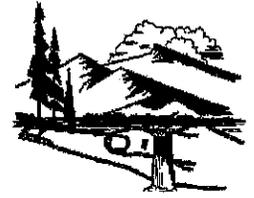




Department of Environmental Quality

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



Matthew H. Mead, Governor

John Corra, Director

CERTIFIED MAIL

December 2, 2011

Mr. Pete Schoonmaker
Pinnacle Gas Resources, Inc
1 East Alger
Sheridan, WY 82801

RE: Notice of Violation and Order, Docket Number 4924-11

Dear Mr. Schoonmaker:

Attached is a Notice of Violation and Order, Docket Number 4924-11, for failure to submit quarterly monitoring reports in violation of Underground Injection Control General Permit 5C5-1 and 5C5-3 for the following facilities located in Campbell and Sheridan Counties, Wyoming:

Facility Number	Well	General Permit
WYS-005-163	BCWI 9-5	5C5-1
WYS-005-232	Brown #4-84-5573A	5C5-1
WYS-033-00251	CB Fed 03-08-57-76i	5C5-3
WYS-033-00246	CB Fed 05-09-57-77i	5C5-3
WYS-033-00245	CB Fed 05-34-58-78i	5C5-3
WYS-033-00248	CB Fed 13-11-57-77i	5C5-3
WYS-033-00247	CB Fed 27-30-58-76i	5C5-3
WYS-033-00253	CB State 03-16-57-77i	5C5-3
WYS-033-00250	CB State 05-36-57-77i	5C5-3
WYS-033-00260	CB State 07-16-57-77i	5C5-3

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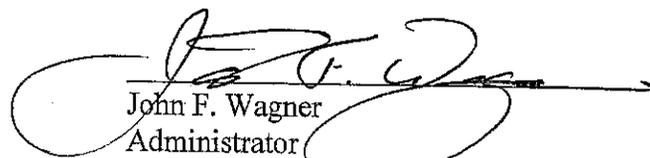
ANY APPEALS TO THE ENVIRONMENTAL QUALITY COUNCIL FROM THE ATTACHED ORDER MUST BE MADE IN WRITING WITHIN THE TEN (10) DAY TIME LIMIT PRESCRIBED BY W.S. 35-11-701(c). Chapter I, Section 3 of the Department of Environmental Quality Rules of Practice and Procedure (<http://soswy.state.wy.us/RULES/5675.pdf>) sets forth the requirements for the initiation of appeal proceedings.

To appeal this Order and request a hearing, you must file two (2) copies of your written petition. The first petition shall be mailed to the Chairman of the Environmental Quality Council at Room 1714, Herschler Building, 1st Floor West, 122 West 25th Street, Cheyenne, Wyoming 82002. The second petition should be sent to John V. Corra, Director, Wyoming Department of Environmental Quality, Herschler Building, 4th West, 122 West 25th Street, Cheyenne, Wyoming 82002. Both petitions must be sent by certified mail, return receipt requested.

PLEASE DIRECT ALL INQUIRIES TO: Mr. John Passehl, UIC Program Geology Supervisor, Department of Environmental Quality, Water Quality Division, Herschler Building, 4th Floor West, 122 West 25th Street, Cheyenne, Wyoming 82002. Telephone (307) 777-5623.



John V. Corra
Director
Department of Environmental Quality



John F. Wagner
Administrator
Water Quality Division

JVC/JFW/KF/JP/bb/11-1032

Enclosure: Notice of Violation and Order

cc: Steve Pratt, EPA Region 8
Kevin Frederick, DEQ
John Passehl, DEQ
NOV Docket 4924-11
Environmental Quality Council
Don Fischer, DEQ
Keith Guille, DEQ Public Information Officer (PDF File Only)

BEFORE THE
ENVIRONMENTAL QUALITY COUNCIL
STATE OF WYOMING

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

Mr. Pete Schoonmaker)
 Pinnacle Gas Resources, Inc)
 1 East Alger)
 Sheridan, WY 82801)

DOCKET NUMBER 4924-11

NOTICE OF VIOLATION AND ORDER

NOTICE IS HEREBY GIVEN THAT:

1. **Pinnacle Gas Resources, Inc** purchased two coal bed methane wells located in Campbell County in 2003. The facilities are covered by Underground Injection Control General Permit 5C5-1. Pinnacle Gas Resources, Inc. also obtained 5C5-3 General Permit coverage for eight coal bed methane injection wells located in Sheridan County in 2008. A Letter of Violation (LOV) was issued August 9, 2010 for failure to submit quarterly monitoring reports for these wells:

Facility	Well	General Permit
WYS-005-163	BCWI 9-5	5C5-1
WYS-005-232	Brown #4-84-5573A	5C5-1
WYS-033-00251	CB Fed 03-08-57-76i	5C5-3
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WYS-033-00247	CB Fed 27-30-58-76i	5C5-3
WYS-033-00253	CB State 03-16-57-77i	5C5-3
WYS-033-00250	CB State 05-36-57-77i	5C5-3
WYS-033-00260	CB State 07-16-57-77i	5C5-3

2. Pinnacle Gas Resources, Inc is in violation of Underground Injection Control General Permit 5C5-1 and 5C5-3, Parts IV(B)(1) and IV(B)(2) for failure to adhere to the monitoring and reporting requirements of the permits.
3. 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 (DEQ) shall cause a written notice to be issued and served upon the person alleged to be responsible.

ORDER

BEFORE THE ENVIRONMENTAL QUALITY COUNCIL – STATE OF WYOMING

WHEREFORE IT IS HEREBY ORDERED THAT:

- 1. Within 30 days from the receipt of this Notice of Violation, Pinnacle Gas Resources, Inc. will submit all delinquent reports for DEQ review and approval.**
- 2. Within 30 days from the receipt of this Notice of Violation, Pinnacle Gas Resources Inc. will arrange for inspection of the facilities by DEQ personnel.**

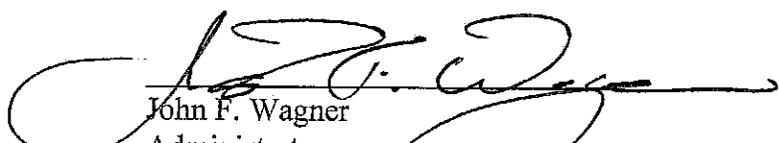
This ORDER is final unless, no later than ten (10) days after the date this notice is received; it is appealed by filing two written requests for a hearing before the Environmental Quality Council. If a hearing is requested, the first hearing petition shall be mailed to the Chairman, Wyoming Environmental Quality Council, Room 1714 Herschler Building, 1st Floor West, 122 West 25th St., Cheyenne, Wyoming 82002. The second petition shall be mailed to the Director, Wyoming Department of the Environmental Quality, Herschler Building, 4th Floor West, 122 West 25th St., Cheyenne, Wyoming 82002. Both petitions must be sent by certified mail, return receipt requested.

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

Ordered this 5th day of December, 2011.



John V. Corra
Director
Department of Environmental Quality



John F. Wagner
Administrator
Water Quality Division

PLEASE DIRECT ALL INQUIRIES TO: John Passehl, UIC Program Geology Supervisor, Department of Environmental Quality, Water Quality Division, Herschler Building, 4th Floor West, 122 West 25th Street, Cheyenne, Wyoming 82002. Telephone 307-777-5623.

JVC/JFW/KF/JP/bb/11-1032

cc: Steve Pratt, EPA Region 8
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Don Fischer, Sheridan DEQ Field Office
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