

**Beneficial Water Management Services, LLC**

**1601 Pelican Lakes Point, Suite 201  
Windsor, Colorado 80550**

**Phone: 970.545.3390**

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January 28, 2011

RECEIVED

DEC 30 2011

WQCD-Director's Office

Water Quality Control Division  
Permits Section (Attn: Loretta Houk), WQCD-P-B2  
4300 Cherry Creek Drive South  
Denver, Colorado 80246-1530

Re: Public Comment on COG840000, Industrial Master General for Produced Water Treatment Facilities  
Modification No. 1 (Sent to Public Notice on December 16, 2011)

Dear Loretta,

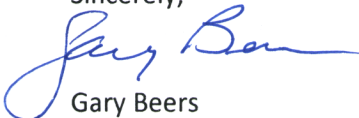
We believe an additional clarification of state agency jurisdictions is needed in Part I.A.1 of the draft permit, as highlighted in bold below. The reference to the jurisdiction of the Solid Waste and Materials Management Program (SWMMP) is important, since there are produced-water treatment facilities in Colorado that currently recycle produced-water to beneficial uses. For example, a produced-water treatment facility in Weld County was approved by SWMMP in a July 11, 2011 letter (attached) as a recycling facility with recognition of the beneficial use of treated produced-water for reuse in oil and gas drilling operations.

Permit Part I A.1

*This general permit authorizes facilities engaged in the treatment and/or disposal of produced-water\*, generated from oil and gas producing formations, to discharge from authorized locations throughout the State of Colorado to surface waters of the state. Discharges to groundwater are not authorized under this general permit and would be subject to the jurisdiction of the Colorado Oil and Gas Conservation Commission (COGCC). Underground injection wells may be under the authority of the COGCC or of EPA, depending on the type and/or depth of the well. **Recycling and/or beneficial uses may be under the authority of COGCC or of Solid Waste and Materials Management Program (Hazardous Materials and Waste Management Division), depending on the nature of the beneficial use.** Due to the nature of general permits, determinations of the assimilative capacity of the receiving stream(s) are not available. All limitations set in this permit are based upon the most stringent of: 1) the site-specific water quality standards; 2) the Regulations for Effluent Limitations (Reg 62) and/or; the Federal Effluent Limitation Guidelines. Multiple discharge points from one fixed, or from a mobile facility may be authorized through a certification under this permit.*

Our company is in the process of developing several opportunities for beneficial uses of produced water in Colorado and working with COGCC and/or SWMMP for approvals. We would appreciate your consideration of the above clarification and its inclusion when the permit is issued.

Sincerely,



Gary Beers  
Chief Operating Officer

Attachment: SWMMP Letter dated July 22 2011

# STATE OF COLORADO

Bill Ritter, Jr., Governor  
Ned Calonge, M.D., Interim Executive Director

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

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<http://www.cdphe.state.co.us>



Colorado Department  
of Public Health  
and Environment

July 22, 2011

James F. Winter  
Vice President  
High Sierra Energy, LP  
3773 Cherry Creek North Drive, Suite 1000  
Denver, CO 80209

Dear Mr. Winter,

The Colorado Department of Public Health and Environment, Hazardous Materials and Solid Waste Management Division (the "Division") appreciates the opportunity to review your summary of the proposed water treatment and recycling pilot plan and the Spill Prevention Control and Countermeasure Plan ("SPCC Plan") for the High Sierra Energy, LP ("High Sierra") facility that is formerly known as Conquest Oil Company in Weld County.

The proposed produced water pilot recycling facility diverts water from the current injection well at the High Sierra facility at 13159 WCR 39 in Platteville, CO. Produced water is diverted from the injection process to a series of tanks that remove solids and other contaminants, creating a quality of water acceptable for reuse in oil and gas drilling operations. The water is only diverted from the disposal process when demand for the water exists, and thus maintains a near 100% recycling rate for the pilot facility.

High Sierra submitted a SPCC Plan to the Division on June 23, 2011. The Division finds that based on the SPCC Plan, High Sierra complies with the requirements of Section 8 of the Regulations Pertaining to Solid Waste Sites and Facilities, 6 CCR 1007-2, Part 1.

High Sierra must register the recycling facility with the Division and by May 1 of each calendar year High Sierra must submit the Recycling Facility Reporting Form. Both the Recycling Facility Initial Registration Form and the Recycling Facility Reporting Forms can be found at: <http://www.cdphe.state.co.us/hm/sw/swforms.htm>. The facility must also comply with all other applicable, local, state and federal requirements.

I encourage you to contact David Snapp at (303) 692-3425, or Charles Johnson at (303) 693-3348 if you have any questions regarding this letter.

Sincerely,

David Snapp  
Environmental Protection Specialist  
Solid Waste and Materials Management Program  
Hazardous Materials and Waste Management  
Division

Charles G. Johnson, Manager  
Solid Waste and Materials Management Program  
Hazardous Materials and Waste Management  
Division

CC: Troy Swain, Weld County  
Trim: SW/WLD/CON 1.1