

Calif. Shuts Oil Field Wells Amid Groundwater Probe

Keith Goldberg, Law360.com, 3-5-15

California regulators on Tuesday ordered the operators of 12 underground injection wells in the heart of the state's oil production region to cease using them as regulators conduct a statewide review of injection related to the oil and gas industry and potential threats to groundwater.

The state Division of Oil, Gas and Geothermal Resources ordered the shut-in of the injection wells located in Kern County, California: three wells each operated by Linn Operating Inc. and California Resources Corp., two each operated by E&B Natural Resources Management and Chevron USA and one well each operated by Modus Inc. and Western States International Inc. All but Modus and Western States voluntarily relinquished their injection permits; those two companies will receive cease-and-desist orders, the regulator said.

While testing of limited water supply wells by the State Water Resources Control Board hasn't revealed any contamination of water used for drinking or agriculture stemming from underground injection by oil and gas companies, either for wastewater disposal or enhanced oil recovery, the well closures are necessary to protect high-quality groundwater, the DOGGR said.

"As we've said before, the protection of California's groundwater resources — as well as public health — is paramount, particularly in this time of extreme drought," state oil and gas supervisor Dr. Steven Bohlen said in a statement Tuesday. "Halting injection into these wells is a significant step toward that goal."

The well operators were also ordered to sample the groundwater at the point of injection, as well as locate all water supply wells within a one-mile radius of the injection well and to test certain nearby water supply wells, the DOGGR said. Those are the same requirements that were imposed on the operators of 11 injection wells in Kern County that the agency ordered shut-in last year.

The DOGGR and the SWRCB last summer began an evaluation of all 50,000 underground injection wells in the state after it was discovered that some wastewater injection was taking place in areas not exempted by the U.S. Environmental Protection Agency under the terms of the Safe Drinking Water Act and into aquifers that are or could become sources of drinking water.

As of February, California's Environmental Protection Agency said the state has identified approximately 2,500 wastewater disposal and enhanced oil recovery wells injecting into potentially nonexempt areas, 2,100 of which are still active.

California Gov. Jerry Brown in June ordered the CalEPA to review the state's Underground Injection Control Program, as administered by the DOGGR, to find out how the improper injection activities were allowed to occur. In a report released on Monday, the CalEPA said that the DOGGR and the federal EPA agreed to exempt 11 aquifers and permit wastewater disposal wells in the 1980s, but there are questions as to whether it was done in accordance with federal regulations, along with little evidence of the justification used by federal and state regulators to exempt the aquifers.

The DOGGR also permitted injection wells in areas not exempted under the SDWA, and the agency's central office provided limited oversight of the permitting decisions made by local DOGGR offices, the CalEPA's report said.

In conjunction with the federal EPA, the DOGGR and the SWRCB have agreed to eliminate injection wells in nonexempt aquifers and determine on a case-by-case basis whether the 11 aquifers previously exempted qualify for exemption by 2017.