23 DEC 1987

M. G. Mefferd
State Oil and Gas Supervisor
California Division of Oil and Gas
1416 9th Street, Room 1310
Sacramento, CA 95814

In Response
Refer to: W-6-2

Dear Mr. Mefferd:

On April 1, 1987, EPA's Office of Drinking Water issued UIC program guidance which provided two options for assuring continued compliance for rule authorized Class II wells (see Attachment). In this guidance, a primacy state can continue to conduct a file review for every rule authorized Class II well at least once every five years (option 1). Alternatively however, a primacy state can be exempted from the file review requirement if it can demonstrate that it has procedures which assure that all rule authorized Class II wells are adequately monitored for continued compliance (option 2).

The second five year cycle of file reviews for the CDOG will begin on March 14, 1988. Consequently, the CDOG should decide if it will submit documentation to EPA so that it can be considered for exclusion from the existing file review requirement.

If you anticipate that the CDOG will pursue an exclusion from the existing file review requirement, please have your staff contact Mark Samolis of my UIC Section at (415) 974-0747 by January 29, 1987. Mark will also be available to provide assistance to your staff on evaluating whether adequate procedures exist within the CDOG for reviewing rule authorized Class II wells.

Thank you for your attention to this matter.

Sincerely,

"Original Signed by
Steven Pardieck"

Steve Pardieck, Chief
Drinking Water Branch

Attachment

CONCURRENCES

SYMBOL	W-6-2	W-6-2	W-6					
SURNAME	M. Samolis	[illegible]	[illegible]					
DATE	12/23/87	12/23/87	12/23					

EPA Form 1320-1 (12-70)

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U.S. GPO : 1980-[illegible]

Class II File Reviews

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

APR 1 1987

OFFICE OF WATER

MEMORANDUM

SUBJECT: Assuring Continued Compliance of Rule Authorized Class II Wells in Primacy and Direct Implementation States, UIC Program Guidance #55

FROM: Michael B. Cook, Director
Office of Drinking Water

Michael B Cook

TO: Water Division Directors
Regions I - X

1. file reviews every five years, on
2. show that workover, change of fluid, and modifications [illegible]

PURPOSE

The purpose of this guidance is to explain how compliance for rule authorized Class II wells was initially determined and to provide Regions and States two options for assuring continued compliance.

BACKGROUND

In the early days of the UIC program (Mid 1970s) the formal workgroup charged with the development of the UIC regulations decided that all wells (except agricultural and municipal drainage wells, now in Class V) would be regulated by permit. However, due to the large number of wells in Class II (40,000 in Texas) the regulations used a combination of rule and permit to regulate all wells.

On the effective date of the program all wells would be authorized by rule. States would be allowed up-to five years to issue permits for each well (area permits were allowed for Class II and III). This five-year period was selected to allow time to issue permits for the 40,000 wells in Texas.

Publication of these requirements brought extensive comment from State regulatory agencies and industry. Consideration of these comments and EPA contractors reports identified two significant facts. First, that there was a difference in contamination potential between secondary

recovery wells and salt water disposal wells. Secondly, that the cost of issuing new UIC permits for Class II wells would be extremely high, and that this expenditure would be a waste of limited resources.

Based on these facts, the Agency made significant changes in the regulations. First, the Agency would consider existing wells differently from new wells. All new wells, whether enhanced recovery or salt water disposal, would be authorized by permit. Second, all existing salt water disposal wells would be authorized by permit because of the greater potential for endangerment. Third, all existing enhanced recovery wells could be regulated by rule for life provided that the Director (whether State or EPA) conducts a file review equivalent to that which would be required for issuance of a permit. The objective of the file review is to ascertain that the well does not endanger USDWs. The advantage of the file review was that the operator would not have to submit a new application and the Director (who already has all the material in his file) would be spared the one-on-one transaction cost (draft permit, public hearing, etc.) of issuing a permit.

Subsequent to these changes, and after the passage of the §1425 amendment to the Act, States successfully argued that salt water disposal wells should also be authorized by rule. In the drafting of the guidance for implementing §1425, this provision was made. This guidance allowed primacy States to authorize all existing Class II wells by rule (i.e., they did not have to re-issue UIC permits for existing wells), providing they conducted a file review on all existing wells (§1425 Guidance at 3.3 (K) see attached Guidance). All §1425 applications were reviewed to assure that States included this in their program description.

Nothwithstanding the changes to allow States this flexibility, Federal programs would continue to issue permits to all new Class II wells and existing salt water disposal Class II wells. Existing enhanced recovery wells could be authorized by rule providing an equivalent file review was conducted.

Formal written guidance on the conduct of file reviews was issued to the Regions on August 23, 1984, in a memorandum from Victor J. Kimm on FY 1985 SPMS commitments (attached).

The purpose of the initial file review was to assure that all existing Class II injection wells were sited,

file review

designed, constructed and operated in a way that assured prevention of endangerment to USDWs. Once this is done, why is it necessary to repeat it each five years? Listed below are the things which must be considered:

1. Workover - Wells seldom go through their expected life span without requiring some type of workover. Some wells require many workovers. These may include:

   a. scraping or cleaning of tubular goods or injection formation face;
   b. inspection of tubing and/or packer;
   c. replacement of tubing and/or packer;
   d. stimulation such as acidizing or fracking;
   e. repair of leaks in casing by squeeze cement or installing a liner; and
   f. recompletion.

2. Operational history - occurrences during the life of the well which may have resulted in failure or have a potentially higher risk of failure:

   a. change in source or character of fluid;
   b. changing from water flood to use of additives;
   c. increases or decreases in flow;
   d. increases or decreases in pressure;
   e. changes in scope of project;
   f. changes in ownership; and
   g. compliance history.

3. Related Activities:

   a. other injection wells completed above, below or in the same pool;
   b. production wells completed in pools below injection formation; and
   c. changes in operation of other wells in or around injection well.

GUIDANCE

Is this applicable to States?

Regions or States may choose one of the following options for showing continued compliance:

1. Conduct file reviews every five years to determine that nothing in the above areas, workover, operational history, and related activities could result in an endangerment to USDWs; or