MEMORANDUM OF AGREEMENT
BETWEEN THE
STATE WATER RESOURCES CONTROL BOARD
AND THE
DEPARTMENT OF CONSERVATION
DIVISION OF OIL AND GAS

Purpose

The purpose of this Memorandum of Agreement (MOA) is to outline the procedures for reporting proposed oil, gas, and geothermal field discharges and for prescribing permit requirements. These procedures are intended to provide a coordinated approach resulting in a single permit satisfying the statutory obligations of both parties to this MOA. These procedures will ensure that construction or operation of oil, gas, and geothermal injection wells and surface disposal of waste water from oil and gas and geothermal production does not cause degradation of waters of the State of California.

General

Responsibilities of the Agencies

The Department of Conservation, Division of Oil and Gas (CDOG) has the statutory responsibility to prevent, as far as possible, damage to underground and surface waters suitable for irrigation or domestic purposes resulting from the drilling, operation, maintenance, or abandonment of oil, gas, and geothermal wells (Public Resources Code Sections 3106 and 3714). In March 1983, CDOG received primacy from the Environmental Protection Agency (EPA) pursuant to the provisions of Section 1425(a) of the federal Safe Drinking Water Act that gives CDOG additional authority and responsibility to regulate Class II wells in the State. Class II wells are used to inject fluids into the subsurface that are related to oil and gas production.

The State Water Resources Control Board (SWRCB) and the nine California Regional Water Quality Control Boards (collectively RWQCB) have statutory responsibility to protect the waters of the State and to preserve all present and anticipated beneficial uses of those waters (Water Code, Division 7, Chapters 1 through 7).

Scope of Agreement

The following procedures have been formulated and adopted by the CDOG and SWRCB to: (1) simplify reporting of proposed waste discharges by the oil, gas, and geothermal operators; (2) achieve coordination of activity; and, (3) eliminate duplication of effort among the State agencies. As far as these agencies are concerned, the method of reporting proposed oil, gas, and geothermal underground injection and surface discharges will be uniform throughout the State. The attached maps show district and regional boundaries and office addresses.

The following procedures will not generally be applicable to injection wells or surface disposal methods used by operators to dispose of wastes other than produced water and fluids defined by the EPA as Class II. Other discharges (e.g., refinery wastes) must be issued waste discharge requirements or waivers through the appropriate Regional Water Quality Control Board (Water Code, Division 7, Chapter 4). Such discharges will not be subject to regulation by CDOG unless the subject disposal well is within the administrative limits of an oil, gas, or geothermal field. In such case, the CDOG must also issue a permit for the well construction (Public Resources Code Sections 3008 and 3203). The conditions of this permit should be in agreement with the waste discharge requirements for this well.

The CDOG personnel shall report all pollution problems, including spills to the ground surface or surface streams, to the appropriate Regional Board.

Procedures

Underground Injection

1. Application: Oil, gas, or geothermal operators must file an application for all proposed injection projects with the appropriate CDOG District office. The District office will forward a copy of the application to the appropriate Regional Board for its review and comment. Data to be included with the application shall include: (1) a chemical analysis, as appropriate, to characterize the proposed injection fluid considering the source of the fluid and/or the exposures the fluid has or will undergo before disposal; (2) a chemical analysis, as appropriate, from the proposed zone of injection considering the characteristics of the zone (to include name, location, depth and formation for well from which zone fluid was sampled); and, (3) depth, location, and injection formation of the proposed well. If the Regional Board wishes to comment prior to the issuance of a draft permit for review, comments shall be received by CDOG within 14 days.

2. Review and Consultation: During the review of the application, the CDOG, the Regional Board and the State Board shall consult with one another and local agencies, as necessary, and may require the applicant to submit additional data, as necessary, to demonstrate that the proposed injection will not cause a water quality problem. Additional data required by the RWQCB, if reasonably available, shall be forwarded upon request. Data regarded as confidential by CDOG, or the applicant, will be identified and kept confidential by the RWQCB.

3. Permit Preparation and Issuance:

   a. CDOG will prepare a draft permit, including monitoring requirements, for the injection in accordance with statutory obligations, furnishing a copy of the draft document to the appropriate Regional Board.

   b. The Regional Board will have the opportunity to comment on the draft requirements during the public review period established pursuant to the Memorandum of Agreement (MOA) between the CDOG and the Environmental Protection Agency (EPA).

   c. The Regional Board shall determine whether or not the draft requirements provide protection to ground and surface waters having present or anticipated beneficial uses. If the draft requirements are not adequate, the Regional Board shall, within 30 days, propose conditions or revisions which would satisfy Regional Board concerns. CDOG will not issue final requirements until Regional Board concerns have been satisfied.

      If no response is received from the Regional Board by the end of the public comment period, the requirements will be presumed to be acceptable to the Regional Board.

      CDOG will furnish a copy of the final requirements to the Regional Board.

Surface Discharge

1. Application: The oil, gas, or geothermal operator shall file a Report of Waste Discharge with the appropriate Regional Board. The Regional Board will review the Report of Waste Discharge in accordance with applicable state and federal requirements, including 40 CFR Part 435. No report need be filed when such a requirement is waived by the Regional Board pursuant to Water Code Section 13269.

   When a Report of Waste Discharge is not adequate in the judgment of the Regional Board, the Board may require the applicant to supply additional information as it deems necessary. If a surface disposal site is within the administrative limits of an oil, gas, or geothermal field, the Regional Board shall send a copy of the Report of Waste Discharge to the CDOG for review and comment when the report is complete. If CDOG wishes to comment, the Regional Board should receive comments within 14 days to ensure consideration of these comments during the drafting of waste discharge requirements.

2. Preparation and Adoption of Waste Discharge Requirements:

a. The Regional Board will prepare draft waste discharge requirements for the disposal of production waters by surface discharge. If a surface disposal site is within the administrative limits of an oil, gas, or geothermal field, a copy of the draft document shall be furnished to the appropriate CDOG District office.

b. The CDOG shall determine whether or not the draft requirements fulfill CDOG's statutory obligations related to water quality. If the draft requirements are not adequate, the CDOG shall, within 30 days, propose conditions to the Regional Board which would meet these statutory obligations. The Regional Board will not issue final requirements until CDOG concerns have been satisfied.

If no response is received from CDOG by the end of the public comment period, the requirements will be presumed to be acceptable to CDOG. The Regional Board will furnish a copy of the final requirements to CDOG.

Enforcement Coordination

After construction, CDOG will notify the appropriate Regional Board of any pollution problems noticed during its inspection activities. The Regional Boards will notify CDOG of any suspected violations of CDOG requirements uncovered during the Regional Boards' inspection activities.

If a determination is made by CDOG, or by the Regional Board, or the SWRCB, that an injection or surface disposal operation is violating the terms of its permit or is causing an unacceptable water quality problem, the permitting agency shall take any necessary actions to assure that compliance is achieved, or that the practice causing water pollution is abated forthwith. If necessary, the permitting agency shall order work to be done and/or order operation to be halted. Enforcement actions involving both statutory authorities should be coordinated among the parties involved in this MOA, but neither agency is precluded from taking independent enforcement action.

Modification of this Agreement

This agreement will be effective upon signature by the designated parties. The agreement may be modified upon the initiative of either party for the purpose of ensuring consistency with State or Federal statutes or regulations, or for any other purpose mutually agreed upon. Any such modifications must be in writing and must be signed by the Director of the Department of Conservation, the State Oil and Gas Supervisor, and the Chairman of the SWRCB.

Randall M. Ward — 3-9-88

State Department of Conservation — Date

W. L. Mefford — 3-4-1988

State Oil and Gas Supervisor — Date

W. Don Maughan — MAY 19 1988

Chairman, State Water Resources Control Board — Date

James B. Easton — MAY 19 1988

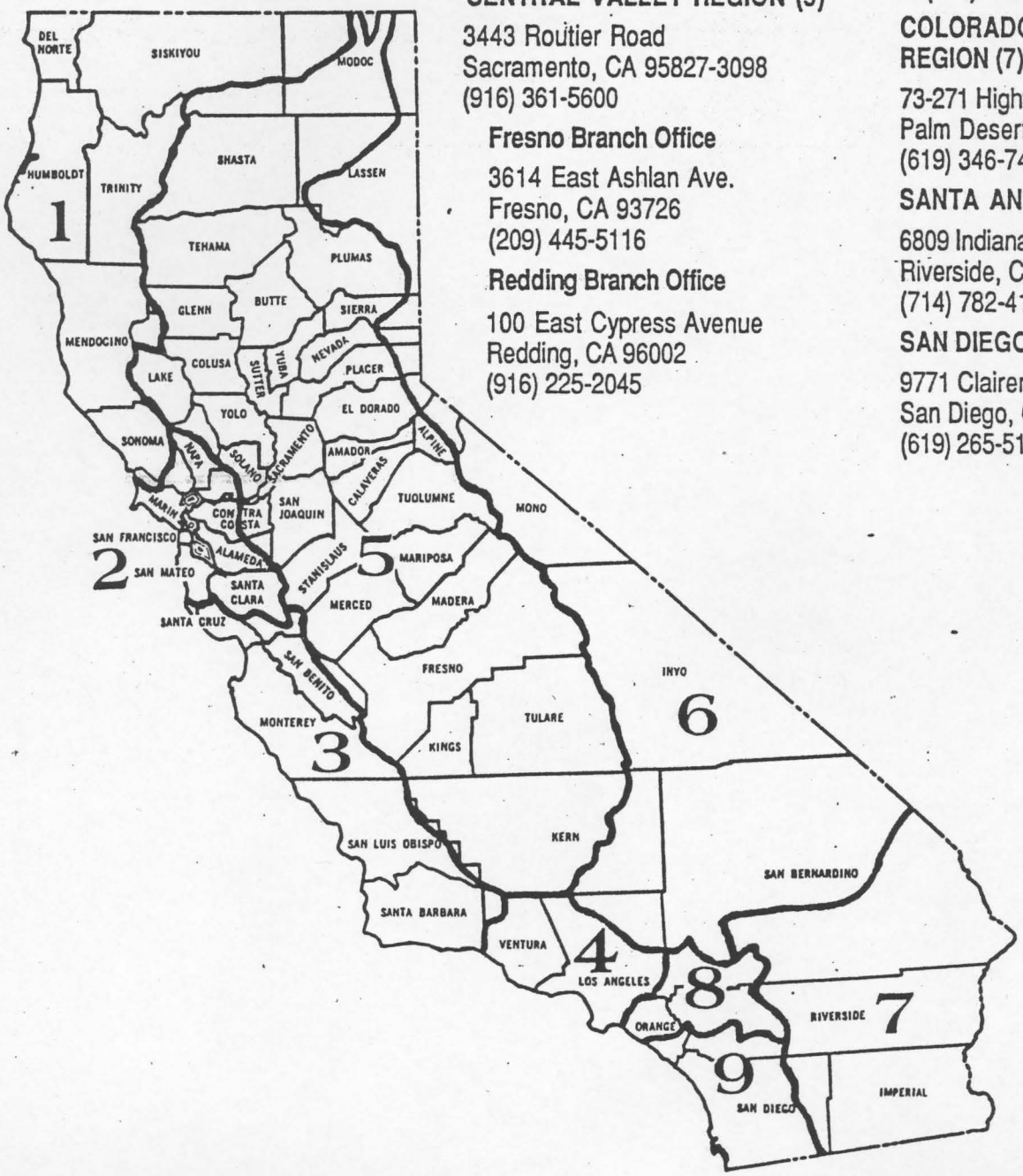
Executive Director, State Water Resources Control Board — Date

STATE WATER RESOURCES CONTROL BOARD
P. O. Box 100, Sacramento, CA 95801

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARDS

NORTH COAST REGION (1)
1440 Guerneville Road
Santa Rosa, CA 95403
(707) 576-2220

SAN FRANCISCO BAY REGION (2)
1111 Jackson Street, Rm. 6040
Oakland, CA 94607
(415) 464-1255



CENTRAL COAST REGION (3)
1102-A Laurel Lane
San Luis Obispo, CA 93401
(805) 549-3147

LOS ANGELES REGION (4)
107 South Broadway, Rm. 4027
Los Angeles, CA 90012
(213) 620-4460

CENTRAL VALLEY REGION (5)
3443 Routier Road
Sacramento, CA 95827-3098
(916) 361-5600

Fresno Branch Office
3614 East Ashlan Ave.
Fresno, CA 93726
(209) 445-5116

Redding Branch Office
100 East Cypress Avenue
Redding, CA 96002
(916) 225-2045

LAHONTAN REGION (6)
2092 Lake Tahoe Boulevard
P. O. Box 9428
South Lake Tahoe, CA 95731
(916) 544-3481

Victorville Branch Office
15371 Bonanza Road
Victorville, CA 92392
(619) 241-6583

COLORADO RIVER BASIN REGION (7)
73-271 Highway 111, Ste. 21
Palm Desert, CA 92260
(619) 346-7491

SANTA ANA REGION (8)
6809 Indiana Avenue, Ste. 200
Riverside, CA 92506
(714) 782-4130

SAN DIEGO REGION (9)
9771 Clairemont Mesa Blvd. Ste. B
San Diego, CA 92124
(619) 265-5114

8-87

OIL AND GAS DISTRICT BOUNDARIES
of the
Division of Oil and Gas

Offices

Headquarters: 1416 9th Street, Rm. 1310, Sacramento 95814
Phone: (916) 445-9686

District No. 1: 245 W. Broadway, Suite 475, Long Beach 90802
Phone: (213) 590-5311

District No. 2: 6401 Telephone Road, Suite 240, Ventura 93003-4458
Phone: (805) 654-4761

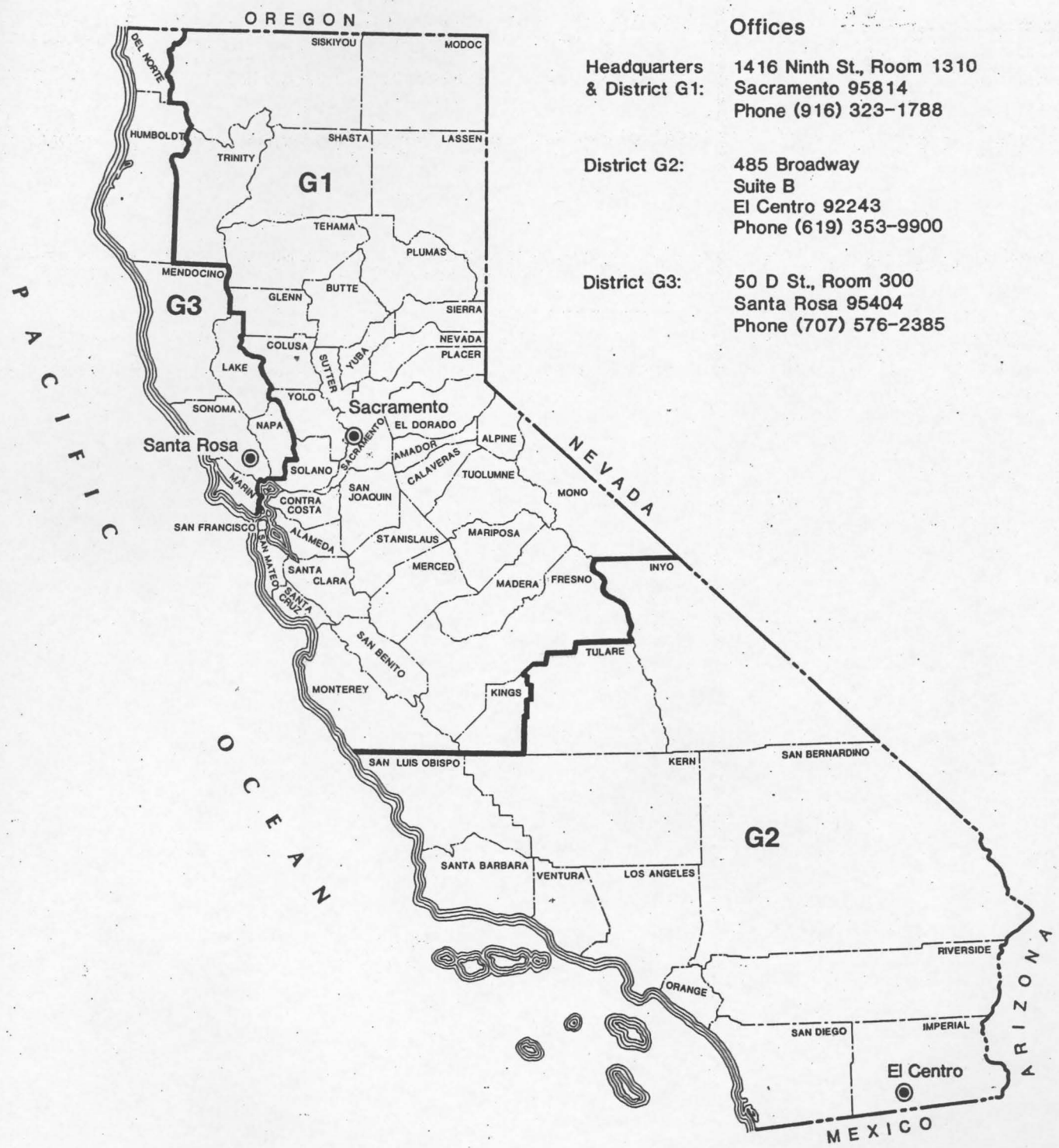
District No. 3: 301 W. Church Street, Santa Maria 93454
Phone: (805) 925-2686

District No. 4: 4800 Stockdale Hwy., Suite 417, Bakersfield 93309
Phone: (805) 322-4031

District No. 5: 466 N. Fifth Street, Coalinga 93210
Phone: (209) 935-2941

District No. 6: 221 West Court Street, Suite 1, Woodland 95695
Phone: (916) 662-4683

GEOTHERMAL DISTRICT BOUNDARIES
of the
Division of Oil and Gas



Offices

Headquarters & District G1:
1416 Ninth St., Room 1310
Sacramento 95814
Phone (916) 323-1788

District G2:
485 Broadway
Suite B
El Centro 92243
Phone (619) 353-9900

District G3:
50 D St., Room 300
Santa Rosa 95404
Phone (707) 576-2385

STATE WATER RESOURCES CONTROL BOARD
RESOLUTION 88- 61

APPROVAL OF AMENDMENTS TO THE MEMORANDUM OF AGREEMENT BETWEEN THE STATE WATER RESOURCES CONTROL BOARD AND THE DEPARTMENT OF CONSERVATION, DIVISION OF OIL AND GAS REGARDING CLASS II INJECTION WELLS

WHEREAS:

1. The State Water Resources Control Board (State Board) and the Department of Conservation, Division of Oil and Gas executed a Memorandum of Agreement (MOA) in August 1982 that outlined the procedures for reporting proposed oil, gas, and geothermal field discharges and the procedures for prescribing permit requirements for said discharges.

2. The CDOG received primacy to administer the federal Underground Injection Control Program for Class II wells in California from the U.S. Environmental Protection Agency (EPA) in March 1983.

3. The EPA revised its classification of materials that are considered Class II fluids in July 1987.

4. The EPA revised classification requires revisions to the MOA for consistency.

5. Additional revisions to the MOA are necessary to clarify procedures.

THEREFORE BE IT RESOLVED:

That the State Board approves the revised MOA with CDOG and directs the Chairman and Executive Director to sign said agreement.

CERTIFICATION

The undersigned, Administrative Assistant to the Board, does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on

MAY 19 1988

Maureen Marche'
Administrative Assistant to the Board

File: MOU-

MAY 11 1988

STATE WATER RESOURCES CONTROL BOARD MEETING
SACRAMENTO, CALIFORNIA
MAY 19, 1988

ITEM: 5

SUBJECT: CONSIDERATION OF AMENDMENTS TO THE MEMORANDUM OF AGREEMENT BETWEEN THE STATE WATER RESOURCES CONTROL BOARD AND THE DEPARTMENT OF CONSERVATION, DIVISION OF OIL AND GAS REGARDING CLASS II INJECTION WELLS

DISCUSSION: In August 1982, the State Water Resources Control Board (State Board) and the Department of Conservation, Division of Oil and Gas (CDOG) signed a Memorandum of Agreement that outlined the procedures for reporting proposed oil, gas, and geothermal field discharges and the procedures for prescribing permit requirements to ensure coordination and cooperation between the State and Regional Boards and CDOG. In March 1983, CDOG received primacy from the U.S. Environmental Protection Agency (EPA) to administer the federal Underground Injection Control Program for Class II wells in California. In July 1987, EPA revised its classification of materials that are considered Class II fluids to include air scrubber blowdown, water softener regeneration brine, and those fluids that are an integral part of oil and gas production operations that do not constitute a hazardous waste under 40 CFR Part 261. This change by EPA necessitates minor revisions in the State Board/CDOG Memorandum of Agreement. Staff has worked closely with CDOG and the Regional Board staffs in the development of proposed revisions to the Memorandum of Agreement that address EPAs changes in the classification of materials. The proposed revisions also include language believed necessary to clarify procedures between the Regional Boards and the CDOG Districts. The revised Memorandum of Agreement has already been signed by CDOG.

POLICY ISSUES: Should the State Board approve the revised Memorandum of Agreement with CDOG.

FISCAL IMPACT: Staff work associated with or resulting from this action is not expected to materially change and can be accommodated within budgeted resources.

REGIONAL BOARD IMPACT: Yes, all Regional Boards.

STAFF RECOMMENDATION: That the State Board approve the revised Memorandum of Agreement with CDOG and direct the Chairman and Executive Director to sign said agreement.

Policy
Fiscal
Legal

APR 0 5 1988