

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

**IN THE MATTER OF THE BOND)
FORFEITURE PROCEEDINGS)
AGAINST THE BONDS OF) DOCKET NO. 16-3501
PATRIOT ENERGY RESOURCES, LLC.)**

ORDER OF BOND FORFEITURE

THIS MATTER, having come before the Wyoming Environmental Quality Council (“Council”) on a motion from the Department of Environmental Quality, Water Quality Division (“Department”) for forfeiture of Patriot Energy Resources, LLC’s reclamation performance bonds, and the Council having reviewed the motion and being otherwise fully informed, **MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:**

1. From 2005 until 2013, Patriot operated coal bed methane production facilities throughout the Powder River Basin and discharged produced water to surface impoundments under a number of Wyoming Pollution Discharge Elimination System Permits (“WYPDES”).
2. The following table identifies the subject WYPDES permit numbers under which reservoirs were bonded by the Department and corresponding permit termination dates:

Wyoming Permit Numbers	Permit Termination Date
WY0052647	6/30/2011
WY0049492	8/31/2012
WY0037699	12/31/2012
WY0039152	12/31/2012
WY0047759	4/15/2013
WY0036188	12/16/2013
WY0036285	12/16/2013
WY0036293	12/16/2013
WY0036374	12/16/2013
WY0037711	12/16/2013
WY0038610	12/16/2013
WY0039951	12/16/2013

WY0039985	12/16/2013
WY0048011	12/16/2013
WY0049686	12/16/2013

3. Patriot developed and operated up to eighty-nine (89) reservoirs located on private lands throughout the Powder River Basin under these permits. The permits required Patriot to post reclamation performance bonds as financial assurance for the reclamation of the reservoirs. Patriot posted the reclamation performance bonds in the form of cash. The cash reclamation performance bonds held by the Department under these permits total \$1,213,856.77.

4. In early 2013, Patriot ceased its operations and by December 28, 2013, the Department terminated all of Patriot's WYPDES permits. Patriot failed to reclaim the reservoirs and these reservoirs remain unreclaimed.

5. The Council approved the Department's request to initiate bond forfeiture proceedings against Patriot on June 16, 2016.

6. On July 12, 2016, the Office of the Attorney General mailed Notice of Bond Forfeiture to Patriot and potential subsequent owners of the Patriot wells by certified mail. The notice stated the Council would enter an order forfeiting Patriot's bond unless it made a demand for a hearing before the Council within thirty days. Neither the Office of Attorney General nor the Council has a record of a request for a hearing before the Council from Patriot.

7. The record in this matter establishes that the Department has satisfied all requirements for bond forfeiture in the amount of \$1,213,856.77.

Therefore, the Council **HEREBY ORDERS:**

1. That the aforementioned reclamation performance bonds are forfeited to the Department for use by the Department to reclaim the reservoirs developed under Patriot's permits.

2. Any proceeds remaining after reclamation shall be subject to any claim by the people of the State of Wyoming.

3. Any funds remaining after reclamation and payment of other claims shall be returned to Patriot.

DATED this 28th day of Sep, 2016.

WYOMING ENVIRONMENTAL QUALITY COUNCIL


Chairman