

STATE OF COLORADO

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Executive Director and Chief Medical Officer

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

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Colorado Department
of Public Health
and Environment

March 13, 2012

Mr. A. Scott Ritchie III,
Ritchie Exploration, Inc..
8100 East 22nd Street North, Suite 700
Wichita, Kansas 67226-2328

RE: Certification, Colorado Discharge Permit System – Produced Water Treatment Facilities
Permit Number COG840000 Certification Number: COG840011

Dear Mr. Ritchie:

Enclosed please find a copy of the permit certification for the Anderson #1 facility near Anton, CO, discharging to an intermittent stream ultimately tributary to the River, which was issued under the Colorado Water Quality Control Act. **Please read the enclosed permit and certification, as well as this letter, which outline the requirements under this permit, and the explanation of how certain limitations were developed.** The Division holds the permittee legally liable for all permit requirements.

The following information describes how the limitations and permit requirements were developed.

Facility Information:

- **Industry Description**

The Anderson #1 facility (WWTF) will treat wastewater associated with an oil producing well in operation since 1966. The well produces approximately 5 barrels of oil and 600 barrels of water per day. The current owner acquired the well in 2003. This facility may be subject to Colorado Department of Public Health and Environment Solid Waste Unit regulations pertaining to solid waste sites and facilities and may need a Certificate of Designation. The facility may also be subject to permitting by the Air Pollution Control Division. The discharge of treated water to adjacent surface waters requires a discharge permit from the Water Quality Control Division (WQCD).

- **Treatment Facility Description**

Wastewater will enter a heated oil/water separator, followed by a water disposal tank, skim tank, and two interconnected earthen pits designed to retain oil in the event of a temporary upset condition in the oil water separation process. The skim pit is covered with a wire mesh. The maximum listed flow based in Appendix D to the application is 20.2 gpm (0.030240 mgd). The certification will be written to a maximum 30-day average flow rate of 21 gpm.

- **Chemical Usage**

The permit application states that no chemicals are used in the treatment process and therefore chemical usage is not approved under this certification.

Basis of Certification Limitations:

- **Stream Segment Information**

The discharge is to the Colorado River, within Segment COSPRE06 of the Republican River sub-basin, South Platte River Basin, found in the Classifications and Numeric Standards for the South Platte, Laramie and Republican River Basin (Regulation No. 38; last effective update effective June 30, 2010). Segment 06 is use protected and is classified for the following beneficial uses: Recreation Class N, Aquatic Life Class 2 Warm, and Agriculture.

This is an unnamed drainage that runs to the NE, and is not tributary to any other receiving stream. This drainage does not typically have water in it.

- **Technology Based Standards**

The limitations for oil and grease and total suspended solids are from Regulation 62, which apply to all discharges that would be covered under this General Permit.

- **Water Quality Standards**

Limitations for metals and inorganics are based on the water quality standards specific to stream segment COSPRE06. For this segment metals standards are based on agricultural protection and not the table value standards. Limitations will be based off of these values.

Note that temperature limitations will not be applied as the receiving stream is assumed to be a zero low flow stream in all months. For all other parameters the water quality standards for Segment COSPLS02a will be applied.

For organic parameters, only the aquatic life limits in Regulation 31 will be applied.

- **Antidegradation**

Because the receiving water is use protected, an antidegradation evaluation is not applicable to this discharge.

- **Narrative Standards**

Section 31.11(1)(a)(iv) of The Basic Standards and Methodologies for Surface Waters (Regulation No. 31) includes the narrative standard that State surface waters shall be free of substances that are harmful to the beneficial uses or toxic to humans, animals, plants, or aquatic life.

Agricultural Protection

For the Ag Policy, the interpretation of these conditions (i.e., “no harm to plants” and “no harm to the beneficial uses”) and how they were to be applied in permits were contemplated by the Division as part of an Agricultural Work Group, and culminated in the most recent policy entitled Implementing Narrative Standards in Discharge Permits for the Protection of Irrigated Crops (hereafter the Narrative Standards policy). Because this drainage does not typically have water present, there are no known irrigation intakes in this area and therefore this policy is not applied.

Whole Effluent Toxicity

Because the drainage does not have water in it except potentially during large snow melt or rain events, and does not have the aquatic life standards associated with it, does not connect to any other drainage that does have water in it on any kind of basis, and the discharge flow is not expected to travel far prior to infiltrating into the sandy soils, WET testing is not being required.

General Information:

- **Permit Action Fees** : The Annual Fee for this certification is \$ 2150 (Category 12 Subcategory 2, Manufacturing and Other Industry) and is invoiced every July. Do not pay this now as an invoice will be prorated and sent shortly.
- **Changes to the Certification** – Any changes that need to be made to the certification page – changes in outfalls, monitoring requirements, etc., must be submitted using the “Permit and Certification Modification form” available on our website: coloradowaterpermits.com, and signed by the legal contact.
- **Discharge Monitoring Report (DMR)** forms will be mailed out within the next month. Reports must be submitted **monthly** as long as the certification is in effect. The permittee shall provide the Division with any additional monitoring data on the permitted discharge collected for entities other than the Division. This will be supplied to the Division within 48 hours of the receipt of the data by the permittee. If forms have not been received, please contact the Division at 303-692-3517.

- **Sampling Requirements** Sampling shall occur at a point after treatment, or after the implementation of any Best Management Practices (BMPs). If BMPs or treatment are not implemented, sampling shall occur where the discharge leaves control of the permittee, and prior to entering the receiving stream or prior to discharge to land. Samples must be representative of what is entering the receiving stream.
- **Termination requirements** This certification to discharge is effective long term, even though construction and dewatering discharge are only expected for approximately three months.
- **Certification Records Information** The following information is what the Division records show for this certification.

For any changes to Contacts – Legal, Local, Billing, or DMR – a “Notice of Change of Contacts form” must be submitted to the Division. This form is also available on our web site and must be signed by the legal contact.

Facility: Ritchie Exploration Inc,
Industrial Activities: Crude Oil Production

Garfield County
SIC Code : 1300

Legal Contact *Receives all legal documentation, pertaining to the permit certification. [including invoice; is contacted for any questions relating to the facility; and receives DMRs.]*

Mr. A. Scott Ritchie III, President
Ritchie Exploration, Inc..
8100 East 22nd Street North, Suite 700
Wichita, Kansas 67226-2328

Phone number: 316-691-9500
Email:

Facility Contact *Contacted for general inquiries regarding the facility*

Gary Rowe, Operator
Ritchie Exploration, Inc..
8100 East 22nd Street North, Suite 700
Wichita, Kansas 67226-2328

Phone number: 620-214-0330
Email:

Billing Contact

Same as Legal

DMR Contact

Same as Legal

If you have any other questions please contact me at 303-692-3655.

Sincerely



Andrew Neuhart
Assessment Based Permits Unit Manager
WATER QUALITY CONTROL DIVISION

Enclosures: Certification page; General Permit

xc:

Washington County, Local County Health Department
Permit File: COG840011

/dkj
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