



00197563

P 713 576 908

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Bob Canon	
Street and No. P.O. Box 333	
P.O., State and ZIP Code Hayden, CO 81630	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

* U.S.G.P.O. 1983-403-517

PS Form 3800, Feb. 1982

SENDER: Complete items 1, 2, 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.	
1. <input type="checkbox"/> Show to whom, date and address of delivery.	
2. <input type="checkbox"/> Restricted Delivery.	
3. Article Addressed to RECEIVED	
4. Type of Service: Article Number P 713 576 908 <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Certified <input type="checkbox"/> Express Mail	
Always obtain signature of addressee or agent and DATE DELIVERED	
5. Signature - Addressee X	
6. Signature - Agent X <i>Martha Cannon</i>	
7. Date of Delivery 10/15/85	
8. Addressee's Address (ONLY if requested and fee paid)	

PS Form 3811, July 1983

DOMESTIC RETURN RE

STICK POSTAGE STAMPS TO ARTICLE TO COVER FIRST CLASS POSTAGE.
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)UNITED STATES POSTAL SERVICE
OFFICIAL BUSINESS

SENDER INSTRUCTIONS
Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, 3, and 4 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

RETURN
TO

St. of Colo. - Oil & Gas Cons. Comm.

(Name of Sender)

1580 Logan St. - Suite 380

(No. and Street, Apt., Suite, P.O. Box or R.D. No.)

Denver, Colorado 80203

(City, State, and ZIP Code)

PENALTY FOR PRIVATE
USE, \$300

1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article leaving the receipt attached and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.

Bill

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

(303) 866-3531

RICHARD D. LAMM
Governor

FRANK J. PIRO
Deputy Director

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.

Mr. Bob Cannon
October 10, 1985
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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

STATE OF COLORADO
OIL AND GAS CONSERVATION COMMISSION

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RICHARD D. LAMM
Governor

FRANK J. PIRO
Deputy Director

October 4, 1985

To: Mr. Bill Smith, Director, Oil & Gas Conservation Commission

From: James Kenney, Field Engineer

Re: Pollution in Tow Creek Field *Eha*

On October 1, 1985 a Lease Inspection of four wells in Sec 18-T6N-R86W was conducted. Investigation of this state lease was prompted by complaints from Mr. Wayne Morton, surface owner.

Present during the inspection were Mr. Wayne Morton, Mr. Robert Clift of the State Land Board, Mr. Bob Cannon (operator) and his sons-in-law.

Current production is between 30 and 40 bbl of water per day according to Mr. Cannon. After treatment the water flows into a retaining pit for evaporation. The pit has a pipe through which this water, and any associated oil or waste, flows directly onto the ground. A small drainage 'ditch' (1-3 feet deep) exists as a result. This ditch meanders downslope until reaching a pond, which appears to be an oxbow lake in the Yampa river floodplain. It is certain that any product* introduced to the retaining pit is effluencing into the Yampa river and thereby the Colorado river.

Mr. Cannon was informed this constitutes a violation of State Rules and Regulations. Rule 324 States:

"The owner shall take such precautions as are necessary to prevent polluting the waters of the state, surface or subsurface, by oil, gas, salt or brackish water or other oil field wastes. No discharge shall be made from any disposal system or otherwise into the waters of the state which shall be below the water quality standard fixed by the Water Quality Control Commission for such discharge."

It is recommended that Mr. Cannon be given 90 days from the date of inspection to submit to the O.G.C.C. a plan to prevent pollution of state waters. Further, that he be given until June 1, 1986 to implement this plan.

If Mr. Cannon fails to attain compliance with Rule 324 a hearing date should be set as soon as possible according to Rule 504. Non-compliance should be dealt with by penalization as provided for under 34-60-121 of the Oil and Gas Conservation Act.

"Any person who violates any provision of this article, or any rule, regulation, or order of the commission shall be subject to a penalty of not more than one thousand dollars for each act of violation and for each day that such violation continues, unless the penalty for such violation is otherwise specifically provided for and made exclusive in this article."

*R.M.A.G. publication "Oil and Gas Field Volume, Colorado-Nebraska " lists associated water production at 24,572 ppm TDS.

cc JM,MM,FP

MR. CANNON : I CHECKED ON THE SALINITY OF WATER
IN THE TOW CREEK FIELD, AND FOUND IT TO BE
AROUND 25,000 ppm. THE STANDARD FOR DRINKING WATER
IS 500 ppm (MAXIMUM). THE OCEAN HAS A SALINITY OF
AROUND 33,000 ppm. I THINK ITS EASY TO SEE
THAT PUTTING YOUR PRODUCED SALT WATER INTO THE
YAMPA RIVER IS UNACCEPTABLE.

OF COURSE IT IS POSSIBLE, BUT NOT LIKELY,
THAT THE WATER PRODUCED FROM YOUR WELLS IS OF BETTER
QUALITY. IT'S JUST AS LIKELY TO BE EVEN WORSE. THE ONLY
WAY TO TELL IS TO HAVE IT ANALYZED.

TRY CALLING COUNTY, STATE, AND FEDERAL HEALTH AND
SAFETY AGENCIES. YOU MAY BE ABLE TO GET A FREE ANALYSIS.

J. KENNEY

THERE SEEMS TO BE A SMALL ERROR IN
MR. CLIFTS CALCULATION OF SURFACE AREA NEEDED
FOR A RETAINING PIT.

HERE'S HOW I APPROACHED THE PROBLEM.

GIVEN: 150 DAYS OF PRODUCTION IN A YEARS TIME
40 BARRELS OF SALT WATER PRODUCED IN A DAY
3.5' feet OF EVAPORATION IN A YEAR

TO KEEP A PIT FROM OVERFLOWING THE AMOUNT OF
SALT WATER PRODUCED IN A YEAR HAS TO EQUAL THE
AMOUNT EVAPORATED IN A YEAR.

PRODUCTION = EVAPORATION

$$\left(\frac{150 \text{ DAYS PROD.}}{\text{YEAR}} \right) \left(\frac{40 \text{ BBL}}{\text{DAYS PROD.}} \right) \left(\frac{5.6146 \text{ ft}^3}{\text{BBL}} \right) \left(\frac{\text{ACRE}}{43,560 \text{ ft}^2} \right) = \left(\frac{3.5 \text{ ft}}{\text{YEAR}} \right) (X \text{ ACRES})$$

SOLVING FOR (X) ACRES = 0.22 ACRES, OR 9,625 ft²

POSSIBLE PIT SIZES TO MAKE 9,625 ft² SURFACE AREA:

100' X 96'
80' X 120'
70' X 138'
60' X 160'