



MEMORANDUM

FILED

AUG 17 2010

**Jim Ruby, Executive Secretary
Environmental Quality Council**

TO: Jim Ruby, Executive Secretary
FROM: Kevin Frederick, Groundwater Section Manager
DATE: August 16, 2010
RE: Explanation of proposed revisions to Chapter 24

Jim:

Copies of Water Quality Division's (WQD) proposed Chapter 24 ("Class VI Injection Wells and Facilities") including recommended revisions in 'redline/strikeout' have been provided to the Environmental Quality Council (EQC) for consideration at their public hearing on September 9 and 10, 2010 in Evanston, Wyoming. Other than the revisions illustrated in redline/strikeout, the rule is the same as that presented to the EQC for its hearing in Sundance, Wyoming on July 8, 2010.

The attachment to this memo contains explanations for the recommended revisions. The proposed revisions add clarification to existing language, correct errors or omissions where they have been identified by WQD during its most recent review of the proposed rule, and incorporate recommendations provided by the Council to DEQ at the Sundance hearing .

Please feel free to contact me if you have any questions.

Thank you.

Attachment

c: John Corra, Director
John Wagner, Administrator

Explanation of Water Quality Division's Recommended Revisions to Proposed Rule Chapter 24, "Class VI Injection Wells and Facilities"

(Reference the 'redline/strikeout' version of the proposed rule)

1. Watermark, header, footer, line numbers, and words "End of Proposed Rule" removed.
2. Table of Contents added.
3. Page 24-4; DEQ recommends clarification of the definition of 'Point of compliance' to recognize that monitoring points other than those for just groundwater may be needed for carbon sequestration projects. For instance, soil gas, surface displacement, and air monitoring locations may also be points of compliance.
4. Page 24-6: DEQ recommends that language be added to clarify that the proposed rule can apply to Class VI wells and projects that inject into basalts, coal seams, or shales provided that those wells have been successfully permitted as Class V experimental or demonstration projects. Interest in potential sequestration of CO₂ into coal seams, in particular, has increased since the rule was first drafted.
5. Page 24-7: DEQ recommends that language be added to clarify that injection into groundwater within oil fields or coal seams may be more appropriately classified by DEQ as Class V (Hydrocarbon Commercial) ground water, rather than Class VI ground water, per existing (Chapter 8) WQD rules and regulations. Without the clarification it may not be possible to allow permitting of CO₂ sequestration into these formations.
6. Page 24-8: The proposed revision would eliminate the requirement, that DEQ perform a 'technical' review of the responses to its comments on the initial permit application (and subsequent reviews) within 60 days of receipt. The requirement that DEQ undertake a 'completeness' review of the application and respond within 60 days of receipt of the application is retained. Given the complexity DEQ expects to see in carbon sequestration permit applications, we believe it's impractical to complete a review of the technical adequacy of an application (and subsequent response to comments) within 60 days of receipt.
7. Page 24-16: DEQ recommends that existing language be revised to clarify that the permit application contain information on the location of the 'project', as opposed to the 'facility', and that information on existing permits be provided only for those permits that are associated with facilities or activities within the Area of Review of the permit.
8. Page 24-18: The words 'Section 8' were missing from the draft rule and need to be added.
9. Page 24-36: DEQ recommends adding a requirement for surface displacement monitoring, and to clarify that the purpose and objective of any monitoring required is to protect Underground Sources of Drinking Water (USDWs), as well as human health, safety, and the environment.
10. Page 24-41: The placeholder 'note' is removed, recognizing that a future 'financial assurance' rule is to be developed by the department to include standards for site closure pursuant to HB0017 passed in the 2010 legislative session.
11. Page 24-44: The placeholder 'note' is removed, recognizing that a future 'financial assurance' rule is to be developed by the department to establish standards for financial assurance pursuant to HB0017 passed in the 2010 legislative session.