End-Of-Year (EOY) Evaluation Report
Arkansas Oil and Gas Commission
Underground Injection Control Program

State Fiscal Year (FY) 2008
October 1, 2007 - September 30, 2008

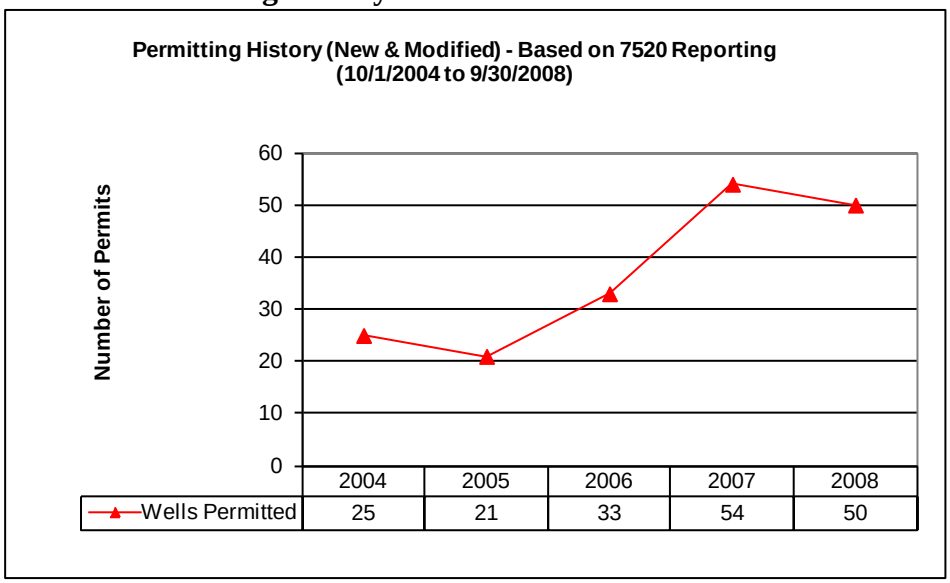
The Arkansas Oil and Gas Commission (AOGC) maintains primacy on oil and gas related injection activities (Class II wells) in the State of Arkansas. The AOGC receives all of its funding from the State and does not receive any grant funds from EPA. Therefore, no grant-related deliverables or work plans are required, but AOGC must satisfy reporting requirements as detailed in the 1983 Memorandum of Agreement (MOA) for delegation of portions of the UIC program from EPA to the State of Arkansas. EPA Region 6 conducts an annual evaluation of this program as part of its oversight responsibility.

FY2008 ACTIVITIES

Inventory

The Underground Injection Control (UIC) Department of the AOGC currently regulates approximately 583 active Class II secondary recovery/disposal injection wells and 74 Class V bromine related brine disposal wells. The staff consists of an Assistant Director, an Environmental Program Manager (EPM), two field inspectors and an administrative assistant, with cumulative experience of 35 years in UIC and 37 years in total service to the AOGC. Table 1 summarizes the permitting history of Class II and Class V wells based on EPA reporting Form 7520. A total of 50 permits were issued or modified. All permits issued this reporting period were for Class II wells and no new permits were issued for Class V wells.

Table 1 - Permitting History - Class II and Class V Wells



Activities

Table 2 below summarizes strategic activities reported for Class II and Class V wells during FY2008.

Table 2 - 2007 Field Activities

Activity	Class II	% of Total	Class V	% of Total
New permits	50	9	0	0
Well inspections	192	33	46	62
MIT's conducted	152	26	45	61
MIT's witnessed	152	100	45	100
MIT violations*	6	4	0	0
Plugging and abandonments	0	0	0	0
Monitoring and reporting violations*	0	0	0	0
Total violations*	6	1	0	0

* Figures may include multiple violations for a single well.

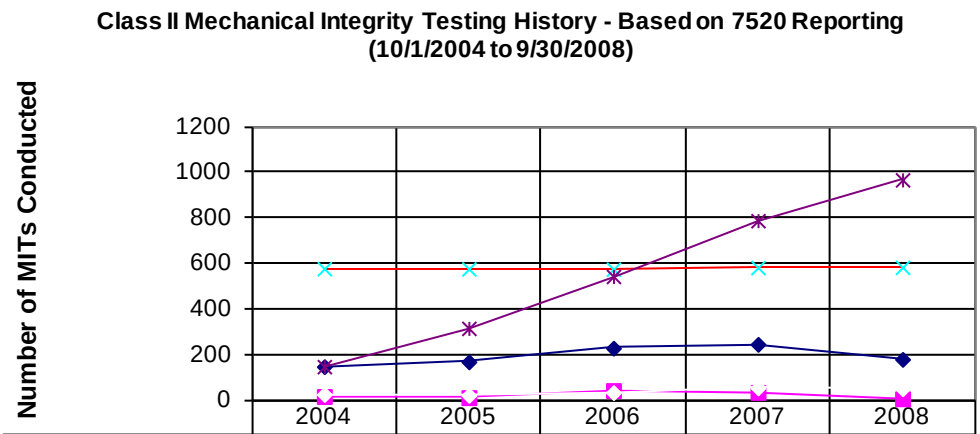
Mechanical Integrity Testing

AOGC employs two full-time inspectors who witness 100 percent of all Mechanical Integrity Tests (MITs) conducted on Class II and Class V wells. The two inspectors are responsible for the area they oversee, but work is shared interchangeably if one of the field inspectors is overloaded. Generally, a well is required to pass an MIT once every five years unless a condition exists which requires more frequent testing. The EPM keeps an annual record of which wells will require MITs and contacts the operator by letter as to when the required test should be performed.

Class II Wells

During FY2008, 50 new or modified Class II permits were issued, and nine percent of the currently active Class II injection wells were inspected. All existing Class II injection wells are required to be tested every five (5) years. Over the last five years from 2004 thru 2008, 967 MITs were conducted, with a current annual inventory of 583. For Class II, the number of MIT violations represents four percent of the total number of MITs. There were no violations related to monitoring and reporting requirements and only six percent of the total violations were related to the MITs failures. Table 3 summarizes MIT history since 2004 based on Form 7520 reports.

Table 3 - Mechanical Integrity Testing History - Class II Wells

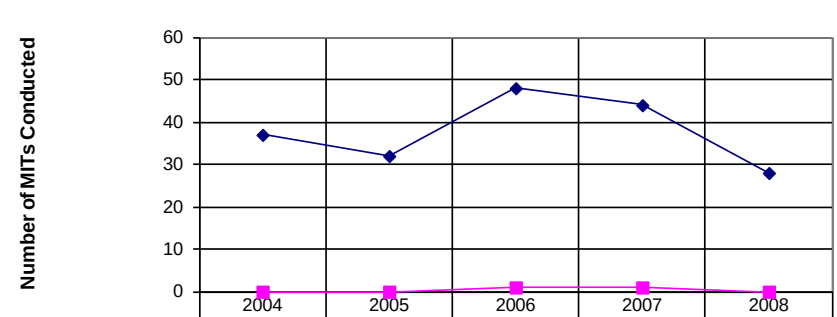


	2004	2005	2006	2007	2008
MITs Conducted	147	168	228	245	179
MITs Failed	16	11	42	34	6
Failure Rate (%)	25	21	33	54	50
Well Inventory	577	576	575	582	583
Cum. MITs	147	315	543	788	967

Class V Wells

There were no Class V permits issued this year, but 62 percent of the 74 wells were inspected in FY2008. Sixty-one percent of the Class V wells were evaluated with MITs. All Class V wells are required to be tested once every five (5) years; however, those constructed as packerless completions are required to be tested annually. There were no MIT nor monitoring and reporting violations for Class V wells were reported. Table 4 summarizes MIT history since 2004, based on Form 7520 reports.

Table 4 - Mechanical Integrity Testing History - Class V Wells

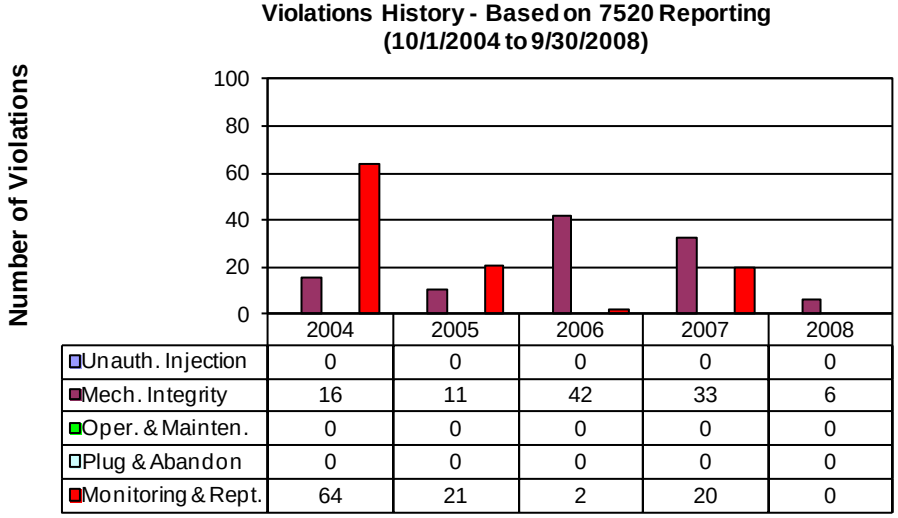


	2004	2005	2006	2007	2008
MIT's Conducted	37	32	48	44	28
MIT's Failed	0	0	1	1	0
Failure Rate (%)	0.0	2.3	3.6	0.0	0.0

Enforcement Activities (Class II & Class V Wells)

During FY2008 there were no compliance orders or fines levied by AOGC and no endangerment to underground sources of drinking water (USDWs) were reported or discovered from injection wells. Table 5 summarizes the violations history of Class II and Class V wells based on Form 7520 reporting.

Table 5 - Violations History - Class II and Class V Wells



	2004	2005	2006	2007	2008
Unauth. Injection	0	0	0	0	0
Mech. Integrity	16	11	42	33	6
Oper. & Mainten.	0	0	0	0	0
Plug & Abandon	0	0	0	0	0
Monitoring & Rept.	64	21	2	20	0

Reporting Requirements

All reports, as required in the MOA, are to be submitted to EPA by AOGC, which includes quarterly reports on Form 7520 and the annual UIC activities report for FY2008. AOGC submitted all required reports during FY2008 in a timely manner.

Since the AOGC shares primacy for Class V wells with the Arkansas Department of Environmental Quality (ADEQ), the quality assurance requirements are submitted through the ADEQ UIC Program. Both agencies work closely to ensure cooperation related to UIC primacy programs and the protection of underground sources of drinking water.

Management Change

One AOGC UIC inspector was hired.

Summary

In conclusion, the UIC program is adequately staffed. The Class II program and Class V bromine related disposal programs administered by AOGC, continue to be well managed and include a strong field component.