

HERBALY PETROLEUM CORP.

1700 STELLAR PLAZA
1099 18TH STREET
DENVER, COLORADO 80202

(303) 296-7812

ELMER L. HERBALY
DAVID L. HERBALY

February 16, 1988

REGISTERED MAIL

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

Mr. Randolph Wood
Director, Department of Environmental Quality
4th floor, Herschler Building
122 West 25th Street
Cheyenne, Wyoming 82002

RE: Docket 1915-88

Gentlemen:

We received your Notice of Violation and Order dated February 3, 1988, with the docket number shown above. We would respectfully request that the order be vacated or that a hearing be granted on the following grounds:

- 1) Our most recent water analysis, dated January 11, 1988 is enclosed, showing that the oil and grease level is 6.0 mg/l. We are having another sample taken today.
- 2) Over the past year or two we used every water treatment chemical that Petrolite Corporation offered. We used all of their demulsifiers and two different reverses, without any of them being fully satisfactory. We have now switched to Wellchem and are trying their new polymer demulsifying reverse chemical. We have been monitoring the water quality daily using the chemical company's analysis for about a month and a half.
- 3) Enclosed is an air photograph of our location, showing an arid, highly dissected terrain with no open water. Our water moves northward from the wellsite to a dry coulee. The nearest intermittent stream, the east fork of No Water Creek, is five miles north. The produced water evaporates or is absorbed by the dry clays that line the coulee long before it can reach No Water Creek.
- 4) The region has so few reservoirs to catch runoff water that a local rancher, Mr. Sam Hampton of Worland, has placed troughs at our water outlet to hold water for his sheep herd.



FILED

FEB 18 1988

Terri A. Lorenzon, Adm. Aide
Environmental Quality Council

CC: WQD 3-2-88 by M.A.

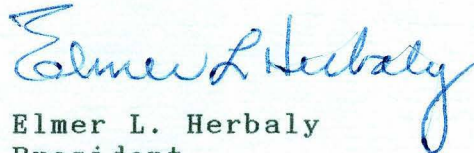
Before this water was available, one year a number of sheep died of thirst. He has used this water for a couple years now and would like to continue doing so. Chapter VII, Section 5(a)(1) of your water quality rules and regulations state clearly that this should be taken into account.

We have concientiously tried to keep our oil and water separated through the use of chemicals. We have only a single settling pond, but have so little oil residue that skimming seems unneeded. The water analyses vary quite a bit as can be seen from the analyses submitted by the D.E.Q. and ourselves. A revocation of the disposal permit would mean an expensive haul of over 30 miles to the nearest disposal facility. This well is economically marginal at current crude oil prices; its 1987 profit was less than \$400 before any deduction for depreciation or depletion. Any added operating expense would force us to abandon the well.

Our main concern is that the terrain does indicate that we are not in any danger of polluting any open water of the State. Your kind consideration of this matter is appreciated.

Yours truly,

HERBALY PETROLEUM CORP.


Elmer L. Herbaly
President