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

January 6, 2015

Mr. David Neher
Crown Oil and Gas Company Incorporated
P.O. Box 790
Green River, WY 82935

RE: Notice of Violation

Dear Mr. Neher:

Enclosed you will find a Notice of Violation (NOV) issued to Crown Oil and Gas Company Incorporated by the Department of Environmental Quality, Air Quality Division, for failing to obtain an air quality permit for the Gemini engine at the Daniel 2-16 facility located in Sublette County, Wyoming. This is a violation of Chapter 6, Section 2(a)(i) of the Wyoming Air Quality Standards and Regulations. This violation was discovered by Mr. Jared Beck, Air Quality Division Engineer/Inspector on October 21, 2013.

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

Steven A. Dietrich
Administrator
Air Quality Division

cc: Fred DiLella
Ann Shed
Tony Hoyt
Elizabeth Lyon
Landon Brown

BEFORE THE
DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF WYOMING

IN THE MATTER OF THE NOTICE OF VIOLATION	)	
ISSUED TO CROWN OIL AND GAS COMPANY INC	)	**DOCKET NO. 5518-14**
MR. DAVID NEHER	)	
P.O. BOX 790	)	
GREEN RIVER, WY 82935	)	

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. The Department of Environmental Quality, Division of Air Quality, has found Crown Oil and Gas Company Inc. to be 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 (WAQSR) in the construction and operation of the Daniel 2-16 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 WAQSR 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 WAQSR 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. The Air Quality Division issued the Chapter 6, Section 2 Permitting Guidance for Oil and Gas Production Facilities in June 1997 with revisions in November 1998, January 2000, August 2001, August 2007 and March 2010. This guidance was developed to familiarize oil and gas production facilities with the Wyoming air quality regulations and to provide guidance to these facilities on what the Air Quality Division would accept as meeting the intent of Wyoming's regulatory requirement to obtain a construction permit prior to the construction or operation of new air emission sources (Chapter 6, Section 2(a)(i) of the WAQSR). Companies may follow the Oil and Gas Production Facilities Chapter 6, Section 2 Permitting Guidance, or must, prior to construction of a new air emission source, obtain a Chapter 6, Section 2 permit.

6. In accordance with the March 2010 Oil and Gas Production Facilities Permitting Guidance and Chapter 6, Section 2 of the WAQSR, engines less than 50 horsepower may be constructed under Presumptive BACT, but a permit application must be submitted within 90 days of operation. On October 21, 2013, Mr. Jared Beck, Air Quality Division Engineer/Inspector, observed an unpermitted Gemini engine installed at the facility. The presence of an unpermitted engine is a violation of Chapter 6, Section 2(a)(i) of the WAQSR.

7. Said violation consists of the failure to obtain a construction permit for the Gemini engine at the Daniel 2-16 facility in violation of W.S. 35-11-801(c) of the Wyoming Environmental Quality Act and Chapter 6, Section 2(a) of the WAQSR.

8. 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.

9. 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 29th day of DECEMBER, 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.)