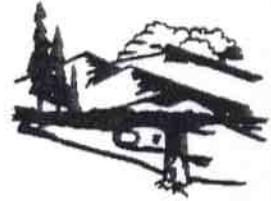




Department of Environmental Quality



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 21, 2010

Mr. Steve Ames
US Department of Energy
Rocky Mountain Oilfield Testing Center
907 N. Poplar Street, Suite 150
Casper, Wyoming 82601

RE: Notice of Violation, Docket Number 4688-10

Dear Mr. Ames:

Enclosed is a copy of Notice of Violation, Docket Number **4688-10**, for the unpermitted discharge of crude oil and production water into waters of the state by the U.S. Department of Energy/Rocky Mountain Oilfield Testing Center (DOE). The release occurred on April 20, 2010 in section 10, Township 38 North, Range 78 West in Natrona County, Wyoming and was reported to the Wyoming Department of Environmental Quality (DEQ) Spill Response Coordinator on this date as well. The impacted area from the unpermitted discharge was visited by a DEQ, Water Quality Division (WQD) employee on May 3, 2010. This release is a violation of the Wyoming Environmental Quality Act (Act) and the 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 violations as follows:

1. DOE should inform the Water Quality Division (WQD) in writing of the corrective action taken to clean up the impacted area from the unpermitted discharge. This information should be received within 14 days of completion of the cleanup efforts.
2. DOE should inform WQD in writing of the steps taken to eliminate unpermitted discharges. This information should be received within 21 days of receipt of this Notice of Violation.

The Department of Environmental Quality (DEQ) has the authority to resolve violations with an out-of-court settlement agreement through the payment of a penalty by DOE. If DOE wishes to pursue resolution of the previously noted violations 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 from the date 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

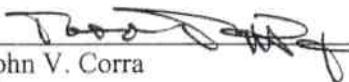
LAND QUALITY
(307) 777-7756
FAX 777-5864

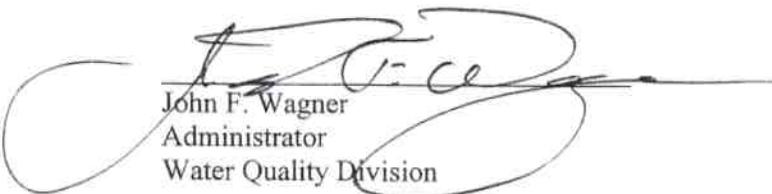
SOLID & HAZ. WASTE
(307) 777-7752
FAX 777-5973

WATER QUALITY
(307) 777-7781
FAX 777-5973



US Dept. of Energy
May 21, 2010
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John V. Corra
Director
Department of Environmental Quality


John F. Wagner
Administrator
Water Quality Division

JVC/JFW/KMW/bb/rm/10-0430

Enclosure: Notice of Violation

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
IPS (for scanning) ► Docket **4688-10**
Keith Guille, DEQ Public Information Officer (PDF File Only)
DEQ Director

BEFORE THE
DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF WYOMING

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

**US Department of Energy
Rocky Mountain Oilfield Testing Center
907 N. Poplar Street, Suite 150
Casper, Wyoming 82601**

DOCKET NUMBER 4688-10

NOTICE OF VIOLATION

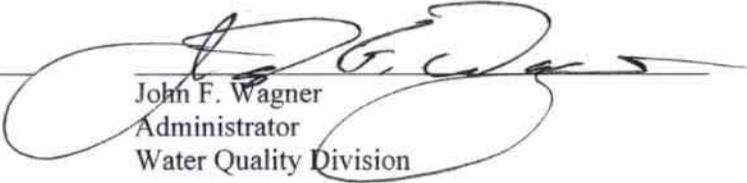
NOTICE IS HEREBY GIVEN THAT:

1. The U.S. Department of Energy/Rocky Mountain Oilfield Testing Center (DOE) operates numerous oil production facilities in Natrona County, Wyoming. On April 20, 2010 the Wyoming Department of Environmental Quality (DEQ) Spill Response Coordinator was contacted about a crude oil release from a well operated by DOE that occurred on this same date in section 10, Township 38 North, Range 78 West in Natrona County, Wyoming.
2. On May 3, 2010 a DEQ, Water Quality Division (WQD) inspector visited the site in response to the release. While on site the inspector observed the impacted area and noted numerous violations with regards to the release. Area of standing water in the drainage had oil staining around the edges and oil suspended in the water. Evidence of the flow path indicated the release had reached Little Teapot Creek, which was not flowing at the time of the visit.
3. Crude oil and production water are considered "pollution" as defined in §35-11-103 (c)(i);
4. The discharge referenced above entered "waters of the state" (the unnamed drainage and Little Teapot Creek) as defined under § 35-11-103 (c)(vi) and was not through a permitted discharge point;
5. The Department of Environmental Quality has no record of permits authorizing the discharge of pollution to waters of the state from the location referenced in the cases described above.
6. By discharging pollution into waters of the state, DOE is in violation of §35-11-301 (a)(i) 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;
7. 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 28th day of May, 2010.


John V. Corra
Director
Department of Environmental Quality


John F. Wagner
Administrator
Water Quality Division

JVC/JFW/KMW/rm/10-0430

PLEASE DIRECT ALL INQUIRIES TO: Kevin 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.

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
IPS (for scanning) ► Docket **4688-10**
Keith Guille, DEQ Public Information Officer (PDF File Only)
DEQ Director