



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 17, 2014

Mr. Clay Houser
Grynberg Petroleum Company
3600 S. Yosemite, Suite 900
Denver, CO 80237-1830

RE: Notice of Violation

Dear Mr. Clay Houser:

Enclosed you will find a Notice of Violation (NOV) issued to Grynberg Petroleum Company, a subsidiary of Gadeco Petroleum Company, by the Department of Environmental Quality, Air Quality Division, for the failure to obtain an air quality permits prior to commencing construction and operation of Big Sandy Federal 1-1, Big Sand Federal 1-3, Big Sandy Federal 1-34, and Big Hope Federal 1 well sites, located in Sublette County, Wyoming in violation of W.S. 35-11-801 of the Wyoming Environmental Quality Act and Chapter 6, Section 2(a)(i) of the Wyoming Air Quality Standards and Regulations. These violations were discovered during a well site inspection conducted on February 6, 2014.

As the Department and this Division consider the failure to comply with air quality permitting requirements 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. Ann Shed, 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. Ann Shed.

Sincerely,

Steven A. Dietrich
Administrator
Air Quality Division

cc: Fred Di Lella
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 GRYNBERG PETROLEUM COMPANY,)
A SUBSIDIARY OF GADECO PETROLEUM COMPANY)
MR. CLAY HOUSER) DOCKET NO. 5379-14
3600 S. YOSEMITE, SUITE 900)
DENVER, CO 80237-1830)**

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. The Department of Environmental Quality, Division of Air Quality, has found Grynberg Petroleum Company, a subsidiary of Gadeco Petroleum Company to be in violation of W.S. 35-11-801(c) and Chapter 6, Section 2(a) of the Wyoming Air Quality Standards and Regulations in the operation of four sites; Big Sandy Federal 1-1, Big Sand Federal 1-3, Big Sandy Federal 1-34, and Big Hope Federal 1, located in Sublette County, Wyoming.

2. W.S. 35-11-801(c) states, "A permit to construct is required before the construction or modification of any industrial facility capable of causing or increasing air or water pollution in excess of standards established by the department is commenced."

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. Chapter 6, Section 2(a)(i) of the Wyoming Air Quality Standards and Regulations states, "Any person who plans to construct any new facility or source, modify any existing facility or source, or to engage in the use of which may cause the issuance of or an increase in the issuance of air contaminants into the air of this state shall obtain a construction permit from the State of Wyoming, Department of Environmental Quality, before any actual work is begun on the facility."

5. Said violation consists of the failure to obtain an air quality permit for the Big Sandy Federal 1-1, Big Sand Federal 1-3, Big Sandy Federal 1-34, and Big Hope Federal 1 well sites in violation of W.S. 35-11-801(c) of the Wyoming Environmental Quality Act and Chapter 6, Section 2(a) Wyoming Air Quality Standards and Regulations.

6. 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.

7. 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.

Grynberg Petroleum Co., subsidiary of Gadeco Petroleum Co.
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DATED this 18th day of March, 2014.



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.)