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To: <gbeers@smtpgate.dphe.state.co.us>
Date: 6/8/2009 3:05 PM
Subject: Comments re: General Permit 840000 for Produced Water

Gary,

We've reviewed the proposed general permit (COG: 840000 for Produced Water) respectfully submit the following written comments/points:

(1) Based on the draft language of the permit, we understand that Altela can site our thermal distillation treatment system at the well-head for produced water/frac water treatment as a centralized E&P treatment facility. We wanted to confirm that this proposed permit would allow us to site an AltelaRain thermal distillation system for commercial purposes where we treat, say 2,000 BPD of produced water/frac water that would fall under the second classification:

"Commercial Disposal Facility -an offsite facility located in accord with CDPHE regulations pertaining to solid waste sites and facilities possessing a Certificate of Designation (CD) from the local county." We were unsure whether the solid waste site wording limited the establishment of such a centralized facility for the commercial treatment of multiple producers' water (from other leases). If this second classification does not cover such centralized commercial treatment, we'd respectfully request inclusion of language permitting such a centralized commercial treatment facility that is capable of deploying the AltelaRain thermal distillation technology for the treatment of produced and frac water.

(2) Temperature Requirements: The current proposed water temperature requirements may pose significant challenges for treatment companies as it may prohibit storage of water in an above-ground tank during the summer months.

(3) We noted the nitrogen ammonia proposed limit of 0.09 mg/l. Since Altela's system is a thermal evaporation/distillation process, there may be a situation where nitrogen levels in the water could conceivably be higher than this limit since air is ~ 80% nitrogen which is measured as ammonia, if we understand correctly? We'd request this limit be reviewed and addressed/raised in accordance with applicable requirements and water quality standards, as feasible.

(4) Benzene - proposed limit is 2 ug/l (and 0.3 ug/l in reviewable

segments). This is the most stringent level we've seen proposed in such a permit. We'd request this limit be reviewed and addressed/raised in accordance with applicable requirements and water quality standards, as feasible.

Thanks for your time; we appreciate the opportunity to submit our comments. We believe the proposed permit is a strong step in facilitating treatment and valuable re-use of produced/frac water and re-use consistent with good environmental stewardship and sustainability.

Best regards,

Matt

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