Department of Environmental Quality

To protect, conserve and enhance the quality of Wyoming's environment for the benefit of current and future generations.

Matt Mead, Governor

John Corra, Director

CERTIFIED MAIL

February 15, 2011

Mr. Roland Blauer
Nautilus Exploration, LLC
700 E. 9th Avenue, Suite 200F
Denver, CO 80203

RE: Notice of Violation, Docket Number 4810-11

Dear Mr. Blauer:

Attached is a Notice of Violation, Docket Number 4810-11, issued to Nautilus Oil and Gas Corporation (Nautilus), by the Wyoming Department of Environmental Quality (DEQ), Water Quality Division (WQD) for a violation of WYPDES permit WY0001473. Failure to submit Discharge Monitoring Reports (DMRs) is a violation of the permit conditions. 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 violations as follows:

1. Nautilus should comply with WYPDES permit requirements for monitoring and reporting the discharge associated with the permitted facility. The DMRs should be completed and received by the DEQ on July 28 and January 28 following each 6 month monitoring period for the life of the permit.

2. Nautilus should immediately submit the complete and accurate delinquent reports to the WQD. This information should be received by the WQD no later than 20 days from the date of this NOV.

The WQD has the authority to resolve violations with an out-of-court settlement agreement through the payment of a penalty by Nautilus. If Nautilus wishes to pursue resolution of the previously noted violations through such an agreement, please contact 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

Enclosure: Notice of Violation
JVC/JFW/KMW/bb/11-0160
cc: David Gwisdalla, 8ENF-W-NP, EPA Region 8 (PDF)
Bill J. DiRienzo ► Kevin M. Wells (PDF)
IPS (for scanning) ► Docket 4810-11
Keith Guille, DEQ Public Information Officer (PDF File)
DEQ Director

BEFORE THE

DEPARTMENT OF ENVIRONMENTAL QUALITY

STATE OF WYOMING

IN THE MATTER OF THE NOTICE OF VIOLATION ISSUED TO:	)
Nautilus Exploration, LLC	)
700 E. 9th Avenue, Suite 200F	)
Denver, CO 80203	)
	DOCKET NUMBER 4810-11

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. Nautilus Exploration, LLC (Nautilus) is the operator of an oil production facility located in the NW ¼ of Section 15, in Township 33 North, Range 77 West in Weston County, Wyoming. WYPDES permit WY0001473 was renewed January 1, 2008.

2. Part I of the above referenced permit, under the Monitoring and Reporting Requirements, requires that effluent monitoring results obtained during the previous six month(s) shall be summarized and reported on a Discharge Monitoring Report (DMR). The DMRs are to be submitted to the Department of Environmental Quality (DEQ) and postmarked no later than the 28th day of the month following the completed reporting period. To date the DEQ/Water Quality Division (WQD) has not received either the DMRs for 2nd semester 2010 or the Annual 2010 required submittal.

3. DEQ has issued 2 previous Letters of Violation (LOV) to Nautilus for failure to submit DMRs. Failure to submit DMRs and missing samples are violations of permit requirements.

4.. This Notice is being sent to you pursuant to W.S. 35-11-701(c)(i), which requires that in any case of the failure to correct or remedy an alleged violation, the director of the Department of Environmental Quality shall cause a written notice to be issued and served upon the person alleged to be responsible;

5. 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 DEQ from negotiating stipulated settlements involving the payment of a penalty, implementation of compliance schedules or other settlement conditions.

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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 15 day of FEB, 2011.

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/11-0160

cc: David Gwisdalla, 8ENF-W-NP, EPA Region 8 (PDF)
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