



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

May 6, 2008

Ms. Gretchen Kohler
Williams Production RMT Company
300 North Work Avenue
Gillette, WY 82716

RE: SEP provisions for Settlement Agreement for NOV Docket Number 4052-07.

Dear Ms. Kohler:

The DEQ has received Williams' proposal to participate in the Supplemental Environmental Project (SEP) program. The DEQ has reviewed the proposal for the Sage Grouse Study and the additional information for the donation to the Northeast Wyoming Bird Rescue and Rehabilitation flight barn to be built in Campbell County, Wyoming and has approved the SEP proposal with the following stipulations:

Williams agrees to pay a total of fifty four thousand three hundred thirty three dollars and no cents (\$54,333.00) as a settlement to resolve the above referenced NOV. The amount shall be paid as follows: **(#1)** Williams agrees to pay a penalty of twenty thousand dollars and no cents (\$20,000.00) to the DEQ to resolve this matter in lieu of litigation under W.S. §35-11-901(a)(ii). **(#2)** Williams shall contribute nineteen thousand dollars and no cents (\$19,000.00) to the proposed Sage Grouse study to include surveys in the Wyodak Coal area of Northeast Wyoming in accordance to the DEQ SEP program, and **(#3)** Williams shall donate fifteen thousand three hundred thirty three dollars and no cents (\$15,333.00) to the N.E.W. Bird Rescue and Rehab Eagle Flight Barn Project (NEW) in accordance to the DEQ Supplemental Environmental Project (SEP) program. All payments are due and payable within thirty (30) days of the full execution of this Settlement Agreement. Williams shall provide verification to the DEQ that the payments have been made to NEW and submit copies of reports/data generated from the sage grouse study. Payment to DEQ shall be by check made payable to the Wyoming Department of Environmental Quality, Water Quality Division and shall be sent to: Mr. Kevin M. Wells, Compliance & Enforcement Coordinator, Department of Environmental Quality, Water Quality Division, Herschler Building, 4th Floor-West, 122 West 25th Street, Cheyenne, Wyoming 82002. **The check should reference NOV Docket Number 4052-07.**

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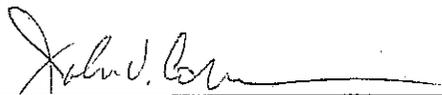
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ADMIN/OUTREACH (307) 777-7937 FAX 777-3610	ABANDONED MINES (307) 777-6145 FAX 777-6462	AIR QUALITY (307) 777-7391 FAX 777-5616	INDUSTRIAL SITING (307) 777-7369 FAX 777-5973	LAND QUALITY (307) 777-7756 FAX 777-5864	SOLID & HAZ. WASTE (307) 777-7752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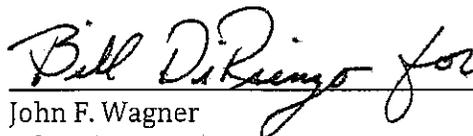


Please sign the previously provided Settlement Agreement, dated February 15, 2008, and return with the check for payment.

If you have any questions or comments concerning this matter, please contact Mr. Wells at (307) 777-8669.



John V. Corra
Director
Department of Environmental Quality



John F. Wagner
Administrator
Water Quality Division

JVC/JFW/KMW/bb/8-0343

cc: Lee Hanley, 8ENF-W-NP, EPA Region 8 (PDF)
James B. Eisenhauer, WYPDES Inspection Coordinator (PDF)
Bill DiRienzo ► Brian K. Lovett ► Leah J. Krafft (PDF)
IPS (for scanning) ► Docket 4052-07
Keith Guille, DEQ Public Information Officer (PDF File of signed copy by all parties only)
Mike Paules, Mgr. Environmental, Safety, Health, Williams Prod. Co., 1515 Arapaho St., Tower 3, Ste.
1000, Denver, CO 80202