



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, Dire

May 28, 2007

Mr. Phillip Schlagel
AQ Environmental Manager
Anadarko Petroleum Corporation
1999 Broadway, Suite 3700
Denver, CO 80202

Sent via Certified Mail

Dear Mr. Schlagel:

Enclosed you will find an NOV issued to Howell Petroleum Corporation by the Department of Environmental Quality, Air Quality Division. It has been made clear to me that Howell Petroleum is a subsidiary of Anadarko and has recently sold the Elk Basin Gas Plant to Encore Acquisition Company, effective January of 2007. However, because at the time of the violation Howell Petroleum held the permit and was a functioning subsidiary of Anadarko, Mr. Grygar has recommended you as the point of contact for this notification. As such, this notification has been sent to you.

Please feel free to contact myself at 307-777-8601 or Bob Gill at 307-777-3774.

Sincerely,

Karen J. Godman
Karen J. Godman
SSC Program Principal
Air Quality Division

cc: Bob Gill, Nancy

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**Mr. Phillip Schlagel
AQ Environmental Manager
Anadarko Petroleum Corp
1999 Broadway Ste 3700
Denver CO 80202**

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
x Sandy Heidemann

B. Received by (Printed Name) C. Date of Delivery
Sandy Heidemann *5/31/07*

D. Is delivery address different from item 1? Yes
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 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
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4. Restricted Delivery? (Extra Fee) Yes

2. Article
(Transfer)

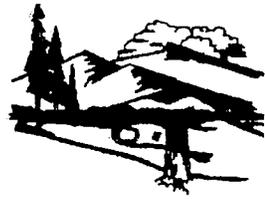
Herschler Building • PS Form

02595-02-M





Department of Environmental Quality



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Dave Freudenthal, Governor

John Corra, Director

March 23, 2007

Mr. Richard J. Hart
Howell Petroleum Corporation
1111 Fannin Street, Suite 1500
Houston, TX 77002

Re: Notice of Violation

Dear Mr. Hart:

Enclosed you will find a Notice of Violation (NOV) issued to Howell Petroleum Corporation by the Department of Environmental Quality, Air Quality Division for the failure to comply with the minimum sulfur recovery efficiency limit as required by condition F4 of permit 31-045. This violation was discovered during the Air Quality Division's review of the Elk Basin Gas Plant's excess emission report for the fourth quarter of 2006.

As the Department and this Division consider the failure to comply with air quality permit emission limits to be a serious matter, I am 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 issue prior to action on the referral by 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 the Notice of Violation, please feel free to contact me or Mr. Robert Gill.

Sincerely,


David A. Finley
Administrator
Air Quality Division

cc: Nancy Vehr
Robert Gill
Greg Meeker

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

ADMIN/OUTREACH (307) 777-7937 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 HOWELL PETROLEUM CORPORATION,)
MR. RICHARD J. HART, 1111 FANNIN STREET,)
SUITE 1500, HOUSTON, TEXAS 77002)**

DOCKET NO. 4062-07

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. The Department of Environmental Quality, Division of Air Quality, has found Howell Petroleum Corporation to be in violation of permit 31-045 issued in accordance with W.S. 35-11-801 of the Wyoming Environmental Quality Act and Chapter 6, Section 3 of the Wyoming Air Quality Standards and Regulations in the operation of the Elk Basin Gas Plant located in Park County, Wyoming.

2. W.S. 35-11-801 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 3 of the Wyoming Air Quality Standards and Regulations prescribes the applicability and procedures for issuing permits to major sources under Wyoming's operating permitting program.

4. Permit 31-045 was issued to Howell Petroleum Corporation on February 19, 2003. Condition F4 of permit 31-045 establishes a minimum sulfur recovery efficiency of 93.5 percent on a fixed 24-hour average basis. Condition F15(b)(ii) of permit 31-045 defines excess emissions from the Tail Gas Incinerator as any 24-hour period when the average sulfur recovery efficiency is less than 93.5 percent.

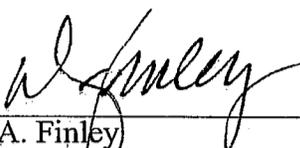
5. The Air Quality Division's review of Howell Petroleum Corporation's Elk Basin Gas Plant Continuous Emission Monitoring (CEM) report for the fourth quarter of 2006 showed the Tail Gas Incinerator sulfur recovery efficiency excess emission rate was 16.43% percent.

6. Said violation consists of the failure to comply with the sulfur recovery plant minimum sulfur recovery efficiency limit as required by condition F4 of permit 31-045.

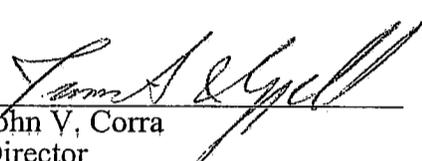
7. Under W.S. 35-11-901(a), any person who violates any provision of Article 2 of [the Environmental Quality Act] ... or any rule, regulation, standard or permit adopted pursuant to those provisions, or who violates any determination or order of the council pursuant to Article 2 of [the Environmental 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 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 30 day of April, 2007.



 David A. Finley
 Administrator
 Air Quality Division



 John V. 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)

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Affix this card to the back of the mailpiece, front if space permits. 	<p>A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee X</p> <p>B. Received by (<i>Printed Name</i>) C. Date of Delivery</p>
<p> RETURN TO SENDER</p> <p><input type="checkbox"/> MOVED, LEFT NO ADDRESS <input type="checkbox"/> ATTEMPTED - NOT KNOWN <input type="checkbox"/> UNCLAIMED <input type="checkbox"/> NO SUCH STREET <input type="checkbox"/> NO SUCH STREET <input type="checkbox"/> INSUFFICIENT ADDRESS <input type="checkbox"/> NOT DELIVERABLE AS ADDRESSED UNABLE TO FORWARD</p> <p>I. Hart Corporation 500</p> <p></p> <p>2. Article Number (Transfer from service label)</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (<i>Extra Fee</i>) <input type="checkbox"/> Yes</p> <p style="text-align: right;">105 1820 0005 1478 5025</p>