

# BOND SCHOENECK & KING

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January 22, 2013

**VIA ELECTRONIC MAIL AND**  
**FIRST CLASS MAIL**

David L. Bimber  
Deputy Regional Permit Administrator  
Division of Environmental Permits  
New York State Department of  
Environmental Conservation  
Region 8  
6274 East Avon-Lima Road  
Avon, NY 14414-9519

Re: *Finger Lakes LPG Storage Project*  
*DEC Facility No. 8-4432-00085*

Dear Mr. Bimber:

As the Department might be aware, opponents of the Finger Lakes LPG Storage Project have recently stated or implied that the Applicant and its owner, Inergy Midstream, L.P., have not been forthcoming with the Staff or the public about the mechanical integrity of a cavern to be converted into LPG storage in the proposed project. Specifically, it has been suggested that the Applicant has inappropriately concealed the conclusion by a US Salt independent contractor that the roof of well 58 had collapsed. The Applicant assures the Department that these claims are without merit.

By way of background, the confidential Reservoir Suitability Report filed with the Department on May 14, 2010 explains how Mr. Sevenker drew his conclusion and why his conclusion was wrong. Applicant's position is supported by sonars, mechanical integrity tests, well logs and other recent data, all of which have been submitted to the Department and demonstrate that a roof collapse has not occurred. In fact, the Department was already aware of the inaccurate nature of Mr. Sevenker's conclusion, as much of this data had been provided to the Department when US Salt requested in 2010 a permit to use well 58 for brine production.

In furtherance of the Applicant's desire to be transparent with the Department, and to help dispel any concerns about the purported roof collapse, the Applicant is compelled to submit the enclosed statement from Mr. Sevenker. In short, Mr. Sevenker recognizes that his 2001 conclusion regarding a roof collapse was erroneous and effectively recants his inaccurate conclusion.



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David L. Bimber  
January 22, 2013  
Page 2



Thank you.

Sincerely,

BOND, SCHOENECK & KING, PLLC

A handwritten signature in black ink that reads "Kevin Bernstein".

Kevin M. Bernstein

Enclosure

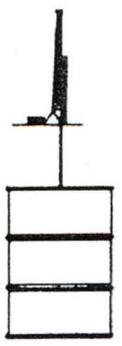
cc: (w/enclosure)  
Peter Briggs, NYSDEC  
Linda Collart, NYSDEC  
Paul D'Amato, NYSDEC  
Lisa Schwartz, Esq., NYSDEC  
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Finger Lakes LPG Storage, LLC

RECEIVED  
JAN 24 2013  
Bureau of Oil & Gas Permitting  
and Management

**LARRY SEVENKER**  
**Consulting Engineer**

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Kenner, LA 70065

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January 15, 2013

To Whom It May Concern

I was contracted by US Salt to perform a sonar survey of well #58 in January 2001. I was unable to get a sonar picture of the cavern at that time, which I attributed to a disturbance in the formation (a roof collapse) that filled the cavity with rubble. US Salt, at my recommendation, plugged and abandoned the well.

US Salt has since provided to me two more recent sonars showing a completely different profile of the cavern – one not filled with rubble, but rather normal looking. Recent mechanical integrity testing further proves the structural integrity of well 58. US Salt also resumed normal solution mining on the cavern in 2010, and has solutioned the cavern without issue. Based on the updated data and the fact that well #58 continues to hold pressure for brine production, it does not appear that a roof collapse occurred and that my initial assessment in 2001 was inaccurate.

I understand that opponents to the Finger Lakes LPG storage development project are pointing to my 2001 assessment as proof that well #58 lacks structural integrity and therefore is completely unsafe. The updated data does not support this claim, and I wanted to set the record straight.

Larry Sevenker  
Consulting Engineer