



JOHN BEL EDWARDS
GOVERNOR

State of Louisiana
DEPARTMENT OF NATURAL
RESOURCES
OFFICE OF CONSERVATION

THOMAS F. HARRIS
SECRETARY

RICHARD P. IEYOUB
COMMISSIONER OF CONSERVATION

October 11, 2018

**FIRST SUPPLEMENTAL AND AMENDING
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 thermogenic natural gas has been detected in, reported to have entered into, and currently remains present in the Carrizo-Wilcox aquifer (aquifer) in Sections 22, 27, 28 and 34 of Township 13N, Range 15W in DeSoto parish. Natural gas has also been reported to have been present in the Wilcox aquifer in Section 26, Township 13N, Range 15W, DeSoto Parish.

It is hereby declared that gas may have migrated laterally and be present in one or more water-bearing zones above the Midway Shale in the aquifer in at least Sections 21, 23, 33 and 35 of Township 13N, Range 15W, DeSoto Parish.

It is hereby declared that Comstock Oil & Gas, LLC (C332), Covey Park Gas, LLC (C3020), Indigo Minerals, LLC (60005), Nelson Energy, Inc. (N054), and XTO Energy, Inc. (X004) (hereinafter collectively referred to as "Operators") have permitted oil and gas wells in at least one of Sections 21, 22, 23, 26, 27, 28, 33, 34 and/or 35 of Township 13N, Range 15W, DeSoto Parish (Smyrna EMER18-003 Area of Investigation or "AOI") that one or more may be the source and/or migration pathway for thermogenic natural gas to enter into and charge the water-bearing zones of the aquifer in the AOI.

It is hereby declared that the source of the thermogenic gas in the aquifer in the AOI has not been determined at this time.

It is hereby declared that the presence of natural gas in formations and sands shallower than the Midway Shale and in the aquifer of the AOI has the potential to cause harm to people, environment, property and operations, sites and facilities under the regulatory authority of the Commissioner of Conservation.

It is hereby declared that on July 2, 2018, the Office of Conservation initiated implementation of the DRAFT Natural Gas Source/Subsurface O&G Migration Pathway Investigation Suggested Action Plan (Plan) attached herewith as *Exhibit A* which includes two wells (serial numbers 223788 and 215968) plugged and abandoned by Nelson Energy, Inc. that, here to date, Nelson has taken no action to re-enter and evaluate either of these two wells in accordance with the Plan.

It is hereby declared that to date, the source and migration pathway of the gas charged in the aquifer in the AOI has not been identified.

It is hereby declared that this is an emergency that requires immediate action by the Office of Conservation to protect the environment and the health, safety and welfare of the general public.

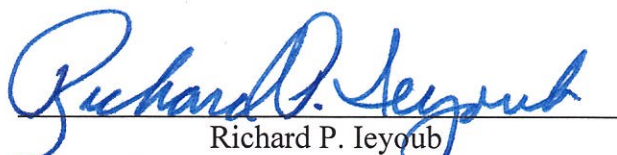
Therefore, it is hereby declared that Nelson Energy, Inc. (N054) be specifically directed and ordered to perform all of the following:

- 1) Provide on or before Friday, October 12, 2018, written work plans to re-enter well serial numbers 223788 and 215968 pursuant to the Exhibit A Plan.
- 2) Provide within seven (7) calendar days after agency approval of each plan submitted in response to Directive 1 above, notification of intent to commence operations for re-entry and evaluation of the wells with all work activities to be completed as soon as possible no later than November 30, 2018.
- 3) Submit within seven (7) calendar days following completion of work activities above a written report with findings and conclusions for each well to this office. Immediately provide verbal notice to the Office of Conservation's EMER18-003 Baton Rouge office contact person of any unusual pressure or gas situations encountered or observed while performing work activities at these wells.

It is further declared that, consistent with La. R.S. 30:6.B, if Nelson Energy, Inc. (N054) fails to comply with the actions set forth herein by respective deadlines set herein and hereafter, orders demanding compliance and civil penalties may be issued to respective non-compliant parties. R.S. 30:1, et seq.

It is further declared that this is an emergency situation that requires immediate action by Nelson Energy, Inc. (N054) to protect the environment and the health, safety and welfare of the general public. **Unless steps are taken to remedy this situation within twenty-four (24) hours from the time of this notice**, the Department of Natural Resources will declare this site orphaned, at the time of the Emergency Declaration for these wells (serial numbers 223788 and 215968), and will be authorized to conduct re-entry and evaluation of said wells, including, but not limited to, plugging and abandonment of the subject wells and may seek reimbursement pursuant to La. R.S. 30:93.

SO DECLARED, ORDERED, AND DONE this 11th day of October 2018 at Baton Rouge, Louisiana.


Richard P. Ieyoub
Commissioner of Conservation