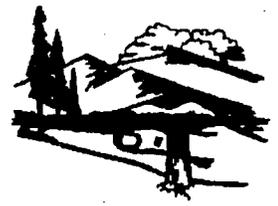




# Department of Environmental Quality



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

February 9, 2009

Mr. Bob Dundas  
Environmental Coordinator  
True Oil, LLC  
PO Drawer 2360  
Casper, WY 82602

RE: Notice of Violation

Dear Mr. Dundas:

Enclosed you will find a Notice of Violation (NOV) issued to True Oil, LLC by the Department of Environmental Quality, Air Quality Division, for failing to maintain and operate the B-TEX control system during all periods of active well site operation for the Mull Federal 11-18 facility located in Sweetwater County, Wyoming. This violation of permit CT-3385 was observed by Mr. Nicholas Czarnecki on September 19, 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  
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 TRUE OIL, LLC  
MR. BOB DUNDAS, ENVIRONMENTAL COORDINATOR  
PO DRAWER 2360  
CASPER, WY 82602**

)  
) **DOCKET NO. 4435-09**  
)  
)  
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**NOTICE OF VIOLATION**

**NOTICE IS HEREBY GIVEN THAT:**

1. The Department of Environmental Quality, Division of Air Quality, has found True Oil, LLC to be in violation of permit CT-3385 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 Mull Federal 11-18 facility located in Sweetwater 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-3385 was issued to True Oil, LLC on August 26, 2003. Condition 6 states:

"True Oil, LLC shall maintain and operate the B-TEX control system during all periods of active well site operation such that it is effective as a viable emissions control device. Records shall be maintained noting periods during active well site operation when the B-TEX control system is not operational."

5. On September 19, 2008, Mr. Nicholas Czarnecki, Air Quality Division Engineer/Inspector, observed that the dehydrator combustor (a part of the B-TEX control system) was not functional. Mr. Czarnecki observed the thermocouple on combustion unit read below 100 degrees Fahrenheit and the valve to the combustion unit was turned off. Mr. Czarnecki also observed venting vapors and dripping liquid from the dehydration unit.

6. Said violation consists of failing to maintain and operate the B-TEX control system during all periods of active well site operation. This is a direct violation of Condition 6 of permit CT-3385.

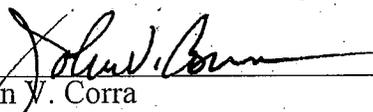
7. Under W.S. 35-11-901(a), any person who violates any provision of Article 2 of [the Environmental Quality Act] ... or any rule, regulation, standard or permit adopted pursuant to those provisions, or who violates any determination or order of the council pursuant to Article 2 of [the Environmental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

True Oil, LLC  
Notice of Violation  
Page Two

DATED this 13 day of FEB, 2009.

  
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David A. Finley  
Administrator  
Air Quality Division

  
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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.)