



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

September 16, 2021

Sent by email only

Matt Baker
Deputy Secretary for Energy
California Natural Resources Agency
715 P Street, 20th Floor
Sacramento, CA 95814

Eileen Sobeck
Executive Director
California State Water Resources Control Board
P.O. Box 100
Sacramento, CA 95812-0100

Dear Mr. Baker and Ms. Sobeck:

The U.S. Environmental Protection Agency, Region 9 (EPA) would like to express serious concern with California's pace in fulfilling its obligations as stipulated in the March 2015 compliance plan and subsequent agreements to return the Class II Underground Injection Control (UIC) program to full compliance with the Safe Drinking Water Act (SDWA). Since 2012, the state has been aware of oil and gas-related injection into underground formations that are not authorized for such activity. While significant progress has been made to address this non-compliance, including the processing of 21 of 30 expected aquifer exemption proposals, there are still too many wells continuing to inject into these unauthorized aquifers. It is particularly troubling that the state continues to miss critical timelines to achieve compliance, especially in this time of drought and diminished water supplies across the state.

At our August 31, 2021 meeting, we discussed the state's process to conduct a "conduit analysis" in certain oil and gas fields to assess potential fluid migration between the deep and shallow aquifers; EPA reiterated support for this approach and confirmed that such analyses and any subsequent remediation should be conducted before submitting these aquifer exemption packages to EPA for review. Nevertheless, aquifer exemption packages that the state has determined not to require a "conduit analysis" should be submitted to EPA as quickly possible. We understand that at least one aquifer exemption package, for the Sespe oil field, completed the state's review process nearly two years ago but has not yet been submitted to EPA for review.

Notwithstanding, EPA expects the State to conduct "conduit analyses" and associated remediation work within reasonable time frames or take action to eliminate ongoing unauthorized injection in those aquifers. Should the State continue to demonstrate an inability to fully return the Class II UIC program to compliance, EPA will consider limiting the State's UIC program expansion to cover other types of injection, including Class VI geologic carbon sequestration. Furthermore, EPA will consider other

punitive actions, including placing specific conditions on the state's Class II UIC primacy grant, withholding annual UIC grant funding until full compliance is attained, potential enforcement against the state for program non-compliance, and direct orders to operators continuing to inject into unauthorized underground formations.

Within 30 days of receipt of this letter, please submit a revised schedule for submitting all remaining aquifer exemption packages to EPA by no later than September 30, 2022. If the state anticipates it cannot achieve this timeline, EPA requests that the state provide the steps it will take to halt injection into any unauthorized aquifers until EPA has reviewed and acted on those aquifer exemption packages.

EPA looks forward to working with you to protect California's underground sources of drinking water and in returning the state's Class II UIC program to full compliance with the SDWA.

Sincerely,

Tomás Torres
Director, Water Division

cc: Jonathan Bishop, Chief Deputy, SWRCB
Uduak-Joe Ntuk, State Oil and Gas Supervisor, CalGEM
Jared Blumenfeld, Secretary, California Environmental Protection Agency