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AKRON NEWS-REPORTER
Akron, Colorado

State of Colorado
County of Washington

s/s

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO
PUBLIC NOTICE OF PROPOSED DESIGNATION OF THE
J-SANDSTONE AS AN EXEMPT AQUIFER

TO ALL INTERESTED PERSONS AND TO WHOM IT MAY CONCERN:

The purpose of this notice is to solicit public comment on an aquifer exemption required for the J-Sandstone (Lower Cretaceous) in the Decker 22-18 #2 a Class II disposal well proposed by Diamond Operating, Inc. The Decker 22-18 #2 is being converted from a J-Sandstone production well to a J-Sandstone disposal well. The Decker 22-18 #2 was drilled at a location 1991 feet from the north line and 2058 feet from the west line (SEW) of Section 18, Township 4 South, Range 53 West, 8th P.M., Washington County, Colorado.

Class II injection wells are permitted and regulated in such a manner as to prevent the contamination of underground sources of drinking water and to ensure fluid emplacement and confinement within the permitted injection zones. Class II injection wells are permitted to inject waste generated from oil and gas exploratory and production operations.

Diamond Operating Inc. has filed an application for approval to inject these fluids into the J-Sandstone in the Decker 22-18 #2 well in a cased-hole completion through perforations from 4,844 to 4,732 feet MD (Measured Depth). The J-Sandstone is present from 4,843 feet to total depth at 4,742 feet MD.

J-Sandstone water quality was determined from original analyses and contains 990 milligrams per liter (mg/L) total dissolved solids ("TDS"). An aquifer exemption is required if TDS values are less than 10,000 mg/L. Additional analyses of J-Sandstone formation water show contamination by Petroleum Hydrocarbons (32.8 mg/L), Toluene (2.2 micrograms/Liter (µg/L)), Ethylbenzene (4.2 µg/L), and Xylenes total (12.0 µg/L).

Based on the data supplied by the operator, the J-Sandstone qualifies as an exempt aquifer under this Commission's Rule No. 324 B.a. in the area because:

1. The J-Sandstone does not currently serve as a source of drinking water; and
2. The J-Sandstone cannot now and will not in the future serve as a source of drinking water because:

A. The J-Sandstone is situated at a depth and location which makes recovery of water for drinking water purposes economically or technologically impractical.

B. The J-Sandstone is a known production zone and as such is so contaminated by Petroleum Hydrocarbons, Toluene, Ethylbenzene, and Xylenes that it would be economically or technologically impractical to render the water fit for human consumption. And,

3. J-Sandstone water with a relatively low total dissolved solid concentration of 990 mg/L is not reasonably expected to supply a public water system due to hydrocarbon contamination.

There are no water wells within 1/4-mile of the Decker 22-18 #2. Diamond Operating Inc. found four water wells within 1/2-mile, three of which are abandoned and one of which is unused due to low yield and poor quality. Of 16 water wells recorded by the Colorado Division of Water Resources within a 2 mile radius, 16 are at less than 100 feet deep. They tap near surface alluvial groundwater.

The cost to drill a water-supply well similar in construction to the Decker 22-18 #2 is estimated by Diamond Operating Inc. to be about \$300,000. Construction of treatment facilities associated with a water-supply well and treatment of the water would be additional expenses. The practical likelihood of drilling and equipping such a well is low.

The Decker 22-18 #2 well located approximately 1970 feet south of the boundary of Regulation 42 Area 498 in which the D-Sandstone and J-Sandstone were declared exempt aquifers by the State of Colorado due to hydrocarbon contamination. While the Decker 22-18 #2 is not within the Regulation 42 boundary its proximity and production history suggest that hydrocarbon contamination is present. (Regulation 42 was promulgated by the Colorado Department of Public Health and Environment, Water Quality Control Commission between the mid-1990s and 2006. It reviewed water quality of various aquifers around the State and if appropriate set these aquifers aside as exempt i.e. unsuitable as underground sources of drinking water.) The aquifer exemption shall apply only to the J-Sandstone in the following area: Section 18 of Township 4 South, Range 53 West, 8th Prime Meridian; all of the N/2 of the SW/4, the NW/4 of the SE/4, the W/2 of the NE/4, and all of the NW/4. The enclosed area is about 368 acres.

This notice proposing an aquifer exemption is being published in accordance with Commission Rule 324B.b. Any person who would be directly and adversely affected or aggrieved by the designation may request the Commission to hold a hearing thereon in accordance with Rule 324B.c.

H. within thirty (30) days after publication of this notice, the Commission does not receive a hearing request pursuant to Rule 324B.c and the disposal well permit is approved, the J-Sandstone in the limited area described herein shall be considered exempt.

H. within thirty (30) days after publication of this notice the Commission receives a hearing request pursuant to Rule 324B.c which indicates the designation of the aquifer does not meet the criteria of Rule 324B.a, the Director will evaluate the hearing request pursuant to Rule 324B.c.

Public comments regarding the proposed injection well are encouraged and will be accepted, in writing at the Commission for a period of thirty (30) days after publication of this notice. If any data, information, or arguments submitted during the public comment period appear to raise substantial questions concerning proposed injection well permit, the Director may request that the Commission hold a hearing on the matter. Rule 325.n

Additional information on the operation of the proposed injection well may be obtained at the Commission office.

IN THE NAME OF THE STATE OF COLORADO,
OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By
Robert P. Koehler, PhD
Underground Injection Control Lead

Dated at 1120 Lincoln St., Suite 801
Denver, Colorado 80203
July 19, 2016
Published in the Akron News-Reporter
Publication Date: Wednesday, July 27, 2016

I, Christa Vasquez, do solemnly swear that I am the Office Manager of THE AKRON NEWS-REPORTER, that the same is a weekly newspaper printed in whole or in part, and published in the County of Washington, State of Colorado, and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said County of Washington for a period of more than fifty-two consecutive weeks next prior to the first publication of the annexed legal notice or advertisement; that newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 3, 1879, or any amendments thereof, and that said newspaper is a weekly newspaper duly qualified for publishing legal notices and advertisement within the meaning of the laws of the State of Colorado.

That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said weekly newspaper for the period of One consecutive insertion(s); and that the first publication of said notice was in the issue of said newspaper dated Wednesday, July 27, 2016 A.D. and that the last publication of said notice was in the issue of said newspaper dated Wednesday, July 27, 2016 A.D.

IN WITNESS WHEREOF, I have hereunto set my hand this 27th day of July, 2016

Christa Vasquez
Christa Vasquez, Office Manager

Subscribed and sworn to me a Notary Public in and for the County of Washington, State of Colorado, this 27th day of July, 2016 A.D.

Dencia J. Raish Notary Public

My Commission Expires on
Dec 27, 2019

DENCIA J. RAISH
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20054030708
MY COMMISSION EXPIRES: DEC. 27, 2019