



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

November 4, 2010

Mr. H. James Sewell
Staff Environmental Engineer
Shell Western Exploration & Production, Inc.
4582 S. Ulster Street Parkway, Suite 500
Denver, CO 80237

RE: Notice of Violation

Dear Mr. Sewell:

Enclosed you will find a Notice of Violation (NOV) issued to Shell Rocky Mountain Production, LLC by the Department of Environmental Quality, Air Quality Division, for failing to comply with the permit requirement for routing vapors from condensate tanks to emission control devices in violation of permits CT-3785A (Mesa 4-33 PAD), CT-4478 (Riverside 8-23D), CT-4629 (Riverside 7-13 PAD), CT-4262 (Riverside 13B PAD), MD-7092 (Warbonnet 4 PAD) and MD-1091A (Mesa 6-28 PAD). All facilities are located in Sublette County, Wyoming. These violations were observed by Ms. Jennifer Frazier during the months of August and September, 2010.

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,

Steven A. Dietrich
Administrator
Air Quality Division

cc: Robert Gill, Jennifer Frazier, 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 SHELL WESTERN EXPLORATION & PRODUCTION, INC) DOCKET NO. 4762-10
MR. H. JAMES SEWELL)
STAFF ENVIRONMENTAL ENGINEER,)
4580 S. ULSTER ST. PKWY, SUITE 500)
DENVER, CO 80237)**

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. The Department of Environmental Quality, Division of Air Quality, has found Shell Western Exploration & Production, Inc. to be in violation of permits CT-3785A (Mesa 4-33 PAD), CT-4478 (Riverside 8-23D), CT-4629 (Riverside 7-13 PAD), CT-4262 (Riverside 13B PAD), MD-7092 (Warbonnet 4 PAD) and MD-1091A (Mesa 6-28 PAD) 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 for production site facilities 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. Permits were issued to Shell Western Exploration & Production, Inc. for the following six facilities: Mesa 4-33 PAD, Riverside 8-23D, Riverside 7-13 PAD, Riverside 13B PAD, Warbonnet 4 PAD and Mesa 6-28 PAD. All of the permits contain a general condition which requires routing vapors from condensate tanks to emission control devices and these devices to be operated and maintained during all active well site production.

5. Inspections were conducted by Ms. Jennifer Frazier, Air Quality Division Engineer/Inspector, during the months of August and September 2010 of production sites operated by, Shell Western Exploration & Production, Inc. Sensory observations and FLIR video showed significant emissions from Enardo valves and/or thief hatches. Venting vapors from Enardo valves and/or thief hatches are violations of permit conditions requiring vapors from condensate tanks to be routed to emission control devices.

6. Said violations consist of failing to route vapors from condensate tanks to emission control devices in violation of permits CT-3785A (Mesa 4-33 PAD), CT-4478 (Riverside 8-23D), CT-4629 (Riverside 7-13 PAD), CT-4262 (Riverside 13B PAD), MD-7092 (Warbonnet 4 PAD) and MD-1091A (Mesa 6-28 PAD).

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.

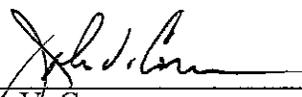
8. This notice is being sent to you pursuant to W.S. 35-11-701(c), which requires that, in any case of the failure to correct or remedy an alleged violation, the Director of the Department of Environmental Quality shall cause a written notice to be issued and served upon the person alleged to be responsible.

Shell Western Exploration & Production, Inc.
Notice of Violation
2

DATED this 5th day of NOVEMBER, 2010.



Steven A. Dietrich
Administrator
Air Quality Division



John V. Corra
Director
Department of Environmental Quality

Please direct all inquiries to Steven A. Dietrich, Administrator, Division of Air Quality, Department of Environmental Quality, Herschler Building, 2nd Floor, 122 W. 25th Street, Cheyenne, Wyoming 82002. (Telephone: 307/777-7393.)