

16TH JUDICIAL DISTRICT COURT FOR THE PARISH OF IBERIA

STATE OF LOUISIANA

DOCKET NO. 134307

DIVISION "E"

JEANERETTE LUMBER & SHINGLE CO., LLC

VERSUS

CONOCOPHILLIPS COMPANY, ET AL.

**CHEVRON U.S.A. INC.'S LIMITED ADMISSION OF REGULATORY
RESPONSIBILITY FOR ENVIRONMENTAL DAMAGE**

Chevron U.S.A. Inc. ("Chevron"), as successor of Kewanee Oil Company ("Kewanee"), submits this limited admission under Louisiana R.S. 30:29 ("Act 312") and states the following:

1. On September 3, 1953, plaintiff's predecessor, Jeanerette Lumber & Shingle LTD, granted an Oil and Gas Lease to Continental Oil Company covering 3412.39 acres ("1953 Lease"), the property at issue in this lawsuit. Various subleases and assignments of the lease ensued.

2. By Assignment dated September 26, 1969, Chevron's predecessor, Kewanee, received a partial interest in the 1953 Lease, covering 43.895 acres (boundaries of P-1 Sand Unit) of Plaintiff's property.

3. Pursuant to the Assignment, Kewanee began operating an existing well, the Jeanerette Lumber & Shingle No. 1 (SN 70817) ("Jeanerette No. 1"), on Plaintiff's property in 1969 and continued operating that lone well until 1978, when Kewanee plugged and abandoned the well.

4. In 1978, Kewanee released its interests in the 1953 Lease.

5. Neither Kewanee nor Chevron operated on Plaintiff's property after 1978, though other companies have conducted oil and gas operations on Plaintiff's property prior to and following Kewanee's operation of the Jeanerette No.1.

6. Plaintiff filed this lawsuit on June 17, 2019, claiming, generally, that Defendants' operations caused environmental damage on its property and, specifically as to Chevron, that Kewanee's operation of Jeanerette No. 1 caused environmental damage on its property.¹

7. Louisiana's Act 312 broadly defines "environmental damage" to include "any...**potential** impact...to environmental media caused by contamination resulting from activities associated with oilfield sites or exploration and production sites." La. R.S. 30:29 (I)(2) (emphasis added).

8. The Louisiana Legislature enacted Act 312 "to ensure that damage to the environment is remediated to a standard that protects the public interest" and to provide "the procedure for judicial resolution of claims for environmental damage[.]" La. R.S. 30:29(A).

9. When a plaintiff alleges "environmental damage" in a lawsuit, a defendant may make a limited admission under Act 312 for the environmental damage and thus take "responsibility for implementing the most feasible plan to evaluate, *and if necessary*, remediate all or a portion of the contamination" that is the subject of the litigation to applicable regulatory standards. La. Code Civ. Proc. art. 1563(A) (emphasis added).

10. When a defendant makes a limited admission, the Louisiana Department of Natural Resources ("LDNR") is to conduct a public hearing to determine the most feasible plan to evaluate or remediate the environmental damage under applicable regulatory standards. La. Code Civ. Proc. art. 1563(A)(2).

11. A defendant who makes a limited admission must perform the evaluation and, if necessary, the remediation required by the most feasible plan, and all money paid by a defendant goes into escrow to be used only for the evaluation, and if necessary, the remediation of the land required by the most feasible plan. *See* La. R.S. 30:29 (C)(5).

12. A limited admission **shall not** be construed as Chevron's admission of liability for any of the plaintiffs' private claims, including, without limitation, that Chevron's or its predecessor's historical operations were negligent or breached any relevant contract or leases with the Plaintiff. La. Code Civ. Proc. art. 1563 (A)(1). Chevron affirmatively states that the historical operations of its predecessor Kewanee were reasonable, prudent and consistent with its lease terms and

¹ While the Petition, as amended, filed in this matter does not specifically reference Act 312 or La. R.S. 30:29, Plaintiffs served notice of this suit on the Department of Natural Resources pursuant to the Act on June 21, 2019 and filed a copy of the return receipt card into the record of this matter on June 28, 2019.

industry practice. *See* La. R.S. 30:29. Chevron affirmatively states it had no control over the operations of any other operators on the property. Chevron reserves all rights and defenses.

13. Although Chevron did not operate on the property and Kewanee merged with Chevron's predecessor Gulf Oil Company after Kewanee completed its operations on Plaintiff's property, Chevron nevertheless recognizes it may hold present-day regulatory responsibility under present-day regulations for any "environmental damage" under Act 312.

14. While there exists some evidence of "potential impact" to the Property from historical oil and gas operations, none of constituents found on the property pose a risk to human health or the environment.

15. Chevron wishes to ensure that any money awarded in this lawsuit is used to address "environmental damage" at Plaintiff's property and believes that the relevant state agencies are in the best position to develop and evaluate, and if necessary, remediate that environmental damage to standards that protect the health, safety and welfare of the public.

16. Chevron, therefore, admits that there is "environmental damage" as defined in Act 312 from historic oil and gas operations in the soil, sediment and shallow groundwater areas on Plaintiff's property outlined in yellow on Exhibit A near Jeanerette No. 1. Environmental damage is defined in Act 312 to include "actual or potential impacts." La. R.S. 30:29 (I)(1).

17. Chevron admits that it is a "responsible party" under Act 312 to evaluate and, if necessary, remediate to applicable regulatory standards any "actual or potential impacts" found in the soil, sediment and shallow groundwater areas on Plaintiff's property outlined in yellow on Exhibit A associated with Jeanerette No. 1.

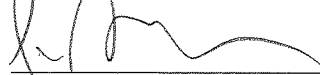
18. By this filing, Chevron invokes La. R.S. 30:29(C) which mandates that the Court refer this matter to the Louisiana Department of Natural Resources to conduct a public hearing as set forth in Louisiana Code of Civil Procedure article 1563 (A)(2) and Act 312. ("[i]f one or more of the defendants have made a timely limited admission, the court shall refer the matter to the Department of Natural Resources . . . to conduct a public hearing to approve or structure a plan which the department determines to be the most feasible plan to evaluate or remediate the environmental damage[.]")

19. Louisiana Code of Civ. Proc. art. 1563(A)(5) provides that the deadline for a limited admission is ninety days from the date environmental sampling on the property is complete.

Sampling on the subject property was completed on February 25, 2021. Further, the parties agreed to extend the deadline in the Case Management Order for defendants to file a limited admission from May 1, 2021 to June 10, 2021. Thus, the April 28, 2021 admission is timely.

20. Due to the upcoming trial date in August 2021 and Chevron's belief that the relevant state agencies are in the best position to determine the "most feasible plan" to evaluate and/or remediate any environmental damage on Plaintiff's property, Chevron makes its limited admission requiring referral of this matter to the Louisiana Department of Natural Resources as set forth in the accompanying *Ex Parte* Motion for Mandatory Referral to the Louisiana Department of Natural Resources for the Development of the Most Feasible Plan Pursuant to La. R.S. 30:29 and Incorporated Memorandum in Support. In the event additional data provides new information, Chevron reserves the right to amend the scope of this admission.

Respectfully submitted by:



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CERTIFICATE OF SERVICE

I hereby certify that a copy of the above and foregoing has been served upon all known counsel of record by electronic mail and/or placing a copy in the United States mail, postage prepaid and properly addressed.

Baton Rouge, Louisiana, this 2nd day of April, 2021.



Pamela R. Mascari

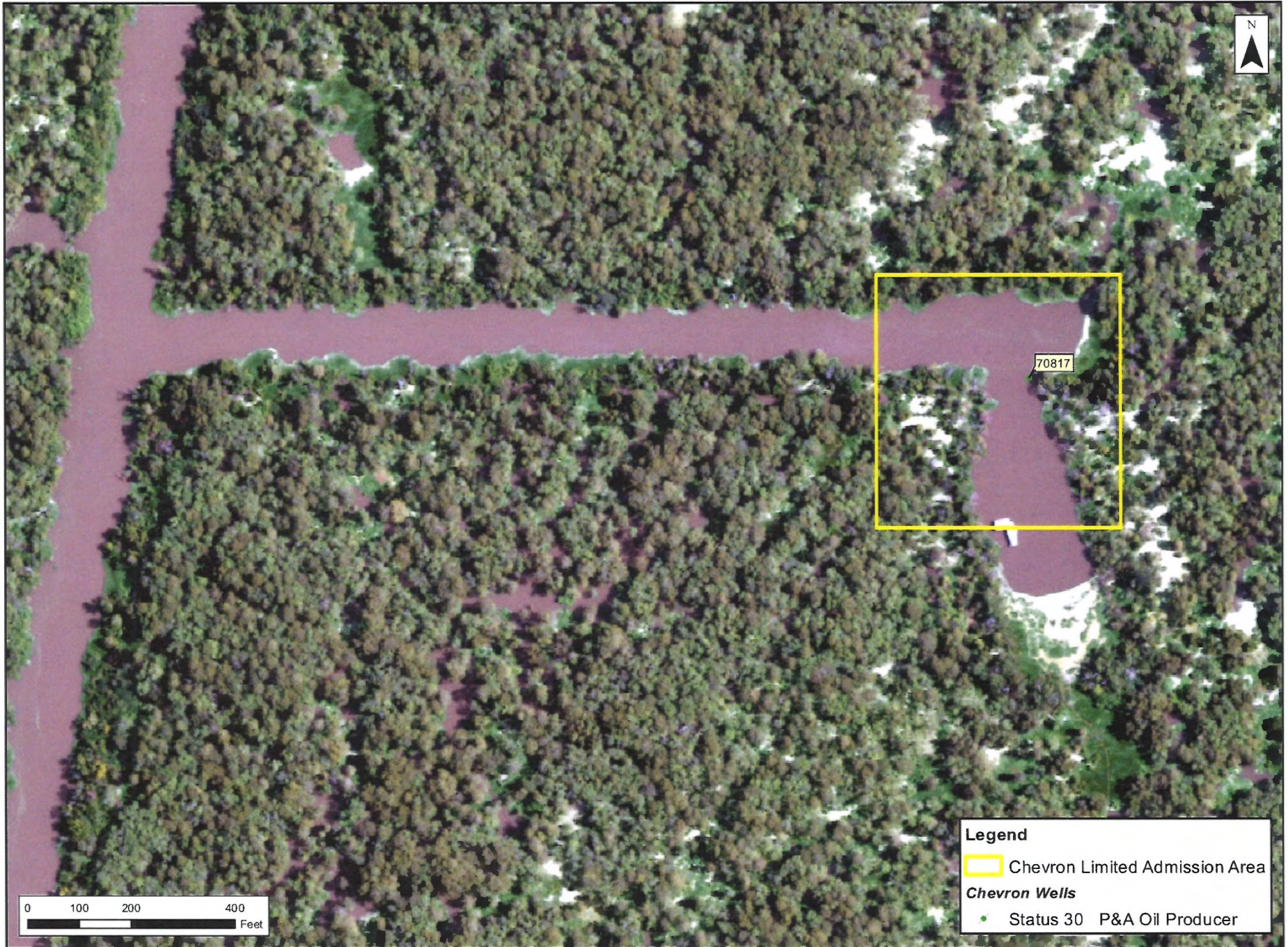


Exhibit A