



Ohio Department of Natural Resources

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Division of Oil and Gas Resources Management

Richard J. Simmers, Chief

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March 13, 2014

Mr. Christopher Halgas
CMS Oilfield Services
69500 Bannock Road
St. Clairsville, OH 43950

RE: Application to Operate a Facility

Dear Mr. Halgas:

The Division of Oil and Gas Resources Management (DOGRM) received CMS Oilfield Services' application to operate a facility on March 07, 2014. After review of the application, certain required information was not included in your application. For your consideration I have attached the application guidelines entitled "*Requirements of an application for an order for facilities to store, recycle, treat, process, or dispose of brine and other waste substances from production operations*," which may be found on the Ohio Department of Natural Resources, DOGRM's web site. Please provide the information listed below that was not included or not adequately addressed in your submitted application:

- A map or aerial photograph of the proposed site.
- Additional information explaining the proposed storage and solids handling processes, including all of the following: how brine will be managed at the site; what size tanks will be used; details of the solids separation and filter processes; and details of the solidification operations.
- An estimate of the volume of materials on a daily, monthly or annual basis that will be managed at the facility.
- The methods that will be used to document the volume of material received and the final disposition of material, including any solids (if applicable).
- Separate detailed applications for the SR 43 and HRP facilities.

Please submit the above information to DOGRM by March 28, 2014. A temporary authorization, in the form of a Chief's order, is required to operate your facility. After the Chief's review, the Chief will determine if an order should be issued.

If you have any questions, please feel free to contact me at 614/265-6646.

Sincerely,

A handwritten signature in blue ink that reads "Blake Arthur". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Blake Arthur, PE
Natural Resources Engineer

C: Dave Ball, DOGRM Inspector

Requirements of an application for an order for facilities to store, recycle, treat, process, or dispose of brine and other waste substances from production operations.

Revised December 18, 2013

Beginning on January 1, 2014, "no person shall store, recycle, treat, process, or dispose of in this state brine or other waste substances associated with the exploration, development, well stimulation, production operations, or plugging of oil and gas resources without an order or permit issued under this section or section 1509.06 or 1509.21 of the Revised Code or rules adopted under any of those sections." (Revised Code (R.C.) section 1509.22(B)(2)). R.C. 1509.22(C) requires the Chief of the Division of Oil and Gas Resources Management ("Division") to adopt rules establishing the procedures and requirements for applications for permits or orders authorizing the storage, recycling, treatment, processing, or disposal of brine or other waste substances.

Review and approvals of such operations to store, recycle, treat, process, or dispose of brine or other waste substances will be addressed in a two-step process:

- 1) Persons desiring to operate a facility or persons that are currently operating a facility may submit an application to the Chief in order to operate on and after January 1, 2014, or in order to continue to operate on and after January 1, 2014. The application must include information listed below. The Chief will review the application and will issue temporary authorization through a Chief's Order if the Chief approves the operation.
- 2) Upon promulgation of the rules required by R.C. 1509.22(C), all facilities operating pursuant to a Chief's Order will be required to obtain a permit pursuant to the requirements of those rules. Details of the permitting process will be posted to the Division's website after the rules receive final approval.

Any facility that has not obtained a Chief's Order as of the date of the approval of the rules will not be eligible to apply for a Chief's Order for temporary operation, and will be required to obtain a permit pursuant to the final rules.

Chief's Order Application Requirements

Each person applying for an order must submit an electronic copy and two hard copies of the complete application (including supporting documentation). The application must include all of the following:

1. A complete application form signed by the person applying for the permit.
2. A map or aerial photograph of the proposed site.
3. Detailed explanation of the proposed process to store, recycle, treat, process, or dispose of brine and other waste substances from production operations. The detailed explanation of the process shall include information such as:
 - a. General process flow schematic;
 - b. Overall and individual unit design flows and storage capacities;

- c. Disclosure of chemical reagents and MSDS and a description of their function; and
 - d. Any other information that is necessary.
- 4. Estimated volume of materials to be managed by the facility daily, monthly, and annually.
- 5. Methods of documenting the type and volume of materials received, reused, and the disposition of materials from the facility.

*** These guidelines are designed to assist in the application process and should not be considered a formal rule. These guidelines are subject to change.***

For any questions concerning these guidelines, please contact the Division at (614) 265-6922, and ask to speak with a permitting engineer.