

**Summary and Results of
INFORMAL HEARING
1:30 PM
Wednesday August 7, 2024
Mounds State Park Visitors Center
Anderson, IN
by
Division of Reclamation**

**Class II Saltwater Disposal injection well
Under IC 14-37-3**

**Permit Application Filed by Jack W. Racer
Chalfant Farms #1
Permit No. 53925
T. 20N, R. 12 E, Sec. 10
Randolph County, Indiana**

Summary of Class II well requirements under IC 14-37 and 312 IAC 29

The following is a summary of statute and rules provisions that are most relevant to the matters considered under this cause:

- IC 14-37-1-3 Federal terms and conditions binding owner or operator of Class II well under Subpart C of Underground Injection Control Program

Sec. 3. If a Class II well is authorized under Subpart C of the Underground Injection Control Program (40 CFR 144.21 through 144.28) in effect January 1, 1988, any federal terms or conditions placed on an owner or operator under Subpart C bind the owner or operator and may be enforced as if ordered by the department under:

- (1) this article or IC 13-8 (before its repeal); or
- (2) rules adopted under this article or IC 13-8 (before its repeal).

- IC 14-37-3-12 Underground Injection Control Program enforcement authority

Sec. 12. (a) The commission shall obtain and maintain primary enforcement authority for Class II wells under the Underground Injection Control Program, promulgated under:

(1) Part C of the federal Safe Drinking Water Act (Public Law 93-523, as amended by Public Law 96-502, 42 U.S.C. 300f et seq.) in effect January 1, 1988; and

(2) 40 CFR Parts 124, 144, 145, 146, and 147 Subpart P, in effect January 1, 1988. (b) The commission shall enforce the requirements of the Underground Injection Control Program and all other rules under this article to prevent the pollution or endangerment of underground sources of drinking water caused by a well regulated by this article.

- IC 14-37-3-16 Informal hearings

Sec. 16. The commission shall hold informal hearings to consider any matter that assists in the administration of the division, including the following:

- (1) A request to amend, modify, or repeal a rule adopted under this chapter.
- (2) Any matter relating to the issuance, reissuance, modification, or repeal of a permit for a Class II well.
- (3) A request for an exception to a spacing requirement established under section 3 of this chapter.
- (4) A request for an integration of interests in drilling units under IC 14-37-9 if the owners of separate interests have not agreed to integration.
- (5) The issuance or proposed issuance of a notice of violation.

- 312 IAC 29-2-24 "Class II well" defined

Authority: IC 14-10-2-4; IC 14-37-3

Affected: IC 14-37

Sec. 24. "Class II well" means a well that injects fluids:

- (1) which are brought to the surface in connection with underground natural gas storage operations, underground petroleum storage operations, conventional or unconventional oil, coal bed methane, or natural gas production and may be commingled with wastewaters from gas plants that are an integral part of production operations, unless those waters are classified as a hazardous waste at the time of injection.
- (2) for enhanced recovery of oil, coal bed methane, or natural gas; or
- (3) for storage of hydrocarbons that are liquid at standard temperature and pressure.

- 312 IAC 29-5-1 Class II well applications

Authority: IC 14-10-2-4; IC 14-37-3

Affected: IC 14-37; IC 25-39-1.5

Sec. 1. (a) This rule establishes permit requirements for Class II wells in addition to the requirements of 312 IAC 29-4.

- 312 IAC 29-4 Permits and Transfer Procedures; All Wells

Timeline of events

On April 18, 2022, the Division received an application from Jack W. Racer to convert the existing Chalfant Farms #1 well, Permit No. 53925, T. 20N, R. 12 E, Sec. 10, Randolph County, Indiana to a Class II saltwater disposal well.

On May 31, 2022, the Division received an objection letter via U.S. mail which contained a request for informal hearing.

On December 6, 2022, the Division returned the incomplete application to Jack W. Racer.

On January 10, 2023, the Division received an updated application from Jack W. Racer to convert the existing Chalfant Farms #1 well, Permit No. 53925, T. 20N, R. 12 E, Sec. 10, Randolph County, Indiana to a Class II saltwater disposal well including a request for approval of Alternate Well Construction Method under 312 IAC 29-20-10.

On March 21, 2023; December 18, 2023; and January 17, 2024, the Division received additional information in support of the applicant's request for Alternate Well Construction Method.

On May 31, 2024, the Division approved the request for Alternate Well Construction Method.

On June 3, 2024, the Division completed its technical review of the application and sent a response to the objector via U.S. mail. The request for informal hearing remained.

On Wednesday, July 10, 2024, the Division sent notice to the objector who had requested the informal hearing that an informal hearing was scheduled to be held on Wednesday, August 7, 2024, at Mounds State Park Visitors Center at 1:30 PM EDT for the purpose of gathering information related to potential impacts of the proposed Chalfant Farms #1 injection well. Additionally, the Division sent notices via U.S. mail to all of the recipients of the Class II application notices and Jack W. Racer.

On August 7, 2024, an informal hearing was held at Mounds State Park Visitors Center, Anderson, Indiana at 1:30 PM EDT.

Summary of informal hearing conducted August 7, 2024

This proceeding was an informal hearing conducted under IC 14-37, and no transcript or full written record of the proceeding was kept. The following information reflects a summary of the main issues discussed and should not be considered a complete accounting of every statement or matter which may have been expressed at the informal hearing. The purpose of this informal hearing was solely to gather information to assist the Division in making a determination as to whether the permit application filed by Jack W. Racer met all of the requirements for converting an existing geologic/structure test well to a Class II injection well as provided in IC 14-37.

Persons in attendance at the informal hearing in Anderson include the following:

Representing the Division of Reclamation: Beth Hernly and Greg Schrader
Representing Jack W. Racer: Jack Racer, Sandy Racer, and Rick Sumner
Representing the landowner: Tom Chalfant, Chalfant Farms Inc.

The party requesting the informal hearing did not attend.

There was no discussion of the application since no parties were present to object or provide additional information.

There being no further matters deemed relevant to the purposes of the informal hearing or as to whether Jack W. Racer's application met all of the permitting requirements under IC 14-37, the informal hearing was adjourned.

Persons in attendance at the informal hearing were notified that the Division intended to proceed with its final review of the application for the Chalfant Farms #1 and a final decision on the permit was expected to be made.

ORDER:

The Division of Reclamation hereby determines that the applicant has satisfied the requirements of IC 14-37, 312 IAC 29-5, 312 IAC 29-20-10 and is, therefore, entitled to a permit to convert the above noted well to a Class II injection well.

Right to Administrative Review

The above Findings of Fact, Legal Conclusions, and Decision on Informal Hearing under 312 IAC 29-3-4 are subject to administrative review pursuant to IC 4-21.5 and 312 IAC 3-1. In order to qualify for administrative review, a person must file a request for review in writing stating facts that demonstrate the petitioner is:

- (A) a person to whom the order is specifically directed;
- (B) aggrieved or adversely affected by the order; or
- (C) entitled to review under any law.

In order to be timely, any petition for administrative review must be filed with the Division of Hearings, Natural Resources Commission, Indiana Government Center North, 100 N. Senate Avenue, N 103, Indianapolis, IN 46204 within fifteen (15) days after notice is served or within eighteen (18) days if service is by U.S. mail.

Date: August 19, 2024

By: _____

Steven J. Weinzapfel, Director

Division of Reclamation