To: Montgomery, Michael[Montgomery.Michael@epa.gov]
From: Albright, David
Sent: Tue 8/25/2015 7:17:16 PM
Subject: RE: Arroyo Grande Aquifer Exemption Application -- Technical Presentation Meeting Request

Hi Mike,

I've consulted with the team and we do not see a need to go down there for a presentation. Further, there is some concern about meeting with the operator at this stage – i.e., prior to a formal submittal from the State. My own sense is that if the more urgent time pressure is off – have not heard this confirmed by the state yet – then we would just wait until there is a formal submittal and we could re-visit at that time what makes the most sense.

I need to talk with Rob as follow up from our meeting and will ask whether the state has advanced the discussion about the appropriate compliance date for the AG disposal wells.

Thanks,

David

From: Montgomery, Michael
Sent: Friday, August 21, 2015 1:42 PM
To: Albright, David
Cc: Dermer, Michele; McWhirter, Lisa; Engelman, Alexa; Moxley, Bret
Subject: FW: Arroyo Grande Aquifer Exemption Application -- Technical Presentation Meeting Request

David –

Can you discuss this with folks and get back to me please. Thanks

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From: Martini, John [mailto:John_Martini@fmi.com]

Sent: Thursday, August 20, 2015 6:07 PM
To: Montgomery, Michael
Cc: Albright, David
Subject: Arroyo Grande Aquifer Exemption Application -- Technical Presentation Meeting Request

Mike –

Greetings. I am following up to our brief phone call last week. As we discussed, FM O&G would like to offer to make a technical presentation to you and your staff about operations at the Arroyo Grande Oil Field as they relate to the details of the aquifer exemption boundary adjustment application DOGGR and the SWRCB recently presented to your office. We are aware that the public notice of availability was released earlier today and that the state's 30 day comment period has formally commenced. I understand a preliminary presentation of the application has already been made to your staff.

Should you feel it is helpful to facilitating your team's review of the application, we would be happy to make the technical presentation in your offices in San Francisco. Should you have an interest, we would also be happy to host your staff on a tour of the field at the appropriate time.

We stand ready to work with your office in any manner necessary to ensure your team is presented with adequate technical data to support approval of the state's application. Thank you in advance for your consideration of our request to meet on this matter. I can be reached at 661-395-5232 should you or your staff have any questions or need immediate information concerning our operations at the Arroyo Grande oil field. I look forward to talking with you as this process goes forward.

PUBLIC NOTICE The California Department of Conservation, Division of Oil, Gas, and Geothermal Resources ("Division"), with concurrence of both the State Water Resources Control Board and the Central Coast Regional Water Quality Control Board (collectively "Water Boards"), are considering a proposal to expand the current aquifer exemption designation for the Dollie sands of the Pismo formation in the Arroyo Grande oil field (in unincorporated San Luis Obispo county near the intersection of Ormonde Road and Price Canyon Road). Subject to approval by the US Environmental Protection Agency ("US EPA"), the proposed aquifer exemption would allow the State, in compliance with the federal Safe Drinking Water Act, to approve

Class II injection into the identified area, either for enhanced oil recovery or for injection disposal of fluids associated with oil and gas production. Based on consultation as required under Public Resources Code section 3131, the Division and the Water Boards preliminarily concur that the proposed aquifer exemption area meets the criteria for exemption under the Code of Federal Regulations, title 40, section 146.4 because it does not currently serve as a source of drinking water, and it will not serve as a source of drinking water in the future because the area is currently hydrocarbon producing or is capable of hydrocarbon production. The Division and the Water Boards also preliminarily concur that the injected fluid is expected to remain in the area that would be exempted and is not expected to affect the quality of water that is, or may reasonably be, used for any beneficial use, due to geologic conditions and hydraulic controls. The Division invites written comments regarding the aquifer exemption proposal and a public comment hearing to provide information and accept public comment will be held on **Monday, September 21, 2015 between 4 pm to 7 pm at the Courtyard Marriot, 1605 Calle Joaquin Road, San Luis Obispo, CA 93405**. Written comments can be submitted by email to Comments@conservation.ca.gov; by facsimile (FAX) to (916) 324-0948; by mail to: Department of Conservation, 801 K Street, MS 24-02, Sacramento, CA 95814, ATTN: Aquifer Exemption; or by submitting them at the public comment hearing. The written comment period closes at 7 pm on September 21, 2015, and the Department will not consider any comments received at the Department's offices after that time. The complete aquifer exemption proposal, including pertinent data can be accessed at www.conservation.ca.gov/dog/Pages/ Aquifer_Exemptions.aspx or obtained from the local Division Office, 195 S. Broadway, Ste 101, Orcutt, CA 93455 or by contacting Jon Iverson, 805-937-7246. If the Division and the Water Boards elect to submit the aquifer exemption proposal to US EPA, it will prepare a document that (1) announces the decision, (2) provides a concise statement of the basis for the decision, and (3) summarizes the substantive comments received (including oral comments received at a hearing) and the disposition of those comments. Signed: Patricia A. Abel, District Deputy Aug. 20, 21, 22, 2015 1910180

John Martini

Manager, EH&S and Government Affairs

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