



June 5, 2018

Attn: Diane Kocis  
Arapahoe County Planning Division  
6924 South Lima Street  
Centennial, Colorado 80112

**RE: Letter of Intent for EWS #7  
Use by Special Review and 1041 Permit  
Arapahoe County Case No. \_\_\_\_\_**

Dear Ladies and Gentlemen:

On behalf of the applicant, EWS #7 DJ Basin LLC (“Expedition”), please consider this application for Use by Special Review and certificate of designation for a saltwater disposal facility (the “EWS #7”) in unincorporated Arapahoe County.

The EWS #7 is proposed on a 35-acre site currently owned by Quincy Land Holding LLC, located in rural grassland area in Section 5, T5S, R64W of the 6<sup>th</sup> PM. The site is located approximately 2380 feet west and 150 feet north of the southeast section corner of Section 5. EWS #7 will be built on un-platted property zoned I-2. The site will be accessed by a proposed gravel driveway connecting to East Quincy Avenue. The project site is currently vacant, and until recently, was part of a larger parcel used for manufacturing, processing, industrial uses. Expedition is under contract to purchase the property and plans to do so upon receiving required permits to commence building the EWS #7.

A one-story, 8,000 square foot building, a thirty-vessel tank battery and a truck unloading area, as well as a 400 foot by 400-foot gravel pad site for injection well drilling and completion, will be constructed for the proposed use. These improvements and associated grading encompass approximately 16.99 acres of the overall 35 acres. The site is currently unimproved and is thus generating little tax revenue. The proposed use is estimated to generate a minimum of \$60,000 per year in Arapahoe County real property taxes.

Saltwater produced from oil and gas operations will be piped or trucked to EWS #7, where it will be treated and ultimately injected into the subsurface for ultimate disposal. The disposal well will be drilled approximately 10,000 feet deep. Downhole operations are regulated by a Federal Environmental Protection Agency (EPA) program administered by the Colorado Oil and Gas Conservation Commission (COGCC). Wellbore engineering and operations include five separate layers of robust casing (three layers of steel and two of concrete) to protect drinking water, sophisticated groundwater monitoring systems, and robust health, safety and environmental precautioning procedures. Expedition’s process is inherently a conservation process. The EPA created the disposal program to ensure the utmost care is taken to return saltwater back to its place of origin, rock formations deep in the subsurface, without negatively impacting ground or drinking water. Expedition is in the top 10% of operators in health, safety and environmental

practices for saltwater disposal in the United States, as rated by a reputable, independent third-party auditor, Independent Energy Standards.

Expedition invests in state-of-the-art equipment to maximize mitigation, as EWS #7 will operate twenty-four hours a day and seven days a week. Nearly-silent pumps employing centrifugal technology keep noise levels well below that of vehicular traffic. The operation does not produce fumes. All tankage is covered, and the facility runs on electric power. Light fixtures are all downcast, minimizing light nuisance.

Three minor swales, flowing south to north, traverse the 35-acre property and confluence offsite with Deacon Run, a tributary to Box Elder Creek. Neither of these swales is a FEMA or Arapahoe County recognized floodplain, and there are no apparent wetlands present in these swales.

As there is no nearby County infrastructure to support the development, the domestic water and wastewater needs will be provided by a domestic water well and leach field. This project will be subject to storm water detention and water quality requirements, as well as GESC plans and BMP's as required by Arapahoe County. There will be minimal disruption to the use of the remaining area of the 35-acre parcel. The developed portion of the parcel will be attractively landscaped pursuant to County guidelines and will utilize soil conservation techniques during construction.

The EWS #7 will materially reduce truck traffic throughout Arapahoe County, thereby prolonging the life of County roadway infrastructure and increasing the safety of oil and gas development in Arapahoe County. Currently, the nearest saltwater disposal facility to Arapahoe County is in Weld County, over 40 miles away from Arapahoe County oil and gas development. Therefore, as every oil and gas well requires saltwater disposal services, all oil and gas wells developed and operating in Arapahoe County are currently trucking saltwater at least 40 miles away to Weld County. The EWS #7 addresses this transportation issue. Furthermore, since EWS #7 will be in the middle of Arapahoe County's development field, this facility will also materially stimulate pipelined water development, which has the potential to eliminate truck traffic and further enhance the above-mentioned road and safety benefits of the project.

The EWS #7 will also meaningfully stimulate the local economy. EWS #7 will employ ten people, most or all of whom will likely live close to the facility in east Arapahoe County, with a total salary and benefits expense of \$600,000 annually. Since there are currently no commercial disposal wells in Arapahoe County, the proximity of the proposed EWS #7 to the adjacent oil and gas field will stimulate the development of pipelines that otherwise would not be produced due to lack of proximity, stimulate further oil and gas development due to logistically easier, and therefore cheaper, saltwater disposal, and support other oilfield infrastructure, all of which will increase construction and oilfield jobs in rural Arapahoe County.

In summary, this project will contribute to road safety and maintenance through materially reduced truck traffic and stimulate the local economy through ten new jobs, over \$60,000 in new contributed taxes and stimulating pipeline and oilfield jobs and development, all while utilizing very limited County resources.

Working closely with local agencies and communities, Expedition has engineered and constructed, and is currently operating, six similar facilities in Colorado and Wyoming and has been acknowledged for its pristine municipal and neighbor relationships as well as for its leadership in health, safety and environmental practices. We look forward to working with you and bringing this project to Arapahoe County. If you have any questions regarding our submittal materials, please do not hesitate to contact me directly at 720.249.3539.

Sincerely,

**CVL Consultants of Colorado, Inc.**

*Melinda E. Lundquist*

Melinda E. Lundquist, PE

*Senior Vice President*

cc: Jim Goddard, Expedition Water Solutions, *President*  
Zachary Neal, Expedition Water Solutions, *CCO and CFO*

Acknowledged by landowner:

QUINCY LAND HOLDINGS, LLC, a Colorado  
limited liability company

By: *James H. Weisheit*  
Name: JAMES H. WEISHEIT  
Title: MEMBER