

STATE OF COLORADO

Bill Ritter, Jr., Governor
Martha E. Rudolph, Executive Director

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

Mr. Edward Ingve, President
Renegade Oil & Gas Company LLC
P.O. Box 460413
Aurora, Colorado 80046

August 2, 2010

RE: Proposed Transfer of Certification to Coverage under General Permit No. COG-840000
Certification Number : COG-600760
Facility Name : Roughneck Unit

Dear Mr. Ingve:

This letter is to inform you that the above permit certification under the General Permit for Minimal Industrial Discharge (MINDI), COG-600000, for the named facility has been identified as needing to be transferred to another general permit for continued coverage.

The MINDI general permit, which has been administratively extended since expiration in July 2006, will not be renewed by the Water Quality Control Division (Division) and a process is underway to phase out the MINDI within a year. New general permits are available for transfers of most MINDI certifications that need continued coverage. Some MINDI certifications may not qualify for coverage under new general permits and will require transfer to an individual permit or be terminated.

Discharges from small oil/gas production facilities were one type of discharge covered under the MINDI general permit. Presently, there are 10 MINDI certifications in this category, including your certification. Last year, the Division issued a new general permit for discharges of produced water with the expectation that some MINDI certifications can be transferred to this general permit for continued coverage. Based on our review, your certification can be transferred and we will start the process (which should be completed with 90 days). If you decide to terminate your MINDI certification, then please email me of this intent (as soon as possible) and submit the required termination request by August 31, 2010. The termination form is available on our website at:
<http://www.cdphe.state.co.us/wq/PermitsUnit/FORMSandApplications/FORMS/TERMALLFORM.pdf>.


With the transfer of your certification coverage to General Permit COG-840000, there may be additional requirements due to regulatory changes since the MINDI was issued in 2001 and changes in the Division's permitting policies. In instances where new terms are added in the transferred certification, a schedule will be provided for taking actions to compliance with these new requirements. The revised certification will be previewed with you before issuance.

As profiled in the following table, new general permit coverage is not substantially different from framework of the MINDI with certain parameters required and others included on a site-specific basis. However, there are additional considerations of the salt balance in most produced waters, treated and untreated, that are necessary to minimize toxic effect on aquatic organisms and subsequent use of downstream waters for crop irrigation.

EFFLUENT PARAMETER	GENERAL PERMIT		
	<u>COG-600000</u> <u>MINDI</u> Certifications with Parameter	<u>COG-8400000</u> <u>PRODUCED WATER</u> Flexibility for Parameter Inclusion	BASIS FOR LIMITATION
FLOW			
Flow, mgd	All	Required	Regulation No. 61
TEMPERATURE			
Warm Water Segment	-	Site-Specific	Regulation No. 31
Cold Water Segment	Some		
SOLIDS			
Total Suspended Solids, mg/l	All	Required	Regulation No. 62
Total Dissolved Solids, mg/l	Some	Site-Specific	Regulation Nos. 39 and 61
pH			
pH, s.u. (minimum-maximum)	All	Required	Regulation Nos. 62 or 31
RADIONUCLIDES			
Radium 226+228	-	Site-Specific	Regulation No. 31
Others	-		
INORGANIC CHEMICALS (NONMETALS)			
Chloride, ug/l	Some	Site-Specific	Regulation No. 31
Sulfate, mg/l	-		
Others	-		
INORGANIC CHEMICALS (METALS)			
Boron, mg/l	Some	Site-Specific	Regulation No. 31
Copper, ug/l (Potentially Dissolved)	Some		
Manganese, ug/l (Total Recoverable)	Some		
Zinc, ug/l (Potentially Dissolved)	Some		
Others	-		
ORGANIC CHEMICALS			
Oil and Grease, mg/l	Conventional	Required	ELG (see 40 CFR 435)
	Other		Regulation No.62
Benzene, ug/l	Some	Site-Specific	Regulation No. 31
Ethylbenzene, ug/l	-		
Toluene, ug/l	-		
Xylene, Total, ug/l	-		
BTEX, mg/l	Some		
Total Petroleum Hydrocarbons, mg/l	Some		
Naphthalene, ug/l	Some		
Others	-		
WHOLE EFFLUENT TOXICITY TESTING			
WET (Acute)	Some	Site-Specific	Regulation No. 61
WET (Chronic)	Some		
PROTECTION OF IRRIGATION WATERS			
Electrical Conductivity, dS/m	-	Site-Specific	Water Quality Policy # 24
Sodium Adsorption Ratio (SAR)*	-		
Sodium, mg/l	-		
Calcium, mg/l	-		
Magnesium, mg/l	-		
*Adjusted SAR can be imposed where the waters have high concentrations of bicarbonate			

If you have questions about the planned transfer in your certification coverage or would like to meet to discuss the process, please contact me.

Sincerely,

A handwritten signature in blue ink, appearing to be 'G. Beers', with a stylized, cursive-like flourish.

Gary D. Beers, Manager
Groundwater, Land Application, and Industrial General Permits Unit
Phone: 303-692-3524
gary.beers@state.co.us

cc: File COG-6000760