

DECLARATION OF EMERGENCY
Department of Natural Resources
Office of Conservation

AMENDMENT TO STATEWIDE ORDER NO. 29-B (EMERGENCY RULE)

The emergency rule requires the notification of appropriate state and local authorities by drilling permit applicants upon issuance of a permit to drill for wells located within 1,000 feet of an Interstate highway to reduce the risks to public safety and commerce caused by the loss of well control.

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Pursuant to the power delegated under the laws of the State of Louisiana, and particularly Title 30 of the Revised Statutes of 1950, as amended, and in conformity with the provisions of the Louisiana Administrative Procedure Act, Title 49, Sections 953(B)(1) and (2), 954(B)(2), as amended, the following emergency rule and reasons therefore are now adopted and promulgated by the Commissioner of Conservation as being necessary to protect the public health, safety and welfare of the people of the State of Louisiana, as well as the environment generally, by establishing rules for the notification of appropriate state and local authorities for wells drilled within 1,000 feet of Interstate highways in the State of Louisiana.

A. NEED AND PURPOSE FOR EMERGENCY RULE

Since 1987, there have been ninety-five (95) incidents during drilling or workover operations on oil and gas wells which resulted in the loss of well control (blowout). Of this number, sixty-eight (68) blowouts occurred in wells drilled since 1987. Blowouts, although infrequent, pose a serious threat to the environment, commerce and public safety. The frequency of oil and gas exploration and production activity occurring in close proximity to residential and commercial areas is becoming more prevalent and has the potential to exacerbate impacts caused by a blowout event.

Following the blowout of the A Wilberts Sons LLC 72 No. 1 well on November 15, 2007, Interstate Highway 10 was closed to traffic for an extended period resulting in inconvenience to the public, and reported detrimental impact to the public and commerce in the area. As a result, Governor Blanco, requested that the Commissioner of Conservation review all current regulations and make any changes necessary to reduce the likelihood of a similar incident.

In response to Governor Blanco's request, a temporary moratorium on the drilling of wells within one quarter mile of any Interstate highway was enacted by the Commissioner of Conservation on December 1, 2007 to allow time for a comprehensive review of the A Wilberts Sons LLC 72 No. 1 well control incident and all current state and federal regulations regarding drilling safety and well location requirements.

An Ad Hoc Committee on Drilling Safety, formed to complete the requested review, found that notification of local and state authorities, including emergency responders, prior to the commencement of drilling operations within 1,000 feet of any Interstate highway would likely reduce incident response time and reduce impacts to public safety and commerce in the event of a blowout.

As a result, amendments to the current rules were drafted by staff of the Office of Conservation, with technical input from the Ad Hoc Committee. The drilling moratorium is currently set to expire on June 28, 2008 and the proposed rule amendments are being implemented as an Emergency Rule to preclude further extension of the moratorium while pursuing formal amendment of the rules.

B. SYNOPSIS OF EMERGENCY RULE

1. Notification Requirements

Upon receipt of a permit to drill for a well located within 1,000 feet of any Interstate highway, applicants are required to furnish a copy of the approved drilling permit and the certified location plat to the appropriate state and local authorities, including all emergency responders.

C. REASONS

Recognizing the potential advantages of notifying appropriate state and local authorities of drilling operations within 1,000 feet of Interstate highways, it has been determined that failure to establish such requirements in the form of an administrative rule may lead to the existence of an imminent peril to the public health, safety and welfare of the people of the State of Louisiana, as well as the environment generally.

Protection of the public and our environment therefore requires the Commissioner of Conservation to take immediate steps to assure that appropriate local and state authorities are notified prior to drilling wells within 1,000 feet of any Interstate highway. The emergency rule, Amendment to Statewide Order No. 29-B (EMERGENCY RULE) set forth hereinafter is now adopted by the Office of Conservation.

To preclude further extension of the drilling moratorium, while pursuing formal amendment of the rules, the effective date of this EMERGENCY RULE will be June 29, 2008.

D. EMERGENCY RULE

Title 43

NATURAL RESOURCES

Part XIX. Office of Conservation - General Operations

Subpart 1. Statewide Order No. 29-B

Chapter 1 General Provisions

§103. Application to Drill

A. ...

1. Applicants that receive a drilling permit for a well located within one thousand feet (1,000') of an Interstate highway shall furnish a copy of the approved drilling permit and the certified location plat to the appropriate state and local authorities, including all emergency responders.

B.- D.4. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq.

HISTORICAL NOTE: Adopted by the Department of Conservation (August 1943), amended (August 1958), (August 1961), (May 1973), amended by the Department of Natural Resources, Office of Conservation, LR 34.

E. SUMMARY

The EMERGENCY RULE herein above adopted evidences the finding of the Commissioner of Conservation that failure to adopt the above rules may lead to an imminent risk to public health, safety, welfare and commerce, and that there is not time to provide adequate notice to interested parties. However, the Commissioner of Conservation notes again that a copy of the permanent Amendment to Statewide Order No. 29-B will be developed in the near future, with a public hearing to be held as per the requirements of the Administrative Procedures Act.

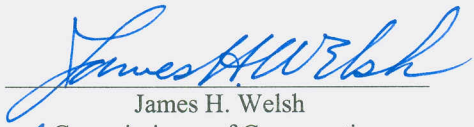
The Commissioner of Conservation concludes that the above EMERGENCY RULE will better serve the purposes of the Office of Conservation as set forth in Title 30 of the Revised Statutes, and is consistent with legislative intent. The adoption of the above EMERGENCY RULE meets all the requirements provided by Title 49 of the Louisiana Revised Statutes. The adoption of the above EMERGENCY RULE is not intended to affect any other provisions, rules, orders, or regulations of the Office of Conservation, except to the extent specifically provided for in this EMERGENCY RULE.

Within five days from the date hereof, notice of the adoption of this EMERGENCY RULE shall be given to all parties on the mailing list of the Office of Conservation by posting a copy of this EMERGENCY RULE with reasons therefore to all such parties. This EMERGENCY RULE with reasons therefore shall be published in full in the *Louisiana Register* as prescribed by law. Written notice has been given contemporaneously herewith notifying the Governor of the State of Louisiana, the attorney general of the State of Louisiana, the Speaker of the House of Representatives, the President of the Senate and the Office of the State Register of the adoption of this EMERGENCY RULE and reasons for adoption.

F. EFFECTIVE DATE AND DURATION

1. The effective date for this EMERGENCY RULE shall be June 29, 2008.
2. The EMERGENCY RULE herein adopted as a part thereof, shall remain effective for a period of not less than 120 days hereafter, unless renewed by the Commissioner of Conservation or until the adoption of the final version of an amendment to Statewide Order No. 29-B as noted herein, whichever occurs first.

Signed at Baton Rouge, Louisiana, this 27th day of June, 2008.


James H. Welsh
Commissioner of Conservation