



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 12, 2013

Ms. Angela Zivkovich
US Onshore Senior Environmental Engineer
Shell Western Exploration & Production, Inc.
4582 South 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 Shell Western Exploration & Production, Inc. by the Department of Environmental Quality, Air Quality Division, for failing to comply with the permit requirements for routing vapors to the combustor for the Mesa 28 PAD located in Sublette County, Wyoming. This violation of permit MD-10848 was observed by Ms. Brandi O'Brien on January 4, 2013.

Other issues, not currently addressed in this Notice of Violation, but of great concern were also observed during this inspection period. Both Enardo valves were observed venting vapors at the Mesa 29 PAD and leaking combustor valve and pneumatic pump at the Mesa 33A PAD. At this point, I'm deferring further action on these issues pending a review and proposal of measures to correct these problems by Shell Western Exploration & Production, Inc.

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 J. 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 J. 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 SHELL WESTERN EXPLORATION & PRODUCTION, INC.,) DOCKET NO. 5137-13
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 Shell Western Exploration & Production Inc. to be in violation of permits MD-10848 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 Mesa 28 PAD 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. Permits MD-10848 was issued on August 23, 2010. Conditions 13, 14 & 17 dictate control of vapors from both condensate tanks and both dehydration units as follows:

Condition 13 requires that condensate tank vapors be controlled as follows:

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

Condition 14 requires that TEG reboiler still vent vapors be controlled as follows:

"For the TEG dehydration units with reboiler overheads condensers, reboiler still vent vapors shall be routed to the condensers. Condensed reboiler still vent liquids shall be collected and routed to a liquids storage tank. The non-condensable reboiler still vent vapors shall be routed to the combustion devices..."

Condition 17 requires that emission control equipment be controlled 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 4, 2013, Ms. Brandi O'Brien, Air Quality Division Engineer/Inspector, observed the dehydration unit was routed to a drip pot and venting vapors from a thief hatch at the Mesa 28 PAD. These are violations of conditions 13, 14 & 17 of permit MD-10848.

6. Said violation consists of the failure to route vapors to combustion devices at the Mesa 28 PAD located in Sublette County, Wyoming.

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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 12th 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.)