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Homeland Security

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MEMORANDUM

16 NOV 2018

From: K.M. Luttrell, CAPT
CG Sector New Orleans

To: File

Subj: DECISION MEMORANDUM – CONTAINMENT DOME SYSTEM, TAYLOR ENERGY CORPORATION MISSISSIPPI CANYON BLOCK 20 (MC-20)

1. **Purpose.** Administrative Order 19-001 was issued on October 23, 2018. It required Taylor Energy Corporation (TEC) to institute a containment system to capture, contain, and remove oil from the erosional pit near the former Dome C location at the MC-20 site.

The purpose of this memorandum is to document my decision to reject TEC's proposed containment dome system and accept the containment dome system proposed by Couvillion Group.

2. **Discussion.** A Unified Command meeting was held from November 6-9, 2018. The meeting consisted of bifurcated contractor presentations for federal government market research and TEC. All proposals were evaluated by a Technical Evaluation Team consisting of the Federal On Scene Coordinator, Source Control Support Coordinator and the Scientific Support Coordinator. For the reasons described below, the Technical Evaluation Team expressed high confidence in Couvillion's proposed containment dome system exceeding that of the Taylor Energy Corporation's proposed containment dome system.

A. **Couvillion's Proposal.**

Couvillion presented its proposed containment dome system for the purpose of the federal government's market research on November 6, 2018.

1. **Technical capabilities.**

The Technical Evaluation Team expressed high confidence in Couvillion's technical capability for several reasons.

- The proposed "Rapid Response System" required minimal fabrication time and the proposed design was scalable, using the downed jacket to provide maximum stability while creating a "sliding beam bridle" for possible movement of the plumes, field conditions, and various adjustments during usage.
- Couvillion's processing and removal procedures were superior. Oil stored within the containment modules would be drawn down using a remotely-operated vehicle (ROV) and pump system. Hydrocarbons would be transferred to shore for processing. This is

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desirable because it eliminates the need for a surface buoy and eliminates regulatory and environmental concerns associated with production operations on the Outer Continental Shelf.

- There are no surface components to demobilize and the containment system possesses enough storage to withstand any storm events.
- Couvillion’s subcontractor owns all the vessels required for the work, thus minimizing logistics and/or scheduling conflicts.
- Installation and use of the Rapid Response System presents minimal intrusion to the MC20 site. It does not disturb the seabed and no moorings are needed. The system allows for necessary (adjustable) standoff from the seabed to reduce sediment loading issues. It can be used in conjunction with any future well remediation efforts.

2. Response time.

Couvillion proposes to have the containment system in place by the end of this year (2018). There are no additional on-site production or regulatory requirements that would add additional time or delay. Program development and time estimates include surveying, jacket assessment, and recovery work and will commence within the first week of contract award.

B. Taylor Energy Corporation’s Proposal.

TEC presented its proposed containment systems on November 8, 2018. There were two presentations. The first consisted of a proposal by Versabar, Inc. Versabar, Inc. put forth a containment option consisting of a modified barge placed on top of the jacket (“barge” or “barge option”) to capture the plumes. The second proposal was presented by TEC. They suggested using pyramidal domes to capture the plumes. The Technical Evaluation Team expressed low confidence with both the Versabar and TECs proposals.

1. Technical capability

The Technical Evaluation Team identified several key concerns in both the Versabar Inc. and TEC proposals.

Versabar, Inc. Technical concerns:

- The suction pile anchors for the barge to include the mooring “cans” would both result in an increase in bottom disturbances which could lead to additional surface sheening.
- The distance between the barge and the plumes could be problematic for capturing hydrocarbons and the success or failure of this plan is dependent upon discharge rates from the plumes and/or influence from currents.
- This proposal relies upon “vessels of opportunity”. As a result, TEC would be required to contract and schedule vessels around the interests of other non-parties in the open market.

TEC Technical concerns:

- The modified pyramidal domes would result in increased bottom disturbances.

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- If used alone, these domes have limited storage capacity in the Collector/Separator Assembly (CSA) and would require a vessel to be on-site for continuous processing/offloading to handle the volumes outlined in the Statement Of Objectives (SOO).
- The domes would not cover the 30' by 40' plume area outlined in the SOO.
- Multiple domes would require several hose connections to the CSA, introducing potential failure points associated with sediment issues, possibly hydrates, and/or paraffin buildup.

2. Response time.

The Technical Evaluation Team had considerable apprehension as it related to response times.

Versabar, Inc. Response time concerns:

- Dependence on schedule of the Versabar 10,000.

TEC Response time concerns:

- Dependence on vessels of opportunity. As an example, TEC made it clear that prior to any work being started they would need to conduct their own site survey, to which they relayed to the Technical Evaluation team could not begin until mid-to-late December 2018 due to vessel availability.
- TEC's proposal of using the existing CSA and/or fabricating new pyramidal domes would take up to four months to deploy.

3. FOSC Decision. For the reasons described above, I adopt the Technical Evaluation Team's recommendations. I have a higher confidence in the technical capability and response time proposed by Couvillion than that of TEC. As a result, I select Couvillion's containment dome system.

Couvillion presented its proposal to TEC on 13 November 2018. TEC was allowed until 17:00 15 November 2018 to accept or reject Couvillion's proposal. TEC was informed that failure to reach an agreement within the allotted time would result in partial assumption of this response by the U.S. Coast Guard. The actions assumed will pertain to all activities related to the development, installation, removal and disposal of oil collected in the containment dome, and maintenance of a containment dome system at the MC20 site identified in Administrative Order 19-001.



K. M. Luttrell
Captain, U.S. Coast Guard
Federal On-Scene Coordinator

Received by: _____ Date: _____