

Mary A. Throne, #5-2699
Throne Law Office, P.C.
1810 Pioneer Avenue
P.O. Box 828
Cheyenne, WY 82001
(307) 637-2822
(307) 637-2873 Fax

FILED

APR 25 2014

Jim Ruby, Executive Secretary
Environmental Quality Council

Attorney for High Plains Gas, LLC

**BEFORE THE ENVIRONMENTAL QUALITY COUNCIL
STATE OF WYOMING**

In the Matter of the Bond Forfeiture of)
High Plains Gas, LLC, Bond No.)
LPM9050903)
)

Docket No. 14-3501

REQUEST FOR HEARING ON BOND FORFEITURE

COMES NOW, High Plains Gas, LLC, (High Plains) by and through its attorney, Mary A. Throne, of Throne Law Office P.C. to request the following:

1. On March 28, 2014, High Plains received a notice from the Office of the Wyoming Attorney General of its intent to initiate bond forfeiture proceedings against High Plains. The letter is Attachment A and incorporated by reference.

2. The letter from the Office of the Attorney General provides that the Wyoming Department of Environmental Quality will initiate forfeiture proceedings unless High Plains requests a hearing in front of the Environmental Quality Council within 30 Days of the letter. High Plains hereby requests a hearing before the Environmental Quality Council to challenge the bond forfeiture for Bond No. LPM9050903, as outlined in Attachment A.

Respectfully submitted this 25th day of April, 2014

Mary A. Throne

Mary A. Throne, #5-2699

Throne Law Office, P.C.

1810 Pioneer Avenue

P.O. Box 828

Cheyenne, WY 82001

(307) 637-2822

(307) 637-2873 Fax

Attorney for High Plains Gas, LLC

CERTIFICATE OF SERVICE

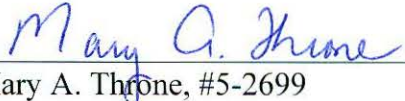
I hereby certify that I served a true and complete copy of the above and foregoing upon the opposing party on the 25th day of April 2014, by mailing a true and complete copy to the following:

Mike Barrash, Esq.
Sr. Assistant Attorney General
Wyoming Attorney General's Office
123 State Capitol
Cheyenne, WY 82002

Mr. Dennis Kerrigan
General Counsel
Fidelity and Deposit Company of Maryland
1400 American Lane
Schaumburg, IL 60196

David W. Slaughter
Snow, Christenson & Martineau
10 Exchange Place, Eleventh Floor
Salt Lake City, UT 84111

Mr. Kevin Frederick
Wyoming Department of Environmental Quality
122 West 25th Street
Cheyenne, WY 82002



Mary A. Throne, #5-2699
Throne Law Office, P.C.
1810 Pioneer Avenue
P.O. Box 828
Cheyenne, WY 82001
(307) 637-2822
(307) 637-2873 Fax



RECEIVED BY
GENERAL COUNSEL

APR 2 2014

Office of the Attorney General

Governor
Matthew H. Mead

Water and Natural Resources Division
123 State Capitol
Cheyenne, Wyoming 82002
307-777-6946 Telephone
307-777-3542 Fax

Chief Deputy Attorney General
John G. Knepper

Attorney General
Peter K. Michael

Division Deputy
James Kaste

March 28, 2013

**CERTIFIED MAIL #
RETURN RECEIPT REQUESTED**

Mr. Dennis Kerrigan
General Counsel
Fidelity and Deposit Company of Maryland
1400 American Lane
Schaumburg, IL 60196
dennis.kerrigan@zurichna.com

High Plains Gas, LLC
P.O. Box 1564
Gillette, WY 82717

Ed Presley
Registered Agent for
High Plains Gas, LLC
77 E. Ridge Rd.
Sheridan, WY 82801

**RE: Notice of Proposed Bond Forfeiture Relating to Certain WYPDES Permits and to
Notice of Violation & Order No. 5158-13**

Dear Mr. Kerrigan and Mr. Presley:

On June 5, 2013, the Wyoming Department of Environmental Quality (DEQ), Water Quality Division issued Notice of Violation (NOV) & Order No. 5158-13 to High Plains Gas, LLC (High Plains Gas). The NOV alleged, among other things, that High Plains Gas was in violation of all 45 of its Wyoming Pollution Discharge Elimination System (WYPDES) permits for failure conduct required effluent monitoring and report the results and failure to pay

Mr. Dennis Kerrigan
High Plains Gas, LLC
Mr. Ed Presley
March 28, 2014
Page 2

statutorily required discharge permit fees for those permits, and also in violation of WYPDES permit WY0051012 for discharges of coal bed methane produced water to certain unbonded on-channel reservoirs. The Order accompanying the NOV required High Plains Gas to, among other things, submit the delinquent monitoring reports, pay the delinquent discharge permit fees, and submit reclamation plans for DEQ approval and then reclaim 78 bonded on-channel reservoirs, the 16 permits authorizing discharges to which had expired or been terminated, and also reclaim the unbonded reservoirs under WYPDES permit WY0051012, which also had expired. The Order included a statement that High Plains Gas's failure to comply may result in termination of its remaining permits and bond forfeiture.

High Plains Gas did not contest the Order (No. 5158-13), which then became final pursuant to Wyo. Stat. Ann. § 35-11-701(c)(ii). Since then, DEQ terminated High Plains Gas's 28 remaining WYPDES permits, which had authorized discharges to the other 65 bonded on-channel reservoirs, for failure to submit required permit fees, failure to submit required monitoring reports, and failure to submit required reservoir reclamation plans and schedules, in violation of the Order. On February 25, 2014, the Wyoming Environmental Quality Council (EQC) approved the DEQ's January 14, 2014 request to ask the Attorney General's Office to initiate bond forfeiture proceedings in this matter.

The Wyoming Attorney General's Office is hereby notifying you that DEQ seeks an order from the EQC to forfeit High Plains Gas, LLC's reclamation performance bond, Bond No. LPM9050903, issued by Fidelity and Deposit Company of Maryland, in the amount of Two Million One Hundred Fifty Thousand One Hundred Fifty-Six and 21/100 dollars (\$2,150,156.21). The EQC will order the bond forfeited unless you make a written demand for a hearing to the EQC within thirty (30) days after receiving this notice. If the bond is forfeited, DEQ will apply the proceeds to High Plains Gas's reservoir reclamation obligations.

If you have any questions concerning this matter, you can call Jeremy Gross or me at 307-777-6946.

Sincerely,



Mike Barrash
Sr. Assistant Attorney General

cc: Kevin Frederick
Bill DiRienzo
Jeremy Gross
file