



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 10
1200 Sixth Avenue, Suite 155
Seattle, Washington 98101-3140

Water Division

JUL 31 2019

Reply To: WD 20-C04

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. William G. Britt Jr.
Environmental Manager
Hilcorp Alaska, LLC
P.O. Box 244027
Anchorage, Alaska 99524-4027

Re: Issuance of Underground Injection Control Permit No. AK-11014-B
Beluga River Unit, Cook Inlet, Alaska

Dear Mr. Britt,

The U. S. Environmental Protection Agency (EPA), Region 10, is issuing Underground Injection Control Permit AK-11014-B to Hilcorp Alaska, LLC (Hilcorp) for non-hazardous, industrial waste disposal at the Beluga River Unit, Cook Inlet, Alaska. The enclosed permit authorizes the permittee to construct and operate one Class I Non-Hazardous Industrial injection well at the Beluga River Unit. Injection is limited into the intervals contained within the Sterling Formation, as identified in the permit application submitted by Hilcorp (February 7, 2019) and permit fact sheet developed by EPA (May 28, 2019). During solicitation of public comments between June 21 to July 24, 2019, EPA received no comments. No request for a public hearing was received.

This letter constitutes service of notice under 40 CFR 124.19(a). The permit will become effective on the date as indicated in the permit unless the Environmental Appeals Board receives a timely appeal meeting the requirements of 40 CFR 124.19. Information about the administrative appeal process may be obtained online at www.epa.gov/eab or by contacting the Clerk of the Environmental Appeals Board at (202) 233-0122.

Please contact Evan Osborne of my staff at (206) 553-1747, or at Osborne.Evan@epa.gov, if you have questions about the conditions contained in this permit.

Sincerely,

Daniel D. Opalski
Director

Enclosure:
Permit AK-11014-B



ISSUANCE DATE AND SIGNATURE PAGE
U.S. ENVIRONMENTAL PROTECTION AGENCY
UNDERGROUND INJECTION CONTROL PERMIT: CLASS I

Permit Number AK-11014-B

In compliance with provisions of the Safe Drinking Water Act (SDWA), as amended, (42 USC §§ 300f-300j-9), and attendant regulations incorporated by the U.S. Environmental Protection Agency (EPA) under Title 40 of the Code of Federal Regulations (CFR), Hilcorp Alaska, LLC (Hilcorp or Permittee), is authorized to inject non-hazardous industrial waste utilizing one Class I Underground Injection Control (UIC) well at the Beluga River Unit (BRU), located on the northern coast of Cook Inlet, approximately 40 miles west of Anchorage, Alaska. Authorized injection must remain in accordance with 40 CFR § 144.33 and the conditions set forth herein. Injection of hazardous wastes as defined under the Resource Conservation and Recovery Act (RCRA), as amended, (42 USC §§ 6901-6992k) or radioactive wastes are not authorized under this permit.

On February 14, 2019, Hilcorp submitted a UIC permit application for the continued operation of one Class I non-hazardous industrial waste injection well at the BRU. This permit is a reissuance of AK-11014-A, which granted approval to begin injection on July 31, 2009. This permit limits authorized injection into sands in the Sterling A Formation. To date, one injection well (BRU-232-09) has been completed under the authorization granted by this permit. This Class I well is used to support BRU's industrial activities, serving as a disposal option for RCRA-exempt wastes such as produced water, drilling fluids, and other related waste, as well as non-exempt, non-hazardous fluids such as camp wastewaters. Based on information submitted prior to the establishment of permit AK-11014-A, EPA ruled on March 23, 2009 that aquifers in the Sterling Formation found between 3,495 feet (') Measured Depth (MD) and 4,390' MD and within one-half mile radius of the well BRU 232-09 were exempt from status as Underground Sources of Drinking Water pursuant to 40 CFR 146.4. All references to Title 40 of the CFR are to regulations that are in effect on the date that this permit is issued. Figures and appendices are referenced to the permit application submitted by Hilcorp to EPA on February 14, 2019.

This permit reissuance shall become effective at midnight on July 31, 2019, in accordance with 40 CFR § 124.15, and expire on July 31, 2029 at midnight, unless terminated on a prior date.

Issuance date: July 31, 2019

A handwritten signature in blue ink, appearing to read "Daniel D. Opalski", written over a horizontal line.

Daniel D. Opalski, Director
Water Division
U.S. Environmental Protection Agency
Region 10 (WD 20-C04)
1200 Sixth Avenue, Suite 155
Seattle, WA 98101

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PART I
GENERAL PERMIT CONDITIONS

A. EFFECT OF PERMIT

The Permittee is allowed to engage in underground injection in accordance with the conditions of this permit. Notwithstanding any other provisions of this permit, The Permittee shall not conduct any underground injection activity in a manner that allows the movement of fluid containing any contaminant into USDW, if the presence of that contaminant may cause a violation of any primary drinking water regulation under 40 CFR Part 141 or may otherwise adversely affect the health of persons. Any underground injection activity not specifically authorized in the permit application process is prohibited. Compliance with this permit during its term constitutes compliance for purposes of enforcement with Part C of the SDWA. Such compliance does not constitute a defense to any action brought under Section 1431 of the SDWA, or any other common or statutory law other than Part C of the SDWA.

Issuance of this permit does not authorize any injury to persons or property, any invasion of other private rights, or any infringement of State or local law or regulations. This permit does not authorize any above ground generating, handling, storage, or treatment facilities.

B. PERMIT ACTIONS

1. Modification, Re-issuance or Termination

This permit may be modified, revoked and reissued, or terminated for cause as specified in 40 CFR §§ 144.39 and 144.40. In addition, the permit can undergo minor modifications for cause as specified in 40 CFR § 144.41. The filing of a request for a permit modification, revocation and reissuance, or termination, or the notification of planned changes, or anticipated noncompliance on the part of the Permittee does not stay the applicability or enforceability of any permit condition.

2. Transfer of Permits

This permit is not transferable to any person except after notice to the Director (U.S. Environmental Protection Agency) on APPLICATION TO TRANSFER PERMIT (EPA Form 7520-7) and in accordance with 40 CFR § 144.38. The Director may require modification or revocation and reissuance of the permit to change the name of the Permittee and incorporate such other requirements as may be necessary under the SDWA. Upon request, electronic submittal may be approved by an EPA-authorized representative.

C. SEVERABILITY

The provisions of this permit are severable, and, if any provision of this permit or the application of any provision of this permit to any circumstance is held invalid, the application of such provision to other circumstances, and the remainder of this permit, shall not be affected thereby.

D. CONFIDENTIALITY

In accordance with 40 CFR Part 2 and 40 CFR § 144.5, any information submitted to EPA pursuant to this permit may be claimed as confidential by the submitter. Any such claim must be asserted at the time of submission in the manner prescribed in 40 CFR § 2.203 and on the application form or instructions, or, in the case of other submissions, by stamping the words “confidential” or “confidential business information” on each page containing such information.

If no claim is made at the time of submission, EPA may make the information available to the public without further notice. If a claim is asserted, the validity of the claim will be assessed in accordance with the procedures in 40 CFR Part 2 (Public Information).

Claims of confidentiality for the following information will be denied:

- a. The name and address of the Permittee.
- b. Information which deals with the existence, absence, or level of contaminants in drinking water.

E. GENERAL DUTIES AND REQUIREMENTS

1. Duty to Comply

The permittee must comply with all conditions of this permit. Any permit noncompliance constitutes a violation of the SDWA and is grounds for enforcement action; for permit termination, revocation and reissuance, or modification; or for denial of a permit renewal application; except that the permittee need not comply with the provisions of this permit to the extent and for the duration such noncompliance is authorized in an emergency permit under 40 CFR § 144.34.

2. Penalties for Violations of Permit Conditions

Any person who violates a permit requirement is subject to civil penalties and other enforcement action under the SDWA. Any person who willfully violates permit requirements may be subject to criminal prosecution.

3. Continuation of Expiring Permits

- a. **Duty to Reapply:** If the Permittee wishes to continue an activity regulated by this permit after the expiration date of this permit, the Permittee must apply for and obtain a new permit. To be timely, a complete application for a new permit must be received at least 180 days before this permit expires.
- b. **Permit Extensions:** The requirements of an expired permit continue in force and effect, in accordance with 5 USC § 558(c), until the effective date of a new permit, if:
 - (1) The Permittee has submitted a timely and complete application for a new permit; and
 - (2) EPA, through no fault of Permittee, does not issue a new permit with an effective date on or before the expiration date of the previous permit.

4. Need to Halt or Reduce Activity Not a Defense

It shall not be a defense for the Permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.

5. Duty to Mitigate

The Permittee shall take all reasonable steps to minimize or correct any adverse impact on the environment resulting from noncompliance with this permit.

6. Proper Operation and Maintenance

The Permittee shall, at all times, properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) which are installed or used by the Permittee to achieve compliance with the conditions of this permit. Proper operation and maintenance includes effective performance, adequate funding, adequate operator staffing and training, and adequate laboratory and process controls, including appropriate quality assurance procedures. This provision requires the operation of back-up or auxiliary facilities or similar systems only when necessary to achieve compliance with the conditions of this permit. De-characterized waste may be appropriately disposed in a Class I non-hazardous well [refer to 40 CFR § 148.1(d)].

7. Property Rights

This permit does not convey any property rights or mineral rights of any sort, or any exclusive privilege.

8. Duty to Provide Information

The Permittee shall provide to the Director any information that the Director may request to determine whether cause exists for modifying, revoking and reissuing, terminating this permit, or to determine compliance with this permit. The Permittee shall also provide to the Director, upon request, copies of records, that are retained under the conditions of this permit.

9. Inspection and Entry

The Permittee shall allow the Director or EPA-authorized representatives, upon the presentation of credentials and other documents as may be required by law, to:

- a. Enter upon the Permittee's premises where a regulated facility or activity is located or conducted, or where records are kept under the conditions of this permit;
- b. Have access to and copy, at reasonable times, any records (including logging data) that are retained under the conditions of this permit;
- c. Inspect and photograph, at reasonable times, any facilities, equipment (including monitoring and control equipment), practices, or operations regulated or required under this permit; and
- d. Sample or monitor, at reasonable times, for the purposes of assuring permit compliance or as otherwise authorized by SDWA, any substances or parameters at any location.

10. Records

- a. The Permittee shall retain records and all monitoring information, including all calibration and maintenance records and all original strip chart recordings for continuous monitoring instrumentation, copies of all reports required by this permit and records of all data used to complete this permit application for a period of at least three years from the date of the sample, measurement, report or application. These periods may be extended by request of the Director at any time. Records may be retained in hard copy or electronic format to satisfy this requirement.
- b. The Permittee shall retain records concerning the nature and composition of all injected fluids until three years after the completion of plugging and abandonment. At the conclusion of the retention period, if the Director so requests, the Permittee shall deliver

the records to the Director. The Permittee shall continue to retain the records after the three-year retention period unless he delivers the records to the Director or obtains written approval from the Director to discard the records. Records may be retained in hard copy or electronic format to satisfy this requirement.

- c. Records of monitoring information shall include:
- (1) The date, exact place, and time of sampling or measurements;
 - (2) The name(s) of the individual(s) who performed the sampling or measurements;
 - (3) The date(s) analyses were performed;
 - (4) The name(s) of the individual(s) who performed the analyses;
 - (5) The analytical techniques or methods used; and
 - (6) The results of such analyses.
- d. Monitoring of the nature of injected fluids shall comply with applicable analytical methods cited and described in 40 CFR § 136.3, in Appendix I of 40 CFR Part 261, or, in certain circumstances, by other methods that have been approved by the Director.
- e. As part of the Completion Report, the Permittee must submit a Waste Analysis Plan (WAP) that describes the procedures to be carried out to obtain detailed chemical and physical analysis of representative samples of the waste including the quality assurance procedures used including the following:
- (1) The parameters for which the waste will be analyzed and the rationale for the selection of these parameters;
 - (2) The test methods that will be used to test for these parameters; and
 - (3) The sampling method that will be used to obtain a representative sample of the waste to be analyzed.
- The WAP submitted with the permit application may be incorporated by reference to satisfy the WAP submittal requirement.
- f. The Permittee shall require a written manifest for each batch load of waste received for waste streams that are not hard-piped and continuous. The manifest shall contain a description of the nature and composition of all injected fluids, date of receipt, source of material received for disposal, name and address of the waste generator, a description of the monitoring performed and the results, a statement stating if the waste is exempt from regulation as hazardous waste as defined by 40 CFR § 261.4, and any information on extraordinary occurrences.

For waste streams that are hard-piped continuously from the source to the wellhead, the Permittee shall retain:

- (1) Continuous measurement of the discharge rate,
- (2) A description of the nature and composition of all injected fluids, and
- (3) A hazardous waste determination as defined by 40 CFR § 261.4.

- g. The Permittee shall note dates of most recent calibration or maintenance of gauges and meters used for monitoring required by this permit on the gauge or meter. Earlier records of calibration and maintenance shall be available through a computerized maintenance history database.

11. Reporting Requirements

- a. **Planned Changes:** The Permittee shall give notice to the Director, as soon as possible, of any planned physical alterations or additions to the permitted facility or changes in type of injected fluid.
- b. **Anticipated Noncompliance:** The Permittee shall give advance notice to the Director of any significant planned changes in the permitted facility or activity that may result in noncompliance with permit requirements.
- c. **Compliance Schedules:** The Permittee shall submit reports of compliance or noncompliance with, or any progress reports on, interim and final requirements contained in any compliance schedule of this permit to the Director no later than 30 days following each schedule date.

12. Twenty-Four Hour Reporting

- a. The Permittee shall report to the Director or an EPA-authorized representative any noncompliance that may endanger health or the environment. Any information shall be provided orally within 24 hours from the time the Permittee becomes aware of the circumstances.

The following shall be included as information that must be reported orally within 24 hours:

- (1) Any monitoring or other information which indicates that any contaminant may cause an endangerment to a USDW or may otherwise adversely affect the health of persons.
 - (2) Any noncompliance with a permit condition or malfunction of the injection system.
- b. The Permittee shall provide a written submission (in electronic format for release to the public) within five days of the time the Permittee becomes aware of the circumstances. The written submission shall contain a description of the noncompliance and its cause; the period of noncompliance including exact date and times; and, if the noncompliance has not been corrected, the anticipated time it is expected to continue, and steps taken or planned to reduce, eliminate, and prevent recurrence of the noncompliance. The Permittee shall provide email notice to affected stakeholders, such as Tribal Governments, if warranted as determined by EPA-authorized representative.

13. Other Noncompliance

The Permittee shall report all other instances of noncompliance not otherwise reported at the time monitoring reports are submitted. The reports shall contain the information listed in Permit Condition Part I E.12.b.

14. Reporting Corrections

When the Permittee becomes aware that it failed to submit any relevant facts in the permit application or submitted incorrect information in a permit application or in any report to the

Director, the Permittee shall submit such facts or information within 10 days.

15. Signatory Requirements

- a. All permit applications, reports required by this permit, and other information requested by the Director shall be signed by a principal executive officer of at least the level of vice-president, or by a duly authorized representative of that person in accordance with 40 CFR § 144.32. A person is a duly authorized representative only if:
 - (1) The authorization is made in writing by a principal executive of at least the level of vice-president.
 - (2) The authorization specifies either an individual or a position having responsibility for the overall operation of the regulated facility or activity, such as the position of plant manager, operator of a well or a well field, superintendent, or position of equivalent responsibility. A duly authorized representative may thus be either a named individual or any individual occupying a named position.
 - (3) The written authorization record is retained on-site and an electronic scan copy is submitted to the Director. Upon request, the original is submitted to the Director or an EPA-authorized representative.
- b. Changes to Authorization: If an authorization under paragraph 15.a. of this section is no longer accurate because a different individual or position has responsibility for the overall operation of the facility, a new authorization satisfying the requirements of paragraph 15.a. of this section must be submitted to the Director. The Permittee may submit this authorization with any reports, information, or applications to be signed by an authorized representative.
- c. Certification: Any person signing a document under paragraph 15.a. of this section shall make the following certification:

“I certify under the penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.”

F. PLUGGING AND ABANDONMENT

1. Notice of Plugging and Abandonment

The Permittee shall notify the Director no later than 45 days before conversion or abandonment of the well.

2. Plugging and Abandonment Report

The Permittee shall plug and abandon the well as provided in the Plugging and Abandonment Plan (7520-6 Attachment Q) of UIC Class I Permit Application submitted by the Permittee, which is hereby incorporated as a part of this permit. Within 60 days after plugging any well, the Permittee shall submit a report to the Director in accordance with 40 CFR § 144.51(p).

EPA reserves the right to change the manner in which the well will be plugged if the well is not proven to be consistent with EPA requirements for construction and mechanical integrity. The Director may ask the Permittee to update the estimated plugging cost periodically.

3. Cessation Limitation

After a cessation of operations of two years, the well is considered to be in temporary abandoned status. The Permittee shall plug and abandon the well in accordance with the approved plan and 40 CFR § 144.52(a)(6) unless the Permittee:

- a. Provides notice to the Director within 30 days of the end of the two years of temporary abandonment, and
- b. Provides information that, to the Director's satisfaction, demonstrates the Permittee's intent to use the well in the future; or
- c. Describes actions or procedures, satisfactory to the Director, which the Permittee will take to ensure that the well will not endanger USDWs during the period of temporary abandonment. These actions and procedures shall include compliance with the technical requirements applicable to active injection wells unless waived by the Director.

4. Cost Estimate for Plugging and Abandonment

- a. The Permittee is required in the permit application (see 7520-6 attachment R) to estimate the cost of plugging and abandonment of the permitted Class I UIC well(s) per well. Please refer to the permit application (7520-6 attachment R) for the plugging and abandonment cost estimates(s) per well for the year the application is submitted. Such estimates must be based upon costs that a third party would incur to plug the wells.
- b. The Permittee shall submit financial assurance and a revised estimate prior to April 30 of each year. The estimate shall be made in accordance with 40 CFR § 144.62. The Director or an EPA-authorized representative may approve electronic submittal of this requirement provided the Permittee retains the original and submits the original upon request.
- c. The Permittee shall keep the latest plugging and abandonment cost estimate at the facility or at the Permittee central files in Alaska during the operating life of the facility.
- d. When the cost estimate changes, the Permittee shall amend the documentation submitted under 40 CFR § 144.63(f) and ensure that appropriate financial assurance for plugging and abandonment is maintained continuously.

G. FINANCIAL RESPONSIBILITY

The Permittee is required to demonstrate and continuously maintain financial responsibility and resources sufficient to close, plug, and abandon the underground injection operation as provided in the Plugging and Abandonment Plans and consistent with 40 CFR §144 Subpart F, which the Director has chosen to apply. The Permittee shall not substitute an alternative demonstration of financial responsibility for that which the Director has approved, unless it has previously submitted evidence of that alternative demonstration to the Director and the Director notifies the Permittee that the alternative demonstration of financial responsibility is acceptable.

If the Permittee chooses to rely upon a financial test and corporate guarantee provided under 40 CFR § 144.63(f), the Permittee shall immediately notify the Director of any change that would

result in non-compliance with 40 CFR §144 Subpart F.

Consistent with 40 CFR § 144.63 and regarding incapacity of owners or operators, guarantors, or financial institutions, the Permittee must notify the Director by registered mail of the commencement of a voluntary or involuntary proceeding under Title 11 (Bankruptcy), U.S. Code, naming the owner or operator as debtor, within ten business days after the commencement of the proceeding. Furthermore, an owner or operator must notify the Regional Administrator by certified mail of the commencement of a voluntary or involuntary proceeding under Title 11 (Bankruptcy), U.S. Code, naming the owner or operator as debtor, within 10 business days after the commencement of the proceeding. A guarantor of a corporate guarantee as specified in 40 CFR § 144.63(f) must make such a notification if he is named as debtor, as required under the terms of the guarantee (See 40 CFR § 144.70(f)).

PART II WELL SPECIFIC CONDITIONS

A. CONSTRUCTION

1. Casing and Cementing of Wells

The Permittee shall case and cement the well(s) in a manner that ensures injection occurs into the approved injection interval (see Part II.C.3., below). Casing and cement shall be installed in accordance with a casing and cement program approved by the Director and in accordance with EPA Class I UIC well construction practices (40 CFR § 146.12) and the State of Alaska/AOGCC Regulations (20 AAC §§ 25.412 and 25.252). The Permittee may construct one injection well at the BRU. For any Class I well to be drilled at the BRU (including replacement/sidetracks), in addition to the above requirements, the Permittee shall provide not less than 30-days advance notice to the Director or EPA-authorized representative to witness all cementing operations. The 30-days advance notice requirement may be revised (either increased or decreased) by the Director or EPA-authorized representative.

The surface casing for the injection well will be cemented back to surface. If primary cement returns to surface are not observed, the Director or EPA-authorized representative is to be notified as to the nature of any augmented testing proposed to ensure the integrity of the cement bond and adequacy of any Top Job procedure.

During construction activities that involve the emplacement of cement, the Permittee shall run Cement Bond/Ultrasonic Imaging (USIT) or other logs and pressure tests (leak off test and/or formation integrity test) to confirm zonal isolation and verify casing integrity, unless this requirement is waived by the Director. The Permittee shall provide final logs with the Completion Report.

The casing, cementing and well construction shall comply with the procedures outlined in proposed well construction plan contained in the permit application. Should a change(s) be required to the casing and cementing program due to unanticipated conditions, the Permittee shall notify the Director or EPA-authorized representative in writing (hard copy or email) as to the nature of the change(s) and the unanticipated conditions requiring the change. The Permittee shall not construct the proposed change without approval from the Director or EPA-authorized representative.

2. Tubing and Packer Specifications

The well(s) shall inject fluids through tubing with a packer. Tubing and packer shall be installed in accordance with the procedures in the permit application. If a packer needs to be set or reset, afterward the Permittee will perform a mechanical integrity test, submit the necessary information as determined by an authorized EPA representative, and obtain authorization from the Director or EPA-authorized representative prior to resuming injection. The packer will be set no more than 100 feet measured depth (MD) from the top of the injection interval unless a greater spacing from the packer to the top of the injection interval is specified and authorized by the Director or EPA-authorized representative. As of February 7, 2019, BRU 232-09 is constructed with a packer set at 4,115' MD and "open" perforations within the injection interval from 4,154' – 4,166' MD, and 4,218' to 4,237' MD. EPA approves of this tubing/packer orientation.

3. New Wells in the Area of Review (AOR)

EPA has set a one-half mile radius as the AOR for this Class I UIC permit. If any

development or service wells are drilled in the future that penetrate the injection intervals within the area of review shall have casing cemented to the formation from the base of the lower confining zone (correlative to 4,415 feet MD or 3,552 feet TVDss in BRU 232-09) to at least 500 feet MD above the top of the permitted Sterling Formation injection zone (500 feet above the correlative depth 3,932 feet MD or 3,148 feet TVDss in the BRU 232-09 well).

B. CORRECTIVE ACTION

The applicant has identified no wells within the one-half mile Area of Review (AOR) that require corrective action in order to prevent fluids resulting from injection from moving above the confining zone. If the applicant later discovers that a well or wells within the AOR require(s) corrective action to prevent fluid movement, then the applicant shall inform EPA upon such discovery and provide a corrective action plan for EPA Director or authorized representative review and approval. If EPA or the Permittee discovers that fluids have moved above the upper confining zone along a wellbore within the AOR, then injection shall cease until the fluid movement problem can be diagnosed and corrected.

C. WELL OPERATION

1. Requirements Prior to Commencing Injection

Unless the well has previously (within the last 180 days) fulfilled the requirements of Part II C.1., prior to commencing injection into a newly constructed, converted, or sidetracked injection well, the Permittee shall fulfill the following requirements:

- a. Construction is complete and the Permittee has submitted the COMPLETION FORM FOR INJECTION WELLS (EPA Form 7520-9) (with logging data); and
 - (1) The Director or EPA-authorized representative has inspected or otherwise reviewed the newly constructed, converted, or sidetracked injection well and finds it is in compliance with the conditions of the permit; or
 - (2) The Permittee has not received notice from the Director of intent to inspect or otherwise review the new, converted, sidetrack or replacement injection well within 13 days of receipt of the Completion Report, in which case prior inspection or review is waived and the Permittee may commence injection.
- b. The Permittee shall demonstrate that the well has mechanical integrity as described in Part II.C.3. Mechanical Integrity, and the Permittee has received notice from the Director or EPA-authorized representative that such a demonstration is satisfactory. The Permittee shall notify EPA at least two weeks prior to conducting this initial test so that an EPA-authorized representative may be present.
- c. The permittee shall conduct a step-rate injection test (SRT) and submit a preliminary report to EPA that summarizes the results. Upon approval by the Director or an EPA-authorized representative, the Permittee may submit the results of a previously conducted SRT to satisfy this requirement.

2. Mechanical Integrity

a. Standards

The injection well(s) must have and maintain mechanical integrity pursuant to 40 CFR § 146.8.

b. Prohibition without Demonstration of Mechanical Integrity

Injection operations at the permitted well(s) are prohibited after the effective date of this permit unless the Permittee has conducted the following tests and submitted the results to the Director:

- (1) The Permittee shall pressure test the tubing/casing annulus in order to demonstrate there is no significant leak in the casing, tubing or packer by conducting a mechanical integrity test of the inner annulus (MITIA). The annulus shall be pressure tested to at least the maximum allowable injection pressure (3,000 psi), but not to exceed 70% of the minimum yield strength of the casing.

To demonstrate that there is no significant leak in the casing, tubing, or packer, the well must be tested for 30 minutes and satisfy either (i) or (ii) below:

- i. the pressure does not decline more than 10% during the test period and the loss in the second half of the test period is less than one half of the loss in the first half of the test period, or
- ii. the pressure does not decline more than 2% of the initial test pressure during the test period and the loss in the second half of the test period is less than the loss in the first half of the test period.

If the well fails to satisfy (i) or (ii) during the first 30-minute test period, the test may be extended by an additional 30 minutes to demonstrate stabilization.

The Permittee shall conduct an MITIA prior to the well being used for injection authorized under this permit. The Permittee shall notify the Director or an EPA-authorized representative 30 days prior to commencement of the MITIA. After the initial test, the Permittee shall conduct an MITIA annually if the well is active and once every two years if the well is inactive until expiration of the permit. The Director or EPA-authorized representative may extend the due date for the MITIA up to three months to accommodate travel or operational logistics. Also, the Director or EPA-authorized representative may revise (either increase or decrease) the frequency with which the Permittee must conduct the MITIA.

- (2) The Permittee shall conduct an approved fluid movement test to detect fluid migration outside of the permitted injection intervals at an injection pressure at least equal to the average continuous injection pressure observed at the well in the previous six months. Approved fluid movement test methods include, but are not limited to: tracer surveys, temperature survey logs (conducted after a 12-hour shut-in, at a minimum, unless otherwise authorized by the EPA-authorized representative), noise logs, oxygen activation/water flow logs, borax pulse neutron logs, or other equivalent logs. The Permittee shall notify the Director or an EPA-authorized representative 30 days prior to commencement of the fluid movement test and request approval for any testing procedure not previously used to satisfy this requirement. The Permittee shall initially conduct a fluid movement test and submit the logs of this test upon completion of the well and prior to initiation of injection at a new, converted, sidetrack or replacement well. After the initial test, the Permittee shall conduct a fluid movement test and submit test logs and results every two years while the well is active until expiration of the permit. The Director or EPA-authorized representative may extend the due date this testing requirement up to three months. Also, the Director or EPA-authorized representative may revise (either

increase or decrease) the frequency with which the Permittee must conduct a fluid movement test.

- (3) The Permittee shall conduct tubing inspection tests to monitor condition, thickness, and integrity of the downhole tubing. Approved tubing inspection test methods include but are not limited to: pipe analysis logs and caliper logs. The Permittee shall notify the Director or an EPA-authorized representative 30 days prior to commencement of the tubing inspection test and request approval for any testing procedure not previously used to satisfy this requirement. The Permittee shall conduct a tubing inspection test and submit test logs and results every two years while the well is active until expiration of the permit. The Director or EPA-authorized representative may extend the due date for the tubing inspection up to three months. Also, the Director or EPA-authorized representative may revise (either increase or decrease) the frequency with which the Permittee must conduct the tubing inspection test.

c. Terms and Reporting

- (1) The Permittee shall submit a copy of the log(s) and a descriptive and interpretive report of the mechanical integrity tests identified in Part II. C. 2. b. (2) and (3) to EPA within 45 days of completion in hard copy or electronic format, unless waived by an EPA-authorized representative. Immediately after well logging activities, the Permittee shall submit a copy of any log(s) to an EPA-authorized representative if requested. This includes logging events associated with construction activities and mechanical integrity testing.
- (2) The Permittee shall demonstrate mechanical integrity by the MITIA in 3.b. (1) prior to resuming injection if, at any time, the tubing is removed from the well or a loss of mechanical integrity becomes evident during operation. The Permittee shall report the results of such tests within 45 days of completion of the tests.
- (3) The Director will notify the Permittee of the acceptability of the mechanical integrity demonstration within 13 days of receipt of the results of the mechanical integrity tests. Injection operations may continue during this 13-day review period. If the Director does not respond within 13 days, injection may continue.
- (4) If a well fails to demonstrate mechanical integrity during a test or a loss of mechanical integrity occurs during operation, the Permittee shall halt operation immediately and shall not resume operation until the Director or an EPA-authorized representative gives approval to resume injection.
- (5) The Director may, by written notice, require the Permittee to demonstrate mechanical integrity at any time.

3. Injection Zone

Injection shall be limited to the Sterling Formation within the approved injection intervals. The upper injection interval is between 3,932 feet – 4,112 feet MD (3,148 feet – 3,292 feet True Vertical Depth subsea (TVDss)) and lower injection interval between 4,141 feet – 4,252 feet MD (3,316 feet – 3,409 feet TVDss)) as depicted in Exhibit F-3 of the permit application.

4. Waivers to UIC Program Requirements

As a result of the aquifer exemption for Class I injection granted by EPA on March 23,

2009, and the existing aquifer exemption for Class II injection granted by EPA and AOGCC for the BRU on September 19, 1985 and October 18, 1986, EPA is granting three (3) waivers of UIC regulatory program requirements as listed below:

- a. Compatibility of Formation and Injectate and Characterization of the Injection Matrix [40 CFR §§ 146.12 (e) (4), (5) and 146.14 (a) (8)]: EPA waives the requirement to sample and characterize formation fluids and the rock matrix to determine whether or not they are compatible with the approved injectate stream.
- b. Ambient Monitoring Above the Confining Zone (40 CFR §§ 146.13 (b)(1) and (4) and 146.13(d)): EPA waives the requirement to monitor the strata overlying the confining zone for fluid movement.
- c. Injection Zone Fracturing (40 CFR § 146.13 (a)(1)): EPA waives the prohibition against injecting at pressures that would initiate new fractures or propagate existing fractures within the injection zone so long as fractures do not propagate into the upper and lower confining zones. Under no circumstance may injection cause the propagation of fractures into the upper or lower confining zones.

5. Injection Pressure Limitation

Injection pressures shall not initiate new fractures or propagate existing fractures in the upper confining zone described in the Fact Sheet. Neither shall the maximum injection pressure, measured at the wellhead, exceed 3,000 psi, except as follows:

- a. If a plant shut-down or outage (unrelated to fluid injection activities) occurs.
- b. If a well stimulation is required.

In such instances, the Permittee shall notify the Director or EPA-authorized representative by telephone or electronic mail within 24 hours of the initial exceedance of the 3,000 psi limitation and shall submit a written incident report not later than 10 days thereafter.

The wellhead working pressure limit of 5,000 psi shall not be exceeded at any time.

6. Annulus Pressure Limitation

The Permittee shall fill the tubing-casing annulus with a corrosion inhibited, non-freezing solution. A positive surface pressure up to 1,000 psi is authorized for the tubing-casing annulus.

Since the tubing-casing annulus pressure will vary due to temperature changes, the pressure limits may be adjusted upon approval by the Director or an authorized EPA representative.

The authorization of up to 1,000 psi on the inner annulus is not intended to allow the permittee to continue to injection in the event of a loss of mechanical integrity or if pressure communication arises between the inner and/or outer annuli. In the event of a loss of mechanical integrity, the Permittee must meet the requirements as outlined in Part II.C.2.c.5 of this permit.

7. Injection Fluid Limitation

This permit only authorizes the injection of those fluids identified in the permit application that are not characterized as hazardous. De-characterized waste may be disposed of

appropriately (refer to 40 CFR § 148.1(d)). Fluids generated from Class I injection well construction and well workover and fluids generated from the operation and maintenance of Class I injection wells and associated injection well piping may be disposed in a Class I non-hazardous injection well. No radioactive wastes, other than naturally occurring radioactive material (NORM) from pipe scale and/or radioactive tracer beads, shall be injected for disposal. If third party wastes are accepted, the third party shall certify the fluids are eligible for injection.

D. MONITORING

1. General Monitoring Requirements

The Permittee shall ensure that all wells authorized by this permit are monitored 24 hours per day by trained and qualified personnel while injection is occurring.

Samples and measurements collected for the purpose of monitoring shall be representative of the monitored activity.

2. Monitoring Continuous Waste Injection

The Permittee shall install, maintain, and use continuous monitoring devices to monitor injection pressure and rate for those streams that are hard-piped and continuous, and to monitor the pressure of non-freezing solution in the tubing-casing annulus. Calculated flow data or periodic monitoring are not acceptable except as a back-up system if the primary continuous injection rate device malfunctions or power outage occurs.

3. Monitoring Batch Waste Injection

The Permittee shall continuously staff and visually monitor batch waste injection pumping operations at the well site. During these pumping operations, the Permittee shall maintain a chronological record of the time of day, a description of the waste pumped, injection rate and pressure, and tubing-casing annulus pressure. If during injection the annulus pressure exceeds the limitation set in Part II.C.6. of this permit, the operator must notify EPA pursuant with Part I.E.12. The person in charge of the pumping operations shall be identified on the pumping record.

4. Alarms and Operational Modifications

The Permittee shall install, continuously operate, and maintain alarms to detect excess injection pressures and significant changes in annular fluid pressure. These alarms must be of sufficient placement and urgency to alert operators in all operating spaces including, but not limited to, the control room. The Permittee shall install and maintain an emergency shutdown system to respond to losses of internal mechanical integrity as evidenced by deviations in the annular pressure.

The Permittee shall submit plans and specifications for the alarms to the Director or EPA-authorized representative prior to the initiation of injection.

E. REPORTING REQUIREMENTS

1. Quarterly Reports

The Permittee shall submit quarterly reports to the Director containing the following information:

- a. Monthly average, maximum, and minimum values for injection pressure, flow rate, and volume shall be reported on INJECTION WELL MONITORING REPORT (EPA Form 7520-8). Upon request of an EPA-authorized representative, the Permittee shall submit the report electronically.
 - b. Graphical plots of continuous inner annulus pressure, injection pressure, and injection rate monitoring.
 - c. Daily monitoring data in an electronic format.
 - d. Physical, chemical, and other relevant characteristics of the injected fluid.
 - e. Any well workover or other significant maintenance of downhole or injection-related surface components.
 - f. Results of all mechanical integrity tests performed since the previous report, including any maintenance-related tests and “practice” tests.
 - g. Results of any other tests required by the Director.
2. Annual Reports

The Permittee shall submit to the Director an annual performance report for the reporting period of October 1 through September 30. This report shall be submitted by November 30 of each year. (For example, injection data from October 1, 2018 through September 30, 2019 should be reported by November 30, 2019). The annual performance report shall include, but not be limited to, rate and pressure performance, surveillance logging and results, fill depth, volumetric analysis of the disposal storage volume, estimated fracture growth (if any) in the event that solids injection takes place, and updates of operational plans. Some information may not be available every year, if those activities did not take place during the reporting period (examples: Surveillance logging, fill depth, and survey results). In addition, a report for fracture growth is required only when fracture slurry injection has taken place during the reporting period.

3. Report Certification

All reports and notifications required by this permit shall be signed and certified in accordance with Part I.E.15; electronically stored and maintained at the Permittee’s facility or company headquarters; electronically submitted to the Director or an EPA-authorized representative; and, upon request by the Director or an EPA-authorized representative, submitted as a hard copy to the following address:

Underground Injection Control, Water Division (20-C04)
U.S. Environmental Protection Agency Region 10
1200 Sixth Avenue, Suite 155
Seattle, Washington 98101

**APPENDIX A
REPORTING FORMS**

PDF copies of following forms are available on the EPA's web site

7520-7 APPLICATION TO TRANSFER PERMIT

www.epa.gov/sites/production/files/2016-01/documents/7520-7_508c_0.pdf

7520-8 INJECTION WELL MONITORING REPORT

www.epa.gov/sites/production/files/2016-01/documents/7520-8_508c_0.pdf

7520-9 COMPLETION FORM FOR INJECTION WELLS

www.epa.gov/sites/production/files/2016-01/documents/7520-9_508c_0.pdf