EPA's Oversight of California's Class II Underground Injection Control (UIC) Program

Summary of Issue: EPA determined that the CA Class II UIC Program is out of compliance and has been working actively over the last two years with the State Division of Oil, Gas, and Geothermal Resources (DOGGR) and the State Water Board to ensure the Program meets federal UIC requirements. In addition to updating and modernizing its UIC regulations, the state is working with operators to develop numerous proposed aquifer exemption (AE) requests to EPA for wells currently injecting into non-exempt aquifers. While the state has indicated there could be as many as 50+ AE requests, EPA has received only one to date. AE requests not approved by February 2017 will result in Class II well shut-ins.

Background: The state of California was delegated primary responsibility for implementing the Class II oil and gas underground injection control (UIC) program of the federal Safe Drinking Water Act (SDWA) in 1983. As a part of its oversight role, EPA audited CA DOGGR's Class II UIC primacy program in 2011 and identified substantial implementation deficiencies. In 2012, EPA conducted a review of aquifer exemptions that raised questions about the alignment of injection wells with EPA-approved exemption boundaries.

Responding to the slow pace of DOGGR's progress in addressing these issues, Region 9 increased its oversight efforts in 2014, highlighting EPA's concerns and requesting a specific plan and timeline for DOGGR to address the deficiencies in implementation of its Class II UIC program. These efforts culminated in a March 2015 Corrective Action Plan, which included a schedule of required activities and deliverables, with target milestones and compliance deadlines, to track progress in meeting a return to compliance deadline of February 2017.

Key Corrective Action Targets:

1. **Determine whether there are nearby water supply wells that may be potentially impacted by injection wells** [Deadlines staggered between May 2015 and Feb 2016, based on risk level].
2. **Submit proposed aquifer exemption requests for EPA consideration** [Target dates staggered between Nov 2015 and Oct 2016 to ensure EPA action by Feb 2017 deadline]
3. **Shut-in injection wells if aquifer exemptions are not approved** [Oct 2015 for injection wells in fresh, non-hydrocarbon aquifers; Dec 2016 for wells in disputed aquifers; Feb 2017 for the rest].
4. **Conduct rulemaking for shut-in deadlines and UIC program improvements** [April 2016 for final shut-in rule; initial proposed UIC regulations by Sept 2016 and final revisions in Sept 2018]

State Progress to Date:

1) **Reviewed its inventory of disposal wells and completed a risk-based screening** which lead to 24 injection well shut-ins; **in October 2015 completed review of 5,625 enhanced oil recovery (EOR) wells**, identifying only 6 wells of potential environmental concern.
2) **In February 2016, EPA received the first state AE request**, a proposal to expand an existing exemption in the Arroyo Grande oil field in San Luis Obispo County; **dozens of additional requests in progress by the state**.
3) **33 disposal wells injecting into sub-3,000 TDS formations shut-in by October 2015**.
4) **Promulgated emergency regulations in April 2015 mandating the agreed-upon compliance deadlines; permanent regulations finalized in April 2016; in Jan 2016, issued discussion draft of updated UIC regulations.**
5) **In October 2015, DOGGR issued their "Renewal Plan for Oil and Gas Regulation"** which proposed further key activities (e.g., statewide Project-by-Project reviews) to continue the drive to modernization of their regulatory oversight and compliance with federal UIC requirements.