

HERBALY PETROLEUM CORP.

Suite 1700 STELLAR PLAZA

1099 18TH STREET

DENVER, COLORADO 80202

(303) 296-7812

ELMER L. HERBALY
DAVID L. HERBALY

December 9, 1988

Wyoming Environmental Quality Council
308 Barrett Building
2301 Central Avenue
Cheyenne, Wyoming 82002

FILED

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Terri A. Lorenzon, Adm. Aide
Environmental Quality Council

ATTENTION: Ms. Terri A. Lorenzon
Administrative Aide
RE: Your Docket No. 1915-88

Dear Ms. Lorenzon:

Herbaly Petroleum Corp. is withdrawing its request for a hearing on the above referenced matter. We have gone ahead and shut in the well in question.

For the record, we believe that we complied with your order dated February 3, 1988 by furnishing you a copy of a water analysis dated January 6, 1988 showing the oil and grease content of the produced water to be 6.0 mg/l. The DEQ took two water samples and we took four during 1988. The DEQ samples contained 59 and 16 mg/l oil and grease; ours contained 6, 11, 9 and 16 mg/l, for an average of 20 mg/l. Between January and October 1988 the well produced 17,460 barrels of water. At 20 mg/l, only about one-third of one barrel of oil was produced with the water. Is this an offense that merits your threatened penalty of \$10,000 per day and the extensive time and effort of the State's employees?

This water was put to beneficial use by Mr. Sam Hampton of Worland, who used it for his sheep. (There are no other sources of water in the area.)

We would also like to point out that during the first ten months of the year this well generated about \$4,000 in taxes for the State of Wyoming and Washakie County, while the working interest owners had a \$5,000 out of pocket loss for the period, plus overhead charges, depreciation and depletion.

We appreciate that your efforts come from a desire to protect the environment, but we often feel that your actions lack common sense and are a real burden and frustration to small businesses such as ours.

Yours truly,

David L. Herbaly
David L. Herbaly

cc: B. Garland; T. Roan (AG's Office). 12-12-88.ccc.