



# 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

August 22, 2012

Mr. Jeffrey L. Ingerson  
Corporate Air Permitting Supervisor  
Chesapeake Operating, Inc.  
PO BOX 18496  
Oklahoma City, Oklahoma 73154

RE: Notice of Violation

Dear Mr. Ingerson,

Enclosed you will find a Notice of Violation (NOV) issued to Chesapeake Operating, Inc. for the Sundquist Flats Unit 34-72 12-1H wet gas/condensate production facility located in Converse County, Wyoming by the Department of Environmental Quality, Air Quality Division, for: 1) the installation and operation of 80-hp Arrow A-62 pumping unit engine without a permit and 2) the failure to obtain a construction permit prior to constructing and operating the production facilities, 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.

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,

Steven A. Dietrich  
Administrator  
Air Quality Division

cc: Robert Gill  
Chris Hanify  
Nancy Vehr  
Keith Guille





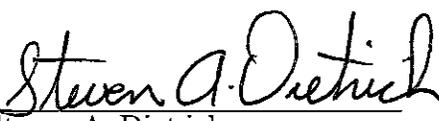
issued prior to start up, a C6 S2 Oil & Gas Production Facilities permit application shall be filed within 90 days of the First Date of Production for a new facility or Date of Modification of an existing facility. Chesapeake Operating, Inc. filed the Chapter 6, Section 2 permit application for this facility on June 5, 2012. The Air Quality Division's review of the permit application for the above listed facility showed that Chesapeake Operating, Inc. submitted the permit application for the Sundquist Flats Unit 34-72 12-1H wet gas/condensate production facility approximately eight (8) months past the permit application due date. By failing to provide timely permit applications, Chesapeake Operating, Inc. has not complied with 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.

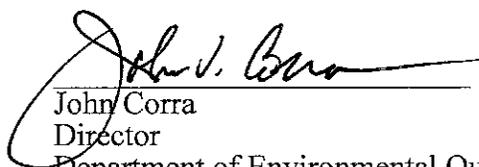
7. Said violations consist of 1) the installation and operation of 80-hp Arrow VRG 380/A62 pumping unit engine without a permit and without controls at the Sundquist Flats Unit 34-72 12-1H wet gas/condensate production facility and 2) the failure to obtain a construction permit prior to constructing and operating the Sundquist Flats Unit 34-72 12-1H wet gas/condensate production 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 22<sup>nd</sup> day of AUGUST, 2012.

  
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.)