

Ohio Department of Natural Resources

JOHN R. KASICH, GOVERNOR

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Division of Oil and Gas Resources Management Richard J. Simmers, Chief 2045 Morse Road, Bldg. F2 Columbus, OH 43229-6693

Phone: (614) 265-6922 Fax: (614) 265-6910

February 20, 2014

Mr. Jeff D. Harper K & H Partners, LLC 2130 Harris Highway Washington, WV 26181

RE: Application To Operate a Facility at 28333 West Belpre Pike, Coolville, Ohio

Dear Mr. Harper:

The Division of Oil and Gas Resource Management (DOGRM) received your Application To Operate a Facility on February 19, 2012, for the above referenced K & H site. After review of the application, DOGRM has determined that the pretreatment operations taking place at this site are subject to Ohio Revised Code (ORC) Section 1509.22 (B)(2)(a) and will require a Chief's Order to Operate the facility.

One of the conditions of the ORC that regulate oil and gas facilities is the prevention of related fluids coming into contact with the environment (see Ohio Revised Code below). The containment of incidental spills at the pretreatment site has been addressed by installation of a liner in the pretreatment area beneath the storage tanks and centrifuge and installation of a concrete truck off-loading pad, sloped towards the lined containment. The concrete pad, as installed, does not appear to be wide enough for the size of the trucks frequenting the facility. Trucks have been observed unloading, while only partially parked on the pad and in one instance; two trucks were unloading simultaneously, one on and one off the concrete pad. If a spill would occur while trucks are not completely contained on the concrete pad, it could result in a release to the surrounding soils. This containment area should be adequate if the liner is regularly inspected and maintained and the pad deficiency is addressed. Consideration should be given to widening the concrete pad and installing a curb or other means around all or portions of the pad to better direct potential spills towards the containment area. Transfer of materials from the trucks into the pretreatment area and/or into storage tanks needs to be on containment to prevent potential contamination of the surrounding area

1509.22 Storage or disposal of brine, crude oil, natural gas, or other fluids.

(A) Except when acting in accordance with section 1509.226 of the Revised Code, no person shall place or cause to be placed in ground water or in or on the land or discharge or cause to be discharged in surface water brine, crude oil, natural gas, or other fluids associated with the exploration, development, well stimulation, production

operations, or plugging of oil and gas resources that causes or could reasonably be anticipated to cause damage or injury to public health or safety or the environment.

After review of the application and supplemental information, I am recommending this site for an Order to Operate. The order is a temporary authorization to operate a facility and is conditional on compliance with Chapter 1509 and all rules adopted under this Chapter. At the time the rules governing facilities become effective, the processes and operations occurring at this facility will be revisited for compliance and/or applicability with ORC Section 1509.22. If you have any questions, please feel free to contact me at 614/265-6905.

Sincerely,

Beth A. Pratt, P.E.

Division of Oil & Gas Resource Management

C: Bob Worstall, DOGRM Deputy Chief TomTomastik, DOGRM, Sr. Geologist, UIC Section Jon Scott, DOGRM Inspector