



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

July 11, 2007

Mr. John Schopp
Vice President, Northern Rockies
Encana Oil & Gas (USA) Inc.
370 17th Street, Suite 1700
Denver, CO 80202

Re: Notice of Violation

Dear Mr. Schopp,

Enclosed you will find a Notice of Violation (NOV) issued to EnCana Oil & Gas (USA) Inc. for the failure to comply with the minimum operating temperature of the Thermal Oxidation Unit as required by permit MD-488A. It was discovered through review of the 2006 Annual Compliance Certification submitted by EnCana for the Pavillion Compressor Station, that the minimum operating temperature of 768 degrees Fahrenheit had not been consistently maintained between mid February 2006 and mid December 2006. Noncompliance with the minimum operating temperature indicates that the minimum control efficiency of 95 percent by weight for Total Organic Compounds was not maintained. This is a violation of Condition 9 of permit MD-488A.

As the Department and this Division consider the failure to comply with air quality permit requirements to be a serious matter, I am recommending that 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 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 Karen Godman.

Sincerely,

David A. Finley
Administrator
Air Quality Division

cc: Robert Gill
Karen Godman
Greg Meeker
Nancy Vehr
Keith Guille

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 ENCANA OIL &)
GAS (USA) INC., MR. JOHN SCHOPP,)
VICE PRESIDENT, NORTHERN ROCKIES,)
370 17TH STREET, SUITE 1700,)
DENVER, CO 80202)**

DOCKET NO. 7121-07

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. The Department of Environmental Quality, Division of Air Quality, has found EnCana Oil & Gas (USA) Inc. (EnCana) to be in violation of permit MD-488A 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 in the operation of the Pavillion Booster Station located in Fremont 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 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-488A was issued to EnCana Oil & Gas (USA), Inc. on April 13, 2005. Condition 9 of permit MD-488A states, "That during the performance tests required by Condition 8 of this permit, EnCana Oil & Gas (USA), Inc. shall establish a minimum operating temperature at which the incinerator must be operated at to continuously comply with the minimum control efficiency set forth in Condition 6 of this permit..."

5. On September 27, 2005, testing was conducted by Buys & Associates, Inc. for EnCana. Based on the test results, a Thermal Oxidizer minimum operating temperature (24-hour average) of 768 degrees Fahrenheit was determined to assure a minimum control efficiency of 95 percent by weight for Total Organic Compounds (TOCs).

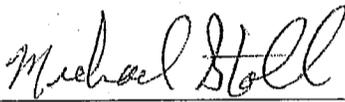
6. On January 30, 2007, EnCana submitted the 2006 Annual Compliance Certification, which was reviewed by Division personnel. During this review the Division discovered EnCana was intermittently compliant with the minimum Thermal Oxidizer operating temperature requirement from mid February 2006 through mid December 2006. This noncompliance was attributed to two items, 1) failure to communicate the revised minimum operating temperature of 768 degrees Fahrenheit for the Thermal Oxidizer to the plant operator and 2) incorrect installation and setting of the air vent on the Thermal Oxidizer. These two issues reduced the operating temperature below the required minimum of 768 degrees Fahrenheit, and thus reduced the control efficiency of TOCs below the minimum control efficiency of 95 percent by weight. This is a violation of Condition 9 of permit MD-488A.

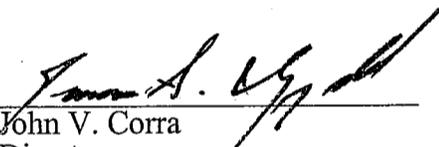
7. Said violation consists of the failure to comply with the minimum operating temperature of 768 degrees Fahrenheit for the Thermal Oxidation Unit, thereby failing to maintain a minimum control efficiency of 95 percent by weight for TOCs between mid February 2006 and mid December 2006. This is a violation of condition 9 of permit MD-488A.

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 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 23rd day of July, 2007.


for 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)