



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

CERTIFIED MAIL

June 19, 2007

Ms. Lisa Norton
Yates Petroleum Corporation
150 South 4th St
Artesia, NM 88210

RE: Notice of Violation, Docket Number 4065-07

Dear Ms. Norton:

Attached is a copy of Notice of Violation, Docket Number 4065-07, issued to Yates Petroleum Corporation for recurring violations of WYPDES permit requirements. Yates has received Letters of Violation (LOVs) regarding permit violations and has also submitted exceedance notifications to the Wyoming Department of Environmental Quality, Water Quality Division. Yates has also had 10 unpermitted discharges since December 5, 2006.

While neither the attached Notice of Violation nor this letter, constitute an order, this office strongly urges you to take action to immediately eliminate the alleged violations as follows:

1. Yates should maintain compliance with all conditions established in their WYPDES permits.
2. Yates should provide the WQD with an inventory of identified violations, actions to be taken to achieve compliance with permit requirements, and a compliance schedule for completion of each identified action. The report should be presented to the Wyoming Department of Environmental Quality (DEQ), Water Quality Division (WQD) during discussion to settle this Notice of Violation.

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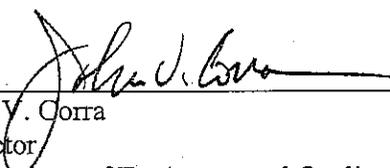
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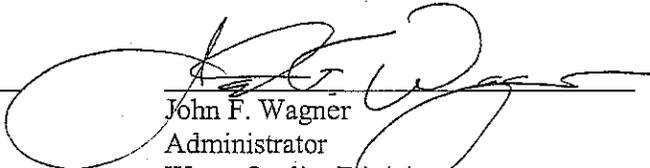
Herschler Building • 122 West 25th Street • Cheyenne, WY 82002 • <http://deq.state.wy.us>

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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The WQD has the authority to resolve violations with an out-of-court settlement agreement through the payment of a stipulated penalty and agreement to an enforceable compliance schedule by Yates. If Yates wishes to pursue resolution of the previously noted violations through such an agreement, please contact Mr. Kevin M. Wells, WYPDES Compliance & Enforcement Coordinator at (307) 777-8669, or Mr. Brian K. Lovett, WYPDES Inspection & Compliance Supervisor at (307) 777-5630 on or before July 13, 2007 to set up a meeting to discuss this matter.


John V. Corra
Director
Department of Environmental Quality


John F. Wagner
Administrator
Water Quality Division

JVC/JFW/KMW/bb/7-0488.LTR

Enclosure: Notice of Violation

cc: Aaron Urdiales, 8ENF-W-NP, EPA Region 8 (PDF)
Jim Eisenhauer, Sheridan DEQ Office (PDF)
Bill J. DiRienzo ► Brian K. Lovett ► Leah J. Krafft
IPS (for scanning) ► Docket 4065-07
Keith Guille, DEQ Public Information Officer (PDF file only)

BEFORE THE

DEPARTMENT OF ENVIRONMENTAL QUALITY

STATE OF WYOMING

**IN THE MATTER OF THE NOTICE OF
VIOLATION ISSUED TO:**

**Yates Petroleum Corporation
150 South 4th St
Artesia, NM 88210**

DOCKET NUMBER 4065-07

NOTICE OF VIOLATION

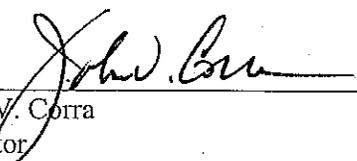
NOTICE IS HEREBY GIVEN THAT:

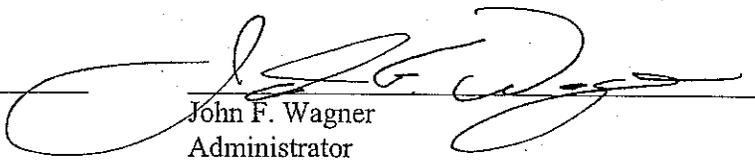
1. Yates Petroleum Corporation (Yates) operates numerous coal bed methane gas production facilities in Wyoming. Yates holds numerous Wyoming Pollution Discharge Elimination System (WYPDES) permits in Wyoming. The WYPDES permits were issued by the Wyoming Department of Environmental Quality (DEQ), Water Quality Division (WQD).
1. As of May 21, 2007 Yates has had numerous instances of recurring violations with its WYPDES permits. Letters of violation (LOVs) have been issued to Yates by the WQD on many occasions. In other instances, exceedance notifications or discharge monitoring reports (DMRs) have identified additional violations.
2. Yates has had 17 violations as a result of WQD inspections from January 2005 through May 2007.
3. Yates has submitted 65 exceedance notifications from January 2005 through December 2006.
4. Yates has failed to collect samples for 72 required sampling events from January 2005 through December 2006.
5. Yates has had 102 permit limit exceedences reported on DMRs from January 2005 through December 2006.
6. Yates has had many reoccurring problems with their self-generated DMR submissions. The problems include; the filling out of sample types with No Discharge situations, not reporting the daily maximum flow, submitting DMRs for nonexistent outfalls, submitting DMRs without page numbers on them, listing the parameters in the incorrect order, wrong units on the DMRs, incorrect limits, missing DMRs, incorrect outfall names, and incorrect frequencies for parameters on the DMRs.
7. Yates has 7 WYPDES permits that have had 4 or more recurring violations. These violations occurred under the following permits: WY0037389, WY0037435 (twice), WY0037940, WY0046221, WY0049034, and WY0050385.
8. Yates has 9 WYPDES permits that have had 3 recurring violations. These violations occurred under the following permits: WY0037389, WY0037958, WY0038341, WY0041131, WY0046221, WY0050407, WY0051128, and WY0052736 (twice).

9. Yates has 17 WYPDES permits that have had 2 recurring violations. These violations occurred under the following permits: WY0037362, WY0037745, WY0037818, WY0037940, WY0038341, WY0038784, WY0040967, WY0041149, WY0046001, WY0047741, WY0047856 (twice), WY0049034, WY0050491, WY0050601, WY0050776, and WY0052418.
10. Yates has 6 WYPDES permits that have been issued LOVs for lack of proper facility identification at the outfall, and has 12 WYPDES permits that have been issued LOVs for lack of free fall at the outfall from January 2005 through May 2007.
11. Yates has had 10 unpermitted discharges since December 5, 2006.
12. This Notice is being sent to you pursuant to W.S. 35-11-701(c)(i), 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 on the person alleged to be responsible.
13. Pursuant to Wyoming Statute 35-11-901(a), any person who violates, or any director, officer, or agent of a corporate permittee who willingly and knowingly authorizes, orders, or carries out the violation of any provision of the Environmental Quality Act (Act), or any rule, regulation, standard, or permit adopted hereunder or who violates any determination or order of the council pursuant to this act or any rule, regulation, standard, permit, license, or variance is subject to a penalty not to exceed ten thousand dollars and no cents (\$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. The penalty may be recovered in a civil action brought by the Attorney General in the name of the People of the State of Wyoming. Nothing herein shall preclude the DEQ from negotiating stipulated settlements involving the payment of a penalty, implementation of compliance schedules or other settlement conditions.

NOTHING IN THIS NOTICE OF VIOLATION (NOV) shall be interpreted to in any way limit or contravene any other remedy available under the Environmental Quality Act, nor shall this NOV be interpreted as being a condition precedent to any other enforcement action.

Signed this 19 day of June, 2007.


John V. Corra
Director
Department of Environmental Quality


John F. Wagner
Administrator
Water Quality Division

PLEASE DIRECT ALL INQUIRIES TO: Kevin M. Wells., WYPDES Compliance & Enforcement Coordinator, Wyoming Department of Environmental Quality, Water Quality Division, Herschler Building, 4th Floor West, 122 West 25th Street, Cheyenne, Wyoming 82002. Telephone 307-777-8669.

JVC/JFW/KMW/MB/bb/7-0488.NOV

cc: Aaron Urdiales, 8ENF-W-NP, EPA Region 8 (PDF)
Jim Eisenhauer, Sheridan DEQ Office (PDF)
Bill J. DiRienzo ► Brian K. Lovett ► Leah J. Krafft
IPS (for scanning) ► Docket 4065-07
Keith Guille, DEQ Public Information Officer (PDF file only)
DEQ Director