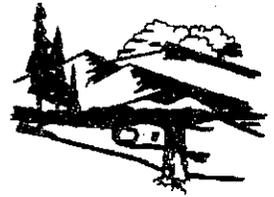




Department of Environmental Quality



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

CERTIFIED MAIL

February 28, 2007

Mr. David B. Richardson
President
Richardson Operating Company
5600 South Quebec Street, Suite 130B
Greenwood Village, Colorado 80111

RE: Notice of Violation, Docket Number 4026-07

Dear Mr. Richardson:

Enclosed is a copy of a Notice of Violation, Docket Number 4026-07, issued to Richardson Operating Company (Richardson) for the continued effluent exceedances of oil & grease (O&G) and total radium 226, failing to collect all samples required by WYPDES permits, and failing to submit discharge monitoring reports (DMRs). The violations were noted during inspections conducted by the Wyoming Department of Environmental Quality (DEQ), Water Quality Division (WQD) over the past several years, and a review of DMRs.

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 violations as follows:

1. Richardson should inform the WQD in writing of the steps to be taken to ensure compliance with the 10 milligram per liter (mg/l) O&G effluent limit for discharged water from WYPDES permits WY0035068 and WY0035149.
2. Richardson should inform the WQD in writing of the steps to be taken to ensure compliance with the 60 pico Curies per liter ($\mu\text{Ci/l}$) total radium 226 effluent limit for discharged water from WYPDES permits WY0035068 and WY0035149.
3. Richardson should inform the WQD in writing of the steps to be taken to ensure DMRs are submitted to the WQD for review by January 28 and July 28 of each year.
4. Richardson should submit all past due DMRs to the WQD for review including DMRs covering the second half of 2006 and annual 2006 parameters for WYPDES permits WY0002224, WY0024244, WY0035068, WY0035149, and WY0035157.
5. All of the above requested information should be received by the WQD on or before April 2, 2007.

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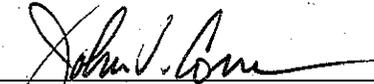
Herschler Building • 122 West 25th Street • Cheyenne, WY 82002 • <http://deq.state.wy.us>

ADMIN/OUTREACH (307) 777-7937 FAX 777-3610	ABANDONED MINES (307) 777-6145 FAX 777-6462	AIR QUALITY (307) 777-7391 FAX 777-5616	INDUSTRIAL SITING (307) 777-7369 FAX 777-5973	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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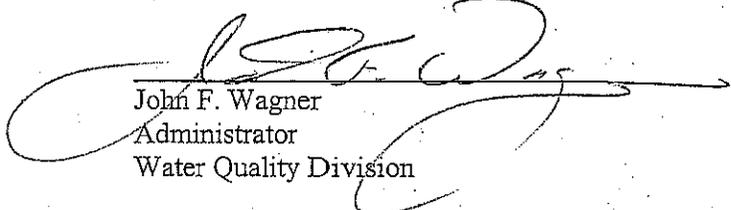


Dock 4026-07
February 28, 2007
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The WQD has the authority to resolve violations with an out-of-court settlement agreement through the payment of a penalty by Richardson. If the Richardson wishes to pursue resolution of the previously noted violations through such an agreement, please contact Mr. Brian K. Lovett, WYPDES Inspection & Compliance Supervisor at 307-777-5630, on or before April 2, 2007 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/7-0168.LTR

Enclosure: Notice of Violation

cc: Aaron Urdiales, 8ENF-W-NP, EPA Region 8
Brian R. Bohlmann, P.E., WYPDES Compliance & Enforcement Coordinator
James B. Eisenhauer, WYPDES Inspection Coordinator, WQD - Sheridan
Bill J. DiRienzo ► Brian K. Lovett ► Leah J. Krafft
IPS (for scanning) ► Docket 4026-07
Keith Guile, DEQ Public Information Officer (PDF file only)
DEQ Director

BEFORE THE
DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF WYOMING

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

DOCKET NUMBER 4026-07

Richardson Operating Company)
5600 South Quebec Street, Suite 130B)
Greenwood Village, Colorado 80111)
)
)
)

NOTICE OF VIOLATION

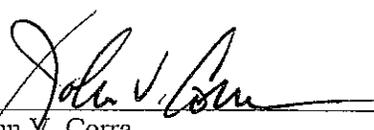
NOTICE IS HEREBY GIVEN THAT:

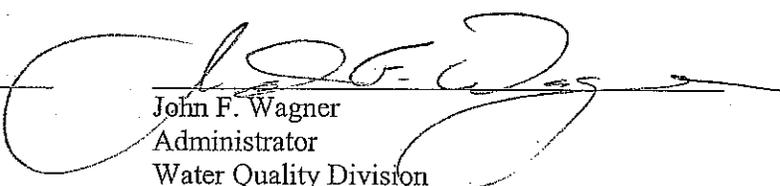
1. Richardson Operating Company (Richardson) is the owner of the Miramar Federal 2-5 crude oil production facility located in the Northeast Quarter of the Southeast Quarter of Section 5, Township 52 North, Range 68 West (NE ¼ SE ¼ Sec. 5, T52N, R68W), in Crook County, Wyoming. On September 24, 2004, the Wyoming Department of Environmental Quality (DEQ), Water Quality Division (WQD) issued WYPDES renewal permit WY0035149 to Richardson to allow produced water discharges from the facility to an unnamed ephemeral draw (a Class 3B water), tributary to Mitchell Creek (a Class 3B water), tributary to Cottonwood Creek (a Class 3B water), tributary to the Little Powder River (a Class 2AB water);
2. The permitted daily maximum effluent limit for oil and grease (O&G) is 10 milligrams per liter (mg/L). From June 12, 2000 through April 6, 2006 there have been fifteen (15) exceedances with values ranging up to 38 mg/L. These are violations of Part I.A. of WYPDES permit WY0035149;
3. The permitted daily maximum effluent limit for total Radium 226 (Ra 226) is 60 pico Curies per liter (ρ Ci/L). From May 24, 1995 through April 6, 2006 there have been eighteen (18) exceedances with values ranging up to 124 ρ Ci/L. These are violations of Part I.A. of WYPDES permit WY0035149;
4. Part I.A. of WYPDES permit WY0035149 requires chloride and O&G samples to be collected every two (2) months for analysis, and Ra 226 samples to be collected annually. From March 25, 1997 thorough July 19, 2005, six (6) letters of violation (LOVs) have been issued to Richardson for the O&G and Ra 226 exceedances, and failing to collect all samples as required by the permit;
5. Richardson is the owner of the Miramar Federal 1-4 & 2-4 tank battery located in the NW ¼ SW ¼ Sec. 4, T52N, R68W, in Crook County, Wyoming. On October 31, 2006, the DEQ issued WYPDES renewal permit WY0035068 to Richardson to allow produced water discharges from the facility to an unnamed ephemeral draw (a Class 3B water), tributary to Mitchell Creek (a Class 3B water), tributary to Cottonwood Creek (a Class 3B water), tributary to the Little Powder River (a Class 2AB water). This facility was transferred from Slawson Exploration Company, Inc. (Slawson) to Richardson on December 1, 2002;
6. The permitted daily maximum effluent limit for O&G is 10 mg/L. From December 1, 2002 through April 14, 2005 there have been six (6) exceedances with values ranging up to 38 mg/L. These are violations of Part I.A. of WYPDES permit WY0035068;
7. The permitted daily maximum effluent limit Ra 226 is 60 ρ Ci/L. From December 1, 2002 through September 1, 2004 there have been seven (7) exceedances with values ranging up to 114 ρ Ci/L. These are violations of Part I.A. of WYPDES permit WY0035068;

8. Part I.A. of WYPDES permit WY0035068 requires chloride and O&G samples to be collected every two (2) months for analysis, and Ra 226 samples to be collected annually. From March 4, 2003 thorough July 21, 2005, three (3) letters of violation (LOVs) have been issued to Richardson for the O&G and Ra 226 exceedances, and failing to collect all samples as required by the permit;
9. Part I.B. of WYPDES permits WY0002224, WY0024244, WY0035068, WY0035149, and WY0035157, facilities all operated by Richardson, requires discharge monitoring reports (DMRs) to be submitted semiannually. The due dates for the DMRs are January 28 and July 28 of each year. To date, the WQD has not received DMRs for any of the above five (5) referenced permits for the 2nd Semester, 2006 which were due on January 28, 2007. The WQD also issued a LOV on March 31, 2006 to Richardson for failing to submit the 1st Semester, 2005 DMRs to the WQD for review. By not submitting DMRs by the required dates listed in the WYPDES permits, Richardson is in violation of Part I.B. of each WYPDES permit;
10. This Notice is being sent to you pursuant to W.S. 35-11-701(c)(i), which requires that in any case of the failure to correct or remedy an alleged violation, the director of the Department of Environmental Quality shall cause a written notice to be issued and served upon the person alleged to be responsible;
11. 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 16 day of March, 2007.


John V. Corra
Director
Department of Environmental Quality


John F. Wagner
Administrator
Water Quality Division

PLEASE DIRECT ALL INQUIRIES TO: Brian K. Lovett, WYPDES Inspection and Compliance Supervisor, 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/7-0168.NOV

cc: Aaron Urdiales, 8ENF-W-NP, EPA Region 8
Brian R. Bohlmann, P.E., WYPDES Compliance & Enforcement Coordinator
James B. Eisenhauer, WYPDES Inspection Coordinator, WQD - Sheridan
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