



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

April 22, 2008

Mr. Michael Schoch
Hilcorp Energy Company
1201 Louisiana, Suite 1400
Houston, TX 77002

RE: Notice of Violation, Docket Number 4251-08

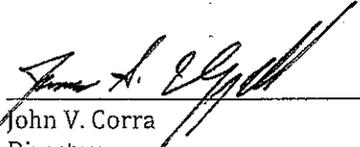
Dear Mr. Schoch:

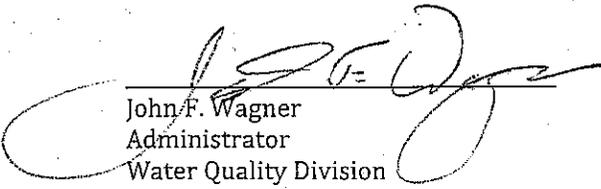
Enclosed is a copy of a Notice of Violation, Docket Number 4251-08, issued to Hilcorp Energy Company (Hilcorp) for an unpermitted release of crude oil into waters of the state. The event was reported to the Wyoming Department of Environmental Quality's (DEQ) Emergency Response Coordinator on April 3, 2008.

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 alleged violation as follows:

1. Hilcorp should take all actions necessary to prevent future unpermitted discharges to waters of the state.
2. Hilcorp should submit to the DEQ a follow up report as required by Chapter 4, Section 4, **Notification, Containment and Cleanup of Releases**, part (iv) states *"Within seven (7) days following a release, submit a complete written report to the Division describing the reportable release and steps taken to prevent a recurrence"*.

The DEQ has the authority to resolve violations with an out-of-court settlement agreement through the payment of a penalty by Hilcorp. If Hilcorp wishes to pursue resolution of the previously noted violation through such an agreement, please contact Mr. Kevin M. Wells, WYPDES Compliance & Enforcement Program Coordinator, at (307) 777-8669 within 21 days to discuss this matter.


John V. Corra
Director
Department of Environmental Quality


John F. Wagner
Administrator
Water Quality Division

JVC/JFW/KMW/bb/rm/8-0305
Enclosure: Notice of Violation

cc: Lee Hanley, 8ENF-W-NP, EPA Region 8 (PDF)
Jim Eisenhauer, Inspection Program Coordinator, Sheridan DEQ Office (PDF)
Bill DiRienzo ► Brian K. Lovett ► Leah J. Krafft (PDF)
IPS (for scanning) ► NOV Docket 4251-08
Keith Guille, DEQ Public Information Officer (PDF)

Page L-1

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

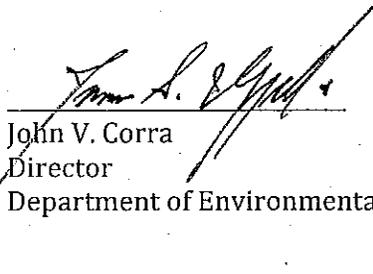
ADMIN/OUTREACH (307) 777-7937 FAX 777-3610	ABANDONED MINES (307) 777-6145 FAX 777-6462	AIR QUALITY (307) 777-7391 FAX 777-5616	INDUSTRIAL SITING (307) 777-7369 FAX 777-5973	LAND QUALITY (307) 777-7756 FAX 777-5864	SOLID & HAZ. WASTE (307) 777-7752 FAX 777-5973	WATER QUALITY (307) 777-7781 FAX 777-5973
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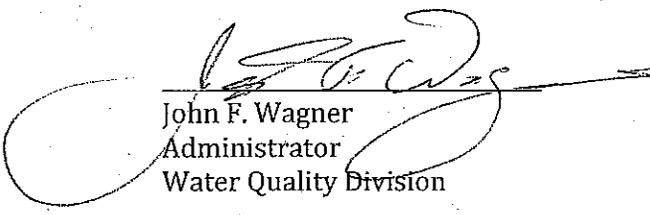


10. Pursuant to Wyoming Statute 35-11-901(a), any person who violates, or any director, officer or agent of a corporate permittee who willingly and knowingly authorizes, orders or carries out the violation of any provision of the Environmental Quality Act (Act), or any rule, regulation, standard or permit 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 24th day of April, 2008.


John V. Corra
Director
Department of Environmental Quality


John F. Wagner
Administrator
Water Quality Division

PLEASE DIRECT ALL INQUIRIES TO: Kevin M. Wells, WYPDES Compliance & Enforcement Program 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/KMW/bb/rm/8-0305

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DEQ Director