



**Date:** March 5, 2012

**To:** The Colorado Oil and Gas Conservation Commission  
1120 Lincoln Street, Suite 801  
Denver, Colorado 80203

**Re:** Application for Rule Change

**Applicants:**

Jay Gallagher  
General Manager  
Mt. Werner Water & Sanitation District  
P. O. Box 880339  
Steamboat Springs, CO 80488-0339  
(970) 879-2424

Philo Shelton  
Director of Public Works  
City of Steamboat Springs  
P.O. Box 775088  
Steamboat Springs, CO 80477-5088  
(970) 871-8204

**Proposed Rule:**

Amend Rule 317B.b.(1) pertaining to protection of public water supplies as follows:

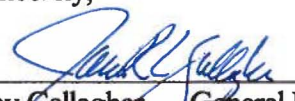
(1) Rule 317B is applicable to DCPS Operations within Surface Water Supply Areas **and to horizontal or vertical wells or infiltration galleries whose groundwater source been determined by the Colorado Department of Public Health and Environment (CDPHE) to be under the direct influence of surface water (GWUDI).**

**Reason:** A determination of groundwater under the direct influence of surface water recognizes that materials entrained in surface water are directly conveyed to the groundwater source of the public water supply.

**Purpose:** To protect public water supplies whose groundwater sources are determined to be under the direct influence of surface water.

**Narrative:** The City of Steamboat Springs and the Mt. Werner Water and Sanitation District are the water suppliers to the residents of Steamboat Springs (pop.12,088). The City and the District own and operate three shallow infiltration galleries in the Yampa River alluvium. These infiltration galleries are a critical water resource for the community, supplying 1.8 million gallons per day representing 20% of our municipal water supply from June through September. The City and the District plan to expand production from 1.8 mgd to 3.3 mgd to meet the demand of our growing community. Any surface contamination from oil and gas operations up-gradient from our infiltration galleries would adversely affect this potable water supply because our water treatment facility cannot remove hydrocarbons. Such an event would require us to shut down this water treatment facility.

Sincerely,

  
Jay Gallagher, General Manager  
Mt. Werner Water & Sanitation District

  
Philo Shelton, Director of Public Works  
City of Steamboat Springs