



Department of Environmental Quality



To protect, conserve and enhance the quality of Wyoming's environment for the benefit of current and future generations.

Dave Freudenthal, Governor

John Corra, Director

May 30, 2006

CERTIFIED MAIL

Mr. Drue L. Dryden
Director
Rocky Mountain Gas, Inc.
P.O. Box 2889
Gillette, Wyoming 82717-2889

RE: Notice of Violation, Docket Number 3905-06

Dear Mr. Dryden:

Enclosed is a copy of a Notice of Violation, Docket Number 3905-06, issued to Rocky Mountain Gas, Inc. (RMG) for the unauthorized discharge of coal bed methane (CBM) produced water into a water of the state. The discharge was a result of a broken valve at the State 36-11 CBM well. CBM produced water entered an un-named ephemeral draw, Class 3B water, which is a tributary to Bone Pile Creek, Class 3B water, which is tributary to Caballo Creek, class 3B, which is a tributary to the Belle Fourche River, Class 2AB water. The spill occurred in Campbell County.

While neither the attached Notice of Violation nor this letter constitutes an order, this office strongly urges you to take action to immediately eliminate the violation as follows:

1. RMG should inform the WQD in writing of the steps taken to ensure that the unpermitted discharge of CBM produced water noted in NOV Docket Number 3905-06 does not happen again. This information should be received by the WQD on or before June 30, 2006.
2. RMG should ensure that all discharges to waters of the state are permitted in accordance with Chapter 2 of the Wyoming Water Quality Rules and Regulations (WWQRR).

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ADMIN/OUTREACH (307) 777-7758 FAX 777-3610	ABANDONED MINES (307) 777-6145 FAX 777-6462	AIR QUALITY (307) 777-7391 FAX 777-5616	INDUSTRIAL SITING (307) 777-7368 FAX 777-6937	LAND QUALITY (307) 777-7756 FAX 777-5864	SOLID & HAZ. WASTE (307) 777-7752 FAX 777-5973	WATER QUALITY (307) 777-7781 FAX 777-5973
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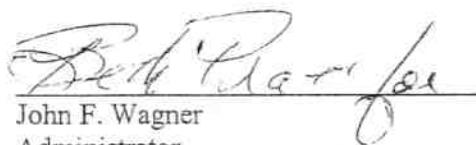


Mr. Drue L. Dryden
May 30, 2006
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The WQD has the authority to resolve violations with an out-of-court settlement agreement through the payment of a penalty by RMG. If RMG wishes to pursue resolution of the previously noted violation through such an agreement, please contact Mr. Brian R. Bohlmann, P.E., WYPDES Compliance & Enforcement Coordinator, at (307) 777-8669 on or before June 16, 2006 to set up a meeting to discuss this matter.



John V. Corra
Director
Department of Environmental Quality



John F. Wagner
Administrator
Water Quality Division

JVC/JFW/BRB/bb/6-0481.LTR

Enclosure: Notice of Violation
March 10, 2006 inspection report

cc: Colleen Gillespie, 8ENF-W-NP, EPA Region 8
Brian R. Bohlmann, P.E., WYPDES Compliance & Enforcement Coordinator
James B. Eisenhauer, WYPDES Inspection Coordinator, Sheridan DEQ Office
Bill J. DiRienzo ► Brian K. Lovett ► Leah J. Krafft
IPS (for scanning) ► Docket 3857-06
Keith Guille, DEQ Public Information Officer (PDF File)
DEQ Director

BEFORE THE
DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF WYOMING

IN THE MATTER OF THE NOTICE OF)
VIOLATION ISSUED TO:)

Rocky Mountain Gas, Inc.)
P.O. Box 2889)
Gillette, Wyoming 82717-2889)

DOCKET NUMBER 3905-06

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. Rocky Mountain Gas, Inc. (RMG) is the owner/operator of the coal bed methane (CBM) Marquiss Field Facility located in Sections 1 and 12, Township 47 North, Range 72 West (Sec. 1 and 12, T47N, R72W), and in Sec. 23 and 36, T48N, R72W, all in Campbell County, Wyoming. WYPDES modification permit WY0043141 was issued to RMG by the Wyoming Department of Environmental Quality (DEQ), Water Quality Division (WQD) on August 17, 5005. The permit will expire on July 31, 2007;
2. On March 9, 2006, the WQD conducted an inspection of an unauthorized CBM produced water discharge from a well. As noted in the March 10, 2006 inspection report, CBM produced water from the well, State 36-11, would normally discharge through outfall 007 of WYPDES permit WY0043141. In July, 2005 the well was to be shut-in, but only the gas sales line was shut-in and not the produced water line. The well continued to discharge CBM produced water to outfall 007. During the winter of 2005-2006, a valve on the well froze. Due to the freezing and thawing, the valve broke at the well resulting in a discharge. The discharge of CBM produced water from the broken valve is considered an unpermitted outfall not covered by WYPDES permit WY0043141. This resulted in the unpermitted discharge of CBM produced water to an un-named ephemeral draw, Class 3B water, which is a tributary to Bone Pile Creek, Class 3B water, which is tributary to Caballo Creek, class 3B, which is a tributary to the Belle Fourche River, Class 2AB water. The spill occurred in Campbell County;
3. The Department of Environmental Quality has no record of permits authorizing the direct discharge of CBM produced water by RMG to waters of the state from the CBM well, State 36-11 located in the NW ¼ NW ¼, Sec. 36, T48N, R72W, Campbell County;
4. Bone Pile Creek and its tributaries are "waters of the state" as defined under W.S. 35-11-103 (c)(vi);
5. CBM produced water contains "pollution" as defined in W.S. 35-11-103 (c)(i);
6. By discharging pollution into waters of the state, RMG is in violation of W.S. 35-11-301 (a)(i) and Chapter 2 of the Wyoming Water Quality Rules and Regulations (WWQRR) which state that no person, except when authorized by a permit issued by the Department of Environmental Quality, shall cause, threaten or allow the discharge of any pollution or wastes into the waters of the state;

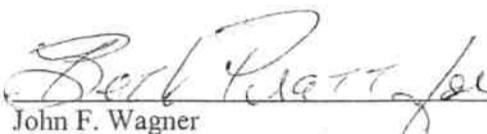
7. Pursuant to Wyoming Statute 35-11-901(a), any person who violates, or any director, officer, or agent of a corporate permittee who willingly and knowingly authorizes, orders, or carries out the violation of any provision of the Environmental Quality Act (Act), or any rule, regulation, standard, or permit adopted hereunder or who violates any determination or order of the council pursuant to this act or any rule, regulation, standard, permit, license, or variance is subject to a penalty not to exceed ten thousand dollars and no cents (\$10,000.00) for each violation for each day during which the violation continues, a temporary or permanent injunction, or both a penalty and an injunction. The penalty may be recovered in a civil action brought by the Attorney General in the name of the People of the State of Wyoming. Nothing herein shall preclude the department from negotiating stipulated settlements involving the payment of a penalty, implementation of compliance schedules, or other settlement conditions, as appropriate, in lieu of litigation.

NOTHING IN THIS NOTICE OF VIOLATION (NOV) shall be interpreted to in any way limit or contravene any other remedy available under the Environmental Quality Act, nor shall this NOV be interpreted as being a condition precedent to any other enforcement action.

Signed this 2 day of June, 2006.



John V. Corra
Director
Department of Environmental Quality



John F. Wagner
Administrator
Water Quality Division

PLEASE DIRECT ALL INQUIRIES TO: Brian R. Bohlmann, P.E., WYPDES Compliance & Enforcement Coordinator, Wyoming Department of Environmental Quality, Water Quality Division, Herschler Building, 4th Floor West, 122 West 25th Street, Cheyenne, Wyoming 82002. Telephone 307-777-8669.

JVC/JFW/BRB/bb/6-0481.NOV

cc: Colleen Gillespie, 8ENF-W-NP, EPA Region 8
Brian R. Bohlmann, P.E., WYPDES Compliance & Enforcement Coordinator
James B. Eisenhauer, WYPDES Inspection Coordinator, Sheridan DEQ Office
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