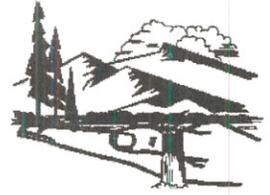




# Department of Environmental Quality

*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

March 1, 2013

Mr. Keith Raney  
Linn Operating, Inc.  
600 Travis Street, Suite 5100  
Houston, TX 77002

RE: Notice of Violation

Dear Mr. Raney:

Enclosed you will find a Notice of Violation (NOV) issued to Linn Operating, Inc by the Department of Environmental Quality, Air Quality Division, for failing to comply with the permit requirements for controlling vapors from the tanks at the Stud Horse Butte 15-17 well site and Stud Horse Butte 51-16 PAD facilities located in Sublette County, Wyoming. These violations of permits MD-13606 and CT-9358 were observed by Ms. Jennifer Frazier on January 23, 2013.

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  
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 LINN OPERATING, INC.                    ) DOCKET NO. 5136-13**  
**MR. KEITH RANEY                                        )**  
**600 TRAVIS STREET, SUITE 5100                    )**  
**HOUSTON, TX 77002                                    )**

**NOTICE OF VIOLATION**

**NOTICE IS HEREBY GIVEN THAT:**

1. The Department of Environmental Quality, Division of Air Quality, has found Linn Operating, Inc to be in violation of permits MD-13606 and CT-9358. These permits were 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 Stud Horse Butte 15-17 well site and Stud Horse Butte 51-16 PAD facilities 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 MD-13606 was issued to BP America Production Company on September 18, 2012 for the Stud Horse Butte 15-17 well site. This facility and applicable permits transferred to Linn Operating, Inc. on or about December 31, 2012. Condition 17 requires that emission control equipment be maintained and operated during any time the wells are producing such that emissions are controlled at all times as follows:

“Emission control equipment, including the VOC and HAP emission control systems or devices, reboiler overheads condensers and all vent lines, connections, fittings, valves, relief valves, hatches or any other appurtenance employed to contain and collect vapors and transport them to the emission control system or device, shall be maintained and operated during any time the wells are producing such that the emissions are controlled at all times...”

5. On January 23, 2013, Ms. Jennifer Frazier Air Quality Division Engineer/Inspector, detected venting from an Enardo valve. Venting vapors and not routing vapors to emission control devices are violations of condition 17 of permit MD-13606.

6. Permit CT-9358 was issued to BP America Production Company on September 7, 2010 for the Stud Horse Butte 51-16 PAD facility. This facility and applicable permits transferred to Linn Operating, Inc. on or about December 31, 2012. Condition 18 requires that emission control equipment be maintained and operated during any time the wells are producing such that emissions are controlled at all times as follows:

“Emission control equipment, including the VOC and HAP emission control systems or devices, reboiler overheads condensers and all vent lines, connections, fittings, valves, relief valves, hatches or any other appurtenance employed to contain and collect vapors and transport them to the emission control system or device, shall be maintained and operated during any time the well is producing such that the emissions are controlled at all times...”

7. On January 23, 2013, Ms. Jennifer Frazier Air Quality Division Engineer/Inspector, observed venting vapors from the thief hatches on the first condensate tank on the left. Venting vapors from the tank and not routing vapors to the emission control devices are violations of condition 18 of permit CT-9358.

8. Said violations consist of venting vapors to the atmosphere from the tanks and not routing vapors to the emission control systems at the Stud Horse Butte 15-17 well site and Stud Horse Butte 51-16 PAD facilities. Venting vapors and not routing vapors to control devices are violations of permits MD-13606 and CT-9358.

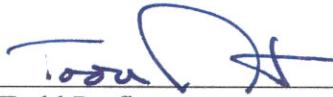
9. Under W.S. 35-11-901(a), any person who violates any provision of Article 2 of [the Environmental Quality Act] ... or any rule, regulation, standard or permit adopted pursuant to those provisions, or who violates any determination or order of the council pursuant to Article 2 of [the Environmental 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 1<sup>ST</sup> day of MARCH, 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.)