

STATE OF
COLORADO

Axelson - DNR, John <john.axelson@state.co.us>

Re: related to CWMF #149017

1 message

Axelson - DNR, John <john.axelson@state.co.us>

Thu, Jun 17, 2021 at 11:14 AM

To: rgrevans477@gmail.com

Cc: "Allison, Rick" <Rick.Allison@state.co.us>, Tom Shaw <thshaw@msn.com>, Jay Evans <ljeglobal@gmail.com>, Deborah Lutz - DNR <debbie.lutz@state.co.us>

Randy,

Thank you for providing the detailed responses and updated estimate for closure costs. Based on the responses and rationale for the costs provided, COGCC accepts this estimate as a basis for financial assurance required for Centralized E&P Waste Management Facilities pursuant to Rule 704.

Based on the current estimate, the financial assurance for Facility ID 149017 will need to be increased by \$12,000 to a total of \$62,000. For reference, the current financial assurance for the facility is provided below:

Company Detail

2012-0047	ACTIVE	WASTE MGMT FACILITY	\$50,000.00	INDIVIDUAL	5/21/2012	CASH	100239463
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I have copied Deborah Lutz, the Financial Assurance Supervisor. Please follow up with her to get the financial assurance updated accordingly and let me know when that is done.

Thanks again,
John

John E. Axelson, P.G.
East Environmental Supervisor



COLORADO
Oil & Gas Conservation
Commission
Department of Natural Resources

P 303.894.2100 x5115 | F 303.894.2109 | C 303.916.0527

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john.axelson@state.co.us | www.colorado.gov/cogcc

On Wed, Jun 16, 2021 at 4:59 PM <rgrevans477@gmail.com> wrote:

Hello John,

Attached please find the responses to your questions and an updated estimate for the closure costs.

Please let me know if you have any additional questions or need any additional information.

Have a great day

Randy Evans

Fort Collins, Colorado

Cell: 970-402-0418

Email at: rgrevans477@gmail.com

From: Axelson - DNR, John <john.axelson@state.co.us>
Sent: Wednesday, June 9, 2021 11:31 AM
To: rgrevans477@gmail.com
Cc: Allison, Rick <Rick.Allison@state.co.us>
Subject: Rule 704 Facility Closure Cost Estimate Comments

Hi Randy,

I reviewed the April 28, 2021, cost estimate provided for the Wellington Centralized Waste Management Facility (ID #149017) closure. I wanted to know if the building existed prior to the treatment facility or if it was built specifically for the facility, and will the building be removed when the treatment plant is decommissioned?

If the building will remain and will be used for something else, it would be helpful to make that clear in the estimate. If it's going to be removed, then the estimate would need to be revised to include building demo costs and surface reclamation of the disturbed area.

Also, for the pit closures, the cost to perform and report adequate characterization to properly close the pits in accordance with the current rules in addition to performing surface reclamation would, in my experience, be much higher than items #2 and 9 combined.

I did not see any discussion of abandonment of the pipeline that feeds the plant or the pits. Technically, these are flowlines and would need to be properly abandoned in accordance with the 900 & 1100 series rules.

For monitoring well closure, in my experience it would cost more to properly abandon the six wells in accordance with the State Engineer's office requirements and provide the associated well abandonment reports.

Last, I noted that the walnut shells would be transferred to a tank for injection. Does this mean injection into one of the UIC disposal wells that Wellington Operates? Even if the well would take that kind of material, I'm not sure it would be allowed under the conditions of the UIC permit. Could you explain or provide an alternate cost for disposal.

Please update the estimate to address the issues I noted in my review. If you disagree that some of the costs are accurate, please provide a quote or an estimate to verify a service provider would perform the closure for those costs you've already provided. Also, please note in the subject that this estimate is related to CWMF #149017.

Please give me a call if you'd like to discuss.

Thanks,

John

John E. Axelson, P.G.
East Environmental Supervisor



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