Message

From: Pham, Lisa [Pham.Lisa@epa.gov]
Sent: 10/7/2020 4:22:41 PM
To: Laura Sorey [Laura.Sorey@LA.GOV]
CC: Stephen Lee [Stephen.Lee@la.gov]; Corey Shircliff [Corey.Shircliff@la.gov]; Kellie McNamara [Kellie.McNamara@LA.GOV]; Johnson, Ken-E [Johnson.Ken-E@epa.gov]; Kelly, Suzanne [Kelly.Suzanne@epa.gov]; Przyborski, Jay [Przyborski.Jay@epa.gov]; Newman, Sharon [Newman.Sharon@epa.gov]
Subject: RE: Louisiana Class VI Crosswalk Revisions

Hi Laura,

Thank you for your quick response.

EPA has completed our reviews and approved the attached crosswalk and LDNR rule.

In order to prepare for our next phase, the Completeness Review and Determination Phase, we would like to receive the following draft documents from LDNR:

- Program Description
- Attorney General's Statement
- MOA between Region 6 Administrator and LDNR
- Modified Governor's Letter
- the final approved Class VI crosswalk and rule

Regards,

Lisa

From: Laura Sorey <Laura.Sorey@LA.GOV>
Sent: Wednesday, October 07, 2020 10:57 AM
To: Pham, Lisa <Pham.Lisa@epa.gov>
Cc: Stephen Lee <Stephen.Lee@la.gov>; Corey Shircliff <Corey.Shircliff@la.gov>; Kellie McNamara <Kellie.McNamara@LA.GOV>; Johnson, Ken-E <Johnson.Ken-E@epa.gov>; Kelly, Suzanne <Kelly.Suzanne@epa.gov>; Przyborski, Jay <Przyborski.Jay@epa.gov>; Newman, Sharon <Newman.Sharon@epa.gov>
Subject: RE: Louisiana Class VI Crosswalk Revisions

Hey Lisa,

The citation references in Line 82 have been updated in the draft rule and on Line 82 of the crosswalk.

Thanks,
Laura

From: Pham, Lisa [mailto:Pham.Lisa@epa.gov]
Sent: Wednesday, October 7, 2020 9:34 AM
To: Laura Sorey <Laura.Sorey@LA.GOV>
Cc: Stephen Lee <Stephen.Lee@la.gov>; Corey Shircliff <Corey.Shircliff@la.gov>; Kellie McNamara <Kellie.McNamara@LA.GOV>; Johnson, Ken-E <Johnson.Ken-E@epa.gov>; Kelly, Suzanne <Kelly.Suzanne@epa.gov>; Przyborski, Jay <Przyborski.Jay@epa.gov>; Newman, Sharon <Newman.Sharon@epa.gov>
Subject: RE: Louisiana Class VI Crosswalk Revisions

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Good morning Laura,

Thank you for your patience.

We found only one minor issue left on these document.

Line 82:
Page 2 of the LA Rule reads: "Draft Permit—a document prepared under §611.C.1 indicating the commissioner's decision to issue or deny, modify, revoke and reissue, terminate, or reissue a permit. A denial of request for modification, revocation and reissuance, or termination, as discussed in §613.E is not a draft permit."

Please add the **red sentence** below and **include the correct LA citation** for NOI to terminate and to deny:
"Draft Permit—a document prepared under §611.C.1 indicating the commissioner's decision to issue or deny, modify, revoke and reissue, terminate, or reissue a permit. A notice of intent to terminate a permit, and a notice of intent to deny a permit, as discussed in §~~124.5~~ are types of "draft permits." A denial of request for modification, revocation and reissuance, or termination, as discussed in §613.E is not a draft permit."

This correct LA citation must also be updated for Line 82 of the crosswalk.

Thank you very much.

Regards,

Lisa

From: Laura Sorey <Laura.Sorey@LA.GOV>
Sent: Monday, October 05, 2020 11:10 AM
To: Pham, Lisa <Pham.Lisa@epa.gov>
Cc: Stephen Lee <Stephen.Lee@la.gov>; Corey Shircliff <Corey.Shircliff@la.gov>; Kellie McNamara <Kellie.McNamara@LA.GOV>; Johnson, Ken-E <Johnson.Ken-E@epa.gov>; Kelly, Suzanne <Kelly.Suzanne@epa.gov>; Przyborski, Jay <Przyborski.Jay@epa.gov>
Subject: RE: Louisiana Class VI Crosswalk Revisions

Hey Lisa,

Per our call this morning, here are the latest revisions for the Class VI crosswalk and draft rule.

Line 82: "as discussed in §124.5" was added to LA Rule but not the crosswalk. Should the text point to 611.C instead of 124.5? Also, the crosswalk text should be edited to match final rule text. **Updated.**

Line 326: Rule text does not match crosswalk text. Small edit needed. **Updated.**

Line before 337: Needs edit: Rule text shows a "6" instead of a "D";

> "6. The commissioner shall not issue a certificate of completion pursuant to La R.S. 30:1109 unless the operator has sufficient financial surety with the Office of Conservation to adequately close the facility, plug all existing wells, and provide for post-injection site care and site closure."

Also since this crosswalk row is related to Class VI closure I would suggest moving it from Section 144.52 (Establishing Permit Conditions) to Section 146.85 (FR), 146.93 (Post injection Site Care and Closure) or some other Class VI related column header that they feel is appropriate. **Moved to §633.B under Closure and Post-Closure. See line after Line 753 on crosswalk.**

And thank you again for all your assistance and fast response times throughout this part of the process.

Laura Sorey, PG
Petroleum Scientist
Department of Natural Resources
Office of Conservation
Injection & Mining Division
P.O. Box 94275
Baton Rouge, LA 70804-9275
225-342-5581
Laura.Sorey@LA.GOV

From: Pham, Lisa [mailto:Pham.Lisa@epa.gov]
Sent: Thursday, October 1, 2020 4:40 PM
To: Laura Sorey <Laura.Sorey@LA.GOV>
Cc: Stephen Lee <Stephen.Lee@la.gov>; Corey Shircliff <Corey.Shircliff@la.gov>; Kellie McNamara <Kellie.McNamara@LA.GOV>
Subject: RE: Louisiana Class VI Crosswalk Revisions

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Hi Laura,

Attached are our latest review.

Please take a look for our Monday's call.

Thanks.

Lisa

From: Laura Sorey <Laura.Sorey@LA.GOV>
Sent: Thursday, October 01, 2020 9:15 AM
To: Pham, Lisa <Pham.Lisa@epa.gov>
Cc: Stephen Lee <Stephen.Lee@la.gov>; Corey Shircliff <Corey.Shircliff@la.gov>; Kellie McNamara <Kellie.McNamara@LA.GOV>
Subject: RE: Louisiana Class VI Crosswalk Revisions

Not a problem. 10:30-11:30 CST will work for us.

Laura

From: Pham, Lisa [mailto:Pham.Lisa@epa.gov]
Sent: Thursday, October 1, 2020 9:04 AM
To: Laura Sorey <Laura.Sorey@LA.GOV>
Cc: Stephen Lee <Stephen.Lee@la.gov>; Corey Shircliff <Corey.Shircliff@la.gov>; Kellie McNamara <Kellie.McNamara@LA.GOV>
Subject: RE: Louisiana Class VI Crosswalk Revisions

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Laura.

We will have our regular Section Meeting at 9:30am (CST).

How about from 10:30 (CST)/9:30 (your time) to 11:30 (CST)/10:30 (your time)?

Let me know so I could send the MS Teams meeting invitation to everybody.

Thank you.

Lisa

From: Laura Sorey <Laura.Sorey@LA.GOV>
Sent: Thursday, October 01, 2020 8:33 AM
To: Pham, Lisa <Pham.Lisa@epa.gov>
Cc: Stephen Lee <Stephen.Lee@la.gov>; Corey Shircliff <Corey.Shircliff@la.gov>; Kellie McNamara <Kellie.McNamara@LA.GOV>
Subject: RE: Louisiana Class VI Crosswalk Revisions

Hey Lisa,

It looks we all have availability on Monday 10/5 at 9:00 am. Does that work for your team?

Laura

From: Pham, Lisa [mailto:Pham.Lisa@epa.gov]
Sent: Thursday, October 1, 2020 8:24 AM
To: Laura Sorey <Laura.Sorey@LA.GOV>
Cc: Stephen Lee <Stephen.Lee@la.gov>; Corey Shircliff <Corey.Shircliff@la.gov>; Kellie McNamara <Kellie.McNamara@LA.GOV>
Subject: RE: Louisiana Class VI Crosswalk Revisions

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Good morning Laura,

We've finished our review and would like to schedule another MS Teams meeting with LDNR.

Could you please let me know your availability next week.

Thanks.

Lisa

From: Laura Sorey <Laura.Sorey@LA.GOV>
Sent: Wednesday, September 30, 2020 4:08 PM
To: Pham, Lisa <Pham.Lisa@epa.gov>
Cc: Stephen Lee <Stephen.Lee@la.gov>; Corey Shircliff <Corey.Shircliff@la.gov>; Kellie McNamara <Kellie.McNamara@LA.GOV>
Subject: RE: Louisiana Class VI Crosswalk Revisions

Hey Lisa,

Please see our responses below in red.

Thanks,
Laura

From: Pham, Lisa [mailto:Pham.Lisa@epa.gov]
Sent: Tuesday, September 29, 2020 4:10 PM
To: Laura Sorey <Laura.Sorey@LA.GOV>
Cc: Stephen Lee <Stephen.Lee@la.gov>
Subject: RE: Louisiana Class VI Crosswalk Revisions

EXTERNAL EMAIL: Please do not click on links or attachments unless you know the content is safe.

Good afternoon Laura,

We're using the attached checklist to review your Pledge form.

Could you please respond to the following questions:

- Where and how are the State determining the Qualification of Issuing Institution?

Because we do not have in expertise in house to evaluate the "strength" of an institution, we require the use of financial institutions already approved by the federal government or state banking or insurance boards and contained on one of the following lists. No other financial institutions are allowed:

https://www.fiscal.treasury.gov/surety-bonds/list-certified-companies.html
https://mapping.ncua.gov/
https://research2.fdic.gov/bankfind/

- Is the form reviewed annually or just when new information is received?

Rather than undergoing annual reviews, forms are reviewed only if a new financial security instrument is submitted, the law or jurisprudence changes, or the closure cost estimate increases.

- How the interest is to be invested and if there is a change in the cost estimate will the CD be reissued?

LDNR does not receive the deposit. It is held at the financial institution who issued a "Pledge" of the Certificate of Deposit. As such, the financial institution, not LDNR, retains all interest. Per Line 534 / §609.C.4.h.iv, the owner or operator is required to adjust the face value of the financial instrument or reissue the instrument in the event of a change in the cost estimate.

Thanks.

Lisa

From: Laura Sorey <Laura.Sorey@LA.GOV>
Sent: Friday, September 25, 2020 7:19 AM
To: Pham, Lisa <Pham.Lisa@epa.gov>
Cc: Stephen Lee <Stephen.Lee@la.gov>
Subject: RE: Louisiana Class VI Crosswalk Revisions

Good morning Lisa,

That's wonderful news!

I've attached the Pledge of Certificate of Deposit form that we currently use. As an FYI, this may not be the final version of the form for Class VI projects. However, we don't anticipate any substantial changes to the content or language.

Thanks,
Laura

From: Pham, Lisa [mailto:Pham.Lisa@epa.gov]
Sent: Thursday, September 24, 2020 3:27 PM
To: Laura Sorey <Laura.Sorey@LA.GOV>
Cc: Stephen Lee <Stephen.Lee@la.gov>
Subject: RE: Louisiana Class VI Crosswalk Revisions

EXTERNAL EMAIL: Please do not click on links or attachments unless you know the content is safe.

Good afternoon Laura,

We are getting close to our reviews. Things are moving fast!

One request.

Could you please send me a copy of your Pledge of Certificate of Deposit form.
It was mentioned in your response but we don't have it.

Thanks.

Lisa Pham

From: Laura Sorey <Laura.Sorey@LA.GOV>
Sent: Monday, September 21, 2020 2:06 PM
To: Pham, Lisa <Pham.Lisa@epa.gov>
Cc: Johnson, Ken-E <Johnson.Ken-E@epa.gov>; Kelly, Suzanne <Kelly.Suzanne@epa.gov>; Przyborski, Jay <Przyborski.Jay@epa.gov>; Stephen Lee <Stephen.Lee@la.gov>; Corey Shircliff <Corey.Shircliff@la.gov>; Kellie McNamara <Kellie.McNamara@LA.GOV>
Subject: Louisiana Class VI Crosswalk Revisions

Hey Lisa,

Our updated Class VI draft rule and crosswalk are attached here. A few responses to items from the EPA's 8/27/20 response to note:

Line 239 & 311 – "under the SDWA" was restored to the rule text.

Line 440 – The draft provision stating "The commissioner may grant a variance to application requirements upon proof that the exception does not present a danger to the USDW or to the health and safety of the public or the environment, " was removed entirely.

Line 508 – References to the Carbon Dioxide Geologic Storage Trust Fund were removed, as the CDGSTF doesn't pertain to standby trusts. A more detailed description of the CDGSTF is provided in the attached email. However, 40 CFR 146.85(a)(6)(iii) won't be adopted into state rule. As part of the authority granted by La R.S. 30:4(R) and 30:4.1.B.1, the

commissioner may require that instruments of financial responsibility be issued in sole favor of the Office of Conservation, thereby averting the need to establish a standby trust for third party instruments.

Line 506 – The draft rule addresses any potential vulnerability by requiring that certificates of deposit be issued, "in sole favor of the Office of Conservation in a form prescribed by the commissioner." (§609.C.1.A) As mentioned in the updated discussion on Line 508 / 40 CFR 146.85(a)(6)(iii), the commissioner has statutory authority to require that financial instruments (such as certificates of deposit) designate DNR-OC as beneficiary or recipient of the funds. This is implemented in DNR-OC's **Pledge of Certificate of Deposit** form, which states that, "The undersigned financial institution hereby acknowledges that this Certificate of Deposit shall be presumed to be in the possession of the Office of Conservation, not the Principal, until all regulatory obligations of the Principal are satisfied and/or the Commissioner releases all rights to the collateral at issue in accordance with the Law and the Regulations on this __ day of ____, 20__." Any financial instruments for any submitted forms of surety are held by the commissioner rather than by a third party.

In addition to the minor edits requested in the EPA's 8/27/20 response, the following sections have also been updated:
Line 82
Lines 291-295
Unnumbered line prior to Line 337
Line 338

Please let me know if you have any questions or if there's any additional info we can provide.

Thanks,

Laura Sorey, PG
Petroleum Scientist
Department of Natural Resources
Office of Conservation
Injection & Mining Division
P.O. Box 94275
Baton Rouge, LA 70804-9275
225-342-5581
Laura.Sorey@LA.GOV

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