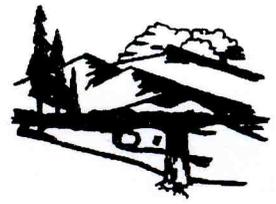




Department of Environmental Quality



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

June 5, 2007

Mr. Stephen R. Monninger
Environmental Manager
Rock Well Petroleum
7000 West Yellowstone Highway
Casper, WY 82604

Re: Notice of Violation

Dear Mr. Monninger:

Enclosed you will find a Notice of Violation (NOV) issued to Rock Well Petroleum by the Department of Environmental Quality, Air Quality Division for failing to comply with permit requirements by not routing vapors from the crude oil storage tanks and produced water tank to the incinerator for the Greybull Field Project, located in Bighorn County Wyoming. This violation of permit CT-4493 was observed by Mr. Kirk Billings and Mr. Greg Meeker on May 23, 2007.

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 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: Nancy Vehr
Robert Gill
Greg Meeker
Kirk Billings
Keith Guille
Cynthia Madison

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 ROCK WELL PERTROLEUM,)
MR. STEPHEN R. MONNINGER,)
ENVIRONMENTAL MANAGER,)
7000 WEST YELLOWSTONE HIGHWAY)
CASPER, WYOMING 82604)**

**DOCKET NO.
4093-07**

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. The Department of Environmental Quality, Division of Air Quality, has found Rock Well Petroleum to be in violation of permit CT-4493 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 Greybull Field Project located in Bighorn 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-4493 was issued to Rock Well Petroleum on January 8, 2007. Condition 6 of permit CT-4493 states:

"Flash gas generated in the Free Water Knock Out, heater treater and two (2) 320-barrel and four (4) 400-barrel crude oil storage tanks, which is not used as treater burner fuel, along with standing/working/breathing losses from the crude oil storage tanks shall be routed to the NATCO vapor incinerator to reduce the mass content of total HAPs and VOCs in the flash gas and standing/working/breathing vapors by at least ninety-eight (98%) by weight."

5. On May 23, 2007, Mr. Kirk Billings, Air Quality Specialist and Mr. Greg Meeker, Air Quality Division Engineer/Inspector, observed that crude oil storage tanks and the produced water tank are venting to the atmosphere, not to an enclosed incinerator as required in CT-4493.

6. Said violation consists of not routing vapors to the NATCO vapor incinerator. This is a direct violation of Condition 6 of permit CT-4493.

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.

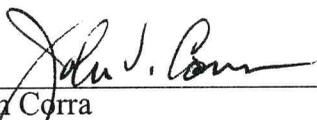
Rock Well Petroleum
Notice of Violation
Page Two

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 12 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.)