

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

IN THE MATTER OF A WASTEWATER)	CAUSE NO. 1
DISCHARGE PERMIT RENEWAL AND REQUEST)	
TO ALLOW THE DISCHARGE OF TREATED)	DOCKET NO. 1011-GA-19
PRODUCED WATER FROM THE WELLINGTON)	
MUDDY UNIT INTO THE BOXELDER CREEK)	
ALLUVIUM, LARIMER COUNTY,)	

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

The Commission entered Order No. 1-108, effective August 15, 2005, which authorized Commission staff to process and approve a variance from Rule 901.f. and Rule 904.a.(2) to allow Wellington Operating Company, LLC (Wellington) to discharge treated produced water from the Wellington Muddy Unit into the Boxelder Creek alluvium at the following location:

Township 9 North, Range 68 West, 6th P.M.
Section 7: SE¼

Larimer County, Colorado

This authorization was subject to the Commission staff imposing conditions of approval on the variance, including the following: 1) amount of financial assurance to be provided; 2) identification of the responsible party(ies); 3) establishment of points of compliance (POC) closer to the infiltration pit than the property boundary; 4) installation of additional monitoring wells spaced at regular intervals across the paleo-channel of Boxelder Creek and between the POC and the infiltration pit; 5) establishment of type, monitoring frequency and location of each monitoring well; 6) preparation of a contingency plan; 7) establishment of a process for immediate notification of Commission and Water Quality Control Division (WQCD) staffs if an upset occurs; 8) monitoring of irrigation wells; and 9) any other conditions Commission staff, in consultation with WQCD, believe are appropriate.

As a result of Order 1-108, Wellington was issued a discharge permit (Pit Permit Numbers 281818 and 281824) on December 5, 2005 for the 3W Production Water Treatment Facility. This permit expires by its own terms on December 31, 2010.

Wellington has requested a permit renewal, and has requested a hearing before the Commission on the permit renewal.

Wellington has obtained a classification from the Office of the State Engineer that produced water from the Wellington Muddy Unit is nontributary.

Wellington reports that data collected over the course of last four years for the groundwater monitoring wells (050A, 050B, 050C, 050D and 050E) indicate that the concentration of most parameters fluctuates within a range but appears stable. Wellington requests that the Commission modify the discharge permit to allow monitoring of wells only on a quarterly basis, instead of the current monthly monitoring requirement. If changes in the trends of any parameters are observed, Wellington agrees to revert to the monthly sampling frequency.

Wellington further requests that the discharge limit for benzene be modified to 10 parts per billion (ppb). The current permit stipulates that the benzene in the treated discharge from the facility be less than 5 ppb. The 5 ppb limit is based on the drinking water standards promulgated by the WQCD. Wellington believes that the current limit of 5 ppb is not applicable in this case as the facility discharges into the Boxelder Creek alluvium, which is primarily used for agriculture.

Wellington has observed that the rate of infiltration through its Rapid Infiltration Basins (RIBs) has decreased. A potential solution may include covering the RIBs to eliminate light (to prevent algal growth) and offer protection from materials blown in by the wind. Wellington requests that if these initial observations are confirmed, the Commission allow the RIBs to be covered or be converted to leach fields.

Commission staff propose to issue a draft permit to Wellington, containing largely the same terms and conditions as the previous permit, with the exception of reducing monitoring

frequency in some cases from monthly to quarterly, and to consider the possibility of allowing Wellington to cover the RIBs to discourage algal growth and protect the RIBs from deposition of wind-blown deposits.

A draft permit is still being prepared at this time by Commission staff and will not be ready for public inspection with sufficient time for meaningful public comment prior to the next Commission meeting on November 29, 2010.

Commission staff are seeking Commission authorization to extend the duration of the current discharge permit, until such time as the permit renewal process for a new permit can be completed and authorized by the Commission at a regularly scheduled hearing.

NOTICE IS HEREBY GIVEN, that the Oil and Gas Conservation Commission of the State of Colorado, pursuant to the above, has scheduled the above-entitled matter for hearing on:

Date: Monday, November 29, 2010
Tuesday, November 30, 2010

Time: 9:00 a.m.

Place: Suite 801, The Chancery Building
1120 Lincoln Street
Denver, Colorado 80203

In accordance with the Americans with Disabilities Act, if any party requires special accommodations as a result of a disability for this hearing, please contact Margaret Humecki at (303) 894-2100 ext. 5139, prior to the hearing and arrangements will be made.

Pursuant to said hearing in the above-entitled matter at the time and place aforesaid, or at any adjourned meeting, the Commission will enter such orders as it deems appropriate to protect the health, safety and welfare of the public and to prevent the waste of oil and gas, either or both, in the operations of said field, and to carry out the purposes of the statute.

In accordance with Rule 509., any interested party desiring to protest the granting of the application or to intervene on the application should file with the Commission a written protest or intervention no later than November 12, 2010, briefly stating the basis of the protest or intervention. Such interested party shall, at the same time, serve a copy of the protest or intervention to the person filing the application. An original and 13 copies shall be filed with the Commission. **Anyone who files a protest or intervention must be able to participate in a prehearing conference during the week of November 15, 2010.** Pursuant to Rule 503.g., if a party who has received notice under Rule 503.b. wishes to receive further pleadings in the above-referenced matter, that party must file a protest or intervention in accordance with these rules. In accordance with the practices of the Commission, should no protests or interventions be filed in this matter by **November 12, 2010, the Applicant may request that an administrative hearing be scheduled during the week of November 15, 2010.** In the alternative, pursuant to Rule 511., if the matter is uncontested, the applicant may request, and the Director may recommend approval on the basis of the merits of the verified application and the supporting exhibits.

IN THE NAME OF THE STATE OF COLORADO

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By _____
Carol Harmon, Secretary

Dated at Suite 801
1120 Lincoln Street
Denver, Colorado 80203
November 2, 2010

Attorneys for Applicant:
Steven Bushong
PORZACK BROWNING & BUSHONG LLP
929 Pearl Street, Suite 300
Boulder, CO 80303