

**Texas Brine Company, LLC**

4800 San Felipe  
Houston, Texas 77056

713-877-2700

January 21, 2011

Mr. Joseph S. Ball Jr. – Director  
Louisiana Department of Natural Resources  
Injection and Mining Division  
P.O. Box 94275  
617 North Third Street, 8<sup>th</sup> Floor  
Baton Rouge, Louisiana 70804-9275

*Well P&A under application #33003.  
P&A complete 6-6-2011*

Re: Oxy Geismar Well No. 3  
Napoleonville Dome  
Assumption Parish, Louisiana  
Serial # 180708, SM-87-4

Dear Mr. Ball;

This letter is to serve as notification of a failed Mechanical Integrity Test (MIT) of the subject brine production well. As you know, steps were underway for sectioning out a portion of the lower cemented casing to allow additional salt extraction. Upon completion of the section milling phase, a brine injection unit was rigged up to the well to begin the process of pressuring the cavern up for the MIT. Upon completion of the brine injection phase, the well was shut in and left to stabilize prior to nitrogen injection. Over the course of next 90+ days, brine wellhead pressure declined and although the rate of decline diminished over time, the magnitude of the pressure drop was such that it was concluded the well lacked sufficient integrity for continued production. At the beginning of this week, wellhead brine pressure was approximately 65 psi; and the wellhead is scheduled to be completely depressurized within days.

Texas Brine is the current operator of Well 3, and accordingly, Texas Brine wishes to discuss options for placing the well in monitoring status. Although at this time it is difficult to explain all aspects of this loss of integrity, Texas Brine is committed to satisfying Louisiana DNR requests for any additional information. One obvious concern is the cavern's proximity to the edge of salt. There have been several studies in this regard, and Texas Brine has mapped the salt boundary near the cavern applying available well log data, seismic data, and most recently, vertical seismic data gathered during the workover. At this time, a breach out of the salt dome appears possible. If the cavern is in hydraulic communication with the formations outside of the salt dome, such communication could have occurred during mining or during brine injection for the MIT. Although there were no obvious signs of the loss of integrity during the productive

life of the cavern, these possibilities are under review and will be considered in the monitoring plan going forward.

Texas Brine provides this information for the purposes of notification that brine production will be terminated, and also to seek DNR guidance in developing a plan for continuous monitoring. The enclosed pressure data is provided for your records. Additional information will be provided upon your request.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark J. Cartwright', written in a cursive style.

Mark J. Cartwright  
President, United Brine Services, LLC  
A subsidiary of Texas Brine Company, LLC

# TEXAS BRINE CORPORATION

4800 SAN FELIPE  
HOUSTON, TEXAS 77056

(713) 877-2700  
FAX (713) 877-2605

August 25, 1995

Mr. Bill Walter  
Louisiana Department of Natural Resources  
Office of Conservation  
Injection & Mining Division  
P.O. Box 94279  
Baton Rouge, Louisiana 70804-4275

Dear Mr. Walter,

According to our recent conversation regarding the following project:

Texas Brine has two well locations in Louisiana determined to contain low amounts of Naturally Occurring Radioactive Material (NORM). In both cases, scale has accumulated over the years and is found in soils near Texas Brine's Vulcan No. 3 well (serial #180708) and Chacahoula No. 3 well (serial #169940).

Texas Brine wants to pump approximately 20 ft<sup>3</sup> soils back into their associated salt dome caverns. The handling of NORM will be supervised by a Louisiana licensed Radiation Safety Officer.

Your consideration of our proposal is greatly appreciated. Contact me any time should you require any additional information.

Sincerely,



Scott Whitelaw  
Environmental, Health & Safety Manager

# State of Louisiana



EDWIN W. EDWARDS  
GOVERNOR

JACK McCLANAHAN  
SECRETARY

## DEPARTMENT OF NATURAL RESOURCES

ERNEST A. BURGUIÈRES, III  
COMMISSIONER AND  
ASSISTANT SECRETARY

August 31, 1995

Texas Brine Corporation  
4800 San Felipe  
Houston, TX 77056

Attn: Scott Whitelaw

Re: Hooker Chemical No. 8  
Serial No. 180708  
Napoleonville Salt Dome  
Assumption Parish

Gentlemen:

This office has reviewed your August 25, 1995, request to pump approximately 20 ft<sup>3</sup> of NORM-contaminated soil into the above-referenced cavern. It is our understanding that all of the NORM originated from the salt dome and that there are no other contaminants in the soil.

We have no objection to your returning the NORM along with otherwise uncontaminated soil to the salt dome cavern.

If you have questions or need to further discuss the matter, call Bill Walter at (504) 342-5562.

Yours very truly,

Ernest A. Burguières, III, Commissioner  
OFFICE OF CONSERVATION

A handwritten signature in cursive script, reading "James H. Welsh".

James H. Welsh, Director  
Injection and Mining Division

WHW:c