



STATE OF COLORADO
OIL AND GAS CONSERVATION COMMISSION

DEPARTMENT OF NATURAL RESOURCES
SUITE 380 LOGAN TOWER BUILDING
1580 LOGAN STREET
DENVER, COLORADO 80203

WILLIAM R. SMITH
Director

FRANK J. PIRO
Deputy Director

(303) 866-3531

RICHARD D. LAMM
Governor

October 10, 1985

Mr. Bob Cannon
P.O. Box 333
Hayden, Colorado 81639

RE: State Lease
Sec. 18-6N-86W

Dear Mr. Cannon:

Mr. James Kenney, our field engineer for northwest Colorado has just advised me that October 1, 1985 he inspected your State lease in the Tow Creek Field and found that produced waters appear to be entering the alluvial deposits of the Yampa River.

Apparently no analysis of your produced water has been made; however, based on information in some publications it appears that the water is definitely brine with a total dissolved solids content in excess of 10,000 parts per million. If your water is better than this please have an analysis made and forward a copy of the analysis to us.

On this basis of this water analysis all produced water must be disposed of in lined pits, injected into an approved injection well or hauled to an approved disposal facility.

Please prepare a plan of operation indicating how you intend to dispose of this water to comply with the above restrictions. These plans must be in this office no later than November 1, 1985 with the completion of arrangements for handling the water by November 15, 1985. If no such plans are approved, the well producing water will be ordered shut-in pending approval unless specifically exempted by me.

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If you have any questions regarding the above, please contact
Jim Kenney, Jim McKee or me at 866-3531.

Very truly yours,

William R. Smith

William R. Smith, P.E.
Director

WRS:bm

cc: Mr. Robert Clift
Mr. Wayne Morton
Mr. Jim Chubril