



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

March 31, 2010

Mr. Dave Olson
Fidelity Exploration and Production Company
2585 Heartland Drive
Sheridan, Wyoming 82801

RE: Notice of Violation, Docket Number 4661-10

Dear Mr. Olson:

Enclosed is a Notice of Violation, Docket Number 4661-10, issued to Fidelity Exploration and Production Company (Fidelity) for an unauthorized release of coal bed methane produced water into a water of the state. The event was reported to the Wyoming Department of Environmental Quality (DEQ) on March 22, 2010.

The DEQ has the authority to resolve violations with an out-of-court settlement agreement through the payment of a penalty by Fidelity. If Fidelity 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 within 21 days of the date of this letter to set up a meeting to discuss this matter.

John V. Corra
Director
Department of Environmental Quality

John F. Wagner
Administrator
Water Quality Division

JVC/JFW/KMW/bb/10-0260

Enclosure: Notice of Violation

cc: Natasha Davis, 8ENF-W-NP, EPA Region 8 (PDF)
Jim Eisenhauer, Inspection Program Coordinator, Sheridan DEQ Office (PDF)
Bill DiRienzo ► Kevin Wells (PDF)
IPS (for scanning) ► NOV Docket 4661-10
Keith Guille, DEQ Public Information Officer (PDF)

Page L-1

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

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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 |
|--|---|---|---|--|--|---|



BEFORE THE
DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF WYOMING

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

**Fidelity Exploration and Production Co.)
2585 Heartland Drive)
Sheridan, Wyoming 82801)**

DOCKET NUMBER 4661-10

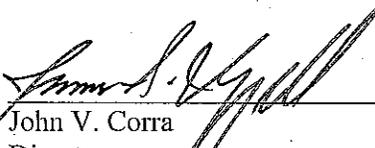
NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

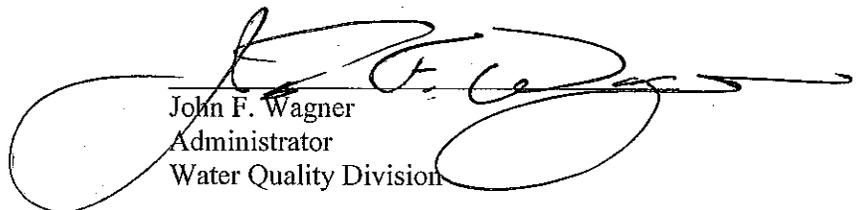
1. Fidelity Exploration and Production Company (Fidelity) is the owner/operator of Coal Bed Methane (CBM) production water pipeline associated with outfall 002 of WYPDES permit WY0049280 in Sheridan County, Wyoming.
2. On March 22, 2010 Fidelity reported a pipeline release of CBM produced water associated with outfall 002. Upon release, the water ran approximately 250 yards downhill to Coutant Creek. It was estimated that 185.7 barrels of water entered the creek.
3. Fidelity responded to the spill and shut in all contributing wells to the pipeline. Following the release the Department of Environmental Quality (DEQ) received a written report from Fidelity, dated March 22, 2010, indicating what remediation efforts and repairs had been completed at the site of the release, and a corrective plan of action that will include monitoring the pipeline on a monthly basis.
4. The discharge of CBM produced water to waters of the state is not permitted under any DEQ permits held by Fidelity from the location referenced above.
5. Coutant Creek is a "water of the state" as defined under W.S. 35-11-103 (c)(vi);
6. Production water is "pollution" as defined in W.S. 35-11-103 (c)(i);
7. By discharging pollution into waters of the state, Fidelity is in violation of W.S. 35-11-301 (a)(i) of the Wyoming Environmental Quality Act (Act) and Chapter 2 of the Wyoming Water Quality Rules and Regulations (WWQRR) which state that no person, except when authorized by a permit issued by the Department of Environmental Quality, shall cause, threaten or allow the discharge of any pollution or wastes into the waters of the state;
8. 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 7th 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, 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/10-0260

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DEQ Director