NOTICE TO OPERATORS
NTO 2023-09

September 8, 2023

REMINDER OF APRIL 1, 2024 MECHANICAL INTEGRITY TESTING COMPLIANCE DEADLINE FOR CERTAIN CATEGORIES OF INJECTION WELLS

This notice is a courtesy reminder to operators that April 1, 2024 marks an important regulatory deadline for certain categories of injection wells to demonstrate compliance with the "part 1" and "part 2" components of mechanical integrity testing (MIT) necessary to maintain uninterrupted approval for injection activity under California's Underground Injection Control Program. Operators are required to conduct mechanical integrity testing in accordance with the law by April 1, 2024, and submit tests results to CalGEM, as outlined below.

April 1, 2024 MIT Deadlines for Certain Categories of Injection Wells

"Part 1" MIT Requirements

The regulatory provisions governing the frequency and procedures for "part 1" mechanical integrity testing of injection wells appear in California Code of Regulations, title 14, section 1724.10.1. These rules require operators to complete a "part 1" testing demonstration every five years for most injection wells in order to maintain uninterrupted approval for injection activity. The regulatory requirements for "part 1" testing was amended in 2019, and those changes include extending the requirement for routine "part 1" testing to some types of wells that were not previously subject to "part 1" testing,[1] including steamflood and cyclic steam injection wells without tubing and packer approved for operation before April 1, 2019.

For these types of wells, the 2019 update to the regulations allowed for five years—effectively a full testing cycle—for operators to continue injection operations while making arrangements to complete "part 1" testing. That five-year period ends on April 1, 2024.[2]

[1] Links to published sources of important statutes and regulations administered by CalGEM, including the underground injection control regulations, are available via the Department of Conservation website here. Copies of many important materials associated with the 2019 Updated Underground Injection Control Regulations rulemaking action also are available on the Department of Conservation website here.
[2] See California Code of Regulations, title 14, section 1724.10.1, subdivision (e).

Operators with well types that became subject to "part 1" testing requirements as part of the 2019 update to regulations must perform testing by April 1, 2024.

"Part 2" MIT Requirements

The regulatory provisions governing the frequency and procedures for "part 2" mechanical integrity testing of injection wells appear in California Code of Regulations, title 14, section 1724.10.2. These rules, also amended in 2019, require a "part 2" testing demonstration to be completed at various frequencies to maintain uninterrupted approval for injection activity, depending on the type of the well. For two categories of wells, the default "part 2" testing frequency is once every five years: low-use cyclic steam injection wells[3] and steamflood injection wells equipped with tubing and packer. Consequently, for wells in these two categories, unless the "part 2" test requirement has been satisfied with testing completed at some time after April 1, 2019, the deadline to demonstrate "part 2" testing compliance is April 1, 2024.[4]

Operators with wells that fall into these two categories must perform "part 2" testing by April 1, 2024.

Submission of MIT Results to CalGEM

CalGEM encourages operators to submit MIT results to CalGEM substantially in advance of the April 1, 2024 deadline, as early submittal can help provide sufficient time in advance of the deadline to address any concerns that may arise, minimizing potential interruptions in injection approval. However, all required tests must be performed by April 1, 2024 and the results submitted to CalGEM within 60 days from the test date.[5]

CalGEM strongly urges all operators to submit MIT results using the Upload Test Results form in WellSTAR. Using the Upload Test Results form ensures submitted MIT results are logged and tracked correctly within CalGEM's records. MIT results submitted in any other way, including as documents associated with the Well Summary form in WellSTAR, will not interface with the WellSTAR systems for tracking MIT compliance status. MIT results submitted outside of the Upload Test Results form thus risk going unnoticed, leading to avoidable and potentially costly confusion for both CalGEM and operators.

Relatedly, CalGEM also strongly urges all operators to review as soon as possible prior MIT result submissions made during the past several years to confirm that the MIT results were submitted using the Upload Test Results form. Because MIT results not submitted using the Upload Test Results form in WellSTAR do not interface with WellSTAR systems for tracking MIT compliance status, CalGEM recommends resubmitting those MIT results as soon as possible using the Upload Test Results form. CalGEM recognizes that reviewing

[3] "Low-use cyclic steam injection well" is a special category of well defined by certain criteria specified in California Code of Regulations, title 14, section 1720.1, subdivision (i).
[4] See California Code of Regulations, title 14, section 1724.10.2, subdivisions (b)(2) and (b)(6).
[5] See California Code of Regulations, title 14, section 1724.10, subdivision (i)(2).

and potentially resubmitting these MIT results may involve a measure of administrative inconvenience for operators. Overall, however, the additional administrative effort spent reviewing and resubmitting recent MIT results in this way likely will yield a net savings of time and inconvenience both for operators and CalGEM because it will ensure the MIT results interface with the WellSTAR systems that CalGEM and operators use for tracking regulatory compliance.

For guidance on the procedures to submit MIT results, please consult the WellSTAR User Reference Guide: Uploading MIT Test Procedure:

https://www.conservation.ca.gov/calgem/for_operators/Documents/Uploading%20MIT%20Test%20Procedure_8%2031%2023_final.pdf

This guide and other relevant WellSTAR information and training materials are available on CalGEM's website: CalGEM WellSTAR Training Materials:

https://www.conservation.ca.gov/calgem/for_operators/Pages/wellstar-training-materials.aspx

Cessation of Injection in Lieu of MIT

In lieu of providing test results demonstrating satisfaction of the "part 1" or "part 2" mechanical integrity testing requirements, an operator may elect to cease injection into the well and notify CalGEM of its intention not to complete mechanical integrity testing on the routine regulatory schedule.[6] Approval for injection into the well will be effectively suspended by action of the regulations once the well becomes overdue for MIT and, consequently, the operator will need to obtain written approval from CalGEM before the well may be used for injection activity again.[7] Obtaining CalGEM's approval to resume injection into the well will require, at a minimum, ensuring the well is compliant with "part 1" and "part 2" testing requirements.

[6] See California Code of Regulations, title 14, section 1724.13.
[7] See California Code of Regulations, title 14, sections 1724.6, subdivision (e), 1724.10, subdivision (i)(4), and 1724.13.

Injection into a Well Overdue for MIT is a Violation of Law

Routine, periodic demonstrations of "part 1" and "part 2" mechanical integrity are important elements of the underground injection control regulatory framework. Failure to comply with regulatory requirements, including by continuing injection into a well that is overdue for "part 1" or "part 2" testing, is a violation of law. CalGEM may address regulatory violations by imposing civil penalties and taking other enforcement actions.[8]

If you have any questions or concerns regarding compliance with the regulatory requirements addressed in this notice, please contact the CalGEM UIC Program at uic.implementation@conservation.ca.gov.

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[8] See Public Resources Code section 3236.5.