



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

75 Hawthorne Street  
San Francisco, CA 94105-3901

November 3, 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

Dear Messrs. Bishop and Bohlen,

Thank you for your October 15, 2015 letters, which included a completed evaluation of the Category 1 disposal wells subject to the State's October 15, 2015 emergency regulatory shut-in deadline and additional information regarding the Category 2 drinking water risk-based evaluation as a supplement to your July 31, 2015 submittal regarding these wells. In addition, EPA received the Water Board's October 21, 2015 well review summary letter.

We continue to be encouraged by the efforts DOGGR is making to restore the CA Class II UIC Program to compliance, as well as the strong support of the Water Board in this undertaking. In the following we address the specifics of your three letters, as well as the "Detailed Plan for Class II Program Improvements" which was provided in your July 15, 2015 letter, and which was further refined in the DOGGR's October 2015 "Renewal Plan for Oil and Gas Regulation."

October 15, 2015 Shut in Deadline for Category 1 wells

In addition to the prior shut in of 24 wells injecting into non-exempt sub 3,000 ppm TDS formations, the State has assured the shut in of 33 additional injection wells in non-exempt, non-hydrocarbon producing aquifers outside of the 11 aquifers historically treated as exempt (HTAE) by October 15, 2015. By meeting this deadline the State has taken a significant step in the further protection of California's drinking water supplies, as well as advancing UIC Program compliance.

Of the priority 178 Category 1 wells, you have noted there are 83 wells that were permitted to inject into one of the 11 HTAE. In comparing the "Preliminary Assessment of 11 Aquifers Historically Treated as Exempt" analysis provided as Attachment 1 to the State's July 15, 2015 letter with the information provided in Attachment A of the October 15, 2015 letter, there appears to have been some further refinement of the status of some of these wells. We plan to schedule a conference call in the near future to review some of the specifics of the data tables, as well as a few related questions with your staff.

Supplemental Information Regarding the Category 2 Well Evaluation

EPA appreciates the additional analysis provided to explain the risk-based approach used by the State to review and prioritize its evaluation of the Category 2 enhanced recovery wells permitted in non-exempt

aquifers. The October 15th letter provided updated information regarding the 5,625 Category 2 wells as initially presented in the State's July 31, 2015 letter. EPA concurs with the State's conclusion that water-flood wells, due to the nature of their operation, would pose a greater potential threat to drinking water supply wells than thermal wells; and within the thermal well category, steam flood wells would be more of a concern than cyclic steam wells. We understand there are 3 water flood wells and 3 thermal injection wells that may be of concern and we look forward to receiving updated risk screening results once the operators respond to the information orders being issued by the Water Board. While it remains to be seen if any of those 6 wells meet the state's regulatory criteria for potential shut-in before the February 2017 deadline, it appears the remaining 5,619 wells would be subject to the February 2017 shut in date, unless an aquifer exemption is granted. As the State works with affected operators to develop information regarding aquifer exemption packages to address any of these Category 2 wells, EPA would appreciate being kept informed of their progress regularly at our monthly meetings.

#### Well Review Status

The Water Board's October 21, 2015 letter provides a comprehensive summary of the current status of its risk-based well review. EPA appreciates being brought up to date on the results of this review, and we look forward to being kept informed of the status of the responses to pending information order requests and potential actions by the State in response to new information from operators.

#### DOGGR's Renewal Plan

EPA believes DOGGR's plans for a comprehensive review of all approved Class II projects in the state, as described in the July 15, 2015 submittal, "Detailed Plan for Class II Program Improvements" and further detailed in the October 2015 "Renewal Plan for Oil and Gas Regulation" is an essential aspect of returning the Class II Program to compliance, and key to ensuring protection of public health and drinking water resources. As we discussed at our October 16 meeting, EPA will continue to work together with the State to incorporate a risk-based prioritization of project review milestones and their outcome into the State's overall UIC Program Compliance Plan. As we agreed, our team will further explore this effort in the coming months with a target of establishing a prioritization approach and integrating that approach into the existing program Compliance Schedule in early 2016.

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  
Assistant Director, Water Division