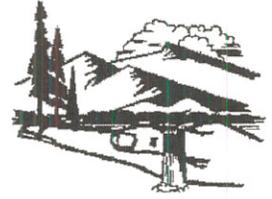




Department of Environmental Quality

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

May 17, 2013

Mr. Curt Kyle
Encore Energy Partners Operating, LLC
P.O. Box 569
Powell, WY 82435

Re: Notice of Violation

Dear Mr. Kyle:

Enclosed you will find a Notice of Violation (NOV) issued to Encore Energy Partners Operating, LLC for the failure to maintain a minimum sulfur recovery efficiency of 93.5 percent on a fixed 24-hour basis in violation of condition (F5) of permit 3-2-045-1 at the Elk Basin Gas Plant located in Park County, Wyoming. This is a direct violation of condition (F5) of permit 3-2-045-1.

As the Department and this Division consider the failure to comply with permit requirements to be a serious matter and I am recommending that 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 issue prior to action on the referral by 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. 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 ENCORE ENERGY PARTNERS OPERATING, LLC) DOCKET NO. 5165-13
MR. CURT KYLE)
PO BOX 569)
POWELL, WYOMING 82435)**

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. The Department of Environmental Quality, Division of Air Quality, has found Encore Energy Partners Operating, LLC to be in violation of operating permit 3-2-045-1 issued in accordance with §35-11-801 of the Wyoming Environmental Quality Act and Chapter 6, Section 3 of the Wyoming Air Quality Standards and Regulations for the Elk Basin Gas Plant located in Park 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 3 of the Wyoming Air Quality Standards and Regulations prescribes the applicability and procedure for issuing permits to major sources under Wyoming's operating permitting program.

4. Operating permit 3-2-045-1 was issued to Encore Energy Partners Operating, LLC on May 16, 2011. Condition (F5) of this permit states:

"The Elk Basin Gas Plant shall maintain a minimum sulfur recovery efficiency of 93.5 percent on a fixed 24-hour basis."

5. On April 23, 2013, Mr. Jon Walker, Air Quality Division Engineer/Inspector, conducted an inspection of the Elk Basin Gas Plant and noted that sour gas leaked to the plant incinerator during late 2011 and the first quarter of 2012 resulting in sulfur recovery of less than 93.5 percent. Excursions of the 93.5 percent minimum sulfur recovery occurred 100 percent of the time during the last calendar quarter of 2011, and 897 hour or 41.2 percent of the time during the first calendar quarter of 2012. The failure to maintain a minimum sulfur recovery efficiency of 93.5 percent on a fixed 24-hour basis is a violation of condition (F5) of permit 3-2-045-1.

6. Said violation consists of the failure to maintain a minimum sulfur recovery efficiency of 93.5 percent on a fixed 24-hour basis at the Elk Basin Gas Plant, which is a violation of condition (F5) of permit 3-2-045-1.

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.

Encore Energy Partners Operating, LLC
Notice of Violation
Page Two

DATED this 17th day of MAY, 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.)