



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 14, 2013

Ms. Cally McKee
Ultra Resources, Inc.
304 Inverness Way South, Suite 295
Englewood, CO 80112

RE: Notice of Violation

Dear Ms. McKee:

Enclosed you will find a Notice of Violation (NOV) issued to Ultra Resources Inc. by the Department of Environmental Quality, Air Quality Division, for the failure to monitor and operate the combustion unit at the Boulder 4-33 PAD facility located in Sublette County, Wyoming. This constitutes violations of conditions 14 and 15 of permit CT-9361.

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
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 ULTRA RESOURCES, INC) **DOCKET NO. 5162-13**
MS. CALLY McKEE)
304 INVERNESS WAY SOUTH, SUITE 295)
ENGLEWOOD, COLORADO 80112)

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. The Department of Environmental Quality, Division of Air Quality, has found Ultra Resources, Inc. to be in violation of permit CT-9361 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 Boulder 4-33 PAD facility 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 CT-9361 was issued to Ultra Resources, Inc. on February 17, 2010 for the Boulder 4-33 PAD facility. Conditions 14 and 15 require monitoring of the combustion device and control of vapors through combustion devices as follows:

Condition 14:

"The presence of the combustion device pilot flames shall be monitored using thermocouples and continuous recording devices or any other equivalent devices to detect and record the presence of the flames..."

Condition 15:

"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 April 12, 2013, Ms. Brandi O'Brien, Air Quality Division Engineer/Inspector noted that the large combustion device was not lit and the dehydration unit was operating without controls. The failure to monitor and operate the combustion unit are violations of conditions 14 and 15 of permit CT-9361.

6. Said violations consists of the failure to monitor and operate the combustion unit at the Boulder 4-33 PAD facility, which are violations of conditions 14 and 15 of permit CT-9361.

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.

Ultra Resources, Inc.
Notice of Violation
Page Two

DATED this 14th day of MAY, 2013.



Steven A. Dietrich
Steven A. Dietrich
Administrator
Air Quality Division



Todd Parfitt
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.)