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IN THE FIRST JUDICIAL DISTRICT COURT
IN AND FOR LARAMIE COUNTY, STATE OF WYOMING

FILED

NOV - 5 2008

GERRIE E. BISHOP
CLERK OF THE DISTRICT COURT

PEOPLE OF THE STATE OF)
WYOMING,)
)
Plaintiff,)
)
v.)
)
BURLINGTON RESOURCES OIL &)
GAS COMPANY, LP)
a Delaware limited partnership,)
)
Defendant.)

Docket No. 172-805

CONSENT DECREE

The Wyoming Department of Environmental Quality, Air Quality Division ("DEQ/AQD") in the name of the People of the State of Wyoming as Plaintiff, pursuant to Sections 901(a) and 903(c) of the Wyoming Environmental Quality Act ("Act") WYO. STAT. ANN. §§ 35-11-901(a) and 903(c) (West 2007), has filed a Complaint against Defendant Burlington Resources Oil & Gas Company, LP ("Burlington"), alleging that Burlington failed to comply with its SO₂ mass emission limits, Carbonyl Sulfide ("COS") emission monitoring, and sulfur recovery efficiency requirements at its Lost Cabin Gas Plant ("Facility"), located in Fremont County, Wyoming, in violation of the Act, the Wyoming Air Quality Standards and Regulations ("WAQSR"), and permit no. CT-1946A. DEQ/AQD and Burlington (collectively referred to hereinafter as "Parties"), and the Court by entering this Consent Decree find, that this Consent Decree has been negotiated by the Parties in good faith and will avoid or settle certain litigation among the Parties, and that this Consent Decree is fair, reasonable and in the public interest. THEREFORE, the Parties, by and through their respective attorneys, have agreed to the following terms for resolving this litigation prior to trial, before the taking

of evidence, without the adjudication or admission of any issue of fact or law, and with the consent of the Parties, IT IS HEREBY ORDERED, ADJUDGED, and DECREED as follows:

I. Jurisdiction

This Court has jurisdiction over the subject matter and parties in this civil action under Section 901(a) of the Act, WYO. STAT. ANN. § 35-11-901(a) and venue is proper in Laramie County under Section 903(c) of the Act, WYO. STAT. ANN. § 35-11-903(c).

II. Parties

A. Burlington is a Delaware Limited Partnership and is the owner and operator of the Facility.

B. DEQ/AQD is the agency of Wyoming state government responsible for enforcing the Act, the WAQSR, and permits issued pursuant to those provisions including permit no. CT-1946A.

III. Background

A. Burlington

1. Burlington owns and operates the Facility located in Fremont County, Wyoming.

2. Burlington holds DEQ/AQD permit CT-1946A relating to the Facility.

3. Burlington is a "person" as defined in Section 103(a)(vi) of the Act and WAQSR, Ch. 1 § 3(a). WYO. STAT. ANN. § 35-11-103(a)(vi).

B. DEQ/AQD Construction and Modification Permitting Program and Permit CT-1946A

1. The WAQSR requires that persons obtain a DEQ/AQD construction permit prior to commencing construction of any new facility or modifying any existing facility capable of causing or increasing air pollution in excess of standards established by the DEQ/AQD. WYO. STAT. ANN. § 35-11-801; WAQSR, Ch. 6, § 2.

2. "In granting permits, the [DEQ] 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." WYO. STAT. ANN. § 35-11-801(a).

3. The WAQSR prescribes the applicability and procedures for issuing permits to sources under DEQ/AQD's construction and modification permitting program. WAQSR, Ch. 6, § 2.

4. The WAQSR allows reasonable conditions to be imposed upon construction or modification permits, including emission limits, monitoring and reporting requirements. WAQSR, Ch. 6, § 2(f).

5. On or about September 18, 2002, the DEQ/AQD issued permit CT-1946A to Burlington for a specific modification for the 180MMSCFD sour gas plant, also known as Train III at the Lost Cabin Gas Plant.

6. Condition 9 of permit CT-1946A requires and defines Train III allowable emission rates at 312 pounds per hour of SO₂.

7. Burlington failed to comply with SO₂ mass emission limits for Train III. SO₂ mass emission limit exceedences for the 1st quarter of 2008 were at 5.3%.

8. Condition 12 of permit CT-1946A requires sulfur recovery efficiency at a minimum 99.8 % and the average temperature of the gas leaving the combustion zone of the incinerator shall not be less than 1000⁰ F based on a 12-hour rolling average calculated using the arithmetic average of the previous 1-hour average.

9. Burlington's sulfur recovery efficiency fell below 99.8% efficiency for 3.9% of the reporting period during the 2nd quarter of 2007, 5.3% of the reporting period during the 3rd quarter of 2007 and 7.3% of the reporting period during the 1st quarter of 2008.

10. Condition 15 b) of permit CT-1946A requires Burlington to operate and maintain continuous COS monitoring on Train III at the Lost Cabin Gas Plant.

11. During the 3rd quarter of 2007, Burlington's Train III COS monitor was non-operational for 25.9% of the reporting period.

12. Pursuant to WYO. STAT. ANN. § 35-11-701, the DEQ/AQD issued a Notice of Violation ("NOV"), Docket No. 4305-08 to Burlington on July 9, 2008, alleging in part that Burlington violated the Act, the WAQSR, and permit no. CT-1946A, by failing to comply with its SO₂ mass emission limits, by failing to maintain its sulfur recovery efficiency, and failing to continuously monitor COS emissions at its Facility located in Fremont County, Wyoming.

13. Any person who violates any provision of Article 2 of the Act, the WAQSR, or any standard or permit adopted pursuant to those provisions, 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. WYO. STAT. ANN. § 35-11-901.

IV. Settlement

A. Within thirty (30) days after notice to Burlington of entry by the Court of this Consent Decree, Burlington, without admitting any of the facts alleged in the NOV or Complaint and without admitting liability or failure to comply with any permit requirements, agrees to pay to the DEQ/AQD the sum of \$21,850.00 as a full and complete cash payment to resolve this matter ("Stipulated Penalty Amount"). The check shall be made payable to the Department of Environmental Quality and shall be delivered to John S. Burbridge, Senior Assistant Attorney General, Wyoming Attorney General's Office, 123 Capitol Building, Cheyenne, Wyoming 82002.

V. Release and Covenant not to Sue and Dismissal With Prejudice

A. DEQ/AQD agrees that payment of the Stipulated Penalty Amount as specified in Section IV of this Consent Decree shall constitute full satisfaction of the claims against Burlington that DEQ/AQD alleged in the Complaint initiating this action or in DEQ/AQD NOV, Docket No. 4305-08.

B. In consideration of the Stipulated Penalty Amount paid by Burlington under Section IV of this Consent Decree, DEQ/AQD and the State of Wyoming hereby release and covenant not to sue Burlington, its respective successors, assigns, affiliates, parents, officers, directors, employees and representatives, as to any common law claims, statutory claims, or other claims or causes of action which arise out of the facts, transactions, or events which were alleged in the Complaint or in the NOV on the basis of knowledge DEQ/AQD actually had at the time of issuing the NOV.

C. This covenant not to sue is expressly conditioned upon the complete and satisfactory performance by Burlington as specified in Section IV of this Consent Decree.

D. Within thirty (30) days after the complete and satisfactory performance by Burlington of the terms of this Consent Decree, the DEQ/AQD will request that the Court terminate this Consent Decree and dismiss this action with prejudice to all claims which were made in this lawsuit.

E. The terms of Section IV and V shall survive the termination of the Consent Decree.

VI. Parties Bound

A. This Consent Decree shall apply to and be binding upon Burlington, its successors and assigns and upon the DEQ/AQD and the State of Wyoming.

B. The Parties do not intend to create in any other individual or entity the status of third party beneficiary, and this Consent Decree shall not be construed so as to create such status. The rights, duties and obligations contained in this Consent Decree shall operate among the Parties to this Consent Decree.

C. Nothing in this Consent Decree relieves Burlington of its duty to comply with the Act, WAQSR, the federal Clean Air Act, and the regulations and standards adopted thereunder including any permit requirements.

D. This consent Decree is not and shall not be construed to be a permit or permit modification issued pursuant to any federal, state, or local statute, ordinance or regulation. Burlington shall remain solely responsible for its compliance with the terms of this Consent Decree, all permits, and all applicable federal, state and local laws and regulations.

VII. Terms Not Severable

A. The terms of this Consent Decree, which embody the comprehensive stipulated settlement between the Parties, are not severable.

VIII. Reservation of Rights

A. By signing this Consent Decree, Burlington neither admits nor denies that it violated any provision of the Act, the WAQSR, the federal Clean Air Act, or permits issued pursuant to such authority including permit no. CT-1946A.

B. DEQ/AQD and the State of Wyoming reserve all legal and equitable remedies available to enforce the provisions of this Consent Decree, including seeking injunctive relief and/or civil penalties.

C. DEQ/AQD and the State of Wyoming do not waive sovereign immunity by entering into this Consent Decree and retain immunity and all defenses available to them as sovereigns under all state and federal law, except that any of the Parties may bring an action to seek interpretation or enforcement of this Consent Decree. Each party shall bear its own costs, fees, and expenses in any such action.

IX. Termination of Consent Decree

A. Except as otherwise provided in Section V, the terms and conditions of this Consent Decree shall terminate upon the DEQ/AQD's filing of written notice to the Court confirming the completion of Burlington's obligations under this Consent Decree and the Court's entry of a Termination and Dismissal order.

X. Attorney's Fees/Costs of Action

A. Each Party shall bear its own attorneys fees and costs of this action.

XI. Retention of Jurisdiction

A. The Court shall retain jurisdiction to enforce the terms and conditions of this Consent Decree, to enter such orders as are appropriate under the Consent Decree, and to resolve all disputes as may be necessary or appropriate for the construction or to carry out the terms of this Consent Decree until it is terminated as provided above.

XII. Authority

A. The Signatories certify that they are duly authorized to bind their respective Parties to this Consent Decree.

DATED this 4th day of November, 2008.

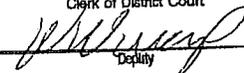

DISTRICT COURT JUDGE

STATE OF WYOMING COUNTY OF LARAMIE, SS CHEYENNE

I Gerrie E. Bishop, Clerk of the District Court in and for the County of Laramie, Wyoming, do hereby certify that the within and foregoing is a full true and correct copy of the original thereof as the same appears on file or of record in my office and that the same is in full force and effect as of this date.

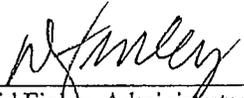
Witness my hand and seal of said court this 5th day of Nov, 2008

GERRIE E. BISHOP
Clerk of District Court

By 
Deputy

WE HEREBY CONSENT to the entry of this Consent Decree:

FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:



David Finley, Administrator
Air Quality Division

10/24/08

Date

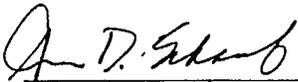


John Corra, Director
Department of Environmental Quality

10/23/08

Date

FOR BURLINGTON RESOURCES OIL & GAS COMPANY, LP:



Name: GLENN D. SCHAAF
Title: VICE PRESIDENT
BROG GP, INC.
GENERAL PARTNER
APPROVAL AS TO FORM:

10.17.2008

Date



John S. Burbridge, # 5-2856
Attorney General's Office
123 Capitol Building
Cheyenne, Wyoming 82002
(307) 777-6946
Attorney for DEQ/AQD

10.23.08

Date