Dave Freudenthal, Governor

Department of Environmental Quality

To protect, conserve and enhance the quality of Wyoming's environment for the benefit of current and future generations.

John Corra, Director

January 24, 2008

Mr. Brian Lockhard
Air Quality Manager
Noble Energy, Inc.
1625 Broadway, Suite 2000
Denver, CO 80202

RE: Notice of Violation

Dear Mr. Lockhard,

Enclosed is a Notice of Violation issued to Noble Energy, Inc. for failing to obtain construction permits prior to constructing and operating the Federal 13-20B, State 44-36, Iron Horse 31-36E, Iron Horse State 12-36, Iron Horse Federal 43-1-R, Iron Horse Federal 11-34-B, Iron Horse Federal 44-5-C, Iron Horse Federal 23-4, Iron Horse Federal 44-1-C, Iron Horse Federal 22-1-C, Siberia Ridge 9-23, Noble Federal 6-22, Noble Federal 8-22, Miceli 14-14, Miceli 24-14, Siberia Ridge 6-23, Siberia Ridge 7-23, Siberia Ridge 8-23 facilities. These violations were discovered during a review of the permit applications for the facilities which showed that Noble Energy, Inc. submitted permit applications for these facilities from approximately three months to over two years past the permit application due dates. By failing to provide timely permit applications, Noble Energy, Inc. has not complied with the Oil and Gas Production Facilities Chapter 6, Section 2 Permitting Guidance and is in direct violation of the construction permitting requirements of Chapter 6, Section 2(a)(i) of the Wyoming Air Quality Standards and Regulations.

As the Department and this Division consider the failure to comply with air quality permitting requirements to be a serious matter, I am considering recommending the Department refer this Notice of 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: Tony Hoyt, Greg Meeker, Bob Gill, Cynthia Madison, Nancy Vehr, Keith Guille

BEFORE THE
DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF WYOMING

IN THE MATTER OF THE NOTICE OF VIOLATION	)	
ISSUED TO NOBLE ENERGY, INC,	)	
MR. BRIAN LOCKARD, AIR QUALITY MANAGER,	)	**DOCKET NO.**
1625 BROADWAY, SUITE 2000, DENVER, CO 80202	)	4508-08

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. The Department of Environmental Quality, Division of Air Quality, has found Noble Energy, Inc. (Noble) to be in violation of 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 construction and operation of the following wet gas/condensate production facilities: Federal 13-20B, State 44-36, Iron Horse 31-36-E, Iron Horse State 12-36, Iron Horse Federal 43-1-R, Iron Horse Federal 11-34-B, Iron Horse Federal 44-5-C, Iron Horse Federal 23-4, Iron Horse Federal 44-1-C, Iron Horse Federal 22-1-C, located in Fremont County, Wyoming and Siberia Ridge 9-23, Noble Federal 6-22, Noble Federal 8-22, Miceli 14-14, Miceli 24-14, Siberia Ridge 6-23, Siberia Ridge 7-23 and Siberia Ridge 8-23 located in Sweetwater County, Wyoming.

2. W.S. 35-11-801(c) states, "A permit to construct is required before the construction or modification of any industrial facility capable of causing or increasing air or water pollution in excess of standards established by the department is commenced."

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. Chapter 6, Section 2(a)(i) of the Wyoming Air Quality Standards and Regulations states, "Any person who plans to construct any new facility or source, modify any existing facility or source, or to engage in the use of which may cause the issuance of or an increase in the issuance of air contaminants into the air of this state shall obtain a construction permit from the State of Wyoming, Department of Environmental Quality, before any actual work is begun on the facility."

5. The Air Quality Division issued Chapter 6, Section 2 permitting guidance for Oil and Gas Production Facilities in June 1997 with a revision in November 1998, a revision in January 2000, a revision in August 2001, a revision related to the Jonah/Pinedale area operations dated July 2004 and the most recent revision in August 2007. The revision of this guidance dated August 2001 is the applicable revision for the listed Noble Energy wet gas/condensate production facilities. This guidance was developed to familiarize oil and gas production facilities with the Wyoming air quality regulations and to provide guidance to these facilities on what the Air Quality Division would accept as meeting the intent of Wyoming's regulatory requirement to obtain a construction permit prior to the construction or operation of new air emission sources (Chapter 6, Section 2(a)(i) of the Wyoming Air Quality Standards and Regulations). To be eligible for the permitting process under the Oil and Gas Production Facilities Chapter 6, Section 2 Permitting Guidance, a facility is required to submit a complete "Notice of Installation" within 40-days of the first date of production, comply with the "presumptive BACT" requirements, and to submit a complete Chapter 6, Section 2 permit application within 180-days of the first date of production. Additional cautions within the permitting guidance state that facilities cannot emit regulated air pollutants at rates which equal or exceed the

major source levels.

6. The Air Quality Division's review of Noble's permit applications for the above listed facilities showed that Noble submitted permit applications for these facilities from approximately three months to over two years past the permit application due dates. By failing to provide timely permit applications, Noble has not complied with the Oil and Gas Production Facilities Chapter 6, Section 2 Permitting Guidance and is in direct violation of the construction permitting requirements of Chapter 6, Section 2(a)(i) of the Wyoming Air Quality Standards and Regulations.

7. Said violations consists of the failure to obtain construction permits prior to constructing and operating the Federal 13-20B, State 44-36, Iron Horse 31-36-E, Iron Horse State 12-36, Iron Horse Federal 43-1-R, Iron Horse Federal 11-34-B, Iron Horse Federal 44-5-C, Iron Horse Federal 23-4, Iron Horse Federal 44-1-C, Iron Horse Federal 22-1-C, Siberia Ridge 9-23, Noble Federal 6-22, Noble Federal 8-22, Miceli 14-14, Miceli 24-14, Siberia Ridge 6-23, Siberia Ridge 7-23, and Siberia Ridge 8-23 facilities in violation of W.S. 35-11-801(c) of the Wyoming Environmental Quality Act and Chapter 6, Section 2(a)(i) of the Wyoming Air Quality Standards and Regulations.

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 4 day of FEB, 2008.

David A. Finley
Administrator
Air Quality Division

John V. Corra
Director
Department of Environmental Quality

Please direct all inquiries to David 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.)