



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

March 6, 2009

Ms. Belinda Salinas
Manager, Environmental, Safety and Regulatory Affairs
Ultra Resources, Inc.
PO Box 1768
Pinedale, WY 82941

RE: Notice of Violation

Dear Ms. Salinas:

Enclosed you will find a Notice of Violation (NOV) issued to Ultra Resources, Inc. by the Department of Environmental Quality, Air Quality Division, for failing to comply with the permit requirement to operate and maintain emission control systems when the wells are producing such that emissions are controlled at all times at the Stud Horse Butte 10-23 PAD located in Sublette County, Wyoming. This violation of permit MD-5864 was observed by Ms. Jennifer Frazier on November 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 307-777-3774 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

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
--	---	---	---	--	--	---



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

**IN THE MATTER OF THE NOTICE OF VIOLATION
ISSUED TO ULTRA RESOURCES, INC,
MS. BELINDA SALINAS,
ENVIRONMENTAL, SAFETY & REGULATORY AFFAIRS,
370 17TH STREET, SUITE 1700
DENVER, COLORADO 80202**

)
) **DOCKET NO. 4463-09**
)
)
)
)

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. The Department of Environmental Quality, Division of Air Quality, has found Ultra Resources, Inc. to be in violation of permit MD-5864 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 10-23 PAD 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-5864 was issued to Ultra Resources, Inc. on August 21, 2007. Condition 10 states:

"Emission control equipment, including the VOC and HAP emission control systems or devices, reboiler overheads condenser and all vent lines, connections, fittings, valves, relief valves, hatches or any other appurtenance employed to contain and collect vapors and transport them to the emission control system or device, shall be maintained and operated during any time the wells are producing such that the emissions are controlled at all times..."

5. On November 12, 2008, Ms. Jennifer Frazier, Air Quality Division Engineer/Inspector, observed emissions from two thief hatches.

6. Said violation consists of not operating and maintaining emission control systems when the wells are producing such that emissions are controlled at all times. This is a direct violation of Condition 10 of permit MD-5864.

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.

Ultra Resources, Inc.
Notice of Violation
Page Two

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 17 day of March, 2009.



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.)