

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;  
Nora Mead Brownell, and Suedeen G. Kelly.

Port Barre Gas Storage and  
Rapiere Resources Company

Docket No. CP05-386-000

ORDER GRANTING EXEMPTION  
FOR TEMPORARY ACTS AND OPERATIONS

(Issued July 25, 2005)

1. On June 14, 2005, Port Barre Gas Storage (PBGS) and Rapiere Resources Company (Rapiere), filed a petition pursuant to Rule 207(a)(5) of the Commission's Rules of Practice and Procedure.<sup>1</sup> Pursuant to section 7(c) (1) (B) of the Natural Gas Act (NGA), PBGS requests an exemption from the certificate requirements of NGA section 7(c) to drill a test well and perform other activities to determine the feasibility of developing a natural gas storage facility in St. Landry Parish, Louisiana.<sup>2</sup>

2. We find it is in the public interest to grant PBGS's requested exemption for the proposed activities, subject to the conditions herein, to facilitate the development of storage facilities.

**Proposed Activities**

3. Neither PBGS nor Rapiere is a natural gas company as defined by section 2(6) of the NGA, and neither holds an NGA section 7 certificate. PBGS seeks an exemption from NGA section 7(c) certificate requirements to explore and assess the technical and economic feasibility of developing an underground natural gas storage facility in St. Landry Parish, Louisiana.

4. PBGS requests an exemption from NGA section 7(c) in order to drill a single stratigraphic test well to an approximate depth of 5,200 feet into the Port Barre salt dome in order to determine the physical properties of the salt formation and whether it can

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<sup>1</sup> 18 C.F.R. § 385.207 (2005).

<sup>2</sup> Section 7(c)(1)(B) of the NGA permits the Commission to exempt "temporary acts or operations for which the issuance of a certificate will not be required in the public interest."

accommodate a high pressure natural gas storage facility. PBGS will drill, core, test, plug and abandon the well in accordance with all requirements of the Louisiana Office of Conservation as well as those environmental conditions set forth in section 157.206(b) of the Commission's regulations.<sup>3</sup>

### **Notice and Intervention**

5. Notice of PBGS' petition was published in the *Federal Register* on June 27, 2005, 70 Fed Reg. 36,930 (2005). No notices of intervention, motions to intervene, or protests were filed.

### **Discussion**

6. PBGS' proposed activities are a necessary preliminary phase in the development and construction of a natural gas storage facility. Depending on the outcome of the tests, salt caverns for the storage of natural gas may or may not be developed. We therefore consider the proposed activities as a necessary phase in the construction of a jurisdictional storage facility, and as such, the proposed activities are subject to the certificate requirements of NGA section 7(c).

7. However, pursuant to NGA section 7(c)(1)(B), if we find it in the public interest, we may exempt certain temporary acts or operations from the certificate requirement that would otherwise apply. Previously, we have granted exemptions to allow operations of a temporary nature that have no effects on the ratepayer, on the quality of service provided by a pipeline, or on the public as a whole.<sup>4</sup>

8. PBGS emphasizes that its proposed exploratory activities are temporary and will be conducted in order to determine the feasibility of developing a salt cavern storage complex. No service will be rendered. The certificate authorization exemption will be

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<sup>3</sup> PBGS also requests pregranted abandonment authority to terminate the temporary acts and operations exempted from NGA section 7(c) certificate requirements in this order. However, the abandonment requirements of NGA section 7(b) do not apply to the exempted activities of companies such as PBGS that are not natural gas companies as defined in NGA section 2(6). Therefore, no abandonment authorization is required.

<sup>4</sup> See, e.g., *Desert Crossing Gas Storage and Transportation System LLC*, 98 FERC ¶ 61,277 (2002); *Copper Eagle Gas Storage L.L.L.*, 97 FERC ¶ 62,193 (2001); and *Central New York Oil and Gas Co., LLC*, 89 FERC ¶ 61,006 (1999).

used solely for exploratory activities to obtain geological and engineering data. Since PBGS is not currently a natural gas company and has no existing jurisdictional facilities, it has no current services or customers that might be affected.

9. Under the circumstances described in PBGS' petition, we find that the proposed activities constitute temporary acts or operations within the meaning of NGA section 7(c)(1)(B), and we find it in the public interest to exempt the proposed activities from the certificate requirements of NGA section 7(c). Given the increase in LNG imports in the vicinity of the potential storage site, there is a potential benefit a new storage facility could provide. Further, we find that without performing the proposed activities, PBGS cannot make an informed business and engineering decision regarding the feasibility of developing a new storage complex. Accordingly, we will exempt PBGS from the NGA section 7(c) certificate requirements in order to engage in the activities specified herein, subject to the conditions set forth below.

10. Port Barre has stated it will comply with the environmental requirements of Section 157.206(b) and with all of the requirements of the Louisiana Department of Environmental Conservation while conducting the well-testing activities. Under these circumstances, the granting by the Commission of an exemption from the requirements of section 7(c) and, to the extent needed, pregranted authority under section 7(b) of the NGA is granted.

11. The certificate exemption granted herein is without prejudice to any decision the Commission may make regarding any application PBGS may file for authorization for a storage project at the site or related pipeline construction.

12. At a hearing held on July 21, 2005, the Commission on its own motion received and made a part of the record in this proceeding all evidence, including the petition and exhibits thereto, submitted in support of the authorization sought herein, and upon consideration of the record,

The Commission orders:

(A) Upon the terms and conditions of this order pursuant to NGA section 7(c)(1)(B), PBGS is granted an exemption from the NGA section 7(c) certificate requirements to undertake the activities specified in this order and in PBGS' petition.

(B) PBGS shall notify the Commission within 10 days after commencing activities within the exemption granted in Ordering Paragraph (A).

(C) PBGS shall allow inspection by Commission staff at any time.

(D) The exemption granted in Ordering Paragraph (A) is effective upon issuance of this order.

(E) The exemption granted in Ordering Paragraph (A) may be revoked if the actions are determined to be inconsistent with this order or with state or federal law and regulations. The Commission may halt work authorized under this exemption until any required consistency determination is completed.

(F) The authorized drilling and testing activities shall be completed within one year of the date of this order.

(G) PBGS shall comply with the environmental requirements of section 157.206(b) of the Commission's regulations in implementing the drilling and testing activities.

By the Commission.

( S E A L )

Linda Mitry,  
Deputy Secretary.