



Department of Environmental Quality



To protect, conserve and enhance the quality of Wyoming's environment for the benefit of current and future generations.

John Corra, Director

Dave Freudenthal, Governor

July 11, 2006

Mr. Reed Scott
Chief Operating Officer
Infinity Oil and Gas Company of Wyoming, Inc.
950 17th St., Ste 800
Denver, CO 80202

RE: Notice of Violation

Dear Mr. Scott:

Enclosed you will find a Notice of Violation (NOV) issued to Infinity Oil and Gas Company of Wyoming, Inc. by the Department of Environmental Quality, Air Quality Division, for the failure to obtain an air quality permit prior to commencing construction and operation of the Riley Ridge Compressor Station in violation of W.S. 35-11-801 of the Wyoming Environmental Quality Act and Chapter 6, Section 2(a)(i) of the Wyoming Air Quality Standards and Regulations.

As the Department and this Division consider the failure to comply with air quality permitting requirements to be a serious matter, I am considering recommending the Department refer this violation to the State Attorney General's office requesting a suit be filed in District Court to recover appropriate penalties. If you would like to discuss settlement of this Notice of Violation prior to referral to the Attorney General's office, please contact Mr. Robert Gill, Air Quality Compliance Program Manager, at 307-777-3774 no later than ten (10) days after receipt of this letter.

Should you have any questions or comments regarding this matter, please feel free to contact me or Mr. Robert Gill.

Sincerely,

David A. Finley
Administrator
Air Quality Division

cc: Robert Gill
Tony Hoyt
Nancy Vehr
Keith Guille

Herschler Building • 122 West 25th Street • Cheyenne, WY 82002 • <http://deq.state.wy.us>

ADMIN/OUTREACH (307) 777-7758 FAX 777-3610	ABANDONED MINES (307) 777-6145 FAX 777-6462	AIR QUALITY (307) 777-7391 FAX 777-5616	INDUSTRIAL SITING (307) 777-7369 FAX 777-5973	LAND QUALITY (307) 777-7756 FAX 777-5864	SOLID & HAZ. WASTE (307) 777-7752 FAX 777-5973	WATER QUALITY (307) 777-7781 FAX 777-5973
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**BEFORE THE
DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF WYOMING**

**IN THE MATTER OF THE NOTICE OF VIOLATION)
ISSUED TO INFINITY OIL AND GAS COMPANY OF) DOCKET NO. 3916-06
WYOMING, INC., MR. REED SCOTT, CHIEF OPERATING)
OFFICER, 950 17TH ST., STE 800, DENVER, CO 80202)**

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. The Department of Environmental Quality, Division of Air Quality, has found Infinity Oil and Gas Company of Wyoming, Inc. (Infinity) to be in violation of W.S. 35-11-801 of the Wyoming Environmental Quality Act and Chapter 6, Section 2 of the Wyoming Air Quality Standards and Regulations in the construction and operation of the Riley Ridge Compressor Station located in Sublette County, Wyoming.

2. W.S. 35-11-801(c) states: AA permit to construct is required before the construction or modification of any industrial facility capable of causing or increasing air or water pollution in excess of standards established by the department is commenced.@

3. Chapter 6, Section 2 of the Wyoming Air Quality Standards and Regulations prescribes the applicability and procedures for issuing permits to sources under Wyoming=s construction and modification permitting program.

4. Chapter 6, Section 2(a)(i) of the Wyoming Air Quality Standards and Regulations states: AAny person who plans to construct any new facility or source, modify any existing facility or source, or to engage in the use of which may cause the issuance of or an increase in the issuance of air contaminants into the air of this state shall obtain a construction permit from the State of Wyoming, Department of Environmental Quality, before any actual work is begun on the facility.@

5. Air Quality Permit MD-808 was issued to Infinity on September 12, 2002. The permit granted Infinity permission to modify the Riley Ridge Compressor Station with the replacement of one 95 hp Caterpillar 3304 engine with one 1340 hp Caterpillar 3516 LE engine and one 80 hp Ford 460 engine.

6. During an air quality inspection on October 15, 2004, it was observed that the 1340 hp Caterpillar 3516 LE engine and the 80 hp Ford 460 engine had been removed from the site. The equipment on site at that time included one Chevy 454 water injection pump engine and one Caterpillar G3304 engine, as well as two 400 bbl storage tanks each with 250,000 btu heaters, a 200 bbl storage tank with a 500,000 btu heater, and a heater/treater with a 500,000 btu heater.

7. In a December 1, 2004 transmittal letter sent with the inspection report from the October 15, 2004 inspection, Infinity was informed that new permitting would be required for the new equipment on site at the Riley Ridge Compressor Station. By letter dated January 21, 2005, the Division notified Infinity of receipt of the permit application AP-2921. By letter dated February 24, 2006, the Division advised Infinity that additional information was needed to complete permit application AP-2921, which the Division has not received to date.

8. Said violation consists of the failure to obtain a construction permit prior to modifying the Riley Ridge Compressor Station in violation of W.S. 35-11-801(c) of the Wyoming Environmental Quality Act and Chapter 6, Section 2(a)(i) of the Wyoming Air Quality Standards and Regulations.

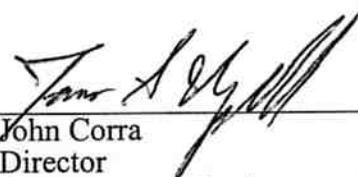
9. Under W.S. 35-11-901(a), any person who violates any provision of Article 2 of [the Environmental Quality Act] ... or any rule, regulation, standard or permit adopted pursuant to those provisions, or who violates any determination or order of the council pursuant to Article 2 of [the Environmental Quality Act] ... is subject to a penalty not to exceed ten thousand dollars (\$10,000.00) for each violation for each day during which the violation continues, a temporary or permanent injunction, or both a penalty and an injunction.

10. This notice is being sent to you pursuant to W.S. 35-11-701(c), which requires that, in any case of the failure to correct or remedy an alleged violation, the Director of the Department of Environmental Quality shall cause a written notice to be issued and served upon the person alleged to be responsible.

DATED this 17th day of July, 2006.



David A. Finley
Administrator
Air Quality Division



John Corra
Director
Department of Environmental Quality

Please direct all inquiries to David A. Finley, Administrator, Division of Air Quality, Department of Environmental Quality, Herschler Building, 2nd Floor, 122 W. 25th Street, Cheyenne, Wyoming 82002. (Telephone: 307/777-3746.)