



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105-3901

July 27, 2015

Jonathan Bishop
Chief Deputy Director
California State Water Resources Control Board
P.O. Box 100
Sacramento, CA 95812-100

Steve Bohlen
State Oil and Gas Supervisor
Division of Oil, Gas and Geothermal Resources
801 K Street, MS-18-05
Sacramento, CA 95814-3530

Dear Messrs. Bishop and Bohlen,

Thank you for your July 15, 2015 letter which provided the following information to EPA:

- A preliminary assessment of whether data currently supplied to the State demonstrates that each of the aquifers historically treated as exempt presently meets the criteria for an aquifer exemption;
- A plan and timeframe for addressing the closure of those injection wells for which there is insufficient evidence that the zone of injection meets the criteria for an aquifer exemption;
- A detailed plan for UIC Class II program improvements; and
- An outline of the State's intended course of action for obtaining public comment on aquifer exemption proposals.

Your preliminary assessment of the 11 aquifers historically treated as exempt is that most or all of them may not meet the criteria for an aquifer exemption. Given the November 15, 2015 target milestone that EPA established for the State to submit any aquifer exemptions in the 11 formations to EPA for review, it would be helpful to further discuss the expected timing of additional information submittals from operators injecting into these formations. We are also interested in discussing the States' expected timeline to conclude their determinations for these 11 aquifers and initiate the public process described in your letter. If helpful, we can be available to participate in state led discussions with these operators as additional information is submitted.

For wells disposing into sub-3,000 TDS formations that are not hydrocarbon-producing, other than the 11 aquifers historically treated as exempt, EPA established a target deadline of July 15, 2015 for the State to submit aquifer exemption application packages for EPA consideration. Although the number of aquifer exemptions the State anticipates for this universe is not large, the current lack of any aquifer exemption application submittals thwarts our ability to take final action on such requests in advance of

the October 15, 2015 compliance deadline for these wells. Based on our communications to date, and the compliance schedule established by the States' emergency regulations, it is EPA's understanding that all of the Category 1 wells that are subject to the October 15, 2015 shut-in requirement will in fact be required by the State to cease injection no later than that date. As we have discussed, it is very important for the State to continue communicating regularly with operators subject to the October 2015 shut-in deadline so that they can plan accordingly.

We appreciate your efforts in preparing a schedule and plan for comprehensive Class II program improvements. We are reviewing this plan and will provide feedback in the coming weeks. With regard to the Public Participation Process outlined in Attachment 3, we look forward to discussing our questions and comments at our upcoming meeting in August.

The next deliverable to be submitted to EPA in accordance with the UIC Class II Corrective Action Plan is the drinking water protection evaluations for "Category 2" injection wells (due on July 31, 2015). These are enhanced oil recovery (EOR) wells injecting into hydrocarbon-bearing aquifers that have not been exempted. We understand that this evaluation will be completed for approximately 2,000 injection wells associated with DOGGR permitted projects, however you have requested additional time to complete the well evaluations for roughly 3,600 injection wells not associated with a DOGGR permitted project. Based on our recent discussions, we understand that you have prioritized your review of this latter group of wells and are making good progress with the evaluations of the prioritized list. If not before, we would like to discuss at our August meeting when you expect to complete the drinking water protection evaluations for the remaining Category 2 wells.

Thank you for your earnest efforts to return the UIC Class II program to compliance. We are encouraged by the progress the State has made to date and look forward to continued program improvements. Please don't hesitate to contact me with any questions or concerns.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael Montgomery".

Michael Montgomery
Acting Director, Water Division