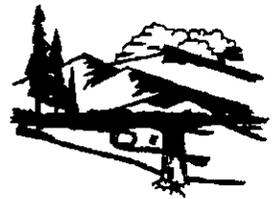




Department of Environmental Quality



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

July 10, 2008

Joseph Breznai
Black Diamond Energy, Inc.
29 Stage Trail
Buffalo, WY 82834

RE: Notice of Violation, Docket Number 4274-08

Dear Mr. Breznai:

Attached is a copy of a Notice of Violation, Docket Number 4274-08, issued to Black Diamond Energy, Inc. (Black Diamond) for recurring violations of WYPDES permit requirements. Black Diamond has received Letters of Violation (LOVs) regarding permit violations and has also submitted exceedance notifications to the Wyoming Department of Environmental Quality (DEQ), Water Quality Division (WQD).

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

1. Black Diamond should maintain compliance with all conditions established in their WYPDES permits.
2. Black Diamond should provide the WQD with an inventory of identified violations, actions to be taken to achieve compliance with permit requirements, and a compliance schedule for completion of each identified action. The report may be presented to the WQD during discussion to settle this Notice of Violation.

The WQD has the authority to resolve violations with an out-of-court settlement agreement through the payment of a stipulated penalty and agreement to an enforceable compliance schedule by Black Diamond. If Black Diamond wishes to pursue resolution of the previously noted violations through such an agreement, please contact Mr. Kevin M. Wells, WYPDES Compliance & Enforcement Coordinator at (307) 777-8669, or Mr. Brian K. Lovett, WYPDES Inspection & Compliance Supervisor at (307) 777-5630 within 21 days of receipt of this letter to set up a meeting to discuss this matter.

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

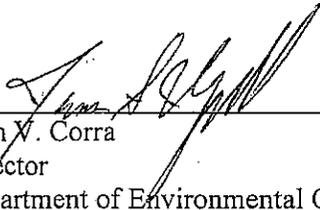
ADMIN/OUTREACH (307) 777-7937 FAX 777-3610	ABANDONED MINES (307) 777-6145 FAX 777-6462	AIR QUALITY (307) 777-7391 FAX 777-5616	INDUSTRIAL SITING (307) 777-7369 FAX 777-5973	LAND QUALITY (307) 777-7756 FAX 777-5864	SOLID & HAZ. WASTE (307) 777-7752 FAX 777-5973	WATER QUALITY (307) 777-7781 FAX 777-5973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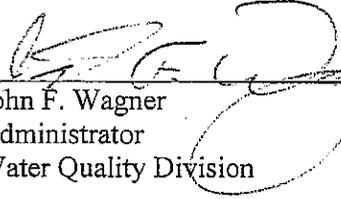
Black Diamond Energy, Inc.

July 10, 2008

Page 2



John V. Corra
Director
Department of Environmental Quality



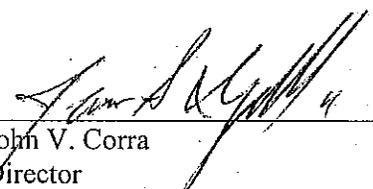
John F. Wagner
Administrator
Water Quality Division

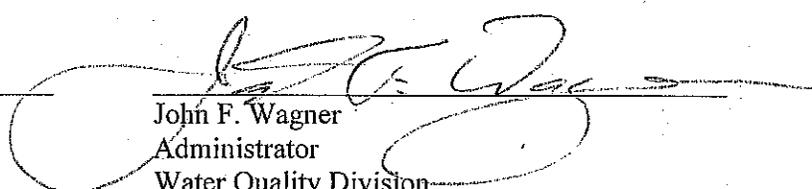
JVC/JFW/KMW/bb/rm/8-0533

Enclosure: Notice of Violation

cc: Lee Hanley, 8ENF-W-NP, EPA Region 8 (PDF)
Jim Eisenhauer, Sheridan DEQ Office (PDF)
Bill J. DiRienzo ► Brian K. Lovett ► Leah J. Krafft (PDF)
IPS (for scanning) ► Docket 4274-08
Keith Guille, DEQ Public Information Officer (PDF file only)

Signed this 11th day of July, 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 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/KDC/bb/rm/8-0533

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Bill J. DiRienzo ► Brian K. Lovett ► Leah J. Krafft (PDF)
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DEQ Director