

Grynberg

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COLORADO
Department of Public
Health & Environment

Dedicated to protecting and improving the health and environment of the people of Colorado

July 14, 2016

CERTIFIED NO: 7014-2870-0000-7586-7998

Jack Grynberg, Owner
Randy Edelen, P.E.
Grynberg Petroleum Company
3600 S. Yosemite St, Suite 900
Denver, Colorado 80237-1830

Re: Stormwater Permit Requirements for Construction Activity - Compliance Advisory
Grynberg Petroleum Company – Chivington #1 Moffat County

Mr. Grynberg,

It has come to the Water Quality Control Division's attention that Grynberg Petroleum Company may be engaged in construction activity that is subject to the stormwater permitting regulations, as described in this correspondence.

The division became aware that land disturbing activities are occurring at this well location and that Grynberg Petroleum Company may be the responsible party for these activities.

The division does not have any record indicating that Grynberg Petroleum Company has applied for or obtained a permit for stormwater discharges to surface waters of the State, from the construction activities conducted at the above-referenced site. This correspondence provides Grynberg Petroleum Company with notification of potential violations of the Colorado Water Quality Control Act; a background on the stormwater regulations; and directions for obtaining the required stormwater discharge permit coverage, as applicable to the site.

In accordance with the Colorado Water Quality Control Act and the Colorado Discharge Permit System Regulations 5-CCR 1002-61, CDPS discharge permit coverage is required for stormwater discharges from construction activities to surface waters of the State. Specifically, construction activities that disturb one acre or greater, or are part of a larger common plan of development disturbing one acre or greater, require either a discharge permit, or an R-factor waiver, as discussed below. If permit coverage is required, or a waiver applied for, it must be maintained until the site is finally stabilized. Additional guidance on determining the area of disturbance is available in the division's *Stormwater Fact Sheet - Oil and Gas Industry Construction*, available on the web at: www.coloradowaterpermits.com, under the Construction sector link, in the Construction compliance assistance and guidance section.

If it is Grynberg Petroleum Company's belief that the requirements discussed above are not applicable to the site based on the size of the disturbance or other reasons, please contact Megan Shirley at (303) 692-6421 or megan.shirley@state.co.us by July 25, 2016.

Permit COR0300000 requires that an applicant submit a complete, accurate, and signed permit or waiver application to the division at least 10 days before the facility commences regulated construction activity that may result in a discharge of stormwater associated with that construction activity. Since activities have already begun at the Chivington #1 location, the application or waiver for this facility should be returned to Colorado Department of Public Health and Environment, WQCD-P-B2, 4300 Cherry Creek Drive South, Denver, CO 80246-1530 and a copy email to megan.shirley@state.co.us. It is the division's expectation that Grynberg Petroleum Company submit the required form as soon as possible, but no later than July 25, 2016.



Grynberg Petroleum Company must obtain a permit or if applicable an R-factor waiver, as follows:

- **Permit coverage:** The stormwater discharge general permit applicable to stormwater discharges from regulated construction activity is the *CDPS General Permit for Stormwater Discharges Associated with Construction Activity*; *COR030000* is also available on the web at: www.coloradowaterpermits.com, using the Construction sector link, and then the General permits link. The permit application requires that applicants prepare a stormwater management plan. An operator engaged in a regulated construction activity, as discussed above, must obtain permit coverage for stormwater discharges, unless the R-Factor waiver is applicable, as discussed below.
- **R-factor Waiver:** The R-factor waiver may apply to construction activities that disturb less than 5 acres, and are not part of a larger common plan of development exceeding 5 acres. The waiver is not applicable to activities disturbing greater than 5 acres. The R-factor waiver allows a site owner or operator to apply for a waiver from coverage under a discharge permit if the R-factor, calculated using the State-approved method, is less than 5 acres during the entire period of construction. The R-factor is a way to measure erosion potential based on the duration of the project and time of year in which construction will be occurring. In general, the only projects that qualify for the waiver are projects that are completely stabilized within a month or two after the start of construction. That means that projects relying on seeding for revegetation will usually not qualify for the waiver, because the vegetation must be established before the site is considered stabilized. During the spring and summer months, when Colorado experiences the bulk of its rainfall, many projects will not qualify at all for the waiver. An application with instructions for using the State-approved method is available from the division's web page.

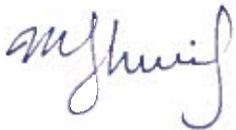
The R-factor waiver application form, including instructions on calculation the R-factor number, is available on the web at: www.coloradowaterpermits.com, using the Construction sector link, and then the General permits link.

If Grynberg Petroleum Company fails to obtain required stormwater discharge permit, or an R-Factor Waiver, and discharges stormwater from the site once regulated construction activity has started, it is in violation of the Colorado Water Quality Control Act and may be subject to enforcement action by the division. The Colorado Water Quality Act authorizes both civil and criminal penalties.

This Compliance Advisory is intended to advise Grynberg Petroleum Company of alleged violations of the Colorado Water Quality Control Act, its implementing regulations and permits, so that appropriate steps can be taken to avoid or mitigate formal enforcement action or to correct our records (if applicable). This Compliance Advisory does not constitute a Notice of Violation or Cease and Desist Order and is not subject to appeal. The issuance of this Compliance Advisory does not limit or preclude the division from pursuing its enforcement options concerning the above violation(s).

If you have any questions, please contact me at 303-692-6421 or by email at megan.shirley@state.co.us.

Regards,



Megan Shirley
Environmental Protection Specialist
Clean Water Compliance Unit
WATER QUALITY CONTROL DIVISION

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