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 5, 2014

Ms. Ardith Barbosa
Engineering Manager
Anschutz Pinedale Corporation
555 17th Street, Suite 2400
Denver, CO 80202-3987

RE: Notice of Violation

Dear Ms. Barbosa:

Enclosed you will find a Notice of Violation (NOV) issued to Anschutz Pinedale Corporation by the Department of Environmental Quality, Air Quality Division, for failing to comply with the permit requirement for routing vapors to the combustor for the Mesa 3-19A facility located in Sublette County, Wyoming. This violation of permit MD-7158 was observed by Ms. Brandi O'Brien on January 28, 2014.

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 Mr. Fred Di Lella, Air Quality Compliance Program Manager, at 307-777-3774 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 Mr. Fred Di Lella.

Sincerely,

Steven A. Dietrich

Steven A. Dietrich
Acting Administrator
Air Quality Division

cc: Fred Di Lella
Brandi O'Brien
Tony Hoyt
Jeremiah Williamson
Keith Guille

BEFORE THE
DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF WYOMING

IN THE MATTER OF THE NOTICE OF VIOLATION	)	
ISSUED TO ANSCHUTZ PINEDALE CORPORATION	)	**DOCKET NO. 5382-14**
MS. ARDITH BARBOSA,	)	
555 17TH STREET, SUITE 2400	)	
DENVER, COLORADO 80202	)	

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. The Department of Environmental Quality, Division of Air Quality, has found Anschutz Pinedale Corporation to be in violation of permit MD-7158 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 3-19A 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. Permit MD-7158 was issued to Anschutz Pinedale Corporation on March 25, 2008. Permit MD-7158 dictates control of vent vapors from tanks through conditions 13, 14, and 17 as follows:

Condition 13 states:

> "Vapors from the four (4) 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 by at least ninety-eight percent (98%) by weight for at least one (1) year following the date of installation of the control device, after which time the control may be removed provided it can be demonstrated that the previous thirty (30) day, uncontrolled, annualized VOC emission rate from all wells is less than fifteen (15) tons per year. No prior authorization or permit modification is required by the Division for control device removal however, the applicant must notify the Division of removal date and certify the uncontrolled emission rate, including method of calculation, within thirty (30) days of removal."

Condition 14 states:

> "For the four (4) TEG dehydration units with 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 common combustion device. The condensers and combustion device shall reduce the mass content of total HAP and VOC emissions in the reboiler still vent vapors by at least ninety-eight percent (98%) by weight.."

Condition 17 states:

"The combustion devices shall be designed, constructed, operated and maintained to be smokeless, per Chapter 3, Section 6(b)(i) of the WAQSR, with no visible emissions except for periods not to exceed a total of five (5) minutes during any two (2) consecutive hours as determined by 40 CFR, Part 60, Appendix A, Method 22."

5. On January 28, 2014 Ms. Brandi O'Brien, Air Quality Division Engineer, observed the Enardo Valve for the tanks venting. Venting vapors from the tanks and not routing the vapors from the condensate tanks to the combustion device is a violation of condition 13 of permit MD-7158.

6. Said violation consists of the Enardo Valve for the tanks venting and not routing the vapors from the condensate tanks to the combustion device.

7. On January 28, 2014 Ms. Brandi O'Brien, Air Quality Division Engineer, also observed the dehydration unit was venting. Ms. O'Brien also noted liquids spilling around this pipe. The ground was saturated in this area. The origin of the venting was the second to last dehydration unit from the combustion device. Venting from the dehydration unit is a violation of condition 14 of permit MD-7158.

8. Said violation consists of venting from the dehydration unit and liquids spilling around this pipe, saturating the area.

9. On January 28, 2014 Ms. Brandi O'Brien, Air Quality Division Engineer, also observed the combustion device smoking, which is a violation of condition 17 of permit MD-7158.

10. On January 28, 2014 Ms. Brandi O'Brien, Air Quality Division Engineer, also observed that the dehydration units were routed to only one combustion device. Permit MD-7158 requires that the dehydration units shall be routed to two (2) combustion units.

11. Said violations consist of combustion device smoking and that the dehydration units were routed to only one combustion device.

12. 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.

13. 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 5th day of March, 2014.

Steven A. Dietrich
Administrator
Air Quality Division

Todd Parfitt
Director
Department of Environmental Quality

Please direct all inquiries to the Steven A. Dietrich, Division of Air Quality, Department of Environmental Quality, Herschler Building, 2nd Floor, 122 W. 25th Street, Cheyenne, Wyoming 82002. (Telephone: 307/777-7393.)