



Department of Environmental Quality

To protect, conserve and enhance the quality of Wyoming's environment for the benefit of current and future generations.



Matthew H. Mead, Governor

John Corra, Director

April 25, 2011

Mr. H. James Sewell
Staff Environmental Engineer
Shell Western Exploration & Production Inc. LP
4580 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 Western Exploration & Production Inc. LP by the Department of Environmental Quality, Air Quality Division, for failing to comply with the permit requirement to test three Caterpillar G3412C LE engines (E1, E2 & E4) within ninety days of start-up at the Warbonnet Central Liquids Processing Facility located in Sublette County, Wyoming. This violation of permit MD-10457 was noted during the inspection conducted March 1, 2011 by Mr. Jared Beck.

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 INC. LP,) DOCKET NO. 4833-11
MR. H. JAMES SEWELL,)
STAFF ENVIRONMENTAL ENGINEER,)
4580 SOUTH ULSTER STREET PARKWAY, SUITE 500)
DENVER, COLORADO 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.(SWEPI) LP to be in violation of MD-10457 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 the Warbonnet Water Handling Facility 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-10457 was issued to SWEPI LP on November 4, 2010. Condition 9 states:

"That performance tests be conducted, in accordance with Chapter 6, Section 2(j) of the WAQSR, within thirty (30) days of achieving a maximum design rate but not later than ninety (90) days following initial start-up, and a written report of the results be submitted..."

5. Initial testing results for Caterpillar G3412C LE engines (E-1, s/n: CTP 02839; E-2 , s/n: CTP 02840 and E-4 , s/n: CTP 02843 were not tested within 90 days of start-up. These three engines were started in April 2010, the testing for these engines was conducted December 1-3, 2010, approximately 4 months late. Failure to conduct initial testing of these engines as required constitutes a violation of condition 9 of permit MD-10457.

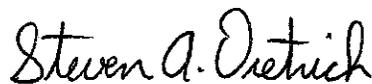
6. Said violations consist of failing to perform initial testing of Caterpillar G3412C LE engines E1, E2 and E4 within ninety days of start-up as required in permit MD-10457. Failing to perform testing in the allotted timeframe constitutes a violation of condition 9 of MD-10457.

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. LP
Notice of Violation
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DATED this 28th day of APRIL, 2011.



Steven A. Dietrich
Administrator
Air Quality Division



John 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.)