



# 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 17, 2008

Mr. Michael R. Kennedy  
Team Lead Jonah  
EnCana Oil & Gas (USA)  
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 EnCana Oil & Gas (USA) 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 16-34R, 21-4, 53-34, 55-34-29-108 PAD facility located in Sublette County, Wyoming. This violation of permit CT-3547 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. 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 ENCANNA OIL AND GAS (USA), INC. )  
MR. MICHAEL R. KENNEDY, )  
TEAM LEAD, JONAH, )  
370 17<sup>TH</sup> STREET, SUITE 1700 )  
DENVER, COLORADO 80202 )**

**DOCKET NO. 4328-08**

**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. to be in violation of permit CT-3547 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 16-34R, 21-4, 53-34, 55-34-29-108 PAD 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 CT-3547 was issued to McMurry Oil Company on March 2, 2004. This facility was transferred to EnCana Oil & Gas (USA), Inc. on May 2, 2008. Permit CT-3547 dictates control of vent vapors from tanks through condition 5 as follows:

Condition 5 states:

"Vapors from the two 400-barrel condensate storage tanks, which include LP separator flash gas from the two LP separators, shall be routed to a combustion device for 98 percent control of VOC emissions for at least one year following the date of installation of the control device..."

5. On March 24, 2008, Ms. Jennifer Frazier, Air Quality Division Engineer/Inspector, observed that one thief hatch was completely unlatched and venting significant amounts of vapors. Venting vapors from thief hatches and not routing vapors from the condensate tanks to the combustion device is a violation of condition 5 of permit CT-3547.

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

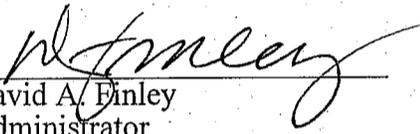
7. Under W.S. 35-11-901(a), any person who violates any provision of Article 2 of [the

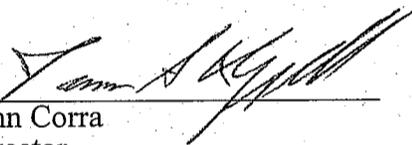
EnCana Oil & Gas (USA)  
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Environmental Quality Act] ... or any rule, regulation, standard or permit adopted pursuant to those provisions, or who violates any determination or order of the council pursuant to Article 2 of [the Environmental Quality 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 28<sup>th</sup> day of July, 2008.

  
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David A. Finley  
Administrator  
Air Quality Division

  
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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.)