

LOUISIANA PUBLIC SERVICE COMMISSION

ORDER NUMBER T-37220

SYNERGEN DRILLING, LLC
EX PARTE

Docket No. T-37220, In re: Application for a Common Carrier Certificate of non-hazardous oilfield waste, non-hazardous industrial solid waste, and hazardous waste for disposal, statewide.

(Decided September 3, 2024.)

ORDER

Background

Synergen Drilling, LLC (“Synergen Drilling” or “Applicant”) filed an application (“Application”) with attachments on June 4, 2024, seeking from the Louisiana Public Service Commission (“LPSC” or “Commission”) a common carrier certificate authorizing it to transport non-hazardous oilfield waste, non-hazardous industrial solid waste, and hazardous waste for disposal, statewide. Notice of the Application was published in the Commission’s *Official Bulletin* on June 7, 2024, for a 15-day intervention period. No interventions were filed.

At a status conference on July 9, 2024, representatives of the Applicant and the Commission Staff agreed to the procedural schedule included in the *Report of Status Conference* issued on the same day. Pursuant to the schedule, Synergen and Commission Staff filed their pre-hearing statements on August 22, 2024. As there are no intervenors and Commission Staff supports the Application, the Application is considered unopposed.

Jurisdiction and Applicable Law

The Commission derives its jurisdiction over common carriers and public utilities from the Louisiana Constitution of 1974. Article IV, Section 21(B) of the Constitution provides, in pertinent part, that:

[t]he [C]ommission shall regulate all common carriers and public utilities and have such other regulatory authority as provided by law. It shall adopt and enforce reasonable rules, regulations and procedures necessary for the discharge of its duties, and shall have other powers and perform other duties as provided by law.

In addition, La. R.S. 45:163 provides that “[t]he [C]ommission has the power and authority necessary to supervise, govern, regulate, and control motor carriers . . . which transport household goods, passengers, or waste intrastate and to fix reasonable and just rates, fares, tolls, or charges

for the commodities furnished or services rendered by such motor carriers.” La. R.S. 45:164 states that “[n]o motor carrier of waste shall operate without first having obtained from the [C]ommission a common carrier certificate or contract carrier permit.” La. R.S. 45:164(B) provides that an applicant for a common carrier certificate, contract carrier permit, or expansion of authority granted in an existing certificate must prove fitness by proving all of the following:

- (1) The applicant holds, or is capable of acquiring, an insurance policy that complies with [C]ommission rules.
- (2) The applicant has the financial ability to provide the transportation of waste for disposal in a safe and efficient manner.
- (3) The applicant holds, or is capable of acquiring all the necessary authorizations required by any and all regulatory authorities for the transportation of waste for disposal.
- (4) The applicant holds, or is capable or [sic] acquiring for use, equipment and man power to provide transportation services in a safe and efficient manner.
- (5) The applicant has in place, or is capable of establishing, a safety program necessary for the safe and efficient transportation of waste for disposal.

The Commission’s *General Order* dated January 23, 2018 incorporated the above requirements into Rule 33 of the Commission’s *Rules of Practice and Procedure*, which now reads (in pertinent part) as follows:

- A. An applicant applying for a common carrier certificate, contract carrier permit, or expansion of authority granted in an existing certificate or permit authorizing the transportation of non-hazardous oilfield waste, hazardous waste or non-hazardous industrial solid waste shall prove fitness...in a hearing before an administrative law judge or hearing officer by proving that the applicant:
 1. holds, or is capable of acquiring, an insurance policy providing coverage of two hundred fifty thousand dollars for injury or death per person or five hundred thousand dollars per occurrence, and ten thousand dollars property damage,
 2. has the financial ability to provide the transportation of waste for disposal in a safe and efficient manner,
 3. holds, or is capable of acquiring, all of the necessary authorizations required by any and all regulatory authorities for the transportation of waste for disposal[,]
 4. holds, or is capable of acquiring for use, equipment and man power to provide transportation services in a safe and efficient manner, and
 5. has in place, or is capable of establishing, a safety program necessary for the safe and efficient transportation of waste for disposal.

...

- D. The provisions of this rule are applicable to all applications for common carrier certificates and contract carrier permits of waste and all applications for expansion of existing waste authority, including those applications which are presently pending before the Commission but have not yet gone to hearing on the merits.
- E. All restrictions on existing certificates or permits are valid until expansion of authority is applied for and a new certificate or permit is granted. However, any restrictive language in any existing common carrier certificate or any contract carrier permit of waste that prevents the carrier from applying for expanded authority for any period of time is null and void . . .
- F. Certificates or permits issued after the adoption of this rule shall not contain restrictions.

The Hearing

A hearing on the Application was convened on August 29, 2024, at which Synergen and Commission Staff appeared through counsel.

Testimony and Evidence Presented by the Applicant

In support of its Application, Synergen presented the testimony of Ryan Puckett.

Testimony of Ryan Puckett

Mr. Puckett is employed by Synergen, LLC located in Bossier City, Louisiana, and serves as the Director of Safety and Compliance for Synergen, LLC, the Applicant, and all other affiliates of Synergen, LLC. Mr. Puckett testified that his responsibilities include oversight of safety and regulatory compliance for Synergen Drilling and that he is knowledgeable of the other aspects of Synergen Drilling's business operations. Mr. Puckett provided his employment background, stating that he has been employed in the oil and gas industry since 2009. He stated further that he served in production roles for various entities and transitioned into safety-related roles approximately six and one-half years ago; however, he has no previous experience in regulated waste transportation. He has been employed with Synergen, LLC since October 2023.

Mr. Puckett explained the organizational and management structure for Synergen, LLC and Synergen Drilling. Matt Adkins is the Chairman and sole owner/member of Synergen, LLC and its affiliates: Synergen Drilling, Synergen Construction, LLC and Hydroline, LLC. Mr. Puckett explained that Synergen, LLC and, like himself, other employees of Synergen, LLC, provide executive and back-office support services for Synergen Drilling and the other Synergen, LLC affiliates. Mr. Puckett discussed the other employees and their roles and responsibilities with Synergen, LLC and the Applicant. Mr. Puckett discussed further, that while the entities share Mr. Adkins as a common sole owner, Synergen, LLC has no ownership interest in Synergen Drilling or the other affiliates.

Mr. Puckett testified that the Applicant is a Louisiana limited liability company formed on May 8, 2018,¹ and its office and sole terminal are located in Shreveport, Louisiana. Mr. Puckett stated the Applicant operates (or has operated) in Louisiana, Texas, Arkansas, and Mississippi. The Applicant does not currently hold any authority from the LPSC, but intends to apply for a saltwater certificate. The Applicant's current services consist of water well drilling and installation of cellar and conductor packages for oil and gas production sites. Mr. Puckett testified the Applicant is seeking the requested authority to expand its service offerings and for operational efficiency and economy. Mr. Puckett testified that the Applicant has 30-35 employees, 9 of which are CDL drivers and all are in Louisiana. If the requested authority is granted, Mr. Puckett stated the Applicant will hire additional employees as needed based on growth. The Applicant does not utilize owner-operators and does not plan on doing so in the future.

Mr. Puckett identified proof of insurance for the Applicant and confirmed that the policies insure all of its equipment and drivers, meet or exceed the minimum requirements and that the policies will be renewed on or before expiration. Mr. Puckett testified regarding Synergen Drilling's regulatory compliance, affirming that it is in good standing with the Louisiana Office of Secretary of State and state and federal regulatory agencies. Further, Mr. Puckett confirmed his understanding of myriad Commission rules and regulations, including filing annual reports, paying inspection and supervision fees, and maintaining current insurance documents on file with the Commission. Per Mr. Puckett, the Applicant intends to comply with all of the Commission's regulations. Mr. Puckett indicated that the Applicant has or is willing to acquire the necessary permits, equipment, finances, and personnel for the transportation of LPSC-regulated waste in a safe, efficient, and LPSC-compliant manner.

Mr. Puckett testified regarding the Applicant's financial condition, identifying documents depicting the Applicant's finances and asserting that the Applicant possesses adequate finances to provide safe and efficient transportation of waste. Mr. Puckett stated that Mr. Adkins is willing and able to contribute capital to the Applicant if needed. According to Mr. Puckett, the Applicant is financially stable, has not filed for bankruptcy, has had no issues with accounts payable or payroll, and is current on federal and state tax filings. The Applicant was subject to a tax audit, which has been resolved.

¹ The Applicant was initially formed and registered with the Louisiana Secretary of State's Office as Hydoline, Drilling, LLC but changed its legal name to Synergen Drilling, LLC on January 19, 2024 (Applicant Exhibit 4, *in globo*).

Mr. Puckett testified regarding the Applicant's equipment. The Applicant owns three trucks and one trailer. Mr. Puckett addressed the Applicant's maintenance policies and practices, including pre- and post-trip inspections, and maintenance schedules. Most maintenance is performed by Synergen, LLC in Bossier City, and is documented through a software system utilized by the Applicant. Some maintenance, such as computer- and tire-related maintenance, is outsourced to third parties. Mr. Puckett stated that all equipment to be used by the Applicant for LPSC-regulated waste transportation has low mileage and is in good working order. Mr. Puckett detailed an internal commercial motor vehicle ("CMV") audit program implemented by the Applicant where certain Synergen, LLC and Synergen Drilling employees conduct spot audits of the Applicant's vehicles to help ensure that they are in good working order. According to Mr. Puckett, the Applicant's trucks are equipped with telematics, which include GPS and driver monitoring.

Mr. Puckett testified regarding the Applicant's driver compensation and hiring and training requirements. Driver applicants must complete prerequisites including motor vehicle and employment background checks and a drug and alcohol screening. Synergen Drilling requires driver applicants to have at least one year of CDL driving experience. All new driver hires undergo orientation and training, including a safety orientation and module training.

Mr. Puckett addressed Synergen Drilling's safety policies and practices, including its waste-specific policies, cell phone and drug and alcohol policies. Mr. Puckett identified and discussed the Applicant's *HSE Manual 2022*. Per Mr. Puckett, the Applicant conducts daily (job-specific) and monthly safety meetings. He discussed some of the topics discussed at those meetings and noted the meetings are documented through a software system utilized by the Applicant. Mr. Puckett indicated that the Applicant is a member of the ISNetwork and PEC Veriforce safety networks with satisfactory ratings. Mr. Puckett identified a *Company Snapshot* for Synergen Drilling and discussed measures implemented by the Applicant, including the CMV audit process and additional training, to improve its inspection out-of-service metrics.

In connection with his testimony, Mr. Puckett identified the following exhibits which were admitted:

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| Exhibit 1 | A copy of an Affidavit executed by Matt Adkins on August 28, 2024. |
| Exhibit 2 | A copy of Synergen Drilling, LLC's <i>Management Structure</i> (8/28/24). |

Exhibit 3	A copy of Synergen Drilling, LLC's <i>Affiliated [C]ompanies</i> (8/28/24).
Exhibit 4, <i>in globo</i>	A copy of the <i>Waste by Motor Vehicle Application</i> filed by Synergen Drilling, LLC on June 4, 2024, with public attachments.
Exhibit 5	A copy of Synergen Drilling, LLC's <i>HSE Manual 2022</i> (submitted electronically on thumb drive).
Exhibit 6, <i>in globo</i>	Copies of the following Synergen Drilling, LLC safety policies: <ul style="list-style-type: none"> • <i>General Waste Management Policy</i> • <i>Hazardous Waste Transportation Policy</i> • <i>Pre-Transportation, Load Inspection and Securing</i>.
Exhibit 7	A copy of the <i>SAFER Company Snapshot</i> for Synergen Drilling, LLC for the 24 months prior to August 27, 2024.
Exhibit 8	A copy of an ACORD <i>Certificate of Liability Insurance</i> dated August 28, 2024, listing Synergen Drilling, LLC as the insured. And,
Exhibit 9, <i>in globo</i>	Copies of the following financial documents for Synergen Drilling, LLC (admitted confidentially under seal): <ul style="list-style-type: none"> • Balance Sheet as of December 31, 2022 • Profit and Loss, January - December 2022 • Balance Sheet as of December 31, 2023 • Profit and Loss, January - December 2023 • Balance Sheet as of May 31, 2024 • Profit and Loss, January - May 2024.

Commission Staff's Position

The Commission Staff expressed its support for the Application in its pre-hearing statement and confirmed at the hearing that there are no LPSC regulatory issues with Synergen Drilling and that it supports the Application.

Conclusion

Having considered the Application of Synergen Drilling, the testimony and evidence presented in support of the Application, the directives of the Commission's *General Order* dated January 23, 2018, Rule 33 of the Commission's *Rules of Practice and Procedure*, and other applicable law, we find that Synergen Drilling has established its fitness to operate and that a common carrier certificate should be issued to the Applicant as requested.

Accordingly, **IT IS ORDERED** that Synergen Drilling, LLC be issued a common carrier certificate authorizing operation in Louisiana intrastate commerce as a common carrier of non-hazardous oilfield waste and non-hazardous industrial solid waste for disposal, statewide.

IT IS FURTHER ORDERED that the issuance of the common carrier certificate is conditioned upon the full compliance of Synergen Drilling, LLC with the laws of the State of Louisiana and the rules and regulations of the Louisiana Public Service Commission.

BY ORDER OF THE COMMISSION
BATON ROUGE, LOUISIANA
September 3, 2024



A handwritten signature in blue ink, appearing to read "Brandon M. Frey".

BRANDON M. FREY
SECRETARY

/S/ MIKE FRANCIS

DISTRICT IV
CHAIRMAN MIKE FRANCIS

/S/ DAVANTE LEWIS

DISTRICT III
VICE CHAIRMAN DAVANTE LEWIS

/S/ FOSTER L. CAMPBELL

DISTRICT V
COMMISSIONER FOSTER L. CAMPBELL

/S/ ERIC F. SKRMETTA

DISTRICT I
COMMISSIONER ERIC F. SKRMETTA

/S/ CRAIG GREENE

DISTRICT II
COMMISSIONER CRAIG GREENE