

MEMORANDUM OF UNDERSTANDING  
BETWEEN THE BUREAU OF LAND MANAGEMENT (BLM)  
AND  
THE ENVIRONMENTAL PROTECTION AGENCY (EPA)  
REGION VIII  
FOR THE PURPOSE OF  
IMPLEMENTING THE UNDERGROUND INJECTION CONTROL (UIC) PROGRAM  
FOR CLASS II WELLS UNDER BLM JURISDICTION IN THE STATE OF MONTANA

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Purpose: The purpose of this Memorandum of Understanding (MOU) is to assure coordination between BLM and EPA concerning permitting, inspection and plugging procedures for Class II wells under BLM jurisdiction in the State of Montana. This MOU serves to define responsibilities and functions of each agency, as they relate to the other agency, and the applicable authorities for the same. This MOU falls within the guidelines and directions provided the BLM in WO IM-83-631.

Authority: Mineral Leasing Act - 1920 (30 U.S.C. 181)  
Safe Drinking Water Act of 1974 as amended  
40 CFR, parts 124, 144, 146, 147  
43 CFR, part 3160  
25 CFR; Indians  
Applicable Onshore Orders and NTLs

Definitions:

1. Class II wells - Wells which inject fluids:
  - a. Which are brought to the surface in connection with conventional oil or natural gas production and may be commingled with waste waters from gas plants which are an integral part of production operations, unless those waters are classified as a hazardous waste at the time of injection. These types of wells are commonly referred to as Produced or Salt Water Disposal Wells (SWD wells).
  - b. For enhanced recovery of oil or natural gas; and
  - c. For storage of hydrocarbons which are liquid at standard temperature and pressure.
2. New well - For purposes of this MOU, a new well is a well which an Application for Permit to Drill (APD) has been filed for the purpose of injecting fluids under one of three classifications defined above for Class II wells.
3. Conversion well - For purposes of this MOU, a conversion well is a well for which an application has been submitted that proposes a change in current well status to one of the three types of Class II wells defined above. (Note: Under EPA regulations, wells under this definition of conversion would technically be considered as "new" wells.)
4. Existing well - For purposes of this MOU, an existing well is a well that falls under one of the three categories as previously defined for Class II wells as of June 24, 1984.

Part I - Cooperative Procedures

A. The BLM Agrees:

1. To issue a Montana State Office Notice to Lessees (NTL) providing guidance to State of Montana lessees and operators on the permitting of injection wells for disposal or enhanced recovery on federal and Indian mineral estate. The final issued NTL will replace Appendix 1 of this MOU, "Federal and Indian Operator Requirements."
2. Upon receipt of an APD for a Class II well, process the application per the requirements of Onshore Oil & Gas Order #1 (OO#1). Sundry Notices for conversion of producing wells to Class II wells will be processed in a timely fashion (normally 30 days or less).
3. To provide all pertinent information during and after APD or Sundry Notice processing to the -

EPA, Region 8  
 Drinking Water Branch  
 1860 Lincoln Street  
 Denver, CO 80295

EPA, Montana Office  
 PO Box 10096  
 Helena, MT 59626

Such information includes but is not limited to cover sheets of applications to notify EPA of permit initiation; pertinent geologic data; past or present casing/pressure/production (injection) histories; notices of incomplete applications and permit denials; and, nonconfidential data requested by EPA of BLM.

4. To attach notification and stipulation statements to approved APD or Sundry Notice as follows:

Notice

Receipt of this approval does not constitute EPA approval for subsurface injection. Facility construction and injection cannot occur until approval has also been received from the EPA pursuant to Code of Federal Regulations (CFR) Title 40 Parts 124, 144, 146, and 147.

Stipulation

Any changes from this approved permit require resubmittal via new APD or Sundry Notice, as appropriate, and issuance of a new BLM approval prior to commencement of operations.

5. Send copies of all approval actions involving Class II injection wells on federal and Indian mineral estate to EPA Helena.
6. To notify EPA of all enforcement actions on Class II injection wells on federal and Indian mineral estate concurrent with operator notification.
7. To provide EPA with maps delineating BLM district office jurisdictions, and the addresses and titles of their authorized officers.

B. The EPA Agrees

1. To notify all operators of existing Class II wells, within 30 days of the effective date of the 40 CFR Part 147 regulations, of the Underground Injection Control (UIC) program and its requirements. This notification will become Appendix 2 of this document.
2. To process permit applications in a timely manner and in accordance with time frames developed by Region VIII policy.
3. To provide all pertinent information to BLM that may be beneficial to BLM's permitting process. Such information includes but is not limited to cover sheets of applications to notify EPA of permit initiation; pertinent geologic data; past or present casing/pressure/production (injection) histories; notices of incomplete applications and permit denials; and, nonconfidential data requested by EPA of BLM.
4. To attach a notification to any permit issued for all federal or Indian mineral injection wells. Such shall read as follows:

NOTICE

Receipt of this approval does not constitute BLM approval for subsurface injection. Applicant needs to contact BLM to determine if changes need to be made to the BLM permit.

5. To conduct inspections of injection facilities in accordance with all applicable regulations and guidances. EPA will notify BLM of any problems identified during the inspections that fall within the jurisdiction of BLM.
6. To notify BLM of all enforcement actions on injection (disposal or enhanced recovery) wells on federal or Indian mineral estate.

C. The EPA and BLM agree:

A. EPA will approve a Plugging and Abandonment (P&A) plan at the time a well is permitted. Within 10 days upon receiving a Notice to Abandon per the approved EPA P&A plan from the operator, EPA will send a written copy of the EPA approved plugging program to the appropriate BLM office. Where applicable, the BLM will integrate EPA's plugging program with its own plugging program. In all cases involving federal or Indian lands a Notice of Intent to Abandon and a Subsequent Report of Abandonment will be filed with the BLM by the operators.

B. By regulation, both agencies must continue separate bonding or other financial responsibility requirements for plugging and abandoning Class II type wells covered in this MOU. Cooperative exchanges of information prior to either agency releasing its corresponding bond will occur. This will help to promote the objectives of each agency in achieving appropriate compliance.

C. To exchange information necessary to provide effective field administration. This information may include related field area applications or approvals and copies of various field related compliance actions.

D. To promote sharing of information through electronic interface where practical.

E. To meet jointly, as necessary, for discussion of matters relating to underground injection administration under the MOU.

F. That each and every provision of this MOU is subject to applicable laws of the United States and to the regulations promulgated thereunder.

Amendment

This agreement can be amended subject to the approval of all parties concerned.

Withdrawal

Any party may withdraw from this agreement after 30 days written notice to the other parties.

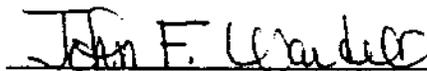
Obligations

Nothing in this MOU shall be construed as obligating the BLM or EPA (and the United States Government) in the expenditure of funds or for the future payment of money in excess of appropriations authorized by federal law.

APPROVED:

  
 \_\_\_\_\_  
 Water Management Division Director  
 Environmental Protection Agency

7/15/84  
 \_\_\_\_\_  
 Date

  
 \_\_\_\_\_  
 Director, Montana Office  
 Environmental Protection Agency

July 23, 1984  
 \_\_\_\_\_  
 Date

  
 \_\_\_\_\_  
 State Director  
 Bureau of Land Management  
 Billings, MT

July 10, 1984  
 \_\_\_\_\_  
 Date

Notice To Lessees  
NTL-MSO-1-84

Bureau of Land Management  
Montana State Office

Federal and Indian Operator Requirements

This document provides guidance to lessees and operators of existing Class II (as defined in 40 CFR), and future operators of new Class II wells for injection of produced water into the subsurface for disposal or enhanced recovery purposes. The requirements of this Notice to Lessees (NTL) apply to federal and Indian Trust lands within the State of Montana. This notice is issued pursuant to the Environmental Protection Agency (EPA) Underground Injection Control Regulations (40 CFR Parts 124, 144, 146, 147, effective May 1, 1984), and a Memorandum of Understanding between the Montana State Office of the Bureau of Land Management (BLM) and the Region VIII EPA office for injection operations on federal and Indian land in the State of Montana.

New Class II Injection Wells (Including Conversion  
of Existing Production Wells to Injection)

EPA Requirements

Submittal of EPA Form 7520-6, Underground Injection Control Permit Application, (copy enclosed) and appropriate data attachments.

BLM Requirements

Application for Permit to Drill (new wells) or Sundry Notice (conversion wells) (Forms 3160-3 or 3160-5 respectively, copies enclosed) and appropriate data attachments.

Operators are advised that data and plan submittals shall be consistent in overall content. Application format may differ to satisfy EPA requirements (see 40 CFR Parts 124, 144, 146, 147) and BLM requirements (see 43 CFR Part 3160 and Onshore Order #1).

Applicants for underground injection wells on federal or Indian Trust lands are advised that both EPA and BLM approvals must be obtained prior to commencement of injection operations. A notice will be attached stating such to all BLM-approved APDs and Sundry Notices for injection.

Operators are advised that they must hold a valid existing oil and gas lease (or special BLM permit) to inject for purposes of disposal or secondary recovery on federal or Indian Trust mineral estate.

Existing Class II Injection Wells

EPA Requirements

Existing enhanced recovery wells are authorized by rule and no permit is required unless the operator disputes the rule requirements or EPA dictates a permit will be needed. All monitoring, reporting, integrity requirements, plugging and abandonment plan requirements and financial responsibility requirements must be met. Existing disposal wells are authorized by rule until they are notified by EPA to apply for a permit, on a schedule arranged by EPA, sometime during the first five years of the EPA program. All monitoring, reporting, plugging and abandonment plan requirements and financial responsibility requirements must be met during the authorized by rule period.

BLM Requirements

No new permit is needed unless a change occurs as proposed by the operator or mandated by EPA. If change occurs a Sundry Notice (Form 3160-5) must be filed per the above discussion.

Operations

Operators must file with BLM monthly reports of operations (form 3160-6) showing all wells on the lease, the status thereof, and the volume of oil, gas and water produced (or in the case of a service well injected). EPA reporting requirements are detailed in 40 CFR Parts 124, 144, 146 and 147. Both EPA and BLM reporting and monitoring requirements must be met.

Abandonment of Class II Injection Wells

EPA will approve operator abandonment procedures at the time a well is permitted. BLM will approve operator abandonment procedures at the Notice of Intention to Abandon (NIA) stage, usually just prior to actual plugging.

The operators should integrate EPA's plugging program with BLM's plugging requirements. In all cases a Notice of Intent (NIA) to Abandon and Subsequent Reports of Abandonment are to be filed with the BLM by all operators of federal or Indian oil and gas leases (See BLM Onshore Oil and Gas Operating Order #1).

Bonding Requirements

Both agencies require separate bonding or other financial responsibility requirements for plugging and abandoning Class II type wells.