



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 8, 2010

Mr. Paul McElvery
Bill Barrett Corporation
1414 E. Lincoln Street
Gillette, WY 82716

RE: Notice of Violation, Docket Number 4665-10

Dear Mr. McElvery

Enclosed is a Notice of Violation, Docket Number 4665-10, for the unauthorized discharge of coal bed methane (CBM) produced water into waters of the state by Bill Barrett Corporation. On March 24, 2010 the Wyoming Department of Environmental Quality /Water Quality Division (WQD) received a request for authorization to discharge from a full containment reservoir associated with WYPDES permit WY0055590. According to the request the discharge had actually commenced on March 16, 2010 prior to receiving authorization. This is a violation of WYPDES permit WY0055590 requirements, the Wyoming Environmental Quality Act (Act) and Wyoming Water Quality Rules and Regulations (WWQRR).

While neither the attached Notice of Violation nor this letter constitutes an order, it is the recommendation of this office that you take action to eliminate the alleged violation as follows:

1. Barrett should ensure that CBM produced water is only discharged to waters of the state through authorized discharge points in accordance with the WWQRR.
2. Barrett should inform the WQD of the steps taken to prevent this type of unauthorized discharge from occurring again. This information should be received by the WQD within 21 days of the date of this letter.
3. Barrett should cease discharge out of the reservoir until the DEQ grants the authorization to discharge.

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

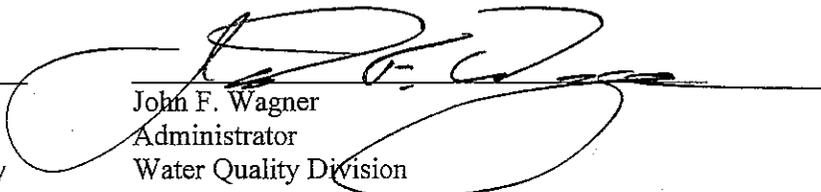
ADMIN/OUTREACH (307) 777-7937 FAX 777-3610	ABANDONED MINES (307) 777-6145 FAX 777-6462	AIR QUALITY (307) 777-7391 FAX 777-5616	INDUSTRIAL SITING (307) 777-7369 FAX 777-5973	LAND QUALITY (307) 777-7756 FAX 777-5864	SOLID & HAZ. WASTE (307) 777-7752 FAX 777-5973	WATER QUALITY (307) 777-7781 FAX 777-5973
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Bill Barrett Corporation
April 8, 2010
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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 Barrett. If Barrett wishes to pursue resolution of the previously noted violation through such an agreement, please contact Mr. Kevin M. Wells, WYPDES Natural Resource Program Manager at (307) 777-8669, or Mr. Brian K. Lovett, WYPDES Natural Resource Program Supervisor at (307) 777-5630, within 21 days of the date of this letter to set a meeting to discuss/resolve the violation.


John V. Corra
Director
Department of Environmental Quality


John F. Wagner
Administrator
Water Quality Division

JVC/JFW/KMW/bb/10-0280

Enclosure: Notice of Violation

cc: Lee Hanley, 8ENF-W-NP, EPA Region 8 (PDF)
James B. Eisenhauer, WYPDES Inspection Coordinator, Sheridan DEQ Office (PDF)
Bill DiRienzo ► Kevin M. Wells (PDF)
IPS (for scanning) ► Docket 4665-10
Keith Guille, DEQ Public Information Officer (PDF File Only)

BEFORE THE
DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF WYOMING

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

Bill Barrett Corporation)
1414 E. Lincoln Street)
Gillette, WY 82716)

DOCKET NUMBER 4665-10

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. Bill Barrett Corporation (Barrett) operates a Coal Bed Methane (CBM) production facility authorized to discharge under WYPDES permit WY0055590 located in the Pumpkin Creek POD I in Campbell and Johnson Counties, Wyoming. CBM produced water from this facility is discharged to numerous on-channel reservoirs located in unnamed ephemeral tributaries (class 3B) tributary to Beaver Creek (class 3B), which is tributary to the Powder River (class 2ABWW). The reservoirs are all listed under "option 2" of coal bed permitting requirements.
2. Wyoming Department of Environmental Quality/Water Quality Division (WQD) received a written request from Barrett on March 24, 2010 requesting authorization to discharge from reservoir P4-2. The request also indicated that Barrett had been discharging from the reservoir (associated with outfalls 001 and 005) since March 16, 2010, prior to receiving authorization from DEQ to discharge.
3. The P4-2 Reservoir is an on-channel reservoir and is not permitted to discharge except during a precipitation event allowing overtopping or receiving authorization from DEQ. The unauthorized release is a violation of WYPDES Permit WY0055590 Part 1(A) (2) which states: "*Final Water Management Period: Effective July 1, 2009, and lasting until expiration of the permit, the permittee is required to contain all effluent from the outfalls in the on-channel reservoirs at this facility, unless prior written authorization is granted by the WYPDES program for a reservoir release, in association with use of assimilative capacity credits for the Powder River Basin.*"
4. 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, in lieu of litigation.

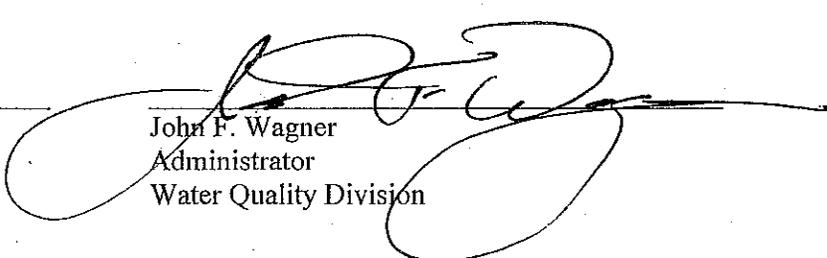
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NOTHING IN THIS NOTICE OF VIOLATION (NOV) shall be interpreted to in any way limit or contravene any other remedy available under the Environmental Quality Act, nor shall this NOV be interpreted as being a condition precedent to any other enforcement action.

Signed this 7 day of APRIL, 2010.



John V. Corra
Director
Department of Environmental Quality



John F. Wagner
Administrator
Water Quality Division

PLEASE DIRECT ALL INQUIRIES TO: Kevin M. Wells., WYPDES Natural Resource Program Manager at the 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/10-0280

cc: Natasha Davis, 8ENF-W-NP, EPA Region 8 (PDF)
James B. Eisenhauer, WYPDES Inspection Coordinator, Sheridan DEQ Office (PDF)
Bill J. DiRienzo ► Kevin M. Wells (PDF)
IPS (for scanning) ► Docket 4665-10
Keith Guille, DEQ Public Information Officer (PDF File Only)
DEQ Director