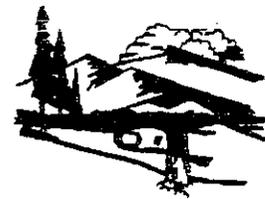




Department of Environmental Quality



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

October 3, 2008

Mr. Patrick Navratil
Encore Operating, L.P.
777 Main Street, Suite 1400
Fort Worth, Texas 76102

RE: Notice of Violation, Docket Number 4358-08

Dear Mr. Navratil:

Enclosed is a copy of a Notice of Violation, Docket Number 4358-08, issued to Encore Operating, L.P. (Encore) for an unpermitted release of crude oil into a water of the state. The event was reported to the Wyoming Department of Environmental Quality (DEQ) on September 2, 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. Encore should ensure that all discharges to waters of the state are permitted in accordance with Chapter 4, REGULATIONS FOR RELEASES OF OIL AND HAZARDOUS SUBSTANCES INTO WATERS OF THE STATE OF WYOMING, Section 1: Authority, of the Wyoming Water Quality Rules and Regulations (WWQRR).
2. Encore 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 Encore. If Encore 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 of the date of this letter to set up a meeting to discuss this matter.

John Y. Corra
Director
Department of Environmental Quality

John F. Wagner
Administrator
Water Quality Division

JVC/JFW/KMW/bb/8-0766

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 4358-08
 Keith Guille, DEQ Public Information Officer (PDF)

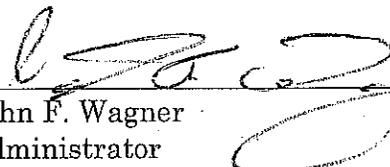


10. Pursuant to Wyoming Statute 35-11-901(a), any person who violates, or any director, officer, or agent of a corporate permittee who willingly and knowingly authorizes, orders, or carries out the violation of any provision of the Environmental Quality Act (Act), or any rule, regulation, standard, or 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 3 day of OCTOBER, 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/8-0766

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 4358-08
Keith Guille, DEQ Public Information Officer (PDF)
DEQ Director