



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 8

999 18TH STREET - SUITE 300

DENVER, CO 80202-2466

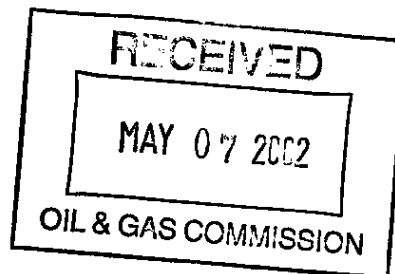
Phone 800-227-8917

<http://www.epa.gov/region08>

Ref: 8P-W-GW

MAY 6 2002

Mr. Ed DiMatteo
Sr. Petroleum Engineer
Colorado Oil and Gas
Conservation Commission
1120 Lincoln Street, Suite 801
Denver, CO 80203



RE: Concurrence With Aquifer Exemption: J Sand
Formation in the area of the Basler #1 Injection
Well, and Underground Injection Control (UIC)
Program revision approval

Dear Mr. DiMatteo:

As requested, the Region 8 Ground Water Program Office of the Environmental Protection Agency (EPA) has reviewed the notice of, and supporting information for, a proposed Colorado Oil and Gas Conservation Commission (COGCC) designation of portions of the J Sand Formation underlying parts of Sections 11 and 14, Township 1 North, Range 54 West, 6th P.M., Washington County, Colorado, as exempt aquifers under Commission Rule 324.

CONCURRENCE WITH PROPOSED AQUIFER EXEMPTION: Based on review of the supporting information provided by the applicant and the COGCC, and pursuant to 40 CFR 144.7(a)(3) and EPA GWPB Guidance #34, the EPA hereby approves a non-substantial program revision for exemption of the J Sand Formation between depths of approximately 5018' to 5043' in the S1/2 SE and the SE SW of Section 11, and the E1/2 NW and the NE of Section 14, Township 1 North, Range 54 West, 6th PM, Washington County, Colorado. This aquifer exemption applies to the location and the injection activity described herein. Additional approvals may be required for additional injection activities.

OVERVIEW: Walsh Production, Inc., of Sterling Colorado (Walsh) has proposed water injection by converting an existing oil and gas production well, the Basler #1 well, for disposal of water produced from J Sand production wells in the North Rago Field. The J Sand Formation, the proposed injection zone, is also the oil and gas producing zone, and it is found at a depth of approximately 5018' to 5043' below the ground surface at this location. Water quality of the J Sand Formation was determined by water analysis to be 1500 mg/l or greater total dissolved solids (TDS) and therefore it may be considered to be an underground source of drinking water (USDW) in this area. The proposed injection zone does not serve as a USDW in this vicinity. No water supply wells are completed into the J Sand Formation in the vicinity of the proposed



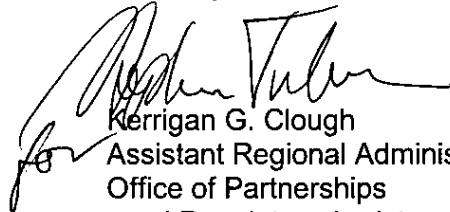
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injection well. Local residents use shallow groundwater for domestic or irrigation water supply wells in this area. The 22 water wells within three miles of the proposed injection well listed in the information provided show that the deepest water well is 225' deep, and that water wells in this area rarely exceed 200' in depth.

INJECTATE: The fluid to be injected will consist of water produced in conjunction with oil and natural gas production from the J Sand Formation in the North Rago Field. Walsh intends to blend water from numerous wells in the North Rago Field and inject the blended produced water into the Basler #1 injection well.

This approval is based on the information provided showing that in this vicinity the J Sand Formation is not a source of drinking water, it presently is producing oil and gas and because of economic impracticality it is not reasonably expected to supply a public water supply system. Should you have questions or concerns regarding this approval, please contact Dan Jackson of my staff at 800.227.8917 extension 6155.

Sincerely,

A handwritten signature in black ink, appearing to read "Kerrigan G. Clough", is written over the typed name and title.

Kerrigan G. Clough
Assistant Regional Administrator
Office of Partnerships
and Regulatory Assistance

cc: M. Salazar, OGWDW