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July 28, 2017

Governor John Hickenlooper  
136 State Capitol Building  
Denver, CO 80203

Re: The Continuing Viability of Moffat County's Economy

Dear Governor Hickenlooper:

Moffat County is located in the extreme northwest corner of Colorado and is adjacent to the states of Utah and Wyoming. Moffat County is the second largest county in Colorado and makes up about 4.57% of the entire state. Moffat County contains 3,028,480 acres.

One of the major land uses in Moffat County is mineral exploration and extraction of coal, gas and oil. The top ten taxpayers of Moffat County are comprised entirely of mineral and energy companies. One of the two largest export sectors in Moffat County includes natural gas and oil extraction.

The custom and culture of Moffat County is defined by the activities and values that people of Moffat County, in the past, present and future, depend upon for well-being and subsistence. The people of Moffat County have traditionally and will likely earn their livelihoods from activities associated with Moffat County's custom and culture. Moffat County's economy is, and will continue to be, dependent upon these activities. Gas and oil extraction, along with the associated infrastructure, is one of the crucial activities that Moffat County's economy is based on.

Two small businesses in Moffat County that provide infrastructure for gas and oil extraction are being over-regulated and are encountering huge financial regulatory burdens from the Colorado Department of Public Health and Environment, Solid and Hazardous Waste Division. They are struggling under newly created Section 17 regulations concerning administrative issues. Both of these sites and facilities are environmentally sound and provide jobs and support the economy of western Colorado.

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The Elk Springs Recycling and Recovery facility and the Fourmile Creek Recycling Facility are being inappropriately regulated as solid waste facilities and are being forced to comply with solid waste regulations, when in actuality they are both production water impoundment facilities that recycle production water from the gas and oil industry. Production water is a byproduct from gas and oil exploration and production and is primarily composed of 99% sea water from beneath the surface of our planet.

Elk Springs Recycling and Recovery has been doing business for 31 years since 1986. The Fourmile Creek Recycling Facility had been doing business for over 10 years prior to temporarily closing. Both of these Moffat County small, family-owned businesses were once a flourishing part of Moffat County's economy and are integral to the infrastructure of gas and oil extraction.

The Fourmile Creek Recycling Facility stopped accepting production water and contaminated soils and closed its business in 2010 while it attempted to meet the current regulations. After spending over \$600,000.00 in an attempt to comply with regulatory constraints, the Solid and Hazardous Waste Division has continued to disallow this facility to reopen due to administrative regulatory issues.

The Elk Springs Recycling and Recovery facility is still open, but it is being strangled by the same over-regulation concerning administrative issues and has obviously been targeted into forced closure by the Solid and Hazardous Waste Division.

Both of these sites and facilities meet the criteria for protecting the environment and the health of the people of the State of Colorado according to engineering firms, analysts and consultants, geologists, hydrologists and other professionals.

If these sites and facilities continue to be over-regulated as solid waste landfills by the Solid and Hazardous Waste Division, their future as part of Moffat County's culture and customs is over and their owners and employees will no longer be able to support the county's or state's economies.

Both of these sites and facilities must be regulated by an agency familiar with their operations in the gas and oil industry as well as their integral relationship with gas and oil exploration and production, and not treated as solid waste landfills.

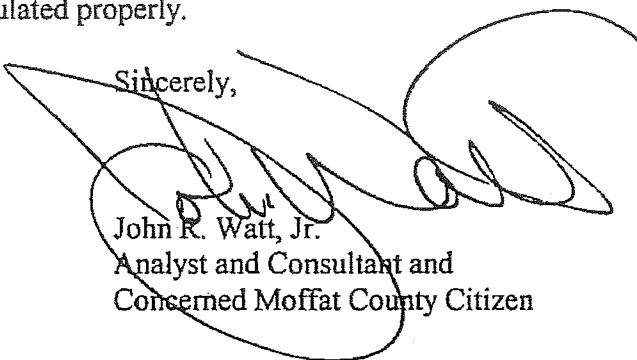
As an analyst and consultant with extensive experience in both solid waste and production water impoundment facilities, I am respectfully requesting that both of these sites and facilities be removed from the authority and jurisdiction of the Colorado Department of Public Health and Environment, Solid and Hazardous Waste Division, and instead be moved under a regulatory

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body that oversees the gas and oil industry, which is where they belong. Elk Springs Recycling and Recovery and The Fourmile Creek Recycling Facility should be under the authority and jurisdiction of and be regulated by the Colorado Oil and Gas Conservation Commission.

Please review the accompanying letter to Mr. John O'Rourke and Mr. Edward Smith of the Colorado Department of Public Health and Environment, Solid and Hazardous Waste Division, which will assist you in understanding the administrative problems that Elk Springs Recycling and Recovery is currently facing and help you understand my background and why I am requesting these sites and facilities be moved to the Colorado Oil and Gas Conservation Commission where they can be regulated properly.

Sincerely,



John R. Watt, Jr.  
Analyst and Consultant and  
Concerned Moffat County Citizen

Enclosure

cc: Senator Randy Baumgardner  
Representative Bob Rankin  
Moffat County Commissioners  
Jerry Hoberg, Moffat County Planning  
Phil Bethell, ESRR  
Ed Counts, FCRF