



Farnik J #34-9 API #087-07839, Inspection #668701044

1 message

Axelson - DNR, John <john.axelson@state.co.us>

Mon, Aug 26, 2013 at 4:57 PM

To: gsmithten@what-wire.com

Cc: Gary Helgeland - DNR <gary.helgeland@state.co.us>, OGCC EnviroScan - DNR <OGCC.EnviroScan@state.co.us>, Kym Schure - DNR <Kym.Schure@state.co.us>

Mr. Smith,

Gary Helgeland copied me with an unsatisfactory inspection issued to you on 8/20/13 for the subject location. I am following up with you regarding the pit permitting and pit closure requirements.

The unlined skim pit is in violation of COGCC rule 904.a.(4). There has never been any "grandfathering" for unlined skim pits. The storage of hydrocarbons in earthen pits is also a violation of Rule 323. You have two options regarding the unlined skim pit: 1) you can properly remediate and close the pit in accordance with Rule 905, or 2) properly remediate all impacts associated with the pit, properly permit it, and bring it back into use as a lined pit in accordance with Rule 904. In either case, you will need to submit a Form 27 for COGCC prior approval before closing the pit or lining it. If you choose to remediate and line the skim pit, you will also have to permit it to put it back into use.

All fluids recovered from the skim pit need to be properly disposed or recycled. After all of the fluids have been removed, all oily waste will need to be excavated and treated or disposed in accordance with Rule 907.e. After removal of the oily waste, samples need to be collected from the pit bottom and sidewalls to verify compliance with Table 910-1 standards. Sample results need to be submitted via Form 27 with a sample location diagram, summary of results compared to Table 910-1 and copy of the lab report. There are many qualified environmental consultants available to help you with the sampling, permitting and reporting requirements. A list of consultants is provided on the COGCC website under Contacts - Service Providers.

No pit permit is on file for either pit. You need to submit a Form 15 Pit Report for the produced water pit to properly permit it in your companies name, or you can properly close it. This should have been done when you began operating the lease.

Based on the results of the inspection it is evident that you might not be aware of many of the basic rules that govern oil & gas operations in Colorado. I would encourage you to review the Rules available on the COGCC website at <http://cogcc.state.co.us/>. For E&P waste management, pit closure, pit lining and pit permitting requirements, please see the 900 Series Rules.

If you have similar issues at other wells you operate in eastern Colorado, please plan to make appropriate corrective actions in the near future to avoid potential enforcement actions.

Please let me know if you require any additional information.

Thank you,

John Axelson, P.G.
Environmental Protection Specialist, Northeast Region
Colorado Oil & Gas Conservation Commission

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