



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

Todd Parfitt, Director

December 11, 2012

Ms. Angela Zivkovich
US Onshore Senior Environmental Engineer
SWEPI, LP
4582 S. Ulster Street Parkway, Suite 1400
Denver, CO 80237-2642

RE: Notice of Violation

Dear Ms. Zivkovich:

Enclosed you will find a Notice of Violation (NOV) issued to SWEPI, LP by the Department of Environmental Quality, Air Quality Division, for failing to: 1) perform initial testing of Waukesha F3524GSI engines E1-E4 within ninety days of start-up, and 2) failing to perform annual testing of Waukesha F3524GSI engines E1-E4 for the year 2010 at the Section 14 Injection Facility located in Sublette County, Wyoming. These constitute violations of conditions 8 & 11a. of permit CT-6485. These violations of permit CT-6485 were observed by Ms. Brandi O'Brien on September 12, 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
Brandi O'Brien
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 SWEPI, LP,) **DOCKET NO. 5094-12**
MS. ANGELA ZIVKOVICH,)
US ONSHORE SENIOR ENVIRONMENTAL ENGINEER,)
4582 SOUTH ULSTER STREET PARKWAY, SUITE 1400)
DENVER, COLORADO 80237-2642)

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. The Department of Environmental Quality, Division of Air Quality, has found SWEPI, LP to be in violation of CT-6485 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 Section 14 Injection 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 CT-6485 was issued to Shell Rocky Mountain Production, LLC. on October 25, 2007. On April 11, 2011 ownership transferred this permit to SWEPI, LP. Condition 8 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 Waukesha F3524GSI engines (E1, s/n: C-15682/1; E2, s/n: C-16647/1, E3, s/n: C-17505/1, and E4, s/n: C-15681/1 were not tested within 90 days of start-up. Engines E1 and E2 were started on January 19, 2008, testing for these engines was conducted August 21, 2008, approximately 212 days late. Engines E3 and E4 were started on January 30, 2008, testing for these engines was conducted August 21, 2008, approximately 201 days late. Failure to conduct initial testing of these engines as required constitutes a violation of condition 8 of permit CT-6485.

6. Permit CT-6485 was issued to Shell Rocky Mountain Production, LLC. on October 25, 2007. On April 11, 2011 ownership transferred this permit to SWEPI, LP. Condition 11a. states:

"That annually the engines (E1-E4) shall be tested to verify compliance with the NOx and CO limits set forth in this permit..."

7. Annual testing for Waukesha F3524GSI engines (E1, s/n: C-15682/1; E2, s/n: C-16647/1, E3, s/n: C-17505/1, and E4, s/n: C-15681/1 was not conducted for the year 2010. Failure to conduct annual testing of these engines as required constitutes a violation of condition 11a. of permit CT-6485.

8. Said violations consist of failing to: 1) perform initial testing of Waukesha F3524GSI engines E1-E4 within ninety days of start-up, and 2) failing to perform annual testing of Waukesha F3524GSI engines E1-E4 for the year 2010. These constitute violations of conditions 8 & 11a. of permit CT-6485.

SWEPI, LP
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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 11th day of DECEMBER, 2012.



Steven A. Dietrich
Administrator
Air Quality Division



Todd Parfitt
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.)