



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

March 12, 2008

Mr. John Schopp
Vice President, North Rockies
EnCana Oil and 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 and Gas (USA) Inc. by the Department of Environmental Quality, Air Quality Division for the failure to comply with the compliance certification requirements in condition C1 (a) of permit 3-2-014 for the Heart Mountain Compressor Station for the year 2007.

As the Department and this Division consider the failure to comply with permit requirements 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 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
Greg Meeker



**BEFORE THE
DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF WYOMING**

**IN THE MATTER OF THE NOTICE OF VIOLATION)
ISSUED TO ENCANNA OIL AND GAS (USA) INC.,)
MR. JOHN SCHOPP, VICE PRESIDENT,)
NORTH ROCKIES, 370 17TH STREET, SUITE 1700,)
DENVER, COLORADO 80202)**

**DOCKET NO.
4238-08**

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. The Department of Environmental Quality, Division of Air Quality, has found EnCana Oil and Gas (USA) Inc. (EnCana) to be in violation of permit 3-2-014 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 Heart Mountain Compressor Station 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 3-2-014 was issued to EnCana Oil & Gas (USA), Inc. on or about March 1, 2007. Condition C1(a) of permit 3-2-014 required EnCana to submit a compliance certification by January 31 of each year.

5. Based on a review of the Air Quality Division's records, EnCana did not submit an annual compliance certification for calendar year 2007.

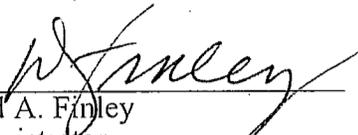
6. Said violations consist of the failure to comply with the compliance certification requirements of condition C1 (a) of permit 3-2-014.

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.

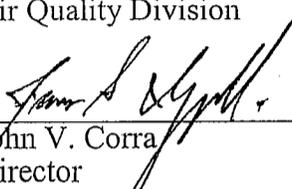
8. This notice is being sent to you pursuant to W.S. 35-11-701(c), which requires that, in any case of failure to correct or remedy an alleged violation, the Director of the Department of Environmental Quality shall cause a written notice to be issued and served upon the person alleged to be responsible.

EnCana Oil & Gas (USA) Inc.
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DATED this 21st day of March, 2008.



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)