



# 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 1, 2008

Mr. Michael R. Kennedy  
Team Lead Jonah  
McMurry Oil Company  
370 17<sup>th</sup> Street, Suite 1700  
Denver, CO 80202

RE: Notice of Violation

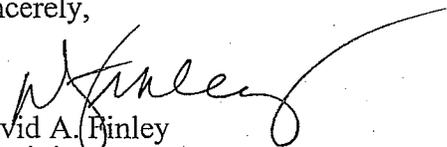
Dear Mr. Kennedy:

Enclosed you will find a Notice of Violation (NOV) issued to McMurry Oil Company by the Department of Environmental Quality, Air Quality Division, for failing to comply with the permit requirement for routing vapors to the combustor for the Stud Horse Butte 13-27-29-108 located in Sublette County, Wyoming. This violation of permit MD-1124 was observed by Ms. Jennifer Frazier on March 24, 2008.

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 307-777-3774 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. Binley  
Administrator  
Air Quality Division

cc: Robert Gill  
Jennifer Frazier  
Tony Hoyt  
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 MCMURRY OIL COMPANY )  
MR. MICHAEL R. KENNEDY, )  
TEAM LEAD, JONAH, )  
370 17<sup>TH</sup> STREET, SUITE 1700 )  
DENVER, COLORADO 80202 )**

**DOCKET NO.  
4308-08**

**NOTICE OF VIOLATION**

**NOTICE IS HEREBY GIVEN THAT:**

1. The Department of Environmental Quality, Division of Air Quality, has found McMurry Oil Company to be in violation of permit MD-1124 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 Stud Horse Butte 13-27-29-108 gas/condensate production facility located in Sublette 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 MD-1124 was issued to McMurry Oil Company on February 15, 2005. Permit MD-1124 dictates control of vent vapors from tanks through conditions 9 & 10 as follows:

Condition 9(A.) states:

"Upon the First Date of Production of an additional well at the Stud Horse Butte 13-27-29-108 or upon the date production associated with a well from a separate location is tied into the Stud Horse Butte 13-27-29-108, controls for emissions from all existing and new hydrocarbon liquid storage tanks and pressure vessels (flashing/standing/working/breathing losses and any separator flash gas not collected for sales) shall be installed and operational. Emission control systems or devices installed under this condition shall be designed and operated to reduce the mass content of VOCs in the gases vented to the device by at least 98 percent by weight, and shall meet the requirements of the Chapter 6, Section 2 Oil and Gas Production Facilities Permitting Guidance."

Condition 10 states:

“Emission control devices installed under condition nine (9) shall be maintained and operated during all periods of active well site operation such that each remains effective as a viable emissions control device...”

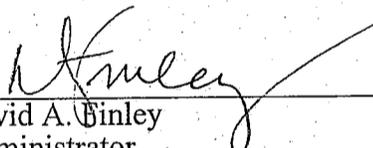
5. On March 24, 2008, Ms. Jennifer Frazier, Air Quality Division Engineer/Inspector, observed continuous vapors venting from four thief hatches and an Enardo valve. Venting vapors from the thief hatches and Enardo valve and not routing vapors from the condensate tanks to the combustion device is a violation of condition 10 of permit MD-1124.

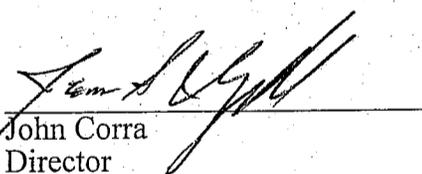
6. Said violation consists of venting vapors from four thief hatches and Enardo valve and not routing vapors from the condensate tanks to the combustion device.

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 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 9th day of July, 2008.

  
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.)