

JOHN BEL EDWARDS
GOVERNOR

State of Louisiana

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

THOMAS HARRIS
CHAIRMAN
RICHARD IEYOUNG
VICE CHAIRMAN

MEETING MINUTES

LaSalle Building
617 North Third Street
Thursday, January 17, 2019
1:30 p.m.

MEMBERS PRESENT:

Thomas Harris, Department of Natural Resources
Richard Ieyoub, Commissioner of Conservation
Cynthia Dupree, LLA
Donald Briggs, LOGA
Barney Callahan, LWF, Sierra and Audubon Society
Tyler Gray, Mid-Continent

OTHERS PRESENT:

Brent Campbell, Director OSR
Matt Simon, Manager, OSR Program
Casandra Parker, OSR Staff
John Adams, Office of Conservation Attorney

I. Roll Call:

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

II. Approval of the Previous Meeting Minutes:

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

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III. Fund Status:

Matt Simon reported through the second quarter oil and gas collections totaled approximately \$3.7 million. The OSR Fund received approximately \$830,000 from the inactive well assessment. The total collections and reimbursements this fiscal year is \$4.7 million. The OSR Fund closed out the second quarter with approximately \$3.4 million spent on projects and \$2.5 million encumbered. For information, the negative balance of \$199,343 reflects the Fund balance if the OSR Program would pay all expenses simultaneously; however, the OSR staff will delay a project to retain a balance in the Fund. The projected OSR Fund balance at the end of the fiscal year is \$2.3 million.

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 71 Site-Specific Trust Accounts administered by the Program covering 1,755 active wells secured with a combination of cash and various financial instruments, totaling approximately \$218 million.

IV. Program Statistics:

A. Matt Simon discussed in detail the Program statistics.

The left column represents statistics of orphan sites in Louisiana through this quarter. The Program has plugged and abandoned 3,175 orphan wells.

There were 736 orphan wells plugged by means other than the OSR Program through the second quarter totals which consist of wells plugged by the operator of record and wells plugged through co-ops with the Commissioner of Conservation.

Currently, there are 3,895 orphan wells remaining statewide at the end of the second quarter.

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IV. Program Statistics (continued):

There were 34 wells added this quarter. In October, 14 wells were added, zero wells were added in November, and 20 wells were added in December. An operator of record, Malone Oil and Gas Exploration from Shreveport, Louisiana, accounted for 15 of the 20 wells added in December.

A. A graphical representation was presented demonstrating the current orphaned well count in the state (3,895) versus the cumulative wells plugged using the OSR Fund (3,175) since the Program's inception.

Some wells were removed from the orphan list because active operators assumed responsibility of the wells reducing the number from the previous 4,001 orphan wells to current number of 3,895. Some of the wells were producing wells that were abandoned by Shoreline.

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

B. Fiscal Year 2018-2019 First Quarter Program Performance

During the second quarter, the Program plugged 3 urgent and high-priority wells. The percentage of revenue spent on urgent and high-priority wells for this fiscal year is 90 percent. A total of 133 wells were plugged through the second quarter.

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V. Oilfield Site Restoration Program Projects:

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

A. Active Projects:

Matt Simon informed the Commission that PA 18-009, Phoenix Lake Field, has been postponed to allow the OSR Fund to collect funds and not have the OSR Fund have a negative balance.

There are currently active projects totaling 118 wells and approximately \$5.7 million.

B. Completed Projects:

Matt Simon reported on the completed projects. Two emergency projects were completed during this quarter.

Through this quarter, \$1.4 million was spent on wells in north Louisiana per the mandate, consisting of 171 wells.

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VI: Federal and Third-Party Activity:

The OSR Program and the EPA have been working together to plug and abandon slow-leaking wells in the Shreveport and Lafayette Districts.

VII: Old Business/New Business:

Tyler Gray informed the Commission that he visited the Oklahoma Energy Relations Board in Oklahoma City. He suggested having the OERB present information to the Commission and staff on their model and program structure. The Commission members are interested in a presentation, and Tyler Gray will corroborate with the staff and try to secure the OERB's presence at a future OSR meeting.

VIII: Public Comments:

There were no public comments.

IX: Date of Next Meeting:

April 18, 2019, is the tentative date set for the next Commission meeting, at 1:30 p.m. in the LaSalle Building hearing room.

ADJOURN:

Richard Ieyoub made a motion to adjourn.
Tyler Gray seconded the motion.
No objections or further comments from the Commission.
The meeting was adjourned.