

Evergreen PIT App.
Denied

Facility 112915
Document 2315614

STATE OF COLORADO

OIL & GAS CONSERVATION COMMISSION

Department of Natural Resources
1580 Logan Street, Suite 380
Denver, Colorado 80203
Phone: (303) 894-2100
FAX: (303) 894-2109

Garcia 14-30 = Facility ID: 119007
Ozzello 42-1 = Facility ID: 112915
Taylor 44-1 = Facility ID: 113606
119015



DEPARTMENT OF
NATURAL
RESOURCES

May 11, 1994

Mr. Thomas Hemler
Evergreen Operating Corporation
1512 Larimer St., Suite 1000
Denver, Colorado 80202

Roy Romer
Governor

Ken Salazar
Executive Director

Richard T. Griebing
Director

Brian J. Macke
Deputy Director

Patricia C. Beaver
Technical Secretary

RE: APPLICATION FOR THREE PRODUCTION EVAPORATION PITS,
SW/SE/SE SEC. 1-T33S-R66W, SE/SE/NE SEC. 1-T33S-R66W,
NE/SW/SW SEC.10-T32S-R65W, LAS ANIMAS COUNTY, COLORADO.

Dear Mr. Hemler:

Your production pit application dated April 15, 1994 is denied. The primary reason for not approving this application is that the surface area for the pits is not large enough to evaporate the produced water.

In your application you estimate the production from each well to be 20 barrels per day. The average evaporation rate in your area is estimated to be 45 inches of water per year. Therefore an evaporation pit of sufficient size to accommodate the 20 barrels per day would need a surface area of not less than 10,773 square feet (roughly 104' x 104'). The three pits you have range from 3162 square feet to 4120 square feet and average 3702 square feet, a little over 30 percent of the necessary surface area.

Other reasons for denial:

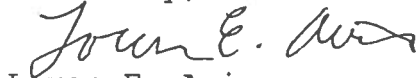
1. Numerous domestic water wells in the area which are at risk of contamination from your produced water, should pit capacity be exceeded. A spill control plan should be included in any future application.
2. Improper handling and documentation of the produced water samples. BETEX (preserved) and TDS (unpreserved) samples should be sealed and chilled to 4°C. Holding time for BTEX 14 days and TDS 7 days. The lab should note that samples were delivered chilled and sealed in their report.
3. The question of water rights for beneficial use of the produced water should be addressed in any future application.

Mr. Thomas Hemler
Evergreen Operating Corporation
1512 Larimer St., Suite 1000
Denver, Colorado 80202

Production Pit Application
Page 2

I suggest you resubmit the permit addressing the above or seek other disposal options. If you have any questions please call Loren Avis at 894-2100, ext.471.

Sincerely,

A handwritten signature in cursive script, appearing to read "Loren E. Avis".

Loren E. Avis
Environmental Protection Specialist

Evergreen Operating - Las Animas Co. Colo
Pit Permit

PROBLEM RESOLUTION CONTACT TRACKING

INITIALS LA DATE 5/11/94 CONTACT Tom Helmer

PROBLEM: Discussed denial of pit will send follow up letter.

INITIALS DATE / / CONTACT

PROBLEM:

INITIALS DATE / / CONTACT

PROBLEM:

INITIALS DATE / / CONTACT

PROBLEM:

INITIALS DATE / / CONTACT

PROBLEM:

INITIALS DATE / / CONTACT

PROBLEM:



Facility ID: 112915

RECEIVED

APR 15 1994

COLO. OIL & GAS CONSV. COMM.

STATE OF COLORADO
OIL AND GAS CONSERVATION COMMISSION
Department of Natural Resources

APPLICATION FOR PERMIT TO USE EARTHEN PIT

1. CHECK ONE

NEW PIT Wish to convert reserve pit to evaporative pit.
EXISTING PIT RECEPTACLE OTHER

2. NAME OF OPERATOR

Evergreen Operating Corporation

3. ADDRESS OF OPERATOR

1512 Larimer Street, Suite 1000, Denver, CO 80202 (303) 534-0400

4. LEASE NAME

5. PRODUCING FORMATION(S)

6. PRODUCING OIL, COND., GAS

Ozzello #42-1

Vermejo

Gas - Coalbed

7. LOCATION-nearest 10 acres, ¼ ¼ Sec. T. R.

8. COUNTY

9. FIELD NAME

SE/SE/NE Sec. 1-T33S-R66W

Las Animas

Unnamed

10. SIZE OF PIT(S) or RECEPTACLE

1. Length 90' Ft. Width 45' Ft. Depth 8' Ft. 2. Length Ft. Width Ft. Depth Ft.

11. CAPACITY

12. ESTIMATED INFLOW

13. DISTANCE IN FEET TO CLOSEST
STEAM, CREEK, POND, IRRIGA-
TION DITCH

1. PIT 4500 BBLs. 2. PIT BBLs. to 20

BBLs/DAY

150 Ft.

14. MAXIMUM FLUID LEVEL

ABOVE AVG. GROUND LEVEL 0 Ft.

15. SURFACE SOIL TYPE

Shale and clayey silt

16. DISPOSAL OF PIT CONTENT:

EVAPORATION

HAULED (PIT LOC.)

DISPOSAL WELL (LOC.)

17. TYPE OF SEALING MATERIAL (including specifications)

None - pit is cut in shale and siltstone, TDS below 5,000 ppm.

18. ADDITIONAL INFORMATION (By attachment include detailed plan and drawing of operation, chemical analysis of produced water, maps, logs, retaining pits or receptacles and other information as may be required by Rules 328 and 329 of the Rules and Regulations of the Oil and Gas Conservation Commission.)

Plat, chemical analyses, topo maps, land owner consent attached.

* This permit is requested for the period of time until a NPDES Permit can be filed
and obtained.

19. I HEREBY CERTIFY THAT THE FOREGOING IS TRUE AND CORRECT

Thomas E. Hemler

SIGNED

Thomas E. Hemler

TITLE Prof. Geologist KY826

DATE 1/28/94

THIS SPACE FOR COMMISSION USE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

EVERGREEN OPERATING CORP.

OZZELLO NO. 42-1

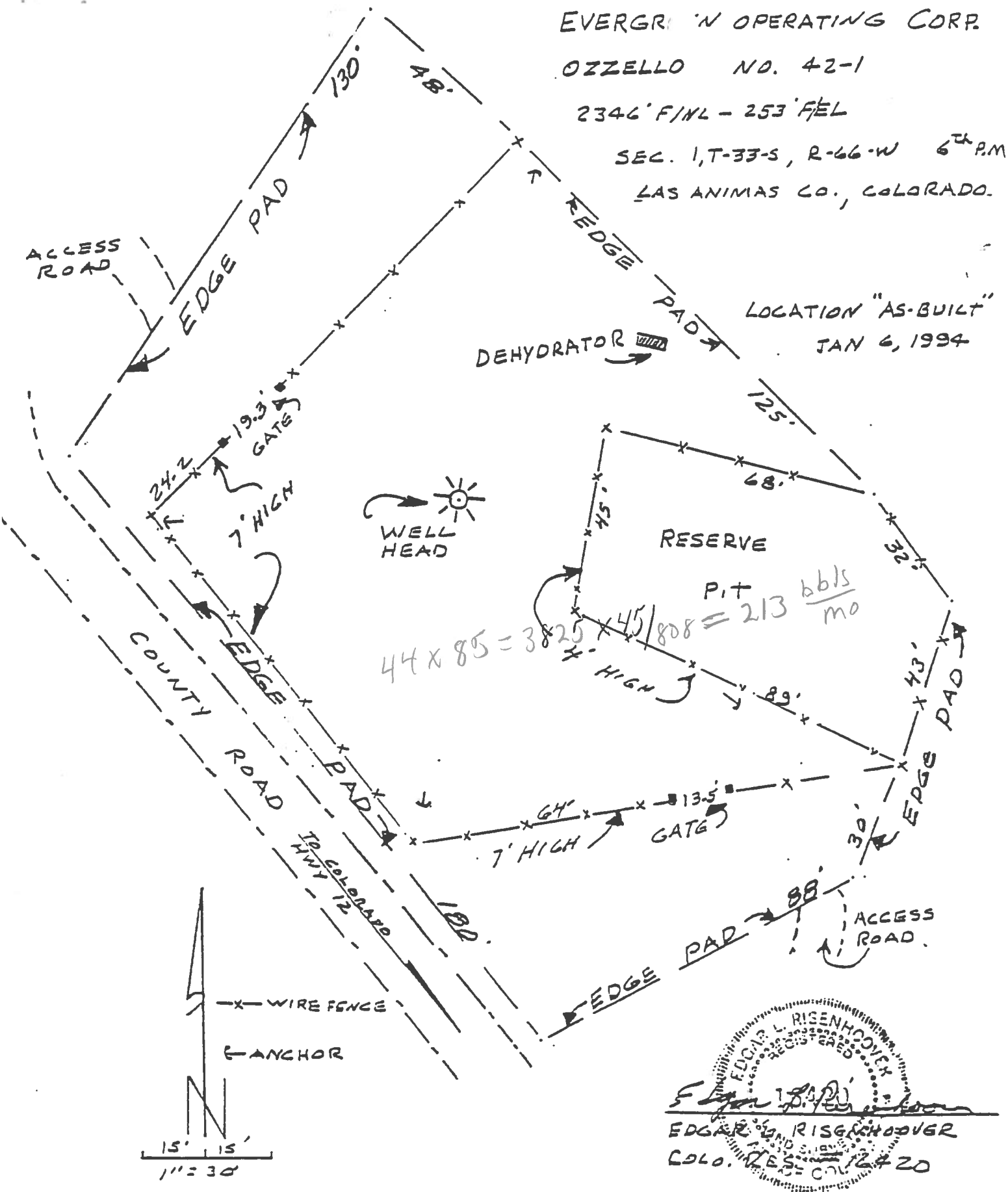
2346' F/NL - 253' FEL

SEC. 1, T-33-S, R-66-W 6TH PM

LAS ANIMAS CO., COLORADO.

LOCATION "AS-BUILT"

JAN 6, 1994



EDGAR L. RISENHOVER
REGISTERED
FARM SURVEYOR
EDGAR L. RISENHOVER
COLORADO RES. SURV. 12420

BASIN SURVEYING, INC.
665 CR 1191
FARMINGTON N.M. 87401



CORE LABORATORIES

LABORATORY TESTS RESULTS 01/21/94

JOB NUMBER: 940050

CUSTOMER: EVERGREEN OPERATING CORP.

ATTN: TOM HEMLER

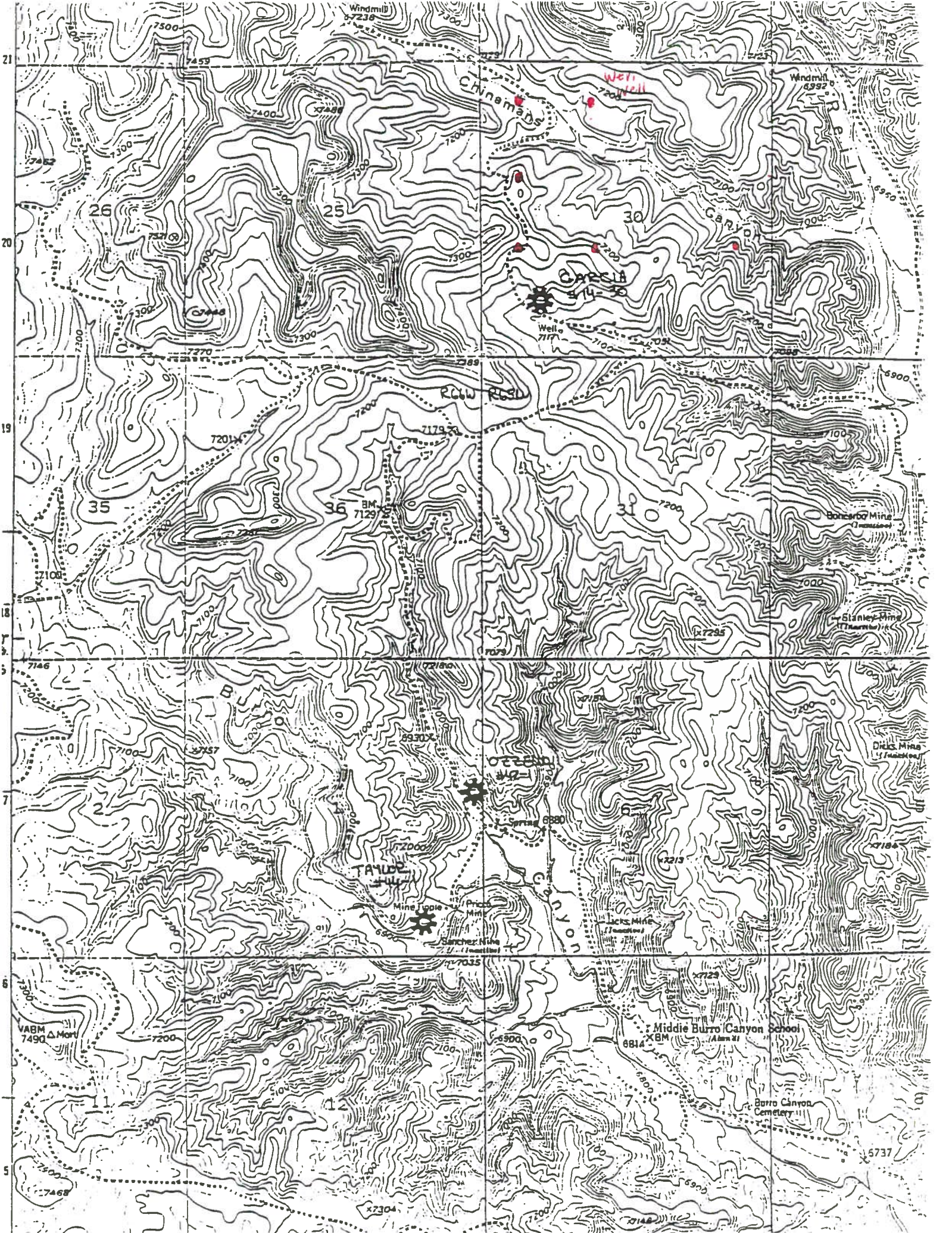
CLIENT I.D.:
DATE SAMPLED: 01/06/94
TIME SAMPLED:
WORK DESCRIPTION: OZZELLO

LABORATORY I.D.: 940050-0003
DATE RECEIVED: 01/07/94
TIME RECEIVED: 11:05
REMARKS:

Chain?
Preserved, I.e.?

TEST DESCRIPTION	FINAL RESULT	LIMITS/*DILUTION	UNITS OF MEASURE	TEST METHOD	DATE	TECHN
8020 - AROMATIC VOLATILE ORGANICS		*1		8020 (2)	01/10/94	CLT
Benzene	ND	0.5	ug/L			
Toluene	0.9	0.5	ug/L			
Ethyl benzene	ND	0.5	ug/L			
Xylenes	ND	0.5	ug/L			
4-Bromofluorobenzene (surrogate)	101	0	% Recovery	Limits (85-115)		

10703 East Bethany Drive
Aurora, CO 80014
(303) 751-1780



JUL 15 1962-1

SURFACE USE AGREEMENT FOR DISPOSAL PONDS

This Surface Use Agreement (Agreement) is entered into this 11th day of OCTOBER, by and between PAUL WARREN TAYLOR (Owner) and Evergreen Operating Corp. (Evergreen).

In consideration of the mutual covenants and agreements contained herein, the parties agree as follows:-

1. Owner hereby grants Evergreen the right of ingress and egress to use up to two (2) acres of land at or near the location identified on Exhibit A, attached hereto and made a part hereof. This grant of the right to use that land shall be for the limited purpose of installing, constructing, operating and maintaining a disposal pond and or an evaporation system for the disposal of water produced from Evergreen's oil and gas operations. In connection therewith, Owner further grants Evergreen the right to install one or more water pipelines to bring produced water from Evergreen's production facilities to that disposal pond. All such pipelines shall be buried to a depth so as to not interfere with the other uses or operations of Owner on the lands across which those pipelines are laid.

2. Evergreen agrees to pay Owner the sum of \$ 1000.00 as full compensation for the rights granted to Evergreen under paragraph 1., above. Such compensation shall be due and payable within thirty (30) days following the date hereof.

3. Owner shall have the right to utilize water disposed of in the pond constructed under this Agreement for stock and agricultural purposes. Owner understands and acknowledges that Evergreen makes no representation nor warranty with respect to the quality or potability of that water. Evergreen shall also have the right to utilize water disposed of in that pond for use in connection with Evergreen's drilling and completion operations.

4. Evergreen will install and maintain a fence around the pond.

5. This Agreement shall remain in full force and effect for a period of Ten (10) years, and thereafter so long as Evergreen continues to utilize the disposal pond for water disposal purposes. Following the expiration of this Agreement or the abandonment of the pond by Evergreen, and at the Owner's request, Evergreen shall restore the land used in constructing and operating the disposal pond to a condition similar to that existing as of the date hereof.

In witness whereof, the parties have executed this Agreement the date first above written.

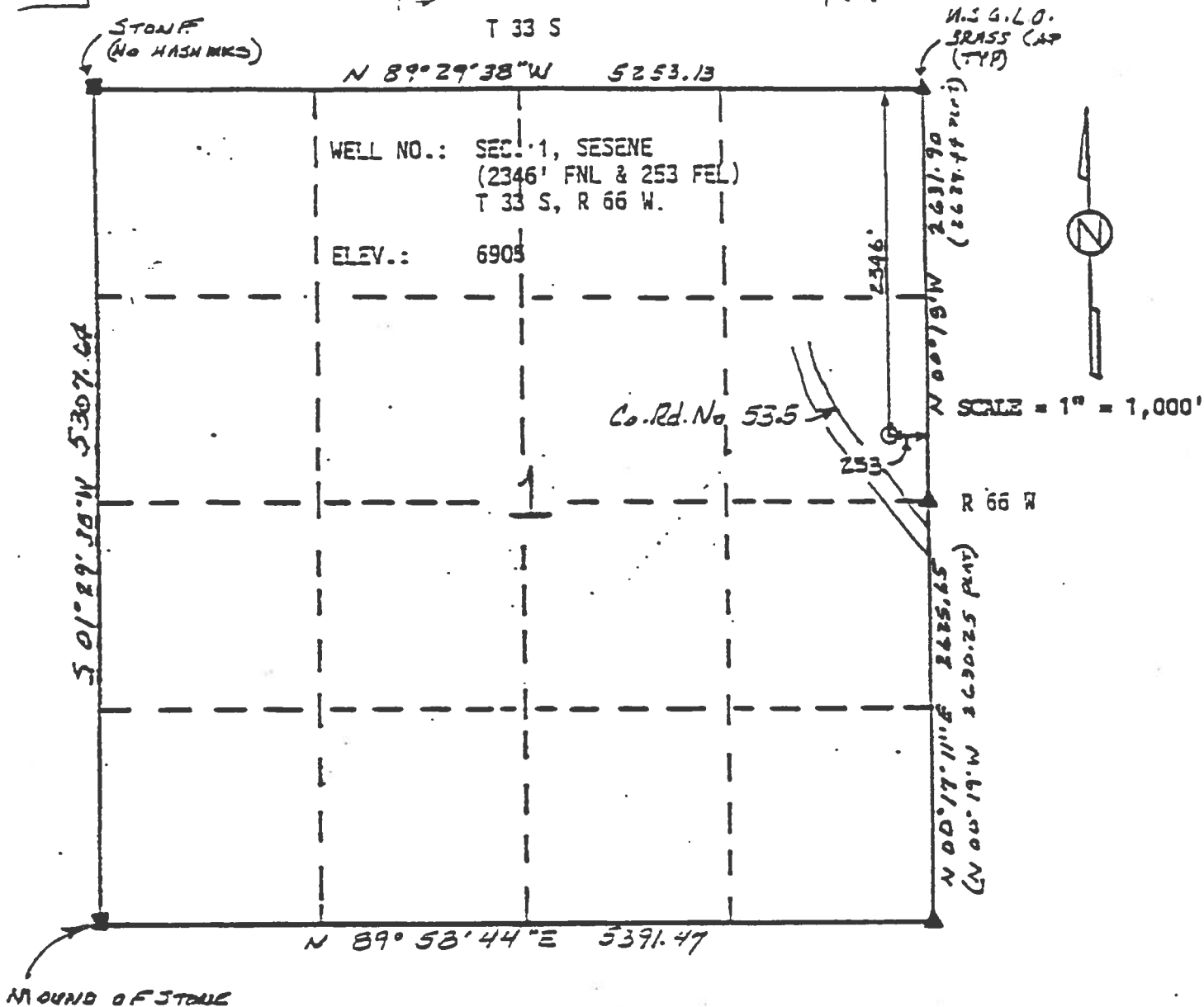
OWNER

By: Paul Warren Taylor

EVERGREEN OPERATING CORP.

By: John D. Buckley

John D. Buckley, Landman



WELL LOCATION FOR:

EVERGREEN RESOURCES

WELL NO.:

SECTION 1, SESENE, (2346 FNL & 253 FEL) T 33 S, R 66 W

LOCATION:

2,346 FEET FROM THE NORTH LINE AND 253 FEET FROM THE EAST LINE OF SECTION 1, TOWNSHIP 33 SOUTH, RANGE 66 WEST OF THE 6TH P. M., COUNTY OF LAS ANIMAS, STATE OF COLORADO.



BASIS OF BEARING: THE BEARING OF N 00° 19' W ON EAST LINE OF THE NE¼ OF SECTION 1, WAS TAKEN FROM THE U.S.G.L.O. DEPENDENT RESURVEY OF SECTIONS 5, 6, 7 & 8, T 33 S, R 65 W OF THE 6TH P. M., PLAT DATED 9/22/24.

ELEVATIONS TAKEN FROM THE U.S.G.S. QUAD MAP "MADRID"

SURVEYED JULY 28, 1993

NOTE: COUNTY ROAD NO. 53.5 IS THE ONLY IMPROVEMENT WITHIN A 200 FOOT RADIUS OF THIS WELL SITE

GARY L. TERRY
R.L.S. 12160

TERRY SURVEYING, INC.
P. O. BOX 851
TRINIDAD, CO. 81082
(719) 846-6921