

Spray, Karen

From: Spray, Karen
Sent: Thursday, July 01, 2010 1:43 PM
To: 'klemmwk@co.laplata.co.us'
Cc: 'Courtney Krueger'; Fischer, Alex
Subject: Ferguson Water Transfer Station Application Comments

Location #306963

To Whom It May Concern:

Colorado Oil & Gas Conservation Commission (COGCC) comments on the proposed Ferguson Water Transfer Station are as follows:

The management of Exploration & Production (E&P) wastes in the State of Colorado is under the jurisdiction of the COGCC (Rule 907) with the exception of E&P wastes being handled at commercial facilities. Based upon the description given in the application, it appears this will be a commercial operation that collects and manages exploration and production (E&P) waste from various 3rd party gas operators in the region; specifically BP, Red Willow and Petrogulf. The Colorado Department of Public Health and Environment (CDPHE) permits and manages commercial operations for E&P waste management and should be consulted regarding the need for a permit through their program. Mr. Bob Peterson is the West Slope CDPHE Solid Waste representative and can be reached at 970-248-7151 or bob.peterson@state.co.us.

Regardless, the COGCC would request that the applicant submit the design plan for this facility to the COGCC on a Form 4 sundry notice so that it may be assigned a facility number for E&P waste management tracking. COGCC will evaluate the project for the potential need to permit the facility under Rule 908 as a Centralized E&P Waste Management Facility if it is determined to be a non-commercial operation. Rhino Technologies, LLC is not a registered operator with the COGCC and has no bond or sureties posted with the State of Colorado to ensure reclamation should the property be abandoned without appropriate restoration.

Please feel free to give me a call or email if you would like to discuss this topic further.

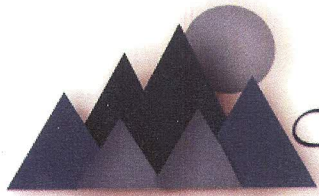
Regards,

Karen

Karen L. Spray, PG
SW Environmental Protection Specialist
Colorado Oil & Gas Conservation Commission
P.O. Box 2651
Durango, CO 81302
970-259-1619 (w)
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karen.spray@state.co.us
www.colorado.gov/cogcc



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La Plata County
Colorado

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JUN 21 2010

COGCC

June 17, 2010

Reviewing Agency

RE: Ferguson Water Transfer Station Land Use Permit Application

To Whom It May Concern:

The following items required clarification as directed by the Planning Department Director, for the narrative provided within this packet for the Ferguson Water Transfer Station Land Use Permit Application.

Page 2 of the project narrative

The applicant has referenced that water will be piped to "the Ferguson Disposal Well or the Cow Canyon Disposal Facility, both of which have UIC Disposal permits issued by the US EPA".

For clarification, the EPA has approved and issued an Underground Injection Control (UIC) permit for the Ferguson Disposal Well. However, the Cow Canyon Disposal Facility does not currently have an approved and issued EPA UIC permit. Previously the applicant had received an issued and approved EPA UIC permit for the Cow Canyon Disposal Facility in 2008. The EPA UIC permit duration is one year, meaning that the applicant has one year to construct the facility. Between 2008 and 2009, the applicant did not receive a land use permit from La Plata County for this facility, and therefore could not construct the Cow Canyon Disposal Facility. This caused the EPA UIC permit to expire.

The applicant is currently in the process of obtaining an EPA UIC permit, and the permit is currently within a 30 day public comment period.

Additionally, on page 2 of the project narrative there are references to photos of the proposed equipment for the Ferguson Water Transfer Station. These photos have not been included in the agency review packet. The photos are currently in the project file, and if you wish to view these photos please contact me to setup an appointment to review the photos from the project file.

Sincerely,

Courtney Krueger
Natural Resources Planner II
La Plata County Planning Department
(970) 382-6390

Cc: Planning Director: Erick Aune
Applicant: Darry Ferguson
Project File: Project # 2010-0075

Pre-App.#: 009191		Pre-App Date: May 05, 2010		Agency Request for Comment Form		Date:	
005261		Pre-App Planner: Anthony Martinez				Project #:	
009191		Parcel #: 5951-322-00-249				House #: 2361	
Owner: Maralex						Street: CR 310	
Subdiv:				Project Name:		Project Type:	
				Ferguson Water Transfer Station Major Oil And Gas		Project Planner:	

This form must be submitted to each agency indicated on Agency Checklist. A copy of the Project's Site Plan (all pages), Project Narrative, and Vicinity map must be submitted with this form to each agency, per La Plata County Regulations. These materials must be submitted in 9x12 addressed envelopes (do not seal) to Planning Department with your project application submittal. Be sure to affix proper postage to each envelope to be mailed. Planner will mail packets after verifying contents.

Top Portion to be Completed by Applicant, Bottom Portion by Agency

Applicant:

Applicant			Telephone		
Rhino Technologies			(970) 946-1111		
Contact					
Darry Ferguson					
Email					
Address					
PO Box 887					
City		State		ZIP	
Durango		CO		81302	

Agent:

Agency		
Agent		Work Telephone
		() -
Email Address		
Address		
City	State	ZIP

Parcel Location:

Address	
2361 CR 310	
GeoCode	GeoCode Suffix
5951-32	2

Parcel Identification:

Parcel #	Lot #	Section	Township	Range	Parcel Size
5951-322-00-249		32	33 N	9 W	40.11
Subdivision					

Sewer:

Is the Parcel within 400 ft. of a central sewer system?	Y/N No	Project will be served by ISDS <input checked="" type="checkbox"/> Central Sewer <input type="checkbox"/>
Sewer Company		
Address and Telephone #		

Water:

Is the Parcel within 400 ft. of a central water system?	Y/N No	Project will be served by Well <input type="checkbox"/> Central Water <input type="checkbox"/>
Water Company		
Address and Telephone #		

Project Information:

Project Description

Reviewing Agency
COGCC

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JUN 21 2010

COGCC

Agency Comments:

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Agency Representative (please print)	Signature

Agency Representative:

Please return your comments within 21 days after receiving this form and package. If you need more information, please call us at 970-382-6263. Please send your comments to the Planning Department, and not directly to a planner. The project may not be assigned to the planner performing the pre-application meeting.

All comments should be sent to:

via email:

klemmwk@co.laplatea.co.us (preferred method)

via regular mail:

Attn: La Plata County Planning Department

1060 East Second Avenue

Durango, CO 81301

Narrative

Description of Facilities

Ferguson (Water) Transfer Station

2361 CR 310

Background

In 2006 the Ferguson Disposal Facility (Project Number 2005-0190) was permitted and approved by the La Plata County Board of County Commissioners as a major oil and gas facility. This approved and permitted major oil and gas facility included two leveled pads (approximately 2 acres each), an entrance road, and access to CR 310 at 2361 CR 310. As a part of the permitted activity under the County Approval of Project 2005-0190, the two pads (a north pad for the injection well and a south pad for facilities) were constructed by Maralex Disposal, LLC, operator of the project. See Attachment 1.

Subsequently, after construction of both of the pads in 2006, the South Pad was not used for the planned, permitted, and approved purpose of locating tanks and off-loading facilities of Project 2005-0190. Instead, Maralex decided to locate these facilities near the injection well on the injection well pad (commonly referred to as the North Pad) and after construction was completed, Maralex obtained post-construction approval to leave its off-loading facilities and tanks on the North Pad and abandoned the South Pad to Rhino Technologies, LLC and the landowner.

Additionally, Maralex reclaimed the outslopes of the South Pad and installed erosion controls for the South Pad, including reseeding the outslopes. The current description and condition of the South Pad is a flat area of about 1.6 acres, with all sides under erosion control and slopes having been reseeded and substantially revegetated. The area is serviced by a new entrance from County Road 310 that is a paved road leading to the Ferguson Disposal Facility, operated by Maralex, under an agreement from Rhino Technologies, LLC. Rhino Technologies, LLC continues to have the exclusive right of use for the south pad, pursuant to the original grant by the landowner in a recorded document attached in the Ferguson Disposal Facility Permit and attached in this application.

Rhino Technologies, LLC is the applicant and owner of the Cow Canyon Disposal Facility and plans to use the proposed tanks as an off-loading facility to transport approved classes of produced water to the Cow Canyon Disposal Facility via pipeline across SUIT lands (federal action). Additionally, Rhino Technologies, LLC is a non-operating, partial owner of the Ferguson Disposal Facility and utilize this off-loading facility in conjunction with its rights it has to its capacity in the Ferguson Disposal Facility and Well. This application utilizes two 500-Barrel tanks and off-loading stations on the south pad as originally permitted and approved by the La Plata Board of County Commissioners under Project Number 2005-0190 and adds a pipeline for some 18,000 feet (10,500 feet on SUIT Lands) to the Cow Canyon Disposal Facility.

The use of the proposed off-loading station and accompanying pipeline will replace the need to use or upgrade the conditions on Cow Canyon Road. Additionally, the pipeline will intersect a number of opportunities to gather and transport via pipeline produced water to either the Ferguson Disposal Well or the Cow Canyon Disposal Facility, both of which have UIC Disposal permits issued by the US EPA.

Proposed Activity

Rhino Technologies, LLC proposes to install a portion of the original approved tanks and off-loading facilities on the South Pad (See Attachment 2 hereto). This project is primarily a remote off-loading facility for the Cow Canyon Disposal Facility and will replace the need to upgrade three quarters (3/4-mile) of a mile of Cow Canyon Road extending from CR 310 to the Cow Canyon WD #1. Further, Rhino Technologies, LLC is a non-operating, working interest holder in the Ferguson Injection Facilities and is seeking other water disposal opportunities in the area. As such, Rhino has a need to install two tanks (500 Bbl) and an off-loading facility on the South Pad, as originally permitted by the county. These two tanks will be serviced by a 20 Hp electric motor to transfer produced water via low pressure pipeline to the Cow Canyon Disposal Facilities. Additional transfer opportunities would allow the two new tanks to transfer produced water through pipelines to other gathering facilities in the general area, thereby reducing the need for trucking of water on county roads. The area is centrally located for disposal via pipeline for BP, Red Willow, Petrogulf, and others located in the immediate vicinity of the planned facility.

On the South Pad, as originally permitted and shown on Attachment 1 hereto, there were tanks, pumps, offices, and access planned and permitted. This re-permitting and installation will not be as extensive as originally permitted under Project #2005-0190. Power is available within 250 feet and the power drops are installed. The site is fenced to prevent the public from entry. A gate present to the entrance will be replaced with an electronic opening gate and all off-loading stations will be secured by electronic card and code access. The two 500-Barrel tanks and pump will be protected by SPCC approved berms, and the proposed activity will be under a storm water management plan. Below is a summary of the acreages involved:

- Area of Tanks, pump, and berms: 0.064 acres
- Area of off-loading road: 0.25 acres
- Total impacted area: 0.314 acres
- New disturbance: 0.00 acres
- Access from CR 310: none – a paved access is newly constructed.

The attached photos show the exact facilities that are needed on the South Pad. The subject property is currently accessed by a paved road leading from the access to CR 310 to the Ferguson Disposal Facility. The paved access onto the site is 70' wide 12' from CR 310 edge and tapered to 24' wide some 60' onto the private land. The access onto CR 310 is protected by guard rails and more than ample site distances (1,110 feet to the east and 1,000 feet to the south). Maralex currently brings up to about 35 trucks per day into the site (designed to accommodate a minimum of 50 originally) and has a maximum of 3 trucks per hour entering the site. Rhino expects that the maximum number of trucks coming to the site will never be more than 70 and that the maximum number of trucks entering the site will not exceed 6 per hour.

Dr. Bob Hamilton has analyzed the access to the Ferguson Facility as it intersects CR 310 at 2361 CR 310. His analysis is included in the application. This analysis concludes that the limiting parameter at the subject intersection is the hourly number of trucks entering the site. He further analyzes and concluded that the limiting design factor of the intersection is 10 trucks per hour. Since the maximum number that is expected to be entering the site is 6, there is a substantial safety factor in the planned maximum number of trucks entering the site.

The installation of the two additional tanks will be visible primarily by the landowner, which has approved of this activity. The tops of the two tanks may be visible by southbound traffic on CR 310, but the tanks will be painted the forest green color to match the surrounding pine and juniper vegetation. The proposed activity is compatible with the area. Maralex Disposal LLC operates the Ferguson Disposal Facility some 300 feet from the planned activity. Property to the southwest is the Bondad Landfill. On all lands surrounding the site, oil and gas operations dominate the activity and the remainder of the land is vegetated by dry lands with pinon pine and juniper trees with sparse ground vegetation. The proposed activity will have no offsite impacts. All truck traffic is currently on CR 310. The proposed site will be expected to minimize southbound traffic on CR 310 to SH 550 Southbound.

The low-pressure, produced water pipeline to transport water from the proposed site will cross some 10,500 feet of Tribal lands for which the applicant will obtain Tribal approval for its right of way. This is a federal action subject to regulations by the Southern Ute Tribe and applicable federal regulations. The remainder of the pipeline will cross private lands for which the applicant has approval for its pipeline right of way, all of which is considered a federal action under the approval by the Southern Ute Tribe.

Access to the off-loading facility will be restricted by an electronic gate and secure digital off-loading access through coded cards for each load of water to be placed at the proposed facility. All fencing is currently in place to fully restrict access to the site and a manual gate will be replaced by an electronic gate which can only be opened by having the specified code. All access to the off-loading facility will comply with the security restrictions in the EPA UIC Permit CO21134-07638 and CO21011-06908.

Gibbons - NBQ Inc.

Ernst Engineering Company, Inc.

Frank Gibbons, PLS, CFedS

Gary Watkins, PLS

P.O. Box 3178
2139 Main Avenue
Durango, CO 81302
PHONE (970)247-0851
FAX (970)247-0853

Ferguson Transfer Facility Previously Constructed Facility Pad South Ferguson Transfer Tank Site

Located in SW1/4 NW1/4 of
Section 32, T33N, R9W, N.M.P.M.

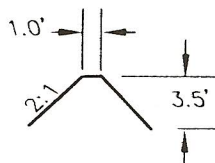
Site Plan & Existing Vegetation map

NOTES:

Client: Rhino Technologies

Existing Drainage swale

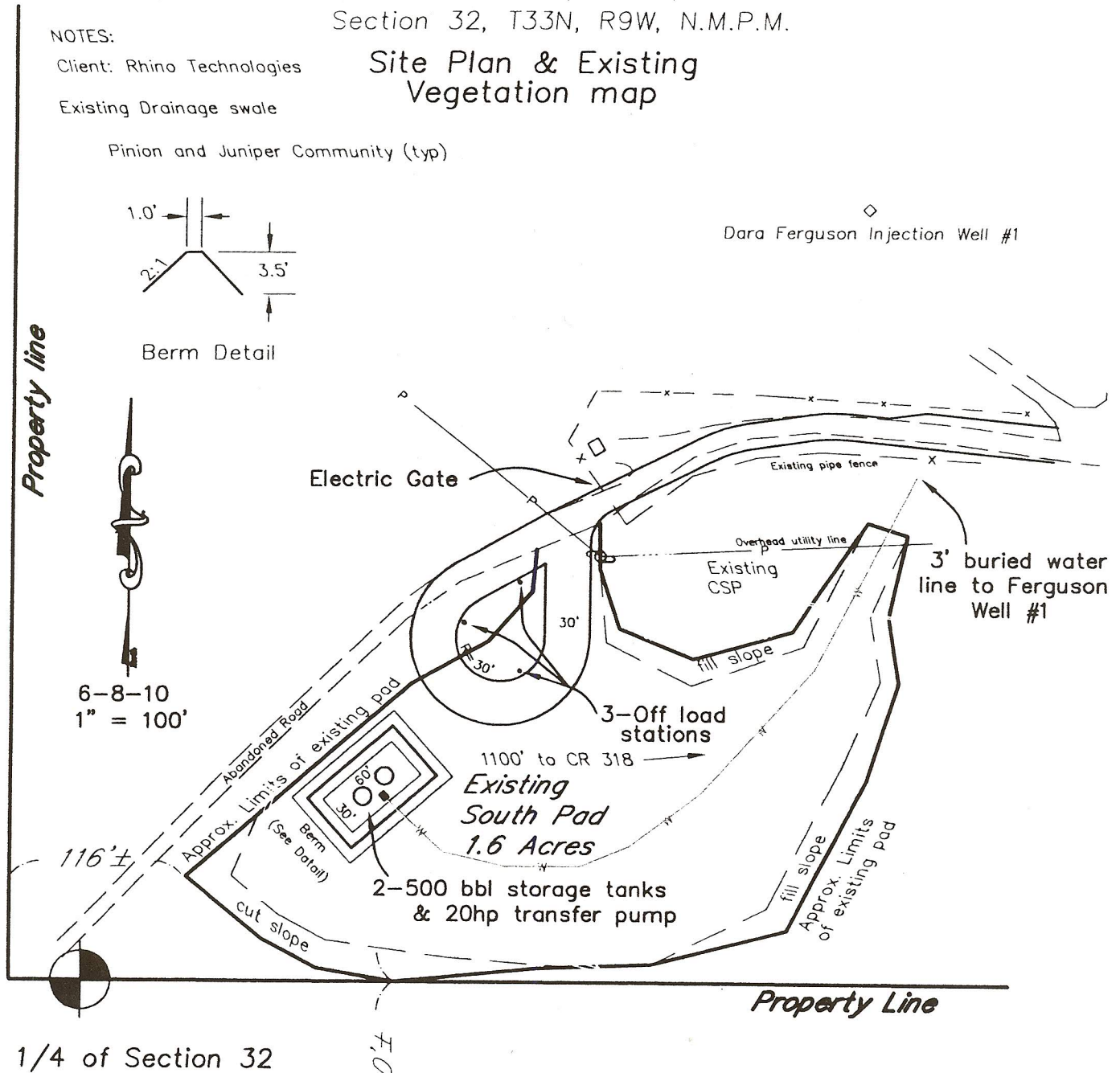
Pinion and Juniper Community (typ)



Berm Detail

Property line

6-8-10
1" = 100'



West 1/4 of Section 32
3 1/4" AC by LS 23498

Gibbons - NBQ Inc.

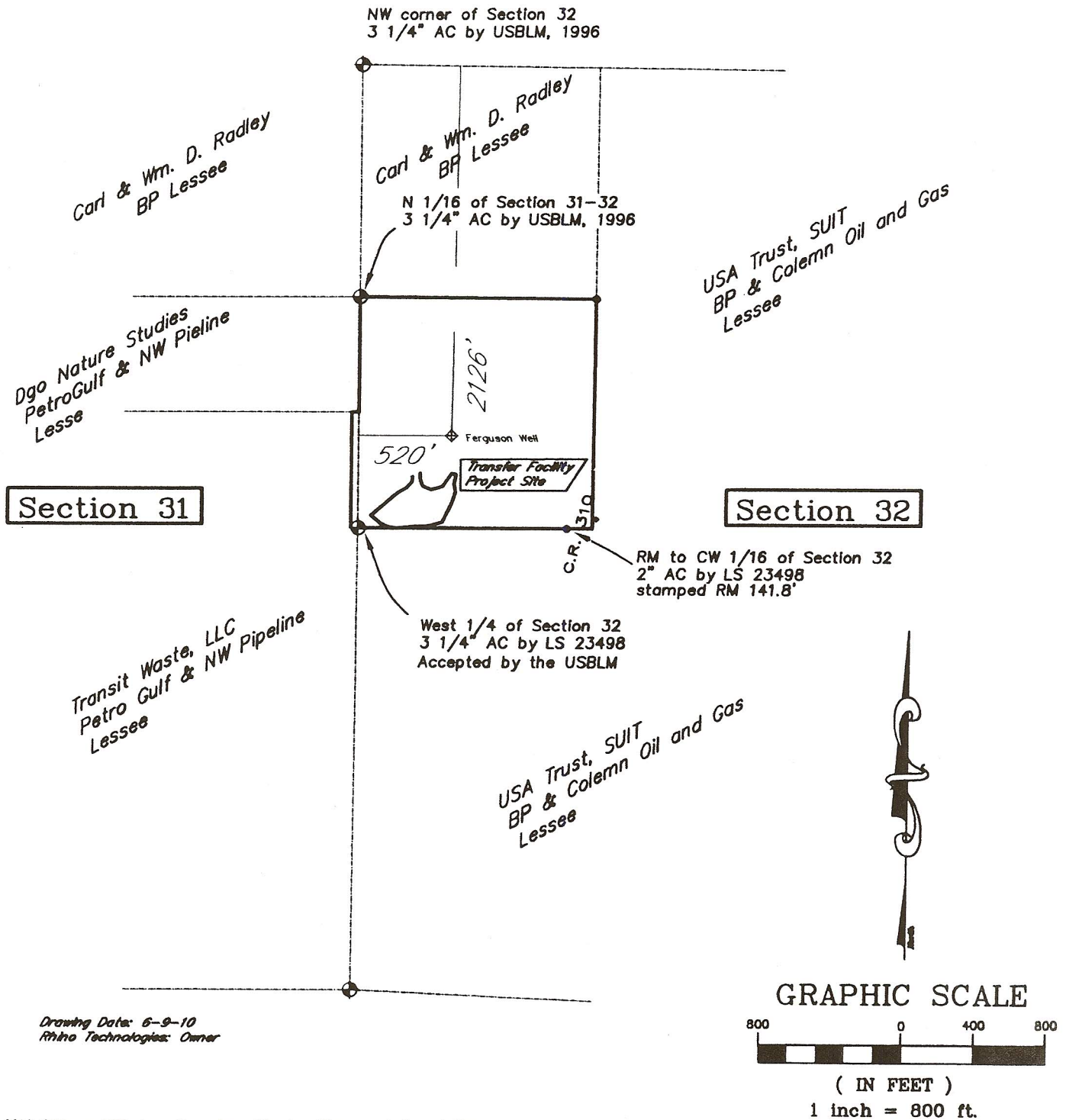
f.k.a.
Ernst Engineering Company, Inc.

Frank Gibbons, PLS, CfedS

Gary Watkins, PLS

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Ferguson Transfer Facility *located in the SW1/4 NW1/4 of Section 32* *T33N, R9W, N.M.P.M., La Plata County, Colorado*



Drawing Date: 6-9-10
Rhino Technologies: Owner