

BEFORE THE
ENVIRONMENTAL QUALITY COUNCIL
STATE OF WYOMING

FILED

MAR 09 2012

Jim Ruby, Executive Secretary
Environmental Quality Council

IN THE MATTER OF THE BOND)
FORFEITURE PROCEEDINGS)
AGAINST THE BOND OF) DOCKET NO. 11-4501
CARBON ENERGY)
PERMIT NO. 578ET)

ORDER OF BOND FORFEITURE

THIS MATTER came before the Wyoming Environmental Quality Council on a motion from the Wyoming Department of Environmental Quality (DEQ) for forfeiture of Carbon Energy Corporation's (Carbon Energy) reclamation performance bond for permit 578ET. The Council, having reviewed the motion and having been otherwise fully informed, **MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:**

1. Carbon Energy posted a one thousand dollar (\$1,000.00) performance bond in the form of a Certificate of Deposit No. 3004408 - dated 05-13-1985, issued by the United Savings Bank of Wyoming, now U.S. Bank, for its' scoria and sand and gravel mining operation under permit 578ET located in the SE1/4 SW1/4 of Section 36, Township 34N, Range 94W in Fremont County, Wyoming.
2. The DEQ issued Notice of Violation No. 4275-08 to Carbon Energy on June 16, 2008, because Carbon Energy failed to reclaim the mining disturbance after mining operations ceased.
3. The Council approved the DEQ's request to initiate bond forfeiture proceedings against Carbon Energy on May 11, 2011.

4. On November 14, 2011, the Office of the Attorney General sent notice to Carbon Energy by certified mail that the Council would enter an order forfeiting its bond unless it demanded a hearing before the Council within thirty (30) days. U.S. Bank was also sent a copy of the notice to Carbon Energy by certified mail. Notice sent to Carbon Energy was returned to the Office of the Attorney General on November 23, 2011, as “unable to forward.” U.S. Bank received notice on or about November 15, 2011.
5. Neither the Office of the Attorney General nor the Council has any record of a request for a hearing before the Council from Carbon Energy or U.S. Bank.
6. The record in this matter establishes that the DEQ has satisfied all requirements for bond forfeiture of the Certificate of Deposit No. 3004408 - dated 05-13-1985, issued by the United Savings Bank of Wyoming, now U.S. Bank, in the amount of one thousand dollars (1,000.00), pursuant to WYO. STAT. ANN. § 35-11-421.
7. The DEQ and the Attorney General's Office have satisfied all of the statutory prerequisites to this bond forfeiture, and the Council should order the bond forfeited.

The Environmental Quality Council, being otherwise fully advised in the premises, **HEREBY ORDERS:**

1. The aforementioned reclamation performance bond forfeited to the Wyoming Department of Environmental Quality, Land Quality Division, to be used by the Department for the reclamation of all lands affected by Carbon Energy’s mining operations under permit 578ET.

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 Carbon Energy.

DATED this 9 day of March, 2012.

WYOMING ENVIRONMENTAL QUALITY
COUNCIL

Tim Leitner
Chairman

CERTIFICATE OF SERVICE

I, Kim Waring, certify that at Cheyenne, Wyoming, on the 13th day of March, 2012, I served a copy of the foregoing ORDER OF BOND FORFEITURE by electronic mail to the following:

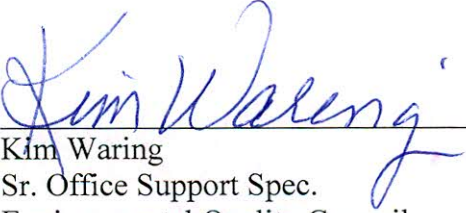
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DEQ, LQD - Administrator
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Luke Esch
Asst. Attorney General
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John Corra
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also by depositing the same in the United States mail addressed to:

Richard D. Hovander
Carbon Energy Co., Inc.
2325 West Main St.
Riverton, WY 82501


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