



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 1, 2010

Mr. Mike McKenna
EH & S Manager
Rosetta Resources Operating LP
717 Texas, Suite 2800
Houston, TX 77002

RE: Notice of Violation

Dear Mr. McKenna:

Enclosed is a Notice of Violation issued to Rosetta Resources Operating LP for failing to obtain a construction permit prior to constructing and operating the Petrogulf State multiple wellsite for wells 36-1.5D, 36-2.5D, 36-8.5D, 36-1-2, 36-1-3 and 36-8-2 located in Sublette County, Wyoming. This violation was discovered during an inspection of this facility on November 16, 2009 conducted by Ms. Jennifer Frazier, Air Quality Division Inspector. During the inspection, it was noted by Ms. Frazier that a thief hatch was open on the produced water tank, which is in communication with the condensate tank. All of the eight tank's thief hatches were unlatched and visible emissions observed from Petrogulf State wells 36-1.5D, 36-2.5D, 36-8.5D, 36-1-2, 36-1-3 and 36-8-2. In addition the combustor was noted as not operational. By failing to control emissions from the Petrogulf State multiple wellsite facility, Rosetta Resources Operating LP did not follow 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 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
for D.F.

David A. Finley
Administrator
Air Quality Division

cc: Bob Gill; Tony Hoyt; Jennifer Frazier; Cynthia Madison; Nancy Vehr; Paul Anderson 2692
Amerada, Rio Vista, CA 94571



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

**IN THE MATTER OF THE NOTICE OF VIOLATION
ISSUED TO ROSETTA RESOURCES OPERATING LP
MR. MIKE MCKENNA,
EH & S MANAGER,
717 TEXAS, SUITE 2800
HOUSTON, TEXAS 77002**

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DOCKET NO. 4629-10

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. The Department of Environmental Quality, Division of Air Quality, has found Rosetta Resources Operating LP (Rosetta Resources) 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 wet gas/condensate production Petrogulf State wells 36-1.5D, 36-2.5D, 36-8.5D, 36-1-2, 36-1-3 and 36-8-2 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, and a revision related to the Jonah/Pinedale area operations dated July 2004. 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). Companies may follow the Oil and Gas Production Facilities Chapter 6, Section 2 Permitting Guidance, or must, prior to construction of a new air emission source, obtain a Chapter 6, Section 2 permit. The Jonah and Pinedale Anticline, Addendum to C6 S2 Oil and Gas Production Facilities Permitting Guidance, July 28, 2004, states, "For all multiple well or PAD facilities, a complete C6 S2 permit application must be filed within 40 days of the First Date of Production of an additional well producing to or at the PAD and within 40-days of production associated with an additional well(s) being tied into new or existing equipment at the PAD. The P-BACT/NOI process will no longer apply to these facilities since installation of controls for all new and all existing flashing and dehydration unit emissions are required to be installed and operational upon First Date of Production..."

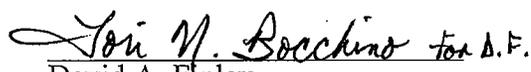
6. On November 16, 2009, Ms. Jennifer Frazier, Air Quality Division Inspector, observed an open thief hatch on the produced water tank, which is in communication with the condensate tank. All of the eight tank's thief hatches were unlatched and visible emissions were observed from Petrogulf State wells 36-1.5D, 36-2.5D, 36-8.5D, 36-1-2, 36-1-3 and 36-8-2. In addition the combustor was noted as not operational. In accordance with the Jonah and Pinedale Anticline, Addendum to C6 S2 Oil and Gas Production Facilities Permitting Guidance, July 28, 2004, emissions from the hydrocarbon liquid storage tanks, pressure vessels and new dehydration units should have been controlled upon first date of production, not vented through the open thief hatches. By failing to control emissions from the wells listed above, Rosetta Resources did not follow 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.

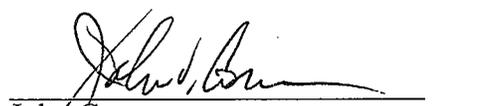
7. Said violation consists of the failure to obtain a construction permit prior to constructing Petrogulf State wells 36-1.5D, 36-2.5D, 36-8.5D, 36-1-2, 36-1-3 and 36-8-2 and operating the facility, in violation of W.S. 35-11-801(c) of the Wyoming Environmental Quality Act and Chapter 6, Section 2(a)(i) 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 5 day of Feb, 2010.


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.)