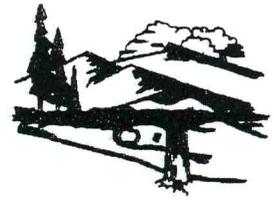




Department of Environmental Quality

Karen



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

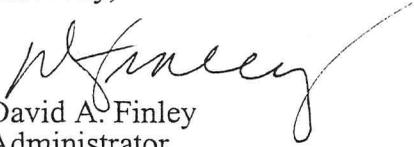
Dear Ms. Reed:

Enclosed is a Notice of Violation issued to Bear Paw Energy, LLC for the failure to comply with the engine limitations and testing requirements in permit CT-3584 for the Caterpillar engines at Flat Broke Compressor Station located in Sheridan 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,)
SUBSIDIARY OF ONEOK, INC.)
MS. LYNN T. REED,)
COMPLIANCE ENGINEER,)
100 WEST FIFTH STREET)
TULSA, OKLAHOMA 74103)

DOCKET NO.
4075-07

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-3584 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 Flat Broke Compressor Station located in Sheridan 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-3584 was issued to Bear Paw Energy LLC on April 13, 2004. Condition 11 states:

"That the engine configuration for the Flat Broke Compressor Station shall be limited to eight (8) engines consisting of the following:

E1-E2: Waukesha L7042GSI engines equipped with an AFRC and a NSCR catalyst.

E3-E8: Any combination of Waukesha F18GL engines equipped with an oxidation catalyst or Caterpillar G3408 engines equipped with an AFRC and a NSCR catalyst.

Once constructed, units E3-E8 lose their flexibility and cannot be replaced by a different model engine unless authorized by an appropriate permit modification."

5. Bear Paw Energy, LLC installed a seventh 400 Hp Caterpillar G3408 engine at the Flat Broke Compressor Station on March 27, 2007 (Unit 7, s/n: 6NBO-2243). Under permit CT 3584, a maximum of six Caterpillar G3408 engines can be installed at the facility. The installation of this engine constitutes a violation of condition 11 of permit CT-3584.

6. Condition 8 of permit CT-3584 states that, "Performance tests be conducted, in accordance with Chapter 6, Section 2(j) of the WAQSR, within 30 days of achieving a maximum design rate but not later than 90 days following initial start-up, and a written report of the results be submitted. The

operator shall provide 15 days prior notice of the test date. ...”

7. Bear Paw Energy, LLC started operation of the Caterpillar G3408TA engine (Unit 5.2, s/n: 6NBO-2035) on July 20, 2006. The initial performance test was not conducted until March 23, 2007, approximately five months late following the initial test date of October 20, 2006. Also, the Caterpillar G3408TA engine (Unit 6, s/n: 6NBO-2064) started operation on June 29, 2006. The initial performance test was not conducted until March 6, 2007, approximately six months late following the initial test date of September 29, 2006. These constitute violations of Condition 8 of permit CT-3584.

8. Said violation consists of 1) installation of a 400 Hp Caterpillar engine on March 27, 2007 without a permit modification, and 2) not performing initial performance tests on two Waukesha H24GL engines (Unit 5.2, s/n: 6NBO-2035 & Unit 6, s/n: 6NBO-2064) within 90 days of initial startup. These constitute violations of permit conditions 8 and 11 within permit CT-3584.

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 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.)