



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

January 9, 2013

Ms. Jennifer Terry
Legacy Reserves Operating, LP
PO BOX 2850
Cody, Wyoming 82414

RE: Notice of Violation

Dear Ms. Terry,

Enclosed you will find a Notice of Violation (NOV) issued to Legacy Reserves Operating, LP. by the Department of Environmental Quality, Air Quality Division, for failing to re-inject acid gas from the Sand Draw Gas Plant, as described during permitting of the facility and the failure to obtain an air quality permit for a change in operation which would increase emissions in violation of W.S. 35-11-801(c) of the Wyoming Environmental Quality Act and Chapter 6, Section 2(a) Wyoming Air Quality Standards and Regulations.

As the Department and this Division consider the failure to comply with air quality waivers and 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
Greg Meeker
Nancy Vehr
Keith Guille



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

**IN THE MATTER OF THE NOTICE OF VIOLATION)
ISSUED TO LEGACY RESERVES OPERATING, LP,) DOCKET NO. 5102-13
MS. JENNIFER TERRY,)
PO BOX 2850)
CODY, WYOMING 82414)**

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. The Department of Environmental Quality, Division of Air Quality, has found Legacy Reserves Operating, LP (Legacy) to be in violation of waiver 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 Sand Draw Gas Plant located in Fremont 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. Chapter 6, Section 2(a)(i) of the Wyoming Air Quality Standards and Regulations states, "Any person who plans to construct any new facility or source, modify any existing facility or source, or to engage in the use of which may cause the issuance of or an increase in the issuance of air contaminants into the air of this state shall obtain a construction permit from the State of Wyoming, Department of Environmental Quality, before any actual work is begun on the facility."

5. A waiver was issued to Wold Oil Properties, Inc. on July 7, 1992. St. Mary's Land & Exploration Company acquired the facility from Wold Oil Properties, which was then acquired by Legacy Reserves Operating, LP on or about November 10, 2010. This waiver was based on the premises that to control sulfur dioxide emissions, all acid gas would be reinjected into a depleted formation as a control for sulfurous emissions.

6. On November 19, 2012 an inspection was conducted by Mr. Jon Walker, Air Quality Engineer. During the inspection, it was observed that the acid gas from the site was being flared. Flaring of acid gas would cause an increase in emissions. Failure of to re-inject the acid gas constitutes a violation of the waiver and also Chapter 6, Section 2 Permitting Requirements, as this change in operation would increase emissions and was not permitted for the Sand Draw Gas Plant.

7. Said violation consists of failing to re-inject acid gas from the Sand Draw Gas Plant, as described during permitting of the facility and the failure to obtain an air quality permit for a change in operation which would increase emissions in violation of W.S. 35-11-801(c) of the Wyoming Environmental Quality Act and Chapter 6, Section 2(a) Wyoming Air Quality Standards and Regulations.

Legacy Reserves Operating, LP
Notice of Violation
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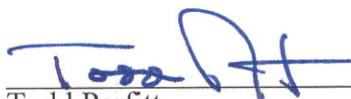
8. Under W.S. 35-11-901(a), any person who violates any provision of Article 2 of [the Environmental Quality Act] ... or any rule, regulation, standard or permit adopted pursuant to those provisions, or who violates any determination or order of the council pursuant to Article 2 of [the Environmental 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 9th day of JANUARY, 2013.



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.)