



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 3, 2008

Ms. Tami Hoffman
Regulatory Specialist
Forest Oil Corporation
707 17th Street, Suite 3600
Denver, Colorado 80202

RE: Notice of Violation

Dear Ms. Hoffman:

Enclosed you will find a Notice of Violation (NOV) issued to Forest Oil Corporation by the Department of Environmental Quality, Air Quality Division, for failing to comply with the permit requirement to reduce the mass content of total HAP and VOC emissions from the dehydration unit by at least ninety-eight percent for the Elm Federal 23-12 facility located in Sublette County, Wyoming. This violation of permit MD-6159 was observed by Ms. Jennifer Frazier on February 12, 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 307-777-8601 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: Robert Gill
Jennifer Frazier
Tony Hoyt
Nancy Vehr
Keith Guille



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

**IN THE MATTER OF THE NOTICE OF VIOLATION
ISSUED TO FOREST OIL CORPORATION,
MS. TAMI HOFFMAN,
REGULATORY SPECIALIST
707 17TH STREET, SUITE 3600
DENVER, COLORADO 80202**

))
)) **DOCKET NO.**
)) 4307-08
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))

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. The Department of Environmental Quality, Division of Air Quality, has found Forest Oil Corporation to be in violation of permit MD-6159 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 Elm Federal 23-12 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-6159 was issued to Forest Oil Corporation on October 23, 2007. Condition 8 states:

"For the 10.0 MMCFD TEG dehydration unit with condenser, reboiler still vent vapors shall be routed to the condenser. Condensed reboiler still vent liquids shall be collected and routed to a liquids storage tank. The non-condensable reboiler still vent vapors which are not used for heater fuel shall be routed to the combustion device. The condenser and combustion device shall reduce the mass content of total HAP and VOC emissions in the reboiler still vent vapors by at least ninety-eight percent..."

5. On February 12, 2008, Ms. Jennifer Frazier, Air Quality Division Engineer/Inspector, observed a significant amount of vapors from the large dehydration unit continuously venting to the atmosphere. The strip chart labeled "dehy combustor" indicated no operational pilot flame, meaning the combustor was not operational. Additional information was obtained and showed the fuel line to the pilot flame was frozen for twelve (12) days, showing the combustor was not operational for 12 days.

6. Said violation consists of failing to reduce the mass content of total HAP and VOC emissions from the dehydration unit by at least ninety eight percent. This is a direct violation of Condition 8 of permit MD-6159.

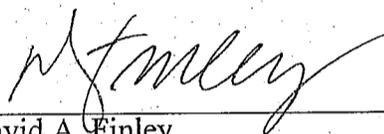
7. Under W.S. 35-11-901(a), any person who violates any provision of Article 2 of [the Environmental Quality Act] ... or any rule, regulation, standard or permit adopted pursuant to those provisions, or who violates any determination or order of the council pursuant to Article 2 of [the

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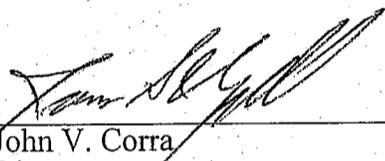
Environmental Quality Act] ... is subject to a penalty not to exceed ten thousand dollars (\$10,000.00) for each violation for each day during which the violation continues, a temporary or permanent injunction, or both a penalty and an injunction.

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 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.)