



# Department of Environmental Quality



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

Dave Freudenthal, Governor

John Corra, Director

October 18, 2006

Ms. Arlene Valliquette  
Land Regulatory Manager  
Merit Energy Company  
13727 Noel Road  
Dallas, TX 75251

RE: Notice of Violation

Dear Ms. Valliquette:

Enclosed you will find a Notice of Violation (NOV) issued to the Merit Energy Company by the Department of Environmental Quality, Air Quality Division, for failing to comply with permit requirements for the operation of the Tri-Ethylene Glycol (TEG) Gas Dehydrator at the Sandy Dunes Muddy Unit located in Converse County, Wyoming. These violations of permit MD-1046 were observed by Mr. Jeff Hancock on July 26, 2006.

As the Department and this Division consider the failure to comply with air quality permit conditions 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  
Chris Hanify  
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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**NOTICE OF VIOLATION**

**NOTICE IS HEREBY GIVEN THAT:**

1. The Department of Environmental Quality, Division of Air Quality, has found Merit Energy Company to be in violation of permit MD-1046 issued in accordance with 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 operation of the Tri-Ethylene Glycol (TEG) Gas Dehydrator at the Sand Dunes Muddy Unit (SDMU) located in Converse County, Wyoming.

2. W.S. 35-11-801(a) states, "In granting permits, the Director may impose such conditions as may be necessary to accomplish the purpose of this act which are not inconsistent with the existing rules, regulations and standards."

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. Permit MD-1046 was issued to Merit Energy Company on August 23, 2004. Two conditions specific to the TEG Dehydrator are Conditions 8 & 10 of permit MD-1046. Condition 8 of permit MD-1046 states: "That VOC and HAP emissions associated with the 40MMSCFD glycol dehydration unit, and process vent shall be controlled with a flare." Condition 10 of permit MD-1046 states: "Merit Energy Company shall maintain and operate the flares during all periods of active operation of the 40 MMSCFD TEG Dehydration Unit, and process vent such that the controls remain effective as a viable emissions control devices."

5. On July 26, 2006, Mr. Jeff Hancock, Air Quality Division Inspector, observed that the dehydrator's flare was not in operation when the 40 MMSCFD TEG Dehydration was in active operation.

6. Said violation consists of the dehydrator's flare not in operation while the dehydrator was in operation. This is a direct violation of Condition 8 and Condition 10 of permit MD-1046.

7. Permit MD-1046 also dictates a monitoring and continuous recording device to detect the presence of flame. Condition 11 of permit MD-1046 states: "That the presence of a flare pilot flame shall be monitored using a thermocouple and continuous recording device or any other equivalent device to detect the presence of a flame."

8. On July 26, 2006, Mr. Jeff Hancock, Air Quality Division Inspector, observed that Merit Energy Company was not operating a continuous recording device or an equivalent device to detect the presence of a flame on the dehydrator or the process vent flare (plant flare).

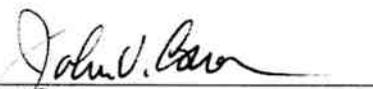
9. Said violation consists of no continuous monitoring device or an equivalent device to detect the presence of a flame. This is a direct violation of Condition 11 of permit MD-1046

10. 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.

11. 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 24 day of OCTOBER, 2006.

  
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David A. Finley  
Administrator  
Air Quality Division

  
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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, 4th Floor, 122 W. 25th Street, Cheyenne, Wyoming 82002. (Telephone: 307/777-7393.)