



# 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

July 22, 2011

Ms. Arlene Valliquette  
Land/Regulatory Manager  
Merit Energy Company  
13727 Noel Road, Suite 1500  
Dallas, Texas 75240

RE: Notice of Violation

Dear Ms. Valliquette:

Enclosed is a Notice of Violation issued to Merit Energy Company for: 1) the failure to maintain records of the engine catalyst temperature and catalyst differential pressure and 2) the failure to route vapors from the condensate storage tanks to the VRU, or when the VRU is not functional, route vapors to the backup flare and maintain records of periods when the VRU and backup flare are not operational for the North Brady Compressor Station as required by permit MD-1582. These discrepancies were discovered during a facility site inspection on June 29, 2011 and subsequent file review.

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: Tony Hoyt  
Nancy Vehr  
Robert Gill  
Keith Guille



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

**IN THE MATTER OF THE NOTICE OF VIOLATION )  
ISSUED TO MERIT ENERGY COMPANY, ) DOCKET NO. 4867-11  
MS. ARLENE VALLIQUETTE, )  
LAND/REGULATORY MANAGER, )  
13727 NOEL ROAD, SUITE 1500, DALLAS, TEXAS 75240 )**

**NOTICE OF VIOLATION**

**NOTICE IS HEREBY GIVEN THAT:**

1. The Department of Environmental Quality, Division of Air Quality, has found Merit Energy Company (Merit) to be in violation of permit MD-1582 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 North Brady Compressor Station located in Sweetwater County, Wyoming.

2. W.S. 35-11-801 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-1582 was issued to Anadarko E & P Company on or about May 29, 2007 for the North Brady Compressor Station located in Sweetwater County, Wyoming. Merit Energy acquired the facility from Anadarko E & P Company on or about June 10, 2010. Condition #8 of permit MD-1582 requires that the Cooper Superior engine inlet catalyst temperature and pressure drop across the catalyst (differential pressure) be measured and recorded monthly. Condition #8 also requires that records of catalyst inlet temperature, pressure drop, and any maintenance or corrective actions be kept and maintained for a period of five years and be available to the Division upon request.

5. On June 29, 2011, Mr. Marty Hamilton, Air Quality Division Inspector, visited the North Brady Compressor Station. During the visit, Mr. Hamilton noted no records were available to demonstrate compliance with catalyst temperature and pressure drop across the catalyst requirements.

6. Condition #9 of permit MD-1582 requires that vapors from the eight (8) 400-barrel condensate storage tanks be routed to a vapor recovery unit (VRU) for ninety-eight (98) percent control of Volatile Organic Compound (VOCs) emissions. During periods when the vapor recovery unit is not operational all vapors from the condensate storage tanks shall be directed to the backup flare for ninety-eight (98) percent control of VOC emissions. Condition 11 requires the VRU and backup flare be maintained and operated during all period of active operation such that each remains effective as a viable control device and requires that records be maintained of periods when the VRU and backup flare are not operating.

7. On June 29, 2011, Mr. Marty Hamilton, Air Quality Division Inspector, visited the North Brady Compressor Station. During the visit, Mr. Hamilton noted that both the VRU and flare were not operating, thereby venting VOCs to the atmosphere. Further investigation also revealed that the pilot flame auto-igniter system was not functional because the solar power system failed. No records were available documenting VRU and backup flare downtime during active plant operation.

8. Said violations consist of: 1) the failure to maintain records of the engine catalyst temperature and catalyst differential pressure and 2) the failure to route vapors from the condensate storage tanks to the VRU, or when the VRU is not functional, route vapors to the backup flare and maintain records of periods when the VRU and backup flare are not operational.

9. 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.

10. This notice is being sent to you pursuant to W.S. 35-11-701(c), which requires that, in any case of 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 22<sup>nd</sup> day of JULY, 2011.



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, 4th Floor, 122 W. 25th Street, Cheyenne, Wyoming 82002. (Telephone: 307/777-7393)