



# 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

February 27, 2013

Mr. Gordon Stevenson  
President  
Thunder Creek Gas Services, LLC  
717 17th St., Suite 1500  
Denver, CO 80202

RE: Notice of Violation

Dear Mr. Stevenson:

Enclosed you will find a Notice of Violation (NOV) issued to Thunder Creek Gas Services, LLC by the Department of Environmental Quality, Air Quality Division, for failing to: 1) conduct annual performance tests within the permitted time frames; 2) comply with the permitted VOC limit; 3) notify the Division of the failed test within 24-hours, take corrective action, and retest the engine; 4) conduct initial performance tests within the permitted time frames; and 5) conduct initial formaldehyde testing at the SC-1098 Compressor Station located in Johnson County, Wyoming. These are violations of conditions 11 and 16 of permit CT-9137 and conditions 9 and 10 of permit MD-10584.

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  
Tanner Shatto



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

**IN THE MATTER OF THE NOTICE OF VIOLATION    )**  
**ISSUED TO THUNDER CREEK GAS SERVICES, LLC    )** **DOCKET NO. 5133-13**  
**MR. GORDON STEVENSON, PRESIDENT            )**  
**717 17th ST., SUITE 1500                        )**  
**DENVER, CO 80202                                 )**

**NOTICE OF VIOLATION**

**NOTICE IS HEREBY GIVEN THAT:**

1. The Department of Environmental Quality, Division of Air Quality, has found Thunder Creek Gas Services, LLC to be in violation of permits CT-9137 and MD-10584 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 SC-1098 Compressor Station located in Johnson 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-9137 was issued to Thunder Creek Gas Services, LLC on June 23, 2009 for the SC-1098 Compressor Station and allowed construction of Caterpillar 3512LE engines E1 and E2. Condition 11 limits VOC emissions from each engine to 0.7 g/hp-hr. Condition 16(i) and (ii) requires annual testing, notification and repair/retesting when an engine tests outside the permitted limits as follows:

Condition 16(i):

"That every twelve (12) calendar months, the engines E1-E2 shall be tested to verify compliance with the NO<sub>x</sub>, CO, and VOC limits set forth in this permit. Periodic tests for each engine are required within twelve (12) calendar months after completion of the initial performance test or the last periodic test..."

Condition 16(ii):

"The Air Quality Division shall be notified within 24-hours of any engine where the testing/monitoring required by (i) of this condition shows operation outside the permitted emission limits. By no later than seven (7) calendar days of such testing/monitoring event, the owner or operator shall repair and retest/monitor the affected engine to demonstrate that the engine has been returned to operation within the permitted emission limits..."

5. During reviews conducted by the Division the following were discovered:

(a) Annual engine testing for engine E1 was due to be performed by April 12, 2011. Annual engine testing was conducted, eleven weeks late, for engine E1 on June 28, 2011 to verify compliance with permitted emissions limits, including the VOC limit of 0.7 g/hp-hr.

(b) Engine E1 tested out of compliance for VOC emissions at 0.94 g/hp-hr (34% above the limit of 0.7 g/hp-hr).

(c) Thunder Creek Gas Services, LLC did not notify the Division of the failed test within 24-hours, take corrective action, or retest the engine.

6. Permit MD-10584 was issued to Thunder Creek Gas Services, LLC on September 30, 2010 for the SC-1098 Compressor Station and allowed construction of Caterpillar 3512LE engines E3 and E4. Conditions 9 and 10 required initial performance testing as follows:

Condition 9:

“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 ...”

Condition 10:

“Initial performance tests, as required by Condition 9 of this permit, shall be conducted each time a new engine is installed for units E3-E4...”

Formaldehyde Emissions (Lean Burns Only): The first engine of each type in operation shall be tested for formaldehyde. Testing shall consist of three (3) 1-hour tests following EPA Reference Methods and a Division approved formaldehyde test method.”

7. During reviews conducted by the Division the following was discovered:

(a) The startup date for engines E3 and E4 was February 8, 2011 and the initial performance tests were conducted November 16, 2011, approximately six months late.

(b) Formaldehyde testing had not been conducted on engine E3 or E4.

8. Said violations consists of failure to: 1) conduct annual performance tests within the permitted time frames; 2) comply with the permitted VOC limit; 3) notify the Division of the failed test within 24-hours, take corrective action, and retest the engine; 4) conduct initial performance tests within the permitted time frames; and 5) conduct initial formaldehyde testing at the SC-1098 Compressor Station. These are violations of conditions 11 and 16 of permit CT-9137 and conditions 9 and 10 of permit MD-10584.

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 26<sup>th</sup> day of FEBRUARY, 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.)