



Shell Exploration & Production

Shell Frontier Oil & Gas Inc.
3737 Bellaire Blvd.
Houston, TX 77025

UPS Tracking # 1Z6Y58260399188812

July 20, 2012

Colorado Dept. of Public Health and Environment
Water Quality Control Division
4300 Cherry Creek Dr. South, WQCD-P-B2
Denver, Col 80246-1530

RECEIVED

AUG 07 2012
GRAND JUNCTION FIELD OFFICE
DIVISION OF
RECLAMATION MINING & SAFETY

SUBJECT: Notice of Termination of Discharge
Facility Number COG600603102
Rio Blanco County, Colorado

To Whom it Concerns:

Shell Frontier Oil & Gas Inc. (SFOGI) is hereby providing the Colorado Department of Public Health and Environment (CDPHE), Water Quality Control Division (WQCD) Notice of Termination for Discharge Permit COG603102. This notice to terminate is in response to a letter dated December 14, 2010 from the WQCD requesting that SFOGI submit a termination form for Permit COG603102. The request to terminate permit COG603102 is based on the determination of the WQCD and Division of Reclamation Mining and Safety (DRMS) that discharges to groundwater associated with mining activities are under the authority of the DRMs and that a WQCD discharge permit is not required. Please find attached to this letter: 1) the required WQCD Notice of Termination of Discharge Form for Permit COG 603102 and 2) a copy of the December 14, 2010 letter from WQCD referenced in this letter.

If you have any questions regarding the information in this report, please contact Jeff Stevenson at (713) 245-7732.

Sincerely,

Greg Larsen
Operations Manager COWY

Attachments (2)

- 1- Colorado Water Quality Control Division Notice of Termination Form
- 2 -December 14, 2010 Letter from WQCD to SFOGI

cc: (with attachments)

UPS Tracking # 1Z6Y58260396626826

Travis Marshal
Division of Reclamation, Mining and Safety
101 South 3rd, Suite 301
Grand Junction, Colorado 81501

Attachments (2)

- 1- Colorado Water Quality Control Division Notice of Termination Form
and
- 2 -December 14, 2010 Letter from WQCD to SFOGI

STATE OF COLORADO

Dedicated to protecting and improving the health and environment of the people of Colorado
4300 Cherry Creek Dr. S.
Denver, Colorado 80246-1530
Phone (303) 692-2000
TDD Line (303) 691-7700
Located in Glendale, Colorado
<http://www.cdphe.state.co.us>

Laboratory Services Division
8100 Lowry Blvd.
Denver, Colorado 80230-6928
(303) 692-3090



Colorado Department
of Public Health
and Environment

FOR DIVISION USE ONLY
CERTIFICATION NUMBER FOR
PERMITS CONVERTED TO
STORMWATER ONLY

COLORADO WATER QUALITY CONTROL DIVISION TERMINATION APPLICATION

Please print or type all information. Mail original form with ink signatures to the following address. **Emailed and Faxed forms will not be accepted.** All items must be filled out completely and correctly. If the form is not complete, it will be returned

Colorado Dept of Public Health and Environment
Water Quality Control Division
4300 Cherry Creek Dr South WQCD-P-B2
Denver, CO 80246-1530

PART A. IDENTIFICATION OF PERMIT/AUTHORIZATION TYPE

PLEASE LIMIT SUBMISSION TO ONE PERMIT, CERTIFICATION, or AUTHORIZATION / FORM

All Permit Termination Dates are Effective on the date approved by the Division

Processing times vary by type of discharge. Some discharge types require onsite inspections to verify information in this application.

PERMIT, CERTIFICATION, OR AUTHORIZATION NUMBER (not a general permit number) COG-603102

PART B. PERMITTEE INFORMATION

Company Name Shell Frontier Oil & Gas Inc. (SFOGI)

Legal Contact First Name Greg Last Name Larsen
Title Operations Manager, WY/CO

Mailing Address P.O. Box 478

City Meeker State CO Zip 81648

Phone 307-367-7957 Email address G.Larsen@shell.com

PART C. FACILITY/PROJECT INFORMATION

Facility/Project Name Core Hole Drilling Operations - Piceance Creek Drainage Basin

Location (address) 13188 RBC Road 24
City Rifle County Rio Blanco Zipcode 81650

Local Contact Name Luis Hernandez Phone number 970-675-6303

Title Operations Superintendent Email Luis.Hernandez@shell.com

PART D. TERMINATION INFORMATION QUESTIONS Pages 2-3

Page 2 Covers Facilities no longer in operation.

Page 3 Covers Facilities in operation but no longer discharging or needing permit coverage.

- Please answer the questions as completely as possible to assist in the approval of this termination request.
- Not all questions need to be answered.

D.1 OPERATIONAL STATUS OF FACILITY

**D.1.A IS THE FACILITY IN OPERATION
AT THIS LOCATION?**

☒ **YES (go to item D.1.B Page 3)**

☐ **NO (Continue questions 1-5)**

1. FACILITY IS NOT IN OPERATION

All activities and discharges at the identified site has ceased; all potential pollutant sources have been removed; all industrial wastes have been disposed of properly; all DMR's, Annual Reports, and other reports have been submitted; and all elements of a Stormwater Management Plan have been completed (if Stormwater).

☐ **YES**
Go to Part E.
Certification & Signature

2. MINING FACILITY IS NOT IN OPERATION

(Sand & Gravel, Coal, or Hard rock Mining)

- a. Mining Operation is no longer discharging Process Water.
A Stormwater Only Permit is requested.

**** A Stormwater Only Application has been submitted.****

☐ **YES** ☐ **NO**

- b. Reclamation for mining site (Sand & Gravel, Coal, or Hard rock Mining) is complete: Is Bond Release attached ?

☐ **YES** Go to Part E. Certification & Signature

☐ **NO** Please explain below:

- c. Reclamation of mining site is complete - Is there any continued mine drainage?
e.g. adits or unreclaimed waste piles?

☐ **YES** Please Explain (Attach additional pages as necessary).

☐ **NO** Go to Part E. Certification & Signature

COLORADO WATER QUALITY CONTROL DIVISION TERMINATION APPLICATION

www.coloradowaterpermits.com

D.1.B. FACILITY IS IN OPERATION

If Facility is in continued operation respond to only one on the following:

1. **FACILITY CONTINUED TO OPERATE, HOWEVER THE ACTIVITY PRODUCING THE DISCHARGE HAS CEASED (INCLUDING CHANGES IN SIC CODES RESULTING IN A CHANGE IN DUTY TO APPLY).** ☐ YES ☐ NO

2. **TERMINATION BASED ON ALTERNATE DISPOSAL OF DISCHARGES.**

The Discharge is being disposed in another way

- a. Solid waste disposal unit e.g. Evaporative Ponds ☐
- b. No Exposure – Industrial Stormwater Only NOX Number
- c. Combined with another Authorized Discharge Permit Number
- d. Permit is not required : please explain - attach additional pages as needed (includes coverage by low policy, etc.)

Please refer to the attached page for an explanation as to why this permit is no longer required.

3. **PERMITTEE IS NO LONGER THE OWNER/OPERATOR** of site and all efforts have been made to transfer the permit to appropriate parties. (Please attach copies of registered mail receipt, letters, etc.)

PART E. CERTIFICATION SIGNATURE REQUIRED FOR ALL TERMINATION REQUESTS

I certify under penalty of law that this document and all attachments were prepared under my direction and/or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those individuals immediately responsible for gathering the information, the information submitted is to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations. " (See 18 USC 1001 and 33 USC 1319) I also certify that I am the legal representative of the above named company (PART B page 1).

Signature of Legally Responsible Party

Date Signed

Greg L. Larsen

Operations Manager, WY/CO

Name (printed)

Title

Signatory requirements: This termination request shall be signed, dated, and certified for accuracy by the permittee in accord with the following criteria:

1. In the case of a corporation, by a principal executive officer of at least the level of vice-president, or his or her duly authorized representative, if such representative is responsible for the overall operation of the operation from which the discharge described herein originates;
2. In the case of a partnership, by a general partner;
3. In the case of a sole proprietorship, by the proprietor;
4. In the case of a municipal, state, or other public operation, by wither a principal executive officer, ranking elected official, or other duly authorized employee.

Section D.1.B. Facility is in Operation

Item 2.d. Permit is not required. Please explain – attach additional pages as needed (includes coverage by low policy, etc.):

This permit is associated with Shell's oil shale prospecting activities in Rio Blanco County and covers discharges of ground water produced during core hole drilling and hydrology testing & monitoring activities at 28 drill pads situated within the Piceance Creek Drainage Basin. This basin is within Segment 16 of the White River Sub-basin, Lower Colorado River Basin. Permit No. COG 603000, Facility No. COG 603102 is being terminated so that Shell Frontier Oil & Gas Inc. (SFOGI) can proceed with obtaining authorization to discharge from the Colorado Division of Reclamation, Mining and Safety (CDRMS). Authorization will be obtained via submittal of an application for a new Prospecting NOI to cover discharges from all drill pads covered by this permit. The WQCD has requested in a 12/14/2010 correspondence to SFOGI that Shell terminate this permit and obtain authorization for the discharge of ground water through DRMS (copy of letter attached).

STATE OF COLORADO

Bill Ritter, Jr., Governor
Martha E. Rudolph, Executive Director

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<http://www.cdphs.state.co.us>



Colorado Department
of Public Health
and Environment

December 14, 2010

Shell Frontier Oil & Gas Inc.
ATTN: Greg Monson
Bellaire Technology Center
3737 Bellaire Blvd
Houston, TX 77025

Re: Shell Frontier Oil & Gas Inc. Colorado Discharge System Permits: COG-600343, COG-603102, COG-600162, and COG-600659.

Dear Mr. Monson:

This letter is a follow up to our meeting on October 25, 2010 on the above certifications. After several discussions on the discharge practices at these facilities, the Water Quality Control Division (Division) determined that a Colorado Discharge Permit System permit is no longer needed.

During our meeting, we reached the understanding, for COG-600343 and COG-600³102, that the discharges from these activities are discharges to groundwater (i.e., the extracted well water is sent to an infiltration pit that is designed to contain the water until it infiltrates into the ground or evaporates). The Division discussed jurisdiction (under SB181) for groundwater discharges at mining sites with the Division of Reclamation Mining and Safety (DRMS) representatives (Tony Waldron and Steve Shuey). Agency staff concluded that DRMS had jurisdiction under existing authorization and the Division's permit coverage was no longer needed.

Also, at the meeting Shell Frontier Oil & Gas Inc. (SFOGI) discussed the intent to alter the physical discharge at the Mahogany Research Project (COG-600162). According to SFOGI, the option for discharge to surface water will be removed and all waters from this facility will also be sent to a pit that is designed to contain the water until it infiltrates into the ground or evaporates. Based on this design change, an individual industrial permit from the Division is not needed.

Please submit a CDPS Permits and Authorization Termination Form to the Division for COG-600343, COG-603102, and COG-600162. This form can be found on the Division's website at coloradowaterpermits.com. Please indicate (in section D.I.d. of the form) that the discharges are to ground and covered under the authority of DRMS.

Lastly, the Division has received the termination request for COG-600659 and is in the process of processing this request.

Please feel free to contact me at 303-692-3392 with any questions.

Maura McGovern
Groundwater, Land Application, and Industrial General Permits Unit

CC: Tony Waldron and Steve Shuey, Division of Reclamation Mining and Safety - (via email)
Files: COG600343, COG600102, COG600162, COG600659