



Ohio Department of Natural Resources

JOHN R. KASICH, GOVERNOR

JAMES ZEHRINGER, DIRECTOR

Richard J. Simmers, Chief
Division of Oil and Gas Resources Management
2045 Morse Road – Bldg. F-2
Columbus, OH 43229-6693
Phone: (614) 265-6922, Fax: (614) 265-6910

ORDER BY THE CHIEF

June 16, 2015

ORDER NO. 2015-305

TO: Shalewater Solutions, LLC
237 Grande Meadows Drive, Suite 201
Bridgeport, WV 26330

RE: Lewisville Flowback & Produced Water Recycling Facility
Monroe County, Pike Township

SUBJECT: Temporary Authorization to Treat and Process Brine and Other Waste
Substances Pursuant to R.C. 1509.22

Pursuant to Ohio Revised Code Section 1509.22, the Chief of the Division of Oil and Gas Resources Management (“Chief” or “Division”) issues the following Order:

BACKGROUND:

- (1) Shalewater Solutions, LLC (“Shalewater”) proposes to construct and operate a facility to be located on Township Road 51, Lewisville, Ohio in Monroe County (“Lewisville Water Recycling Facility”). The Lewisville Water Recycling Facility will receive flowback, produced water, and other waters associated with the exploration, development, well stimulation, production operations, or plugging of oil and gas resources for treatment, recycling, and temporary storage. The treated waters will be stored until transported for reuse in oil and gas drilling operations.
- (2) Division (B)(2)(a) of R.C. 1509.22 states, in pertinent part, that “On and after 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 a permit issued under this section or section 1509.06 or 1509.21 of the Revised Code or rules adopted under any of those sections.”
- (3) On April 22, 2015, the Division received an application from Shalewater requesting to temporarily store, recycle, and treat brine and other oilfield waste substances associated with

the exploration, development, well stimulation, production operations or plugging of oil and gas resources at the Lewisville Water Recycling Facility. In its application, Shalewater supplied the Division with information and details regarding its proposed operations. The Lewisville Water Recycling Facility will receive flowback, produced water, and other contaminated water from oil and gas sites for treatment prior to being pumped into storage tanks until it is loaded out by trucks for reuse at other oil and gas drilling sites. As part of the pre-treatment of the water, the condensate and oils will be removed from the waters and stored on-site for sale to others. Shalewater proposes to construct the site infrastructure and one of two proposed treatment trains, with the expectation to construct the second treatment train sometime in the future. Solids generated from the treatment process will be analyzed for Radium-226 and Radium-228 and will be disposed of at an appropriate landfill, in accordance with the Lewisville Water Recycling Facility's Radiation Protection Plan.

ORDER:

IT IS HEREBY ORDERED:

Shalewater has temporary approval at Lewisville Water Recycling Facility to treat and process brine or other waste substances associated with the exploration, development, well stimulation, production operations, or plugging of oil and gas resources, subject to the following conditions:

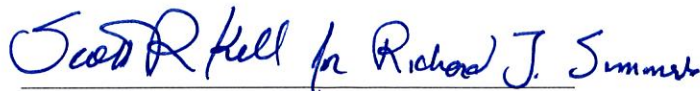
- (1) Shalewater shall conduct all operations at the Lewisville Water Recycling Facility in compliance with R.C. Chapter 1509 and Ohio Adm.Code 1501:9.
- (2) Brine shall not be disposed of in this state in a manner not specified in R.C. 1509.22(C)(1)(a) through R.C. 1509.22(C)(1)(c). Disposal of brine pursuant to R.C. 1509.22(C)(1)(d) requires separate written approval by the Chief.
- (3) Shalewater shall conduct all operation at the Lewisville Water Recycling Facility in accordance with the application submitted to the Division for this facility. Shalewater shall notify the Division prior to implementing any changes in operations at the Lewisville Water Recycling Facility.
- (4) Shalewater shall notify the Division two weeks prior to commencement of operations, in order to provide the Division with an opportunity to inspect the facility prior to commencement.
- (5) Shalewater shall provide the Division a drawing showing the location and boundaries of the Lewisville Water Recycling Facility upon completion of construction and prior to commencement of operations.
- (6) Shalewater shall implement the Radiological Protection Plan ("RPP") submitted to the Division with the application for the Lewisville Water Recycling Facility and shall

continuously update the protocols and procedures in the plan based on the results of radiological surveys outlined in the RPP.

- (7) Shalewater shall maintain records for the Lewisville Water Recycling Facility and provide those records to the Division upon request. The records shall include, but not be limited to, manifests of all incoming brine and waste substances as applicable, final disposition of brine and waste substances, and characterization results of testing performed to determine the concentration of radium-226 and radium-228 on all technologically enhanced naturally occurring radioactive materials (TENORM) generated at the West #1H Facility in accordance with R.C. 1509.074.
- (8) This Chief's Order shall terminate upon any of the following, whichever occurs first:
- a) The Division issues a permit to Shalewater for the Lewisville Water Recycling Facility pursuant to rules promulgated under to R.C. 1509.22(C);
 - b) The Division denies a permit to Shalewater for the Lewisville Water Recycling Facility pursuant to rules promulgated under R.C. 1509.22(C); or
 - c) Six months after the effective date of rules adopted under R.C. 1509.22(C).
 - d) The location of the Lewisville Waste Recycling Facility changes from Township Road 51, Lewisville, Ohio.
 - e) The owner of the Lewisville Waste Recycling Facility changes from Shalewater.

Date

6/16/2015


Richard J. Simmers, Chief
Division of Oil and Gas Resources Management

Addressee is hereby notified that this action is final and effective and may be appealed pursuant to Section 1509.36 of the Ohio Revised Code. If the Order is appealed to the Ohio Oil and Gas Commission, the appeal must be in writing and must set forth the Orders complained of and the grounds upon which the appeal is based. Such appeal must be filed with the Oil and Gas Commission, 2045 Morse Road, Building H-3, Columbus, Ohio 43229-6693, within thirty (30) days after receipt of this Order.

In addition, within three (3) days after the appeal is filed with the Oil and Gas Commission, notice of the filing must be submitted to Richard J. Simmers, Chief, Division of Oil and Gas Resources Management, Ohio Department of Natural Resources, 2045 Morse Road, Building F, Columbus, Ohio 43229-6693.

Shalewater Solutions, LLC.
Treatment and Processing Operations
Lewisville Water Recycling Facility
Page 4 of 4

Chief's Order No. 2015-305

CERTIFIED MAIL No: 91 7199 9991 7035 0958 3356

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cc: Legal Section
Steve Opritza, Permitting Manager
Engineering Section
Dan Goins, Region Supervisor
William Stolarik, Monroe County Oil and Gas Inspector