

CLASS VI UNDERGROUND INJECTION CONTROL PROGRAM
MEMORANDUM OF UNDERSTANDING

Between

North Dakota Industrial Commission, Department of Mineral Resources, Oil and Gas Division

And

North Dakota Department of Health, Division of Water Quality

I. Introduction

The Industrial Commission, Department of Mineral Resources, Oil and Gas Division (hereinafter Commission) and The Department of Health, Division of Water Quality (hereinafter Department), have entered into this Memorandum of Understanding (MOU) to promote interagency cooperation and to define the duties of each agency as they relate to the North Dakota Class VI Underground Injection Control (UIC) program. Upon United States Environmental Protection Agency (EPA) approval, Class VI injection wells will be implemented into the current North Dakota 1422 UIC program. This MOU establishes policies, responsibilities, and procedures for the North Dakota Class VI UIC program.

II. Effective Date

This MOU is made and entered into upon the date parties indicate acceptance by affixing the appropriate signatures and shall remain in effect until terminated pursuant to Article VI.

III. North Dakota Department of Health, Division of Water Quality

A. General

The Department has been designated by the Governor as lead agency for the development of the state UIC program. As the lead agency for the state of North Dakota 1422 UIC program the Department receives the annual UIC program grant for the coordination of Class I, III, and V injection well activities. The Department has statutory authority over all Class I and V injection well activities.

B. Funding

At the time of Class VI program approval federal UIC funding is not available for Class VI. Should federal UIC program funds be made available for the Class VI UIC program the Department and the Commission will amend this MOU to provide for the following:

- 1) Transfer of such federal funds specifically associated with the Class VI UIC program into the Carbon Dioxide Storage Facility Administrative Fund as appropriate under federal and state laws and regulations.

- 2) Maintenance of accounting and project records and availability of such records for audit.
- 3) Compliance with state and federal laws and regulations governing lobbying and political activity of employees, civil rights, exclusion or debarment, and drug free workplace.

C. Sharing of Information

The Department intends to promptly forward to the Commission any correspondence they receive from EPA which might affect the Class VI UIC program.

D. Enforcement

The Department will assist in any enforcement action against persons in violation of North Dakota Century Code (NDCC) Chapter 61-28, any person who knowingly makes any false statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained under NDCC Chapter 61-28; any person who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required to be maintained under NDCC Chapter 61-28 or any permit condition, rule, order, limitation, or other applicable requirement implementing NDCC Chapter 61-28, resulting in any adverse impact to waters of the State.

IV. North Dakota Industrial Commission, Department of Mineral Resources, Oil and Gas Division

A. General

The Commission has authority over all Class VI injection well activities and is responsible for administering the state program for the wells under its jurisdiction as outlined in the Class VI UIC program description.

B. Permitting

The Commission is responsible for all Class VI injection well permitting procedures as detailed in the Class VI UIC program description. The Commission shall also establish compliance schedules in permits where appropriate and require periodic progress reports regarding compliance schedules and other permit conditions. Before issuing a storage facility permit the Commission shall consult the Department.

C. Compliance Monitoring

The Commission shall operate a timely and effective compliance monitoring system to track compliance with Class VI permit conditions and program requirements. The Commission also agrees to conduct periodic investigations of facilities and activities subject to regulatory requirements and shall make available an index or inventory of all such activities.

E. Enforcement

The Commission is responsible for taking timely and appropriate enforcement action against persons in violation of Class VI UIC program requirements, compliance schedules, and technical requirements. The Department shall be notified of such violations immediately in order to successfully coordinate any enforcement actions taken.

F. Funding

Any UIC program funding allocated to the Commission for the administration of the Class VI program shall be deposited into the Carbon Dioxide Storage Facility Administrative Fund, as appropriate under federal and state laws and regulations.

G. Reports

The Commission is responsible for the direct submittal of all Class VI UIC program reports to EPA as outlined in the Class VI UIC program description.

V. Changes to the MOU

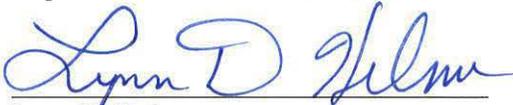
Changes to any provision herein will not be effective or binding unless such changes are made in writing and signed by both parties and attached hereto.

VI. Termination of MOU

This MOU shall remain in effect until cancelled and terminated by mutual consent, or by conditions beyond the control of either party. The party desiring to terminate or cancel must give written notice of its intention ninety (90) days prior to the date of cancellation setting forth the reasons and conditions of said termination.

VII. Acceptance of MOU

The parties to this MOU are aware of all conditions herein and do hereby agree to maintain their responsibilities under this MOU.



Lynn D. Helms
Director, Oil and Gas Division

6/14/13

Date



L. David Glatt
Chief, Environmental Health Section

6/17/13

Date