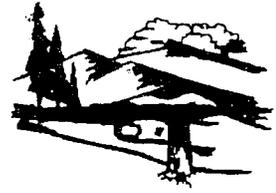


Department of Environmental Quality



To protect, conserve and enhance the quality of Wyoming's environment for the benefit of current and future generations.

Dave Freudenthal, Governor

John Corra, Director

Monday, September 2, 2008

Certified #7005 1820 0005 1478 3991
Return Receipt Requested

Mr. Kevin Schuster, Operations Superintendent
Conoco Phillips - Lost Cabin Gas Plant
P.O. Box 5
Lysite, WY 82642

RE: **Issuance of Notice of Violation**

Enclosed is a Notice of Violation (NOV) issued to ConocoPhillips for violations of the Wyoming Solid Waste Rules and Regulations (SWRR) and Hazardous Waste Rules and Regulations (HWRR).

On June 20, 2008, the Wyoming Department of Environmental Quality (WDEQ), Solid and Hazardous Waste Division (SHWD), personnel, Mr. Charles Plymale and Mr. Bob Breuer, conducted an inspection of the Conoco Phillips Lost Cabin Gas Plant facility in Lysite, WY. The purpose of this inspection was to evaluate compliance with the Wyoming SWRR and HWRR.

The following violations of the SWRR were identified during this inspection:

Count 1: SWRR, Chapter 1, Section 1 (h)(i), prohibits open burning of solid wastes that are not exempted from Chapter 1, Section 1(l). The waste pyrophoric filters shipped from the Lost Cabin Gas Plant in Lysite, WY to the Shoshoni landfill, were not exempt from Chapter 1, Section 1(l). Conoco Phillips, Lost Cabin Gas Plant, was therefore in violation of SWRR, Chapter 1, Section 1(h)(i) for allowing conditions leading to open burning of the pyrophoric filter waste.

In addition, Chapter 1, Section 1(k) of the HWRR states:

“Notwithstanding any other provision of the Act, upon receipt of evidence that the past or present handling, storage, treatment, transportation or disposal of any waste material or hazardous waste may present an imminent and substantial endangerment to health or the environment, the Attorney General may bring suit on behalf of the people of the State of Wyoming against any person (including any past or present generator, past or present transporter, or past or present owner or operator of a treatment, storage or disposal facility) who has contributed or who is contributing to such handling, storage, treatment, transportation or disposal to restrain such person from such handling, storage, treatment, transportation, or disposal, to order such person to take such other action as may be necessary, or both. The Director may also take other action under section



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ADMIN/OUTREACH (307) 777-7937 FAX 777-3610	ABANDONED MINES (307) 777-6145 FAX 777-6462	AIR QUALITY (307) 777-7391 FAX 777-5616	INDUSTRIAL SITING (307) 777-7369 FAX 777-5973	LAND QUALITY (307) 777-7756 FAX 777-5864	SOLID & HAZ. WASTE (307) 777-7752 FAX 777-5973	WATER QUALITY (307) 777-7781 FAX 777-5973
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1(k) of this chapter including, but not limited to, issuing such orders as may be necessary to protect public health and the environment. “

The Conoco Phillips Lost Cabin Gas Plant failed to adequately identify hazards associated with its wastes and apply adequate controls during transportation/disposal of wastes at the Shoshoni landfill during on June 20, 2008, leading to an imminent and substantial endangerment to health and the environment. In separate, previous incidents, similar failures on the part of ConocoPhillips posed risks to landfill personnel and the public with transportation/disposal of evaporative cooler filter media at the Shoshoni landfill in October, 2007, due to the relatively high arsenic content of the wastes and uncontrolled dispersal of dust.

Due to the potential environmental and safety risks posed by ConocoPhillip's management of the pyrophoric and high-arsenic wastes at the Shoshoni landfill, the department has also determined to seek a penalty through the Wyoming Attorney General. These wastes involved significant risks to the public during transit and to landfill personnel managing the waste without ConocoPhillips advising of the potential hazards associated with materials from its gas plant. In addition, the previous incidents in 2007, potentially exposed landfill personnel and the public to high arsenic levels with the produced water cooler filter media disposed by ConocoPhillips at the landfill in late 2007.

Exploration & Production (E&P) wastes, even though they are exempt from most hazardous waste regulations (HWRR), require proper management under Wyoming SWRR to ensure protection of human health and the environment

If you would like to discuss voluntary settlement or need clarifications, please contact Bob Breuer, Inspection & Compliance Program Manager, in our Casper office at 307-437-3451 or Charles Plymale in Lander at 307-335-6951, within ten (10) days of your receipt of this letter. I am also available in Cheyenne at 307-777-7752.

Sincerely,



LeRoy C. Feusner, P.E., BCEE
Administrator
Solid and Hazardous Waste Division

Enclosure: NOV

C: Charles Plymale, SHWD/Lander
Tim Link, SHWD/Cheyenne
Bob Breuer, SHWD/Casper

**BEFORE THE
ENVIRONMENTAL QUALITY COUNCIL
STATE OF WYOMING**

IN THE MATTER OF THE
NOTICE OF VIOLATION
ISSUED TO:

Mr. Jim Pilon)
CONOCO PHILLIPS - LOST CABIN GAS)
165 Lost Cabin Rd.) DOCKET NO.4338-08
P.O. Box 5)
Lysite, WY 82642)

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

On June 20, 2008, the Wyoming Department of Environmental Quality (WDEQ), Solid and Hazardous Waste Division (SHWD), personnel, Mr. Charles Plymale and Mr. Bob Breuer, conducted an inspection of the Conoco Phillips Lost Cabin Gas Plant facility in Lysite, WY. The purpose of this inspection was to evaluate compliance with the Wyoming Solid Waste Rules and Regulations (SWRR) and Hazardous Waste Rules and Regulations (HWRR).

The following violations of the SWRR were identified during this inspection:

Count 1: SWRR, Chapter 1, Section 1 (h)(i), prohibits burning of solid wastes that are not exempted from Chapter 1, Section 1(i). The waste pyrophoric filters and/or cooling material shipped from the Lost Cabin Gas Plant facility in Lysite, WY, to the Shoshoni landfill, were not exempt from Chapter 1, Section 1(i). Conoco Phillips, Lost Cabin Gas Plant, was therefore in violation of SWRR, Chapter 1, Section 1(h)(i) for allowing conditions leading to open burning of the pyrophoric filter and/or cooling material waste.

In addition, Wyoming Hazardous Waste Rules & Regulations (HWRR), Chapter 1, Section 1(k) Imminent Hazard, states:

“Notwithstanding any other provision of the Act, upon receipt of evidence that the past or present handling, storage, treatment, transportation or disposal of any waste material or hazardous waste may present an imminent and substantial endangerment to health or the environment, the Attorney General may bring suit on behalf of the people of the State of Wyoming against any person (including any past or present generator, past or present transporter, or past or present owner or operator of a treatment, storage or disposal facility) who has contributed or who is contributing to such handling, storage, treatment, transportation or disposal to restrain such person from such handling, storage, treatment, transportation, or disposal, to order such person to take such other action as may be necessary, or both. The Director may also take other action under section 1(k) of this chapter including, but not limited to, issuing such orders as may be necessary to protect public health and the environment.”

Conoco Phillips Lost Cabin Gas Plant failed to adequately identify hazards associated with its wastes and apply adequate controls during transportation/disposal of wastes at the Shoshoni landfill on June 20, 2008. In separate, previous incidents, similar failures on the part of ConocoPhillips posed risks to landfill personnel and the public with transportation/disposal of evaporative cooler filter wastes at the Shoshoni landfill in late 2007 due to the relatively high Arsenic content of the wastes and uncontrolled dispersal of dust.

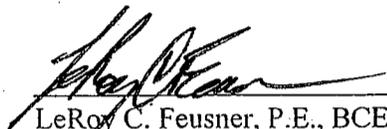
ANY PERSON who violates any provision of the Environmental Quality Act, or any rules, standard, permit, license, or variance adopted thereunder is liable to a penalty of ten thousand dollars (\$10,000) for



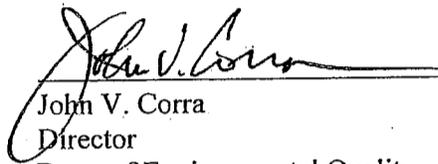
each day of violation, which penalty may be recovered in a civil action brought by the Attorney General in the name of the People of the State of Wyoming; and

THIS NOTICE OF VIOLATION is being sent to you pursuant to Wyoming Statute 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.

Signed this 5th day of SEPTEMBER, 2008



LeRoy C. Feusner, P.E., BCEE
Administrator
Solid & Hazardous Waste Division



John V. Corra
Director
Dept. of Environmental Quality