

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION FOR A) CAUSE NO. _____
PERMIT TO ALLOW THE DISCHARGE OF TREATED)
PRODUCTION WATER FROM THE WELLINGTON) DOCKET NO. _____
MUDDY UNIT INTO THE BOXELDER CREEK)
ALLUVIUM, LARIMER COUNTY, COLORADO)

APPLICATION

COMES NOW Wellington Operating Company, LLC ("Applicant"), a oil and gas operating company, by its attorneys, and makes application to the Oil and Gas Conservation Commission of the State of Colorado for a permit to allow the discharge of treated production water from the Wellington Muddy Unit into the Boxelder Creek alluvium in Larimer County, Colorado, and in support of the application states as follows:

1. **Rule 907a** of the Rules and Regulations of the Colorado Oil and Gas Conservation Commission establishes the policy of encouraging and promoting waste minimization by beneficial use, reuse and recycling.
2. **Rule 907c(2)E** allows the discharge of production water into the waters of the State of Colorado, and the beneficial use of this water in accordance with applicable state statutes and regulations governing the use and administration of water. The Applicant has obtained a permit for the nontributary production water from the Office of the State Engineer, and has developed the technical framework for the requested permit in consultation with Oil and Gas Conservation Commission (OGCC) and Water Quality Control Division (WQCD) staffs.
3. The **Memorandum of Agreement** between the Oil and Gas Conservation Commission, the Water Quality Control Commission (WQCC) and the Water Quality Control Division for the Implementation of SB 181 Amendments to the Colorado Water Quality Control Act (August 28, 1990; the "Water Quality MOA") acknowledged the OGCC as the "implementing agency" for facilities discharging to groundwater, and for the specification of applicable points of compliance for such discharges to protect present and future beneficial uses of water.
4. **Rule 907c(3)** allows the reuse of produced water in a manner consistent with existing water rights and in consideration of water quality standards and classifications established by the WQCC for waters of the state, or any point of compliance established by the OGCC Director pursuant to **Rule 324D**.
5. **Rule 904a(2)** requires production pits in sensitive areas to be lined. The results of the Sensitive Area Decision Tree, **Rule 901e** and **Figure 901-1**, indicate that four of the key sensitive area criteria *are not* met (*e.g.*, the alluvial aquifer is not classified for domestic use, no well head protection area is impacted, the project is not close to domestic or public water supply wells, the depth to groundwater is greater than 20 feet); nevertheless, the Applicant stipulates that by its nature, an aquifer recharge beneficial use project is "sensitive."

6. **Rule 502b** allows variances to OGCC rules and regulations. The Applicant requests a variance from the requirement for lining the production pit (**Rule 901f, Rule 904a(2)**) as necessary to effect the beneficial use of the treated production water.
7. **Rule 910a** lists applicable groundwater concentrations. The requested permit is in conformance with values tabulated in **Table 910-1** for organic constituents of concern (*i.e.*, BTEX).
8. **Rule 901d** allows operators to propose alternative methods for determining compliance with OGCC rules and regulations using alternative points of compliance. The Applicant proposes an alternative point of compliance for the inorganic constituents of concern, Total Dissolved Solids (TDS) and chloride, listed in **Table 910-1**, as well as other inorganic constituents of concern regulated by the WQCD such as fluoride, boron and sulfate. The requested alternative point of compliance for inorganic constituents is at a downgradient monitoring well located on the southern boundary of the project site.
9. The granting of this application will not cause significant adverse environmental impact to the waters of the State of Colorado, and is necessary for the beneficial use of this resource.
10. The names and addresses of interested parties according to the information and belief of the Applicant are set forth in Exhibit A attached hereto and made a part hereof.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in August 2005, that notice be given as required by law and upon such hearing this Commission enter its order consistent with Applicant's proposal as set forth above.

Dated: July 1, 2005

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