AQUIFER EXEMPTION COMPLIANCE SCHEDULE REGULATIONS

FINAL TEXT OF REGULATIONS

CHAPTER 4. DEVELOPMENT, REGULATION, AND CONSERVATION OF OIL AND GAS RESOURCES Subchapter 2. Environmental Protection

THE FOLLOWING SECTIONS ARE ADDED TO SUBCHAPTER 2:

Article 2. Definitions

1760.1. Definitions.

(a) The following definitions are applicable to this subchapter:

(1) "Aquifer" means a geological formation, group of formations, or part of a formation that is capable of yielding a significant amount of water to a well or spring.

(2) "Aquifer exemption" means an aquifer exemption proposed by the Division and approved pursuant to the Code of Federal Regulations, title 40, section 144.7.

(3) "Hydrocarbon producing zone" means the portion of an aquifer that is hydrocarbon producing, or can be demonstrated to the Division's satisfaction to contain hydrocarbons that considering their quantity and location are expected to be commercially producible.

(4) "TDS" means milligrams per liter of total dissolved solids content.

NOTE: Authority cited: Section 3013, Public Resources Code. Reference: Section 3106, Public Resources Code; 40 C.F.R. 144.7.

Article 3. Requirements

1779.1. Deadlines for Obtaining Aquifer Exemption.

(a) An underground injection project approved by the Division for injection into an aquifer that has not received an aquifer exemption is subject to the following restrictions:

(1) If the portion of the aquifer where injection is approved is not a hydrocarbon producing zone and the groundwater has less than 3,000 TDS, then injection shall cease by October 15, 2015, unless and until there is an aquifer exemption for the aquifer or the portion of the aquifer where injection is occurring.

(2) If the portion of the aquifer where injection is approved is not a hydrocarbon producing zone and the groundwater has between 3,000 and 10,000 TDS, then

injection shall cease by February 15, 2017, unless and until there is an aquifer exemption for the aquifer or the portion of the aquifer where injection is occurring.

(3) If the portion of the aquifer where injection is approved is a hydrocarbon producing zone and the groundwater has less than 10,000 TDS, then injection shall cease by February 15, 2017, unless and until there is an aquifer exemption for the aquifer or the portion of the aquifer where injection is occurring.

(b) For any underground injection project approved by the Division for injection into one of the 11 aquifers listed in subdivision (b)(1), injection shall cease by December 31, 2016, unless and until the U.S Environmental Protection Agency, subsequent to April 20, 2015, determines that the aquifer or the portion of the aquifer where injection is occurring meets the criteria for aquifer exemption.

(1) The following are the 11 aquifers subject to this subdivision:

- (A) The Pico formation within the boundaries of the South Tapo Canyon field;
- (B) The Tumey formation within the boundaries of the Blackwell's Corner field;
- (C) The Kern River formation within the boundaries of the Kern Bluff field;
- (D) The Santa Margarita formation within the boundaries of the Kern Front field;
- (E) The Chanac formation within the boundaries of the Kern River field;
- (F) The Santa Margarita formation within the boundaries of the Kern River field;
- (G) The Walker formation within the boundaries of the Mount Poso field;
- (H) The Olcese formation within the boundaries of the Round Mountain field;
- (I) The Walker formation within the boundaries of the Round Mountain field;

(J) All aquifers within the Bunker Gas field that are not in a hydrocarbon producing zone and that have groundwater that has less than 10,000 TDS; and

(K) All aquifers within the Wild Goose field that are not in a hydrocarbon producing zone and that have groundwater that has less than 10,000 TDS.

(2) For the purposes of this section, the boundaries of the fields listed in subdivision (b)(1) are defined by Division of Oil, Gas, and Geothermal Resources Field Boundary Specifications 1 through 9, dated April 1, 2015, hereby incorporated by reference (publicly available at <u>ftp://ftp.consrv.ca.gov/pub/oil/UIC Files/Boundary Maps/DOGGR Field Boundary Specifications 1 through 9.pdf</u>).

(c) Notwithstanding subdivisions (a) and (b), approval of an underground injection project, rescission of an approval of an underground injection project, and restriction of an approval of an underground injection project are all at the discretion of the Division, <u>pursuant to existing law</u>.

(d) Any person who violates this section is subject to a minimum civil penalty of \$20,000 for each well for each day injection occurs. The Division may impose a greater civil penalty based on consideration of the extent of harm, persistence, pervasiveness, and prior occurrences of the violation, but in no case shall the civil penalty be greater than \$25,000 for each well for each day injection occurs.

NOTE: Authority cited: Section 3013, Public Resources Code. Reference: Sections 3106, 3220, 3222 and 3236.5, Public Resources Code; 40 C.F.R. 144.3 and 144.7.