

Utah Division of Oil, Gas and Mining Guidance Document

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Five Year E&P Waste Disposal Facility Permit Renewals (re: Utah Oil & Gas Conservation General Rules R649-9-8.5.1 Bonding of Disposal Facilities)

This document is intended for use while preparing a disposal facility site reclamation and post closure bond estimate. Utah Administrative Code R649-9-8 pertaining to requirements for bonding and five year permit renewal should be used in conjunction with this guidance.

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Our Mission

The Utah Oil and Gas Program within the Division of Oil, Gas and Mining:

- Promote the exploration, development and conservation of oil and gas resources*
- Foster a fair economic return to the general public for those resources*
- Maintain sound, regulatory oversight to ensure environmentally acceptable activities*

Scope and Applicability

This Guidance Document provides guidelines for preparing and submitting disposal facility site reclamation and post closure bond estimate as required per R649-9-8.2 and R649-9-8.5.1. This guidance is intended to aide operators and responsible third party contractors in assessing site reclamation criteria, developing reclamation plans and posting required bonding. These estimates are not intended to utilize current bids for closure costs; they are intended to reflect long term standardized construction closure costs.

Five Year Permit Renewals

Per R649-9-8.2, R649-9-8.2.1 and R649-9-8.5.1, exploration and production (E&P) waste disposal facilities in the State of Utah are subject to five year permit renewals. Five year permit renewal applications shall include an assessment of site reclamation requirements and closure cost estimates compiled by a responsible third party contractor.

Permit renewals may be approved for a five year period following a compliance history review and posting of bonding in an amount approved by the Division following review of third party site reclamation and closure cost estimate.

Preparing a Permit Renewal Application

Site Description

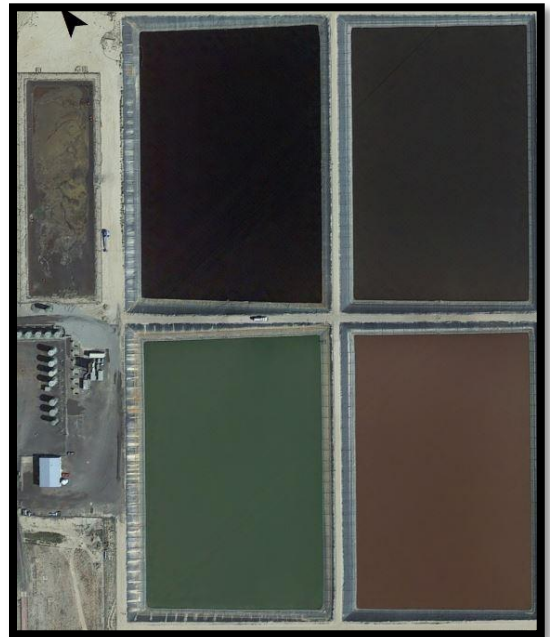
Permit renewal applications should contain a detailed site description containing function of the waste disposal facility and a current facility map. Site descriptions should be annotated with facility infrastructure and associated function.

Contamination Evaluation

Five year permit renewal applications shall describe contamination, or lack thereof, supported by sample results. Sampling plan should be designed to evaluate pollutants and receptors (soils and/or groundwater). A description of contamination identified through sampling shall be provided in five year permit renewal application along with methods for preventing further contamination, and addressing existing contamination.

Equipment Assessment

Permit renewal applications shall include a description and assessment of equipment located at the facility. Service life expectations for equipment used in facility operations should be described in detail. A description of testing completed for equipment such as tanks, piping, liners and/or leak detection equipment shall be provided.



Practices Assessment

Permit renewal applications should include an assessment of management practices utilized to operate the facility. Alternative practices which could improve efficiency of operations or reduce probability of future contamination should be identified.

Monitoring Program

A detailed description of monitoring programs in use, or being proposed, should be included in permit renewal applications. Monitoring programs may include visual inspections of equipment, pressure tests, leak detection systems, waste accountability or automated systems. Proposed practices, which can reduce the risk of future contamination, should be included in permit renewal application.

Estimating Closure Cost and Bonding Evaluation

Operators and third party contractors shall provide the methodology utilized to determine closure cost estimates. Bonding estimates will be evaluated by the Division based on current standardized practices.

Contamination

Contamination evaluation should describe type and volumes of contamination, and estimate costs related to remediation, monitoring and post remediation sampling.

Remediation of E&P Waste

Cost evaluations should describe type and volumes of E&P waste present at disposal facility requiring remediation or clean up. Complete evaluations should outline estimated costs to implement proposed remediation methods, post remediation sampling and conduct future monitoring.

Removal of Infrastructure

Cost analysis should address expenses to remove all infrastructure and equipment. Infrastructure may include, but not limited to: tanks, fences, buildings, liner materials, piping, concrete pads, etc.

Contouring or Re-grading

Cost evaluation should project expense to contour site back to original grade. Estimates should evaluate volumes of materials requiring contouring or re-grading.



Seeding

A detailed cost analysis should be provided depicting methods and species used to revegetate and stabilize the site in a manner promoting future land use.



observations collected and recommendations derived for a facility while compiling third party site reclamation cost estimates.

Post Closure Monitoring

Cost estimates should include a projection of expenses anticipated to complete post closure monitoring. Evaluation should include sampling costs associated with post closure monitoring.

Observations and Recommendations

Five year permit renewal applications should include a narrative of