



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

January 25, 2007

Ms. Debbie Knight
EH & S Compliance Coordinator
EnCana Oil & Gas (USA)
370 17th Street, Suite 1700
Denver, CO 80202

RE: Notice of Violation

Dear Ms. Knight:

Enclosed you will find a Notice of Violation (NOV) issued to EnCana Oil & Gas (USA) by the Department of Environmental Quality, Air Quality Division, for failing to comply with the permit requirement for routing vapors to the combustor for the Yellow Point 5-12 PAD located in Sublette County, Wyoming. This violation of permit MD-1459 was observed by Ms. Jennifer Frazier on January 2, 2007.

Two other issues, not currently addressed in this Notice of Violation, but of great concern were observed during this inspection. The Enardo valve was observed to vent vapors when the condensate tanks dumped and the combustor was not operational, as no pilot flame was noted during the site visit. At this point, I'm deferring further action on these two issues pending a review and proposal of measures to correct these problems by each Jonah/Pinedale operator.

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
Jennifer Frazier
Tony Hoyt
Nancy Vehr
Keith Guille

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

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| 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 ENCANAL OIL & GAS (USA))
MS. DEBBIE KNIGHT,)
EH & S COMPLIANCE COORDINATOR,)
370 17TH STREET, SUITE 1700)
DENVER, COLORADO 80202)**

DOCKET NO. 4010-07

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. The Department of Environmental Quality, Division of Air Quality, has found EnCana Oil & Gas (USA) to be in violation of permit MD-1459 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 at the Yellow Point 5-12 PAD located in Sublette 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-1459 was issued to EnCana Oil & Gas (USA) on October 10, 2006. Condition 8 require vapors not be vented to open atmosphere. Condition 8 states:

"For the two 10.0 MMCFD and the 17.0 MMCFD TEG dehydration units with condensers and glycol flash separators, reboiler still vent vapors shall be routed to the condensers. Condensed reboiler still vent liquids shall be collected and routed to a liquids storage tank. The non-condensable reboiler still vent vapors and vapors from the glycol flash separators which are not used for heater fuel shall be routed to the common combustion device. The condensers and common combustion device shall reduce the mass content of total HAPs and VOCs in the reboiler still vent and glycol flash separator vapors by at least ninety-eight (98%) by weight."

5. On January 2, 2007, Ms. Jennifer Frazier, Air Quality Division Inspector, observed visible emissions from one of the dehydration units. The valve was observed open and continuously venting vapors to the atmosphere. Not routing vapors from the dehydrator unit to the combustion device is a violation of condition 8 of permit MD-1459.

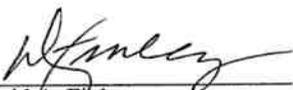
6. Said violation consists of not routing vapors from the dehydration unit to the common combustion device.

7. 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)

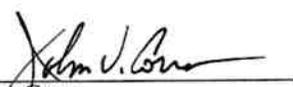
for each violation for each day during which the violation continues, a temporary or permanent injunction, or both a penalty and an injunction.

8. 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 31 day of JAN, 2007.



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: 307/777-7393.)