is this a barge location or...

23 **MR. FULKERSON:**

24 So it -- it will likely be a barge location. I believe the water depth is
25 only two feet, and so they -- we're going to have to do some dredging to

1 get in with a barge. There is a small compressor facility or something
2 really close on land related to it, so we'll -- we'll probably take care of
3 that as well since we're already out there. But this will be some type of
4 barge intervention.

5 We're declaring it -- I -- I -- we kind of put in a procedure that if
6 dredging is required, you know, let's us know your plan and the cost for
7 that, so that -- it will be likely some dredging for it.

8 **MR. MALEY:**

9 Is there any provision for dredging on an emergency basis? I mean,
10 does the Commissioner have authority to make that happen, or do you
11 have to get approval of the Corps, or...

12 **MR. FULKERSON:**

13 They will need a Coastal Use Permit, and they will have to go
14 through Coastal Management for that. We'll contact -- or I -- I'm
15 contacting Coastal Management to give them a heads up about the
16 situation we're in. I kind of asked for a little bit of help to see if -- once
17 we have a bidder, if they can kind of help steward the process through,
18 that way, we can intervene on it relatively quickly.

19 **MR. MALEY:**

20 Have you put any sideboards to know what the cost of this project is
21 going to be?

22 **MR. FULKERSON:**

23 I think -- we've haven't -- we've talked about it, but we haven't put
24 anything together formally. It's just kind of a, you know, an estimate at
25 best, I guess I would say.

1 The big question we've got is, will a well control company be
2 required. We're just not sure.

3 **MR. CALLAHAN:**

4 Roby, this is Barney Callahan. Is there a pressure gauge anywhere
5 on this wellhead that tells us what we -- what you're dealing with?

6 **MR. FULKERSON:**

7 Yes, sir. I believe this well has got 3,100 pounds on it, I believe, if I
8 remember correctly.

9 **MR. CALLAHAN:**

10 Wow. And so is it -- is it getting bet -- worse as it -- as the pressure
11 valve is probably cutting steel (phonetic) or something?

12 **MR. FULKERSON:**

13 So, when they injected the grease in April, it kind of maintained, and
14 then with the storm -- the inspection, this is kind of what you've seen --
15 what we've seen out of it, and so it -- it has gotten worse. What -- what
16 caused it exactly, I'm not quite sure. Since it was after the hurricane, you
17 know, more likely than not, some of the winds may have done -- changed
18 something in the alignment of the tree, but it -- it has gotten worse.

19 **MR. CALLAHAN:**

20 It's not a good situation.

21 **MR. FULKERSON:**

22 No, sir.

23 **MR. MALEY:**

24 Steve Maley, again. So if you -- if a well control company is
25 required, you don't have direct contractual relationship with any of them;

1 you'd have to go through a third party for that?

2 **MR. FULKERSON:**

3 It would be our -- our contractor. So whatever our -- the bidder --
4 whatever potential bidder wins it, they would end up -- they use the well
5 control company. They subcontract through them.

6 **MR. MALEY:**

7 And I raised the question in a prior meeting probably six months ago
8 about the -- passing through the -- costs through a contractor. Did we
9 ever get an -- an answer on what that percentage is? I assume it's ten or
10 fifteen percent.

11 **MR. FULKERSON:**

12 Their markup, sir?

13 **MR. MALEY:**

14 If it goes through a -- through the contractor, yeah. I mean, that's the
15 traditional practice.

16 **MR. FULKERSON:**

17 Yes, sir. I presume that as well. It's usually ten or fifteen percent.
18 I'm not sure what -- if it was followed up on, but --

19 **MR. MALEY:**

20 Well, I'll -- I'm going to make a note of that to come back on that, I
21 guess, in a future meeting and try to get an answer --

22 **MR. FULKERSON:**

23 Okay.

24 **MR. MALEY:**

25 -- of what the -- what the contracts call for.

1 **MR. FULKERSON:**

2 Okay. I'll have to -- we'll see -- we'll see what we can find out.

3 **MR. MALEY:**

4 I mean, just at first glance, this looks like it's -- this is going to
5 consume I would -- I would bet a half a year's budget.

6 **MR. FULKERSON:**

7 I'll -- I'll continue on.

8 We do have -- in the last quarter, we've also started some site
9 cleanups. When we prioritize the orphaned wells, we'll kind of grab the
10 ones that are leaking or there's an issue. And this is one in north
11 Louisiana. I believe in the Caddo-Pine Island area. It was actually
12 leaking gas near someone's home, so we -- we went on and repaired that.

13 So, in addition to our projects, you'll see for less than \$5,000 we'll
14 get out and do some remediation or some sealants on wellheads.

15 So it's surprising that we haven't had a whole lot that we found post-
16 storm. I believe Lafayette has inspected about 70 percent of the wells
17 post-Laura. Now, Delta, since it just occurred, they're probably -- they
18 may restart the process, but currently, they -- you know, they've gotten
19 about 70 percent of the wells inspected post-storm, which is pretty good.

20 But we -- we also have our smaller project like this as well going on
21 in order to kind of keep the peace, I guess would be the best term.

22 **MR. MALEY:**

23 Steve Maley, again. You mean 70 percent of the orphaned wells
24 have been checked?

25 **MR. FULKERSON:**

1 Yes, sir. Seventy percent of the orphaned wells have been inspected.

2 **MR. MALEY:**

3 Thank you.

4 **MR. FULKERSON:**

5 Okay. And then just a hurricane update, Lafayette, they had 480
6 wells in the path of the storm -- this would have been Laura -- and
7 they've got 334 inspected, so right around 68 percent.

8 And then this is the same well, the Boston Bayou, you'll see the --
9 it's the same leak. These are just the wells that we found post-storm we
10 can directly attribute to Laura coming through. The first one is Boston
11 Bayou.

12 The second one was discovered by an overflight by the Coast Guard
13 in Cameron Parish. They found it just before Delta came through, I want
14 to say the week before. I believe Delta came through on a Thursday, that
15 timeframe, Thursday or Friday. This was reported in Thursday or Friday,
16 of the week before. We were able to make it out -- we actually had
17 trouble finding boat rentals out of Cameron Parish. I'm going to guess
18 that most boats were probably hit pretty hard in the storm.

19 But the Coast Guard did an overflight. In the second picture, you'll
20 see a sheen coming off. This is Creole Offshore Field. And they found
21 the sheen. We made the site visit on Monday. And then the overflight
22 by BSE on Saturday, they didn't see additional sheens, and we didn't find
23 a sheen when we went out on Monday. We're not quite sure what was
24 the leak, but we found the compressors hanging off the side of the
25 platform. Our initial thought is, something was leaking off of there.

1 What it was or how, we're not quite sure. They're not able to enter the
2 platform. The tin (phonetic) deck or the lower deck was damaged
3 enough where they couldn't actually gain access to it.

4 So I -- I -- we haven't declared it an emergency, but we're -- this is
5 something we're kind of trying to figure out how -- what our path
6 forward should be. They're -- Lafayette District is attempting to make a
7 site visit post-Delta to review the site and see what it still looks like.
8 They've got some inshore boats they're going to end up trying to take out,
9 out there. They're just waiting for a weather window to be able to make
10 it out. We haven't had -- seen any reports from BSE or Coast Guard on a
11 leak though.

12 **MR. MALEY:**

13 Steve Maley, again. I -- I guess -- I think in this field there was a
14 well taken over by -- in a co-op situation. I'm -- I'm assuming that's a
15 separate platform, and it has nothing to do with this?

16 **MR. FULKERSON:**

17 Yes, sir. I believe talking to the CES or the field agent, there are
18 four wells -- or four separate platforms in the area. They have control of
19 one of the platforms. They made a visit, and it wasn't their platform. So
20 we also followed up with a visit, and from our findings, it wasn't that --
21 that single platform either. But there's four platforms, as you can see, in
22 this general vicinity. It wasn't attributed to the one they -- they co-op'd.

23 **MR. MALEY:**

24 Thank you. Now, with there -- with there being oil on the water, is
25 there an outside agency that could come in and help with this?

1 **MR. FULKERSON:**

2 So it's below the line EPA would intervene on it. It should be Coast
3 Guard. The Coast Guard will intervene at times. Without an active leak,
4 I'm not sure they will intervene.

5 **MR. MALEY:**

6 So you're saying the sheen went away, and they --

7 **MR. FULKERSON:**

8 Yes, sir, that's correct.

9 **MR. MALEY:**

10 -- for them to back off?

11 **MR. FULKERSON:**

12 That's correct, yes, sir. If it was an active leak, they would repair the
13 leak at surface -- or they've done it in the past. But without an active
14 leak, I -- from the feedback I've gotten with them, they -- they probably
15 have no intention of intervening.

16 **MR. MALEY:**

17 Thanks.

18 **MR. FULKERSON:**

19 Okay. We have a second well. It's in Wildcat Field in Vermilion
20 Parish. It's an SWD. We haven't declared it an emergency. It's not quite
21 an emergency. We'll probably go out with a conventional bid on it. But
22 we've got a couple of tanks that floated away post-storm. As you can
23 see, this is the initial site. A 25,000-barrel tank floated down the -- quite
24 a ways away. You can see from the picture where the tank was and
25 where it's ended up. Post-storm you can see where they -- a 500-barrel

1 tank got away, and we also had a poly tank end up by the side of the
2 road.

3 This was after Laura. We haven't been able to make it out post-
4 Delta. Essentially, the road was closed -- or I believe the road out there
5 is still under water. They were actually able to get these pictures -- as
6 you can see from the -- they view, they didn't take them from a
7 helicopter. They -- they can't get to it by foot or boat. They actually
8 used a drone. They drove out there, went by foot, and used a drone to get
9 these photos to confirm where everything was. So this is another site
10 we'll have coming up shortly to -- we've got another one directly
11 attributed to one of the hurricanes for an orphaned site.

12 So we've got just that -- kind of the upcoming orphan projects, the
13 ones that we've put out that should be starting shortly: 21-005 in Welsh
14 Field, that's 14 wells, and that includes the -- the Seabass P&A; 21-006 in
15 Monroe Field, 21 wells; 21-007 in Caddo Parish, 42 wells; and then one
16 in Terrebonne Parish, it will be three wells. That's a Baby Oil (phonetic)
17 P&A. And that does not include the emergencies.

18 **MR. MALEY:**

19 This is Steve Maley, again. Would I be able to find out which wells
20 are in the Welsh project?

21 **MR. FULKERSON:**

22 I -- I think we should be able to provide that to you.

23 **MR. MALEY:**

24 Are those in packages on -- online or...

25 **MR. FULKERSON:**

1 They are, yes, sir.

2 Is -- is Welsh advertised, Casandra? I don't remember.

3 **MS. PARKER:**

4 Yes.

5 **MR. FULKERSON:**

6 Yeah. Welsh is advertised, but we can -- I can send it to you right
7 after this meeting, sir.

8 **MR. MALEY:**

9 Thank you, Roby.

10 **MS. PARKER:**

11 Everything but 008, so everything but the Baby Oil, has been put
12 online.

13 **MR. FULKERSON:**

14 Okay. So everything up to 21-008 has made it online. And I think
15 the emergency bid should be sometime today, I think, Casandra, or...

16 **MS. PARKER:**

17 No.

18 **MR. FULKERSON:**

19 But, I mean, distributed, I guess?

20 **MS. PARKER:**

21 Oh, yeah, yeah.

22 **MR. FULKERSON:**

23 Okay. The emergency bid should be out today as well.

24 New contractors up for approval, we've got two, both in south
25 Louisiana. The first one is Swap, with a contact of Robert Carpenter who

1 is based out of Broussard, Louisiana, and they applied to work on all
2 wells, all depths on land. And then the second is ZE Services, LLC, with
3 a contact of Ronnie Powell. They are based out of Lafayette, Louisiana,
4 and they applied to work on wells in all depths on land and water, and up
5 to 15 -- the water includes up to 15 feet of water.

6 And that's kind of all I've got for our presentation today. Are there
7 any questions, or anything I -- you know, anything further anyone would
8 like to discuss?

9 I think we also have to approve the new contractors as well before
10 we get too far.

11 **MS. PARKER:**

12 Yeah. We need to vote.

13 **MR. MALEY:**

14 Question, Roby, about the new contractors, do they specify what
15 services they're proposing to -- to offer, or are they -- want to be the
16 primary contractor for abandonments?

17 **MR. FULKERSON:**

18 I -- I would assume primary contractor. Robert, I know, I -- from
19 District work, he actually P&As wells for contractors or operators. ZE
20 Services, I assumed, as well from the literature they turned in, they will
21 be also the main contractor and then subcontract any work through them.

22 **MR. MALEY:**

23 Thank you.

24 **SECRETARY HARRIS:**

25 So -- so, Roby, what do we need at this point; do we need a motion

1 to approve?

2 **MR. FULKERSON:**

3 Yes, sir. Casandra is telling me we need to call for a vote to approve
4 them.

5 **SECRETARY HARRIS:**

6 One at a time?

7 **MS. PARKER:**

8 A motion -- I'm sorry.

9 **SECRETARY HARRIS:**

10 Separately or together?

11 **MS. PARKER:**

12 Just call, you know, for -- like you do for any of the -- the meeting,
13 you can just call for ayes and nays, just like you do for a motion.

14 **SECRETARY HARRIS:**

15 Okay. Separately or together, is my question?

16 **MS. PARKER:**

17 Together, you can --

18 **SECRETARY HARRIS:**

19 Okay. Let's -- let's just do it separately.

20 First up is Swap, Inc., do I have a motion to approve this contractor
21 as -- for the OSR contractor list?

22 **COMMISSIONER IEYOUB:**

23 So move.

24 **MR. MALEY:**

25 Second.

1 **SECRETARY HARRIS:**

2 We have a motion and a second to approve Swap. All in favor,
3 signify by saying "aye."

4 (All aye.)

5 **SECRETARY HARRIS:**

6 Against, no?

7 **MR. ADAMS:**

8 Michelle, Commissioner Ieyoub made the motion.

9 **MS. PARKER:**

10 Steve seconded it.

11 **MR. ADAMS:**

12 Who seconded it?

13 **MS. PARKER:**

14 Steve.

15 **MR. MALEY:**

16 I say I seconded it, Steve Maley.

17 **SECRETARY HARRIS:**

18 Thank you, Steve.

19 All opposed?

20 (No response.)

21 **SECRETARY HARRIS:**

22 Hearing none, that -- Swap, Inc., is approved.

23 The next motion, we need a motion to approve ZE Services, Ronnie
24 Powell based out of Lafayette.

25 Do I hear a motion to approve ZE Services?

1 **MR. CALLAHAN:**

2 So move, Barney Callahan.

3 **SECRETARY HARRIS:**

4 Barney Callahan, Mr. Callahan, has a motion.

5 **MR. MALEY:**

6 Second.

7 **SECRETARY HARRIS:**

8 Who was the second?

9 **MR. MALEY:**

10 Maley.

11 **SECRETARY HARRIS:**

12 Oh, Steve. Thank you, Steve.

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

14 (All aye.)

15 **SECRETARY HARRIS:**

16 Opposed, nay?

17 (No response.)

18 **SECRETARY HARRIS:**

19 Hearing none, that motion carries.

20 The next order of business, Roby, do you have anything else?

21 **MR. FULKERSON:**

22 No, sir. If we can answer any questions, or any -- if anyone has any
23 follow up, we're available.

24 **SECRETARY HARRIS:**

25 Does anyone have any old business or new business to bring to the

1 Commission?

2 (No response.)

3 **MR. CALLAHAN:**

4 No.

5 **SECRETARY HARRIS:**

6 At this point, I'd like to offer the opportunity for public comments.

7 (No response.)

8 **SECRETARY HARRIS:**

9 Last call for alibies, comments, questions.

10 (No response.)

11 **SECRETARY HARRIS:**

12 Well, thank you all very much for your participation. We will have
13 a meeting again next quarter.

14 At this point, we'll entertain a motion to close.

15 **MR. CALLAHAN:**

16 Motion.

17 **MS. DUPREE:**

18 So move -- second.

19 **SECRETARY HARRIS:**

20 We have Mr. Callahan motion. Who was the second?

21 **MS. DUPREE:**

22 Cynthia.

23 **SECRETARY HARRIS:**

24 Cynthia, thank you. We have a motion and a second. Hearing no
25 objection, that motion carries. We are adjourned. Thank you all. See

1 you next quarter.

2 **MR. CALLAHAN:**

3 Thank you, Roby.

4 **MR. FULKERSON:**

5 Thank you.

6 **MS. DUPREE:**

7 Thank you.

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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 by the Zoom Video method, on October 15, 2020, 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 35, 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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