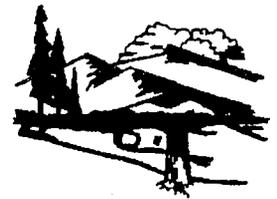




Department of Environmental Quality



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 20, 2009

Mr. Jeffrey Ingerson
Environmental Engineer
Questar Exploration & Production Co.
PO BOX 45601
Salt Lake City, UT 84145

RE: Notice of Violation

Dear Mr. Ingerson,

Enclosed is a Notice of Violation issued to Questar Exploration & Production Co. (Questar) for failing to obtain construction permits prior to constructing and operating the Mesa 12-16 PAD, Mesa 10-16 PAD, Mesa 16-16 PAD, Mesa 3-17 PAD, Mesa 7-17 PAD, Mesa 8-17 PAD, Mesa 3 PAD, Mesa 9-16 PAD, Stewart Point 7-20 PAD, Stewart Point 2-20 PAD Stewart Point 5-17 PAD, Stewart Point 6-32 PAD, Stewart Point 5-20 PAD, Stewart Point 1-30 PAD, Stewart Point 10-18 PAD and Stewart Point 9-33 PAD facilities. These violations were discovered during a review of the permit applications for the facilities which showed that Questar submitted permit applications for these facilities from approximately two months to nine months past the permit application due dates.

By failing to provide timely permit applications, Questar has not complied with the Oil and Gas Production Facilities Chapter 6, Section 2 Permitting Guidance and is in direct violation of the construction permitting requirements of Chapter 6, Section 2(a)(i) of the Wyoming Air Quality Standards and Regulations.

As the Department and this Division consider the failure to comply with air quality permitting requirements to be a serious matter, I am considering recommending the Department refer this Notice of 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: Tony Hoyt, Greg Meeker, Bob Gill, Cynthia Madison, 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
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**BEFORE THE
DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF WYOMING**

**IN THE MATTER OF THE NOTICE OF VIOLATION)
ISSUED TO QUESTAR EXPLORATION & PRODUCTION CO,)
MR. JEFFREY INGERSON, ENVIRONMENTAL ENGINEER,) DOCKET NO. 4533-09
PO BOX 45601, SALT LAKE CITY, UT 84145)**

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. The Department of Environmental Quality, Division of Air Quality, has found Questar Exploration & Production Co. (Questar) to be in violation of W.S. 35-11-801 of the Wyoming Environmental Quality Act and Chapter 6, Section 2 of the Wyoming Air Quality Standards and Regulations in the construction and operation of the following wet gas/condensate production facilities: Mesa 12-16 PAD, Mesa 10-16 PAD, Mesa 16-16 PAD, Mesa 3-17 PAD, Mesa 7-17 PAD, Mesa 8-17 PAD, Mesa 3 PAD, Mesa 9-16 PAD, Stewart Point 7-20 PAD, Stewart Point 2-20 PAD, Stewart Point 5-17 PAD, Stewart Point 6-32 PAD, Stewart Point 5-20 PAD, Stewart Point 1-30 PAD, Stewart Point 10-18 PAD and Stewart Point 9-33 PAD located in Sublette County, Wyoming.

2. W.S. 35-11-801(c) states, "A permit to construct is required before the construction or modification of any industrial facility capable of causing or increasing air or water pollution in excess of standards established by the department is commenced."

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. Chapter 6, Section 2(a)(i) of the Wyoming Air Quality Standards and Regulations states, "Any person who plans to construct any new facility or source, modify any existing facility or source, or to engage in the use of which may cause the issuance of or an increase in the issuance of air contaminants into the air of this state shall obtain a construction permit from the State of Wyoming, Department of Environmental Quality, before any actual work is begun on the facility."

5. The Air Quality Division issued Chapter 6, Section 2 permitting guidance for Oil and Gas Production Facilities in June 1997 with a revision in November 1998, a revision in January 2000, a revision in August 2001, a revision related to the Jonah/Pinedale area operations dated July 2004 and the most recent revision in August 2007. The revision of this guidance dated August 2007 is the applicable revision for the listed Questar wet gas/condensate production facilities. This guidance was developed to familiarize oil and gas production facilities with the Wyoming air quality regulations and to provide guidance to these facilities on what the Air Quality Division would accept as meeting the intent of Wyoming's regulatory requirement to obtain a construction permit prior to the construction or operation of new air emission sources (Chapter 6, Section 2(a)(i) of the Wyoming Air Quality Standards and Regulations). To be eligible for the permitting process under the Oil and Gas Production Facilities Chapter 6, Section 2 Permitting Guidance, a facility is required to submit a complete Chapter 6, Section 2 permit application within 60-days of the first date of production. The application describes new, modified and future well/equipment installations along with the associated, controlled and uncontrolled emissions and serves as a form of certification by the owner that Presumptive BACT requirements for emission controls and control device monitoring have been and will be met. Additional cautions within the permitting guidance state that facilities cannot emit

regulated air pollutants at rates which equal or exceed the major source levels.

6. The Air Quality Division's review of Questar's permit applications for the above listed facilities showed that Questar submitted permit applications for these facilities from approximately two months to nine months past the permit application due dates. By failing to provide timely permit applications, Questar has not complied with the Oil and Gas Production Facilities Chapter 6, Section 2 Permitting Guidance and is in direct violation of the construction permitting requirements of Chapter 6, Section 2(a)(i) of the Wyoming Air Quality Standards and Regulations.

7. Said violations consists of the failure to obtain construction permits prior to constructing and operating the Mesa 12-16 PAD, Mesa 10-16 PAD, Mesa 16-16 PAD, Mesa 3-17 PAD, Mesa 7-17 PAD, Mesa 8-17 PAD, Mesa 3 PAD, Mesa 9-16 PAD, Stewart Point 7-20 PAD, Stewart Point 2-20 PAD, Stewart Point 5-17 PAD, Stewart Point 6-32 PAD, Stewart Point 5-20 PAD, Stewart Point 1-30 PAD, Stewart Point 10-18 PAD and Stewart Point 9-33 PAD facilities in violation of W.S. 35-11-801(c) of the Wyoming Environmental Quality Act and Chapter 6, Section 2(a)(i) of the Wyoming Air Quality Standards and Regulations.

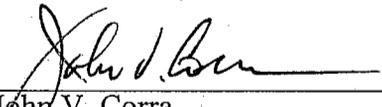
8. Under W.S. 35-11-901(a), any person who violates any provision of Article 2 of [the Environmental Quality Act] ... or any rule, regulation, standard or permit adopted pursuant to those provisions, or who violates any determination or order of the council pursuant to Article 2 of [the Environmental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

9. 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 29 day of July, 2009.



David A. Finley
Administrator
Air Quality Division



John V. Corra
Director
Department of Environmental Quality

Please direct all inquiries to David 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.)