ISSUANCE DATE AND SIGNATURE PAGE



U.S. ENVIRONMENTAL PROTECTION AGENCY UNDERGROUND INJECTION CONTROL PERMIT: CLASS I Permit Number AK-11001-A

In compliance with provisions of the Safe Drinking Water Act (SDWA), as amended, (42 U.S.C. 300f-300j-9), and attendant regulations incorporated by the U.S. Environmental Protection Agency (EPA) under Title 40 of the Code of Federal Regulations (CFR), BP Exploration (Alaska) Inc. (permittee) is authorized to inject non-hazardous industrial waste through one or two Class I injection wells at the Badami oil development 27 miles east of Prudhoe Bay, on the North Slope of Alaska, into the Ugnu and Sagavanirktok Formations, in accordance with conditions set forth herein. Injection of hazardous waste as defined under the Resource Conservation and Recovery Act (RCRA), as amended, (42 U.S.C. 6901) or radioactive substances are not authorized under this permit.

All references to Title 40 of the Code of Federal Regulations are to all regulations that are in effect on the date that this permit is issued. Appendices are referenced to the Badami Development Project Underground Injection Control Permit Application dated April 1996, Permit Modification issued by EPA dated March 18, 2002, and Permit Renewal Letter submitted by BPXA dated 1/31/07. The original permit was issued by EPA on 8/22/97 and expires on 8/22/2007.

This permit renewal shall become effective on August 23, 2007, in accordance with 40 CFR 124.15.

This permit and the authorization to inject shall expire at midnight, August 22, 2017, unless terminated.

Signed this 27th day of JULY, 2007.

/s/ July 27, 2007 Michael A. Bussell, Director Office of Compliance and Enforcement U.S. Environmental Protection Agency Region 10 (OCE-164) 1200 Sixth Avenue Seattle, WA 98101

U.S. Environmental Protection Agency Underground Injection Control Class I Permit Number AK-11001-A	Page 2
TABLE OF CONTENTS	
GENERAL PERMIT CONDITIONS	3
A. EFFECT OF PERMIT	
B. PERMIT ACTIONS	
1. Modification, Re-issuance or Termination	
2. Transfer of Permits	
C. SEVERABILITY	
D. CONFIDENTIALITY	
E. GENERAL DUTIES AND REQUIREMENTS	
1. Duty to Comply	
2. Penalties for Violations of Permit Conditions	
3. Duty to Reapply	
4. Need to Halt or Reduce Activity Not a Defense	
5. Duty to Mitigate	4
6. Proper Operation and Maintenance	
7. Duty to Provide Information	
8. Inspection and Entry	
9. Records	
10. Reporting Requirements	
11. Anticipated Noncompliance	
12. Twenty-Four Hour Reporting	
13. Other Noncompliance	
14. Reporting Corrections	
15. Signatory Requirements	
F. PLUGGING AND ABANDONMENT	
 Notice of Plugging and Abandonment. Plugging and Abandonment Report. 	
 Prugging and Abandonment Report. Cessation Limitation	
 Cost Estimate for Plugging and Abandonment	
G. FINANCIAL RESPONSIBILITY	
WELL SPECIFIC CONDITIONS	
 Casing and Cementing Tubing and Packer Specifications 	
 New Wells in the Area of Review 	
B. CORRECTIVE ACTION	
C. WELL OPERATION	
WELL OF ERATION I. Prior to Commencing Injection	
 During Injection	
 Burng injectoria. Mechanical Integrity 	
4. Injection Zone	
5. Injection Pressure Limitation	
6. Annulus Pressure	
7. Injection Rate Limitation	
8. Injection Fluid Limitation	
D. MONITORING	
1. Monitoring Requirements	
2. Continuous Monitoring Devices	
3. Alarms and Operational Modifications	
E. REPORTING REQUIREMENTS	
1. Quarterly Reports	
2. Annual Reports	
3. Report Certification	
REPORTING FORMS	14

PART I

GENERAL PERMIT CONDITIONS

A. EFFECT OF PERMIT

The permittee is allowed to engage in underground injection in accordance with the conditions of this permit. The underground injection activity, otherwise authorized by this permit, shall not allow the movement of fluid containing any contaminant into underground sources of drinking water, if the presence of that contaminant may cause a violation of any primary drinking water regulation under 40 CFR Part 141 or may otherwise adversely affect the health of persons or the environment. Compliance with this permit during its term constitutes compliance for purposes of enforcement with Part C of the Safe Drinking Water Act (SDWA). Such compliance does not constitute a defense to any action brought under Section 1431 of the SDWA, or any other law governing protection of public health or the environment from imminent and substantial endangerment to human health or the environment.

This permit may be modified, revoked and reissued, or terminated during its term for cause. Issuance of this permit does not convey property rights or mineral rights of any sort or any exclusive privilege; nor does it authorize any injury to persons or property, any invasion of other private rights, or any infringement of state or local law or regulations. This permit does not authorize any above ground generating, handling, storage, or treatment facilities.

This permit is based on the permit application submitted on April 10, 1996, and supplemental material dated June 10, 1996; November 21, 1996; December 3, 1996; February 5, 1997; May 12, 1997; May 29, 1997 and January 31, 2007.

B. PERMIT ACTIONS

1. Modification, Re-issuance or Termination

This permit may be modified, revoked and reissued, or terminated for cause as specified in 40 CFR 144.39 and 144.40. Also, the permit can undergo minor modifications for cause as specified in 40 CFR 144.41. The filing of a request for a permit modification, revocation and re-issuance, or termination, or the notification of planned changes, or anticipated noncompliance on the part of the permittee does not stay the applicability or enforceability of any permit condition.

2. Transfer of Permits

This permit is not transferable to any person except after notice to the Director on APPLICATION TO TRANSFER PERMIT (EPA Form 7520-7) and in accordance with 40 CFR 144.38. The Director may require modification or revocation and re-issuance of the permit to change the name of the permittee and incorporate such other requirements as may be necessary under the SDWA.

C. SEVERABILITY

The provisions of this permit are severable, and if any provision of this permit or the application of any provision of this permit to any circumstance is held invalid, the application of such provision to other circumstances, and the remainder of this permit, shall not be affected thereby.

D. CONFIDENTIALITY

In accordance with 40 CFR Part 2, any information submitted to EPA pursuant to this permit may be claimed as confidential by the submitter. Any such claim must be asserted at the time of submission in the manner prescribed in 40 CFR 2.203 and on the application form or instructions, or, in the case of other submissions, by stamping the words "confidential" or "confidential business information" on each page containing such information.

If no claim is made at the time of submission, EPA may make the information available to the public without further notice. If a claim is asserted, the information will be treated in accordance with the procedures in 40 CFR Part 2 (Public Information).

Claims of confidentiality for the following information will be denied:

- a. The name and address of the permittee.
- b. Information which deals with the existence, absence, or level of contaminants in drinking water.

E. GENERAL DUTIES AND REQUIREMENTS

1. Duty to Comply

The permittee shall comply with all conditions of this permit. Any permit noncompliance constitutes a violation of the SDWA and is grounds for enforcement action, permit termination, revocation and re-issuance, modification, or for denial of a permit renewal application; except that the permittee need not comply with the provisions of this permit to the extent and for the duration such noncompliance is authorized in an emergency permit under 40 CFR 144.34.

2. Penalties for Violations of Permit Conditions

Any person who violates a permit condition is subject to a civil penalty not to exceed \$32,500 per day of such violation. Any person who willfully or negligently violates permit conditions is subject to a fine of not more than \$32,500 per day of violation and/or being imprisoned for not more than three (3) years.

3. Duty to Reapply

If the permittee wishes to continue an activity regulated by this permit after the expiration date of this permit, the permittee must apply for and obtain a new permit. To be timely, a complete application for a new permit must be received at least 180 days before this permit expires.

4. Need to Halt or Reduce Activity Not a Defense

It shall not be a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.

5. Duty to Mitigate

The permittee shall take all reasonable steps to minimize or correct any adverse impact on the environment resulting from noncompliance with this permit.

6. Proper Operation and Maintenance

The permittee shall, at all times, properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) which are installed or used by the permittee to achieve compliance with the conditions of this permit. Proper operation and maintenance includes effective performance, adequate funding, adequate operator staffing and training, and adequate laboratory and process controls, including appropriate quality assurance procedures. This provision requires the operation of back-up or auxiliary facilities or similar systems only when necessary to achieve compliance with the conditions of this permit. Decharacterized waste generated during remedial well workovers or well construction activities shall be appropriately disposed in a Class I non-hazardous well (refer to 40 CFR 148.1(d))

7. Duty to Provide Information

The permittee shall provide to the Director, within a reasonable time, any information which the Director may request to determine whether cause exists for modifying, revoking and reissuing, or terminating this permit, or to determine compliance with this permit. The permittee shall also provide to the Director, upon request, copies of records required to be kept by this permit.

8. Inspection and Entry

The permittee shall allow the Director, or an authorized representative, upon the presentation of credentials and other documents as may be required by law to:

- a. Enter upon the permittee's premises where a regulated facility or activity is located or conducted, or where records are kept under the conditions of this permit;
- b. Have access to and copy, at reasonable times, any records that are kept under the conditions of this permit;
- c. Inspect at reasonable times any facilities, equipment (including monitoring and control equipment), practices, or operations regulated or required under this permit; and
- d. Sample or monitor at reasonable times, for the purposes of assuring permit compliance or as otherwise authorized by SDWA, any contaminants or parameters at any location.

9. <u>Records</u>

- a. The permittee shall retain records and all monitoring information, including all calibration and maintenance records and all applicable original and manual/backup recordings (may include but not limited to strip chart recordings) for continuous monitoring instrumentation, copies of all reports required by this permit and records of all data used to complete this permit application for a period of at least three years from the date of the sample, measurement, report or application. These periods may be extended by request of the Director at any time.
- b. The permittee shall retain records concerning the nature and composition of all injected fluids until three years after the completion of plugging and abandonment. At the conclusion of the retention period, if the Director so requests, the permittee shall deliver the records to the Director. The permittee shall continue to retain the records after the three-year retention period unless he delivers the records to the Director or obtains written approval from the Director to discard the records.
- c. Records of monitoring information shall include:
 - (1) The date, exact place, and time of sampling or measurements;
 - (2) The name(s) of the individual(s) who performed the sampling or measurements;
 - (3) The date(s) analyses were performed;
 - (4) The name(s) of the individual(s) who performed the analyses;
 - (5) The analytical techniques or methods used; and
 - (6) The results of such analyses.
- d. Monitoring of the nature of injected fluids shall comply with applicable analytical methods cited and described in Table I of 40 CFR 136.3 or in appendix III of 40 CFR Part 261 or in certain circumstances by other methods that have been approved by the Administrator.

- (1) All environmental measurements required by the permit, including, but not limited to measurements of pressure, temperature, mechanical integrity, and chemical analyses shall be done in accordance with EPA's Quality Assurance Project Plan.
- (2) As part of the COMPLETION REPORT, the operator must submit a PLAN that describes the procedures to be carried out to obtain detailed chemical and physical analysis of representative samples of the waste including the quality assurance procedures used including the following:
- (3) The parameters for which the waste will be analyzed and the rationale for the selection of these parameters;
- (4) The test methods that will be used to test for these parameters; and
- (5) The sampling method that will be used to obtain a representative sample of the waste to be analyzed.

Where applicable, the Waste Analysis Plan (WAP) submitted in association with the permit application may be incorporated by reference.

(6) The permittee shall require written manifests documenting all wastes received. The manifest shall contain a description of the nature and composition of all injected wastes, date of receipt, source of material received for disposal, name and address of the waste generator, a description of the monitoring performed and the results, a statement stating if the waste is exempt from regulation as hazardous waste as defined by 40 CFR 261.4, and any information on extraordinary occurrences.

For waste streams piped more or less continuously from the source(s) to the wellhead, the permittee shall provide for continuous, recorded measurement of the discharge volume and shall provide such sampling and testing as may be necessary to provide a description of the nature and composition of all injected fluids, and to support any statements that the waste is exempt from regulation as hazardous waste as defined by 40 CFR 261.4.

(7) Dates of most recent calibration or maintenance of gauges and meters used for monitoring required by this permit shall be noted on the gauge or meter. Earlier records shall be available through a computerized maintenance history database.

10. Reporting Requirements

The permittee shall give notice to the Director, as soon as possible, of any planned physical alterations or additions to the permitted facility or changes in type of injected waste.

11. Anticipated Noncompliance

The permittee shall give advance notice to the Director of any planned changes in the permitted facility or activity which may result in noncompliance with permit requirements.

12. Twenty-Four Hour Reporting

a. The permittee shall report to the Director or an authorized representative any noncompliance which may endanger health or the environment. Any information shall be provided orally within 24 hours from the time the permittee becomes aware of the circumstances.

The following shall be included as information which must be reported orally within 24 hours:

- (1) Any monitoring or other information which indicates that any contaminant may cause an endangerment to an underground source of drinking water.
- (2) Any noncompliance with a permit condition or malfunction of the injection system.
- b. A written submission shall also be provided within five (5) days of the time the permittee becomes aware of the circumstances. The written submission shall contain a description of the noncompliance and its cause, the period of noncompliance, including exact date and times, and, if the noncompliance has not been corrected, the anticipated time it is expected to continue, and steps taken or planned to reduce, eliminate, and prevent recurrence of the noncompliance.

13. Other Noncompliance

The permittee shall report all other instances of noncompliance not otherwise reported at the time monitoring reports are submitted. The reports shall contain the information listed in Permit Condition E-12.b.

14. Reporting Corrections

When the permittee becomes aware that he/she failed to submit any relevant facts in the permit application or submitted incorrect information in a permit application or in any report to the Director, the permittee shall promptly submit such facts or information.

- 15. Signatory Requirements
- a. All permit applications, reports required by this permit and other information requested by the Director shall be signed by a principal executive officer of at least the level of vice-president, or by a duly authorized representative of that person. A person is a duly authorized representative only if:
- (1) The authorization is made in writing by a principal executive of at least the level of vice-president.
- (2) The authorization specifies either an individual or a position having responsibility for the overall operation of the regulated facility or activity, such as the position of plant manager, operator of a well or a well field, superintendent, or position of equivalent responsibility. A duly authorized representative may thus be either a named individual or any individual occupying a named position.
- (3) The written authorization is submitted to the Director.
- b. If an authorization under paragraph a. of this section is no longer accurate because a different individual or position has responsibility for the overall operation of the facility, a new authorization satisfying the requirements of paragraph a. of this section must be submitted to the Director prior to or together with any reports, information or applications to be signed by an authorized representative.
- c. Any person signing a document under paragraph a. of this section shall make the following certification:

"I certify under the penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment."

F. PLUGGING AND ABANDONMENT

1. Notice of Plugging and Abandonment

The permittee shall notify the Director no later than 45 days before conversion or abandonment of the well.

2. Plugging and Abandonment Report

The permittee shall plug and abandon the well as provided in the PLUGGING AND ABANDONMENT PLAN (Appendix F), which is hereby incorporated as a part of this permit. Within 60 days after plugging any well the permittee shall submit a report to the Director in accordance with 40 CFR 144.51(p). EPA reserves the right to change the manner in which the well will be plugged if the well is not proven to be consistent with EPA requirements for construction and mechanical integrity. The Director may ask the permittee to update the estimated plugging cost periodically.

3. Cessation Limitation

After a cessation of operations of two years, the permittee shall plug and abandon the well in accordance with the plan unless he:

- a. Provides notice to the Director;
- b. Demonstrates that the well will be used in the future; or
- c. Describes actions or procedures, satisfactory to the Director, which the permittee will take to ensure that the well will not endanger underground sources of drinking water during the period of temporary abandonment. These actions and procedures shall include compliance with the technical requirements applicable to active injection wells unless waived by the Director.

4. Cost Estimate for Plugging and Abandonment

- a. The permittee estimates the 2007 cost of plugging and abandonment of the permitted well as \$5,092,500.
- b. The permittee must submit financial assurance and a revised estimate in April of each year. The estimate shall be made in accord with 40 CFR 144.62.
- c. The permittee must keep at the facility or in the permittee central files in Anchorage during the operating life of the facility the latest plugging and abandonment cost estimate.
- d. When the cost estimate changes, the documentation submitted under 40 CFR 144.63(f) shall be amended as well to ensure that appropriate financial assurance for plugging and abandonment is maintained continuously.
- e. The permittee must notify the Director by registered mail of the commencement of a voluntary or involuntary proceeding under Title 11 (Bankruptcy), U.S. Code, naming the owner or operator as debtor, within 10 business days after the commencement of the proceeding.

G. FINANCIAL RESPONSIBILITY

The permittee shall maintain continuous compliance with the requirement to maintain financial responsibility and resources to close, plug, and abandon the underground injection well. If the financial test and corporate guarantee provided under 40 CFR 144.63(f) should change, the permittee shall immediately notify the Director. The permittee shall not substitute an alternative demonstration of financial responsibility for that which the Director has approved, unless it has previously submitted evidence of that alternative demonstration to the Director and the Director notifies him that the alternative demonstration of financial responsibility is acceptable.

PART II

WELL SPECIFIC CONDITIONS

A. CONSTRUCTION

1. Casing and Cementing

The permittee shall case and cement the well(s) to prevent the movement of fluids into strata other than the authorized injection interval (see II.C.3, below). Casing and cement shall be installed in accordance with Application Appendix F, with the exception that the cement in the annulus between the 9 $^{5}/_{8}$ string and surface casing shall be run and logged to the surface. If primary cement returns to surface are not observed, the Director is to be notified as to the nature of the augmented testing proposed to ensure the integrity of cement between the 9 $^{5}/_{8}$ string and the surface casing.

The permittee shall provide not less than ten days advance notice to the Director of all cementing operations. If primary cement returns to surface are not observed for any cementing procedure, the Director is to be notified as to the nature of the augmented testing proposed to ensure the integrity of the cement bond and adequacy of any Top Job procedure.

2. <u>Tubing and Packer Specifications</u>

The well shall inject fluids through tubing with a packer. Tubing and packer shall be installed in accordance with Appendix F, except that the packer shall be set not more that 200 feet MD up the casing from the top of the permitted injection interval. (See II. C. 4. below)

3. <u>New Wells in the Area of Review</u>

New wells within the area of review shall be constructed in accordance with the Alaska Oil and Gas Conservation Commission Regulations Title 20 - Chapter 25.

B. CORRECTIVE ACTION

No wells in the area of review require corrective action.

C. WELL OPERATION

1. Prior to Commencing Injection

Injection operations pursuant to this permit may not commence until:

- a. Construction is complete and the permittee has submitted two copies of COMPLETION FORM FOR INJECTION WELLS (EPA Form 7520-9), see APPENDIX; and
- (1) The Director has inspected or otherwise reviewed the new injection well and finds it is in compliance with the conditions of the permit; or
- (2) The permittee has not received notice from the Director of intent to inspect or otherwise review the new injection well within thirteen (13) days of receiving the COMPLETION REPORT in which case prior inspection or review is waived and the permittee may commence injection.
- b. The operator demonstrates that the well has mechanical integrity as described below and the permittee has received notice from the Director that such a demonstration is satisfactory. The permittee shall notify EPA two weeks prior to conducting this initial test so that an EPA representative may be present.

In order to demonstrate there is no significant leak in the casing, tubing or packer, the tubing/casing annulus must be pressure tested to at least 3,500 pounds per square inch gauge (psig) for thirty minutes. Pressure may not decline more than 10 percent in the thirty minutes.

2. During Injection

The injection facility shall be manned 24 hours per day by trained and qualified operators during injection.

- 3. Mechanical Integrity
 - a. Standards

The injection well(s) must have and maintain mechanical integrity pursuant to 40 CFR 146.8.

b. Prohibition without Demonstration of Mechanical Integrity

Injection operations are prohibited after the effective date of this permit unless the permittee has conducted the following tests and submitted the results to the Director:

- (1) Part II C.3b. (1) To detect leaks in the casing, tubing, or packer, the casing-tubing annulus must be pressure tested to at least 3,500 psig for thirty minutes. Pressure may not decline more than 10 percent in thirty minutes. This pressure test is required annually, not to exceed 13 months between tests, or at the discretion of the Director.
- (2) Part II C.3b.(2) To detect movement of fluids in vertical channels adjacent to the well bore and to determine that the confining zone is not fractured, approved fluid movement tests shall be conducted at an injection pressure at least equal to the maximum continuous injection pressure observed in the previous six months. Approvable fluid movement tests include, but are not limited to tracer surveys, temperature logs, noise logs, water flow logs (WFL), borax pulse neutron logs (PNL), or other logs. The specific suite of fluid movement tests proposed to satisfy this requirement must receive prior approval of the Director. Copies of all logs shall be accompanied by a descriptive and interpretive report. Beginning after the first six months of normal operation, fluid movement tests are required annually during drilling operations and every other year after drilling operations have concluded. To accommodate potential delays in accessing the site barge season, operational ice road etc., the due date for the testing may be extended (but not exceeding 120 days) if requested by the permittee and at the discretion of the Director.
- (3) Part II C.3b.(3) To monitor condition, thickness and integrity of the down hole tubing, tubing inspection logs (pipe analysis logs (PAL), caliper logs, or other equivalent tests) shall be run once every two years, or at the Director's discretion, or authorized representative. These logs can be on the same schedule as the fluid movement tests required under Part II C.3b. (2) above starting with summer 2008 (as per the previous permit). Copies of the logs shall be accompanied by a descriptive and interpretive report.
- c. Terms and Reporting
 - (1) Two (2) copies of the log(s) and two (2) copies of a descriptive and interpretive report of the mechanical integrity tests identified in 2.b shall be submitted within 45 days of completion of the logging.
 - (2) Mechanical integrity shall also be demonstrated by the pressure test in 2.b. (1) any time the tubing is removed from the well or if a loss of mechanical integrity becomes

evident during operation. The permittee shall report the results of such tests within 45 days of completion of the tests.

- (3) After the initial mechanical integrity demonstration, the permittee shall notify the Director of intent to demonstrate mechanical integrity at least 30 days prior to subsequent demonstrations.
- (4) The Director will notify the permittee of the acceptability of the mechanical integrity demonstration within 13 days of receipt of the results of the mechanical integrity tests. Injection operations may continue during this 13-day review period. If the Director does not respond within 13 days, injection may continue.
- (5) In the event that the well fails to demonstrate mechanical integrity during a test or a loss of mechanical integrity occurs during operation, the permittee shall halt operation immediately and shall not resume operation until the Director or authorized representative gives approval to resume injection.
- (6) The Director may, by written notice, require the permittee to demonstrate mechanical integrity at any time.
- 4. Injection Zone

The permit authorizes injection into the Ugnu Formation (lower injection interval) and the Sagavanirktok Formation (upper injection interval). However the well is currently completed only in the Ugnu Formation with perforations in the interval 8390 to 8420 feet MD. The requirements of 40 CFR 146.12(e) to sample and characterize formation fluids and rock matrix are waived.

5. Injection Pressure Limitation

Injection pressures shall not initiate new fractures or propagate existing fractures in the upper confining zone as that stratigraphic interval is described in the Badami type log, Exhibit C-1 of the permit application. Neither shall the maximum injection pressure, measured at the wellhead, exceed 3000 pounds per square inch (psig), except as follows:

Due to the historical small disposal volumes at this facility (and intermittent batch injection) and injection rates of 2-3 BPM (barrels per minute) injection pressures have averaged less than 2500 psi between 1997 through 2006. If minor plugging of the near wellbore with entrained solids occurred, the maximum injection pressure could reach or exceed 5000 psi or the wellhead psi limitation (whichever comes first), whereupon a well stimulation treatment would be needed.

In the event of a plant shut-down or outage, there may be instances where injection pressures exceed 3000 psi (unrelated to fluid injection activities or due to near wellbore plugging as stated earlier). In such instances, the permittee shall notify the Director or his/her authorized representative by telephone or electronic mail within twenty-four (24) hours of the initial exceedance of the 3000 psig limitation and shall submit a written incident report not later than ten (10) days thereafter. In absence of an Underground Source of Drinking Water, the requirements of 40 CFR 146.13 prohibiting fracturing of the injection zone are waived.

6. Annulus Pressure

The annulus between the tubing and the long string casing shall be filled with a corrosion inhibited non- freezing solution. A positive surface pressure up to 500 psig is authorized.

7. Injection Rate Limitation

The rate of waste injection shall be limited to a maximum of 65,000 barrels per month based on a 30-day month. The instantaneous injection rate shall not exceed 5 barrels per minute.

8. Injection Fluid Limitation

This permit only authorizes the injection of those fluids identified in the permit documentation. In the event that third party wastes are accepted, the third party must certify that fluids for injection are not hazardous waste or radioactive wastes. Fluids generated from Class I injection well construction and well workover, and fluids generated from the operation and maintenance of Class I injection wells and associated injection well piping, may be disposed in a Class I non-hazardous injection well.

NOTE: Neither hazardous waste as defined in 40 CFR 261 nor radioactive substances other than naturally occurring radioactive material (NORM) from sludge or pipe scale shall be injected for disposal.

D. MONITORING

1. Monitoring Requirements

Samples and measurements collected for the purpose of monitoring shall be representative of the monitored activity.

2. <u>Continuous Monitoring Devices</u>

Continuous monitoring devices shall be installed, maintained, and used to monitor injection pressure and rate, and to monitor the volume of glycol in the annulus between the tubing and the long string casing. Calculated flow rates and calculated volumes are not acceptable.

- 3. <u>Alarms and Operational Modifications</u>
 - a. The permittee shall install, continuously operate, and maintain alarms to detect excess injection pressures and rates and significant changes in annular fluid volume. These alarms must be of sufficient placement and urgency to alert operators in all operating spaces.
 - b. The permittee shall install and maintain an emergency shutdown system for the annular fluid recirculation system.
 - c. Plans and specifications for the alarms and pressure relief valve shall be submitted to the Director prior to the initiation of injection.

E. REPORTING REQUIREMENTS

1. Quarterly Reports

The permittee shall submit quarterly reports to the Director containing the following information:

- a. Monthly average, maximum and minimum values for injection pressure, rate, and volume shall be reported on INJECTION WELL MONITORING REPORT (EPA Form 7520-8).
- b. Graphical plots of continuous injection pressure and rate monitoring.
- c. Raw monitoring data in an electronic format.
- d. Physical, chemical, and other relevant characteristics of the injected fluid.
- e. Any well work over or other significant maintenance of down hole or injection-related surface components.
- f. Results of all mechanical integrity tests performed since the previous report including any maintenance-related tests and any "practice" tests.
- g. Any other tests required by the Director.

Page 13

2. Annual Reports

The permittee will submit to the Director two (2) copies of an annual performance report no later than August 1 for the year for the period from July 1 through June 30 of the year. The annual performance report shall at a minimum include rate and pressure performance, surveillance logging, fill depth, survey results, and volumetric results of the disposal storage volume, estimate of fracture growth if any (in the event that solids injection takes place) and updates of operational plans. Note: As surveillance logging, fill depth, and survey results are not required annually, the annual report will not always contain that information. In addition, a report for fracture growth is required only when drilling is taking place and drilling solids are being injected however, there could be small amounts of solids that are being injected when drilling is not taking place. Report submission will be on or about July 1. The permittee may substitute the annual performance report that is currently required under AOGCC Disposal Injection Order No. 12 for Badami, provided it includes the above-mentioned minimum requirements.

3. Report Certification

All reporting and notification required by this permit shall be signed and certified in accordance with Part I.E.15., and submitted to the following address:

Manager, Ground Water Protection Unit U.S. Environmental Protection Agency (OCE-127) 1200 Sixth Avenue Seattle, Washington 98101

APPENDIX A

REPORTING FORMS

PDF copies of following forms are available on the EPA's web site

7520-7 APPLICATION TO TRANSFER PERMIT https://www.epa.gov/sites/production/files/2016-01/documents/7520-7_508c_0.pdf

7520-8 INJECTION WELL MONITORING REPORT https://www.epa.gov/sites/production/files/2016-01/documents/7520-8 508c 0.pdf

7520-9 COMPLETION FORM FOR INJECTION WELLS https://www.epa.gov/sites/production/files/2016-01/documents/7520-9_508c_0.pdf