



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

December 15, 2009

Ms. Arlene Valliquette
Land Regulatory Manager
Merit Energy Company
13727 Noel Road
Dallas, TX 75251

RE: Notice of Violation

Dear Ms. Valliquette:

Enclosed you will find a Notice of Violation (NOV) issued to the Merit Energy Company by the Department of Environmental Quality, Air Quality Division, for failing to: 1) operate a thermocouple with a continuous recording device or equivalent device to detect the presence of a flame on the flare and record when pilot flames are not present and 2) control VOC and HAP emissions from the glycol dehydration unit as required by permit MD-1046A. These violations of permit MD-1046A were observed by Mr. Jeff Hancock on June 3, 2009.

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
Chris Hanify
Nancy Vehr
Keith Guille



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

**IN THE MATTER OF THE NOTICE OF VIOLATION)
ISSUED TO MERIT ENERGY COMPANY,)
MS. ARLENE VALLIQUETTE,)
LAND REGULATORY MANAGER,)
13727 NOEL ROAD, DALLAS TEXAS 75251)**

DOCKET NO. 4609-09

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. The Department of Environmental Quality, Division of Air Quality, has found Merit Energy Company to be in violation of permit MD-1046A 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 in the operation of the Sand Dunes Muddy Unit (SDMU) located in Converse 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-1046A was issued to Merit Energy Company on September 20, 2007. Two conditions specific to the monitoring of the flare pilot flame are Conditions 11 & 12 of permit MD-1046A. Condition 11 of permit MD-1046A states: "That the presence of a flare pilot flame shall be monitored using a thermocouple and continuous recording device or any other equivalent device to detect the presence of a flame." Condition 12 of permit MD-1046A states: "That Merit Energy Company shall maintain records noting date and duration of time during active operation of the glycol dehydration unit, and process vent when the pilot flames are not present."

5. On June 3, 2009, Mr. Jeff Hancock, Air Quality Division Inspector, observed that Merit was not operating a thermocouple with a continuous recording device or equivalent device to detect the presence of a flame on the flare. This is a direct violation of Condition 11 and Condition 12 of permit MD-1046A.

7. Permit MD-1046A also requires control VOC and HAP emissions through the dehydration unit and the process vent be controlled. Condition 8 of permit MD-1046A states: "That VOC and HAP emissions associated with the 40 MMSCFD glycol dehydration unit, and process vent shall be controlled with a flare."

8. On June 3, 2009, Mr. Jeff Hancock, Air Quality Division Inspector, observed that the seal at the top of the glycol dehydration unit overhead still was leaking, allowing gas to escape to the atmosphere. This is a direct violation of condition 8 of permit MD-1046A.

9. Said violations consist of failing to: 1) operate a thermocouple with a continuous recording

device or equivalent device to detect the presence of a flame on the flare and record when a pilot flame is not present and 2) control VOC and HAP emissions from the glycol dehydration unit as required by permit MD-1046A.

10. 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.

11. 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 22nd day of December, 2009.



David A. Finley
Administrator
Air Quality Division



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.)