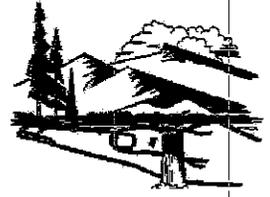




Department of Environmental Quality

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

March 14, 2012

Mr. Carlos Huertas
Operations Manager
Omimex Petroleum, Inc.
2001 Beech Street, Suite 810
Fort Worth, Texas 76103

RE: Notice of Violation

Dear Mr. Huertas

Enclosed you will find a Notice of Violation (NOV) issued to Omimex Petroleum, Inc. by the Department of Environmental Quality, Air Quality Division, for venting vapors from the Elm Federal No 23-22-28-109 and Elm Federal 23-12 facilities located in Sublette County, Wyoming. These violations of permit CT-2547 and MD-6159 were observed by Ms. Jennifer Frazier on January 10, 2012.

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 OMIMEX PETROLEUM, INC,) DOCKET NO. 4973-12
MR. CARLOS HUERTAS,)
OPERATIONS MANAGER,)
2001 BEECH STREET, SUITE 810)
FORT WORTH, TX 76103)**

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. The Department of Environmental Quality, Division of Air Quality, has found Omimex Petroleum, Inc. to be in violation of permits CT-2547 and MD-6159 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 at the Elm Federal No 23-22-28-109 and Elm Federal 23-12 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. Permit CT-2547 was issued to Forest Oil Company on October 16, 2001. Omimex Petroleum, Inc. acquired the facility from Forest Oil Company on or about December 1, 2008. Conditions 5 & 7 of permit CT-2547 dictate control of the dehydration unit emissions as follows:

Condition 5 states:

" VOC and HAP emissions associated with the glycol dehydration unit, which includes the glycol flash separator and the reboiler overhead still vent shall be controlled with a B-TEX control system or equivalent control device, with a manufacturer's design control efficiency of at least 95%, until such time emissions are considered insignificant by the Division."

Condition 7 states:

" Forest Oil Corporation shall maintain and operate the B-TEX control system and associated combustion device during all periods of active well site operation such that the system remains effective as a viable control device."

5. On January 10, 2012, Ms. Jennifer Frazier, Air Quality Division Engineer/Inspector, observed that the dehydration unit was not connected to the B-TEX control system (combustor).

6. Permit MD-6159 was issued to Forest Oil Company on October 23, 2007. Omimex Petroleum, Inc. acquired the facility from Forest Oil Company on or about December 1, 2008. Condition 10 of permit MD-6159 dictates control of vent vapors from tanks as follows:

Condition 10 states:

" Emission control equipment, including the VOC and HAP emission control systems or devices, reboiler overheads condensers and all vent lines, connections, fittings, valves, relief valves, hatches or any other appurtenance employed to contain and collect vapors and transport them to the emission

control system or device, shall be maintained and operated during any time the wells are producing such that the emissions are controlled at all times..."

7. On January 10, 2012, Ms. Jennifer Frazier, Air Quality Division Engineer/Inspector, observed that the combustor was not functional. She also noted no flame through the site glass and that the combustor was cold to the touch. It appeared that the vapors were appropriately routed to the combustor but were vented through the combustor to the atmosphere. Venting vapors and not routing vapors to a functional combustor is a violation of condition 10 of permit MD-6159.

8. Said violation consists of venting vapors from the Elm Federal No 23-22-28-109 and Elm Federal 23-12 facilities in violation of permits CT-2547 and MD-6159.

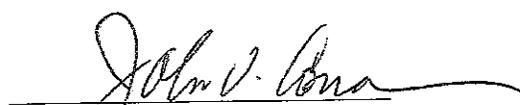
9. Under W.S. 35-11-901(a), any person who violates any provision of Article 2 of [the Environmental Quality Act] ... or any rule, regulation, standard or permit adopted pursuant to those provisions, or who violates any determination or order of the council pursuant to Article 2 of [the Environmental 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 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 14th day of MARCH, 2012.



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.)