

Bayou Corne Incident
Response Update
October 2016

On August 3, 2012, a sinkhole appeared in Bayou Corne, Louisiana, on land owned by Occidental Chemical Corporation (OCC) near a brine well that was formerly operated by Texas Brine Company (TBC) for the benefit of OCC. Over the course of our >\$200 MM response effort, there have been no injuries; no homes damaged; no impact to air quality; and no adverse impact to the waters in the surrounding bayous as a result of the sinkhole.

TBC has been committed to responding to this incident while providing support to the Bayou Corne community. Throughout the past four years, Texas Brine worked closely with State and local officials to address the response objectives of sinkhole containment, ensuring dome stability, and gas venting. On October 7, 2016, State and local authorities announced that these response objectives have been satisfied and that the sinkhole does not pose a risk to the community of Bayou Corne.

Although all evacuation orders for area residents have been lifted, TBC will continue certain sinkhole monitoring and management activities including the following:

- Monitor and operate eight Observation Relief Wells (ORWs) until they are approved for plugging and abandonment
- Provide indoor LEL/H₂S sensors to those Bayou Corne residents who request air quality monitors
- Conduct semi-annual surveys of the top of the sinkhole containment berm through the end of 2017
- Continue to monitor sinkhole water level with regular reporting to the Louisiana Department of Natural Resources (LDNR)
- Monitor seismic activity in Bayou Corne
- Continuation of the MRAA Groundwater and Sinkhole water management program
- Provide weekly well pressure updates to LDNR for OG1, OG2, and OG3A

This event was unprecedented and so was the response effort. State-of-the-art technology was used to deliver subsurface profile images safely, quickly and accurately to a greater depth than any previous examination of the area making this 2.2 square mile footprint one of the most studied areas in the world. Like our commitment to the response, we are dedicated to remaining actively engaged with the Bayou Corne community, as well as the State and local regulatory agencies.

Response overview:

- No injuries; no homes damaged; no impact to air quality
- Sinkhole has stabilized and the scientific consensus is that there will be little to no additional growth
- Venting of natural gas trapped in area aquifer virtually complete
- Venting requirements established by the Governor's Blue Ribbon Commission have been satisfied and only one of 52 relief wells originally installed is still actively venting)
- 2.2 mile berm was constructed around the 33.8 acre sinkhole to contain elevated chloride waters and initial trace hydrocarbons; numerous tests over several years show no adverse impact to surrounding bayous
- Advanced seismic monitoring system deployed
- \$11.96 MM paid to residents in the form of evacuation assistance payments
- \$64.5 MM paid to Bayou Corne residents for final settlements

While response requirements have been satisfied, litigation associated with the appearance of the sinkhole continues. The cause of this unprecedented event was not initially known, but based on information exposed during the litigation discovery process, TBC now strongly believes that the sinkhole was not the result of its actions, but was the responsibility of others.