



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

October 11, 2012

Mr. Al H. Denson
Keba Energy, LLC
500 Dallas St., One Allen Center, Suite 3250
Houston, TX 77002

RE: Notice of Violation

Dear Mr. Denson:

Enclosed you will find a Notice of Violation (NOV) issued to Keba Energy, LLC by the Department of Environmental Quality, Air Quality Division, for venting vapors from a leaking thief hatch and not routing vapors to the emission control device for the Strike 9-18E gas/condensate production facility located in Sweetwater County, Wyoming. This is a violation of permit CT-4354.

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 307-777-3774 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 KEBA ENERGY, LLC) DOCKET NO. 5069-12
MR. AL H. DENSON,)
CHIEF OPERATIONS OFFICER)
500 DALLAS ST., ONE ALLEN CENTER, SUITE 3250)
HOUSTON, TX 77002)**

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. The Department of Environmental Quality, Division of Air Quality, has found Keba Energy, LLC to be in violation of permit CT-4354 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 Strike 9-18E facility located in Sweetwater 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-4354 was issued to EOG Resources on July 31, 2006. On August 11, 2008 ownership and responsibility for this facility transferred to Warrior Energy Holdings, Inc. On October 19, 2009 ownership and responsibility for this facility transferred to Keba Energy, LLC. Permit CT-4354 dictates control of vent vapors through condition 5 as follows:

Condition 5 states:

"Vapors from the one (1) 400 barrel condensate storage tank, including tank flash and S/W/B vapors, shall be routed to a combustion device to reduce the mass content of VOCs in the tank flash and S/W/B vapors vented to the device by at least ninety-eight (98%) by weight..."

5. On July 18, 2012, Mr. Jared Beck, Air Quality Division Engineer/Inspector, observed venting vapors from a leaking thief hatch. Venting vapors from the thief hatch and not routing vapors to the emission control device is a violation of condition 5 of permit CT-4354.

6. Said violation consists of venting vapors from a leaking thief hatch and not routing vapors to the emission control device. This is a violation of condition 5 of permit CT-4354.

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.

DATED this 11th day of OCTOBER, 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.)