



A R K A N S A S  
Department of Environmental Quality

June 2, 2010

Mr. Harvey E. Barney, Vice-President of Drilling  
Enervest Operating LLC  
1001 Fannin Street Suite 800  
Houston, TX 77002-6707

RE: Existing Gas Well sites located in Sebastian County- Arkansas

Dear Mr. Barney:

On May 12, 2010, I performed an investigation of numerous existing gas well locations in Sebastian County, Arkansas near James Fork Lake. This investigation was conducted in accordance with the provisions of the Arkansas Water and Air Pollution Control Act and the regulations promulgated thereunder. The investigation revealed the following:

- 1. The reserve pit for the Lula Deleon # 4-30 gas well has been constructed and closed without first obtaining approval under the Authorization to Construct, Operate and Close the Pits Associated with Oil and Gas Well Exploration (Permit No. 00000-WG-P).**
- 2. Excessive amount of used oil was observed on the ground at the Dalmut # 2-20-9 gas well site. The leak must be stopped and the contaminated soil should be disposed of properly.**
- 3. An open reserve pit was observed at the Dalmut # 1-29-7 gas well site. It appears that the pit has been in existence for an extended period of time. The pit must be properly closed.**
- 4. The lack of stabilization at the Lula Deleon # 2-29-14 site has caused erosion issues on the hillside. The site must be properly stabilized in order to prevent sediments from entering nearby tributaries which flow into James Fork Lake.**

The above items require your immediate attention. Please submit a written response to these findings to Cindy Garner, Water Division Enforcement Branch Manager at the address below. This response should contain documentation describing the course of action taken to correct each item noted. This corrective action should be completed as soon as possible, and the written response with all necessary documentation (i.e. pictures) is due by June 12, 2010.



If I can be any assistance, please contact me at 479-452-4822 ext. 11.

Sincerely,



Jeff Tyler  
District 4 Field Inspector  
Water Division

cc: Water Division Enforcement Branch  
Water Division Permits Branch

**Arkansas Department of Environmental Quality (ADEQ)  
Official Photograph Sheet**

<b>Location:</b>		Enervest gas well sites located near James Fork Lake in Sebastian County.						
<b>Photographer:</b>		Jeff Tyler			<b>Witness:</b>		N/A	
<b>Photo #</b>	1	<b>Of</b>	10	<b>Date:</b>		05-12-10	<b>Time:</b>	1323
<b>Description:</b>		Sign posted at the location.						
								
<b>Photographer:</b>		Jeff Tyler			<b>Witness:</b>		N/A	
<b>Photo #</b>	2	<b>Of</b>	10	<b>Date:</b>		05-12-10	<b>Time:</b>	1318
<b>Description:</b>		Work-over equipment on site at Deleon # 4-30.						
								



**Arkansas Department of Environmental Quality (ADEQ)  
Official Photograph Sheet**

<b>Location:</b>		Enervest gas well sites located near James Fork Lake in Sebastian County.						
<b>Photographer:</b>		Jeff Tyler			<b>Witness:</b>		N/A	
<b>Photo #</b>	3	<b>Of</b>	10	<b>Date:</b>		05-12-10	<b>Time:</b>	1323
<b>Description:</b>		Location where reserve pit has been closed for the Deleon # 4-30 gas well.						
								
<b>Photographer:</b>		Jeff Tyler			<b>Witness:</b>		N/A	
<b>Photo #</b>	4	<b>Of</b>	10	<b>Date:</b>		05-12-10	<b>Time:</b>	1238
<b>Description:</b>		Sign posted at the location.						
								



**Arkansas Department of Environmental Quality (ADEQ)  
Official Photograph Sheet**

<b>Location:</b>	Enervest gas well sites located near James Fork Lake in Sebastian County.						
<b>Photographer:</b>	Jeff Tyler			<b>Witness:</b>	N/A		
<b>Photo #</b>	5	<b>Of</b>	10	<b>Date:</b>	05-12-10	<b>Time:</b>	1237
<b>Description:</b>	Excessive used oil on the ground at the Dalmut # 2-20-9 site.						
							
<b>Photographer:</b>	Jeff Tyler			<b>Witness:</b>	N/A		
<b>Photo #</b>	6	<b>Of</b>	10	<b>Date:</b>	05-12-10	<b>Time:</b>	1307
<b>Description:</b>	Sign posted at the location.						
							

**Arkansas Department of Environmental Quality (ADEQ)  
Official Photograph Sheet**

<b>Location:</b>	Enervest gas well sites located near James Fork Lake in Sebastian County.						
<b>Photographer:</b>	Jeff Tyler				<b>Witness:</b>	N/A	
<b>Photo #</b>	7	<b>Of</b>	10		<b>Date:</b>	05-12-10	<b>Time:</b> 1305
<b>Description:</b>	Reserve pit not properly closed on the Dalmut # 1-29-7 site.						
							
<b>Photographer:</b>	Jeff Tyler				<b>Witness:</b>	N/A	
<b>Photo #</b>	8	<b>Of</b>	10		<b>Date:</b>	05-12-10	<b>Time:</b> 1306
<b>Description:</b>	Open reserve pit on the Dalmut # 1-29-7 site.						
							

**Arkansas Department of Environmental Quality (ADEQ)  
Official Photograph Sheet**

<b>Location:</b>		Enervest gas well sites located near James Fork Lake in Sebastian County.						
<b>Photographer:</b>		Jeff Tyler			<b>Witness:</b>		N/A	
<b>Photo #</b>	9	<b>Of</b>	10	<b>Date:</b>		05-12-10	<b>Time:</b>	1257
<b>Description:</b>		Sign posted on the location.						
								
<b>Photographer:</b>		Jeff Tyler			<b>Witness:</b>		N/A	
<b>Photo #</b>	10	<b>Of</b>	10	<b>Date:</b>		05-12-10	<b>Time:</b>	1257
<b>Description:</b>		Site displaying erosion issues due to lack of stabilization.						
								



**ENERVEST OPERATING, L.L.C.**

1001 Fannin Street, Suite 800

Houston, TX 77002-6708

Main No. (713) 659-3500

Fax No. (713) 659-5036

June 24, 2010

ADEQ – Arkansas Department  
Of Environmental Quality  
5301 Northshore Drive  
North Little Rock, AR 72118-4317

ATTENTION: Ms. Cindy Garner

Dear Ms. Garner,

In response to a letter from ADEQ dated June 2, 2010 regarding an investigation of numerous existing gas well locations in Sebastian County, Arkansas, the following items have been corrected or in the process of being corrected.

1. The reserve pit for the Lula Deleon #4-30 - The permit #01643 was submitted and approved on June 23, 2010.
2. Excessive used oil on the ground at the Dalmut #2-20-9 - The contaminated soil has been removed and properly disposed of at an approved disposal site and new soil replaced the contaminated soil.
3. Open reserve pit at the Dalmut #1-29-7 – The reserve pit application will be submitted for approval on Friday, June 25<sup>th</sup> for approval.
4. Stabilization problem at the Lula Deleon #2-29-14 – A silt fence was installed at the location on June 15, 2010. Brad Dean, Enervest Production Superintendent will be consulting with Marshall Miller & Associates and Booth Environmental to discuss the best method of stabilizing the area.

Please call me at 713-495-1514 if you have any questions.

Sincerely,

Shirley A. Galik  
Sr. Regulatory Technician



ADEQ - Arkansas Department  
Of Environmental Quality  
ATTN: Ms. Cindy Garner  
5301 Northshore Drive  
North Little Rock, AR 72118-4317



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MAILED FROM ZIP CODE 77002

72118+5317





# ADEQ

A R K A N S A S  
Department of Environmental Quality

September 22, 2010

Shirley Galik  
Enervest Operating, LLC.  
1001 Fannin Street, Suite 800  
Houston, TX 77002-6708

RE: Existing Gas Well sites located in Sebastian County—Arkansas  
Response to Inspection

Dear Ms. Galik:

The Department has received your response to the May 12, 2010 routine inspections of numerous gas wells by our District Field Inspector, Jeff Tyler. Your letter appears to adequately address the discrepancies identified during the visits. The Department assumes the corrective actions taken will be maintained to ensure consistent compliance with the requirements of the permit. Acceptance of this response by the Department does not preclude any future enforcement action deemed necessary at this site or any other site.

The Department will keep the inspection and response on file. If future violations occur that require enforcement action, the Department will consider the inspection and response as required by the Pollution Control and Ecology Commission Regulation No. 7, Civil Penalties. This regulation requires the Department to consider the past history of your site and how expeditiously the violations were addressed in determining any civil penalty that may be necessary for any future violations.

If we need further information concerning this matter, we will contact you. Thank you for your attention to this matter. Should you have any questions, feel free to contact me at 501-682-0649 or you may e-mail me at [sawyer@adeq.state.ar.us](mailto:sawyer@adeq.state.ar.us).

Sincerely,



Sam Sawyer  
Enforcement Coordinator  
Water Division Enforcement Branch