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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

May 21, 2007

Ms. Lynn T. Reed
Compliance Engineer
Bear Paw Energy, LLC
Subsidiary of Oneok, Inc.
100 West Fifth Street
Tulsa, Oklahoma 74103

RE: Notice of Violation

Dear Ms. Reed:

Enclosed is a Notice of Violation issued to Bear Paw Energy, LLC for the failure to comply with the testing requirements in permits CT-2581 and CT-2582 for the Caterpillar engines at Central Kitty Pod 1 Compressor Station and Central Kitty Pod 2 Compressor Station located in Campbell County, Wyoming.

As the Department and this Division consider the failure to comply with air quality permit 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 Ms. Karen Godman, Air Quality Compliance Program Principal, at 307-777-8601 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 Ms. Karen Godman.

Sincerely,

David A. Finley
Administrator
Air Quality Division

cc: Mike Warren
Nancy Vehr

BEFORE THE
DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF WYOMING

IN THE MATTER OF THE NOTICE OF VIOLATION	)	
ISSUED TO BEAR PAW ENERGY LLC,	)	**DOCKET NO.**
SUBSIDIARY OF ONEOK, INC.	)	**4074-07**
MS. LYNN T. REED,	)	
COMPLIANCE ENGINEER,	)	
100 WEST FIFTH STREET	)	
TULSA, OKLAHOMA 74103	)	

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. The Department of Environmental Quality, Division of Air Quality, has found Bear Paw Energy LLC to be in violation of permit CT-2581 and CT-2582 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 for Central Kitty Pod 1 Compressor Station and Central Kitty Pod 2 Compressor Station located in Campbell 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 CT-2581 was issued to Crestone Midstream Services LLC on November 13, 2001. Ownership was transferred from Crestone Midstream Services LLC to Bear Paw Energy LLC on May 21, 2003. Condition 11 states:

> "Annually, each engine shall be tested to verify compliance with the NO_x and CO limits set forth in this permit."

5. Annual testing results for Caterpillar G3408TA engine (EPN-2, s/n: 6NBO-2289) was not received for the year 2005. Failure to conduct annual testing of this engine constitutes a violation of condition 11 of permit CT-2581.

6. Permit CT-2582 was issued to Crestone Midstream Services LLC on November 13, 2001. Ownership was transferred from Crestone Midstream Services LLC to Bear Paw Energy LLC on May 21, 2003. Condition 11 states

> "Annually, each engine shall be tested to verify compliance with the NO_x and CO limits set forth in this permit."

7. Annual testing results for Caterpillar G3408TA engine (EPN-2, s/n: 6NBO-2339) was not received for the year 2005. Failure to conduct annual testing of this engine constitutes a violation of condition 11 of permit CT-2582.

Said violations consist of 1) not performing annual testing Caterpillar G3408TA engine (EPN-2, s/n: 6NBO-2289) as required in permit CT-2581, and 2) not performing annual testing Caterpillar G3408TA engine (EPN-2, s/n: 6NBO-2339) as required in permit CT-2582. These constitute violations of permit condition 11 within permits CT-2581 and CT-2582.

8. 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.

9. 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 5 day of June, 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.)