



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

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APR 22 2008

OFFICE OF WATER

Appendix A

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WATER

Thomas Richmond
Administrator
Board of Oil and Gas Conservation
2535 St. John's Ave
Billings, Montana 59102

Dear Mr. Richmond:

As you may know, the Environmental Protection Agency (EPA) has important activities underway that could impact decisions you may make in carrying out your state's underground injection control (UIC) program, particularly as it relates to Geologic Sequestration (GS) of carbon dioxide (CO₂) after it has been captured from an emission source (e.g., a power plant). GS is the process of injecting CO₂ as a supercritical fluid through a well into deep subsurface rock formations for long-term storage.

EPA is working to ensure that GS wells will be constructed and managed in a manner to protect underground sources of drinking water, in accordance with our authority under the Safe Drinking Water Act. The Agency has been coordinating closely with the Department of Energy as it carries out its Carbon Sequestration Regional Partnership program to determine the most suitable technologies and infrastructure needs for carbon capture, storage and sequestration in different areas of the country.

In recognition of the need for regulatory guidance for pilot and future commercial GS projects, EPA Administrator Stephen L. Johnson announced last October that EPA would move forward to propose a GS rule in the summer of 2008. The Agency is moving aggressively to carry out the activities needed to develop a proposal.

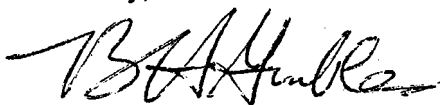
EPA recognizes several state legislatures have enacted new laws aimed at accelerating efforts to contain carbon emissions within their jurisdictions and that some states may be working to publish their own GS program regulations this year. It is important for state program managers to understand that, under the Safe Drinking Water Act, state requirements must be at least as stringent as the federal requirements in order to receive EPA approval. Thus, if regulations are issued prior to EPA regulations, it may eventually be necessary to revise state UIC program requirements in order to obtain EPA approval. By closely tracking the strategy and scope of EPA's proposed rule during the

rule development process, states may be able to minimize the need to revise state UIC program requirements.

As my office develops the proposal, we are coordinating with the Office of Air and Radiation, EPA's lead office on climate change. We also recognize states play a vital role in protecting drinking water sources, and have included states on the workgroup developing the proposal. We will continue to collaborate with states through the Ground Water Protection Council and the Interstate Oil and Gas Compact Commission on UIC program issues. We will also work with states to develop guidance on the primacy application and approval process for GS wells.

Thank you for your continued cooperation and for your support in protecting our America's water supplies, above and below ground. If you have questions or concerns related to EPA's proposed rulemaking on the GS of CO₂ please contact Stephen Heare, Director, Drinking Water Protection Division, at (202) 564-3751.

Sincerely,

A handwritten signature in black ink, appearing to read 'B. H. Grumbles', written in a cursive style.

Benjamin H. Grumbles
Assistant Administrator