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

In the Matter of:)
Citation Oil & Gas Corp.) **Docket No. 20-2601**
Air Quality Permit No. P0027427)
Through Permit No. P00274233)

**DEPARTMENT OF ENVIRONMENTAL QUALITY'S
RULE 56.1 STATEMENT OF MATERIAL FACTS**

Respondent, Wyoming Department of Environmental Quality, provides the following statement of material facts in support of its Response and Cross Motion for Summary Judgment, pursuant to Chapter 2, Section 17 of the Council's Rules of Practice and Procedure and Rule 56.1 of the Wyoming Rules of Civil Procedure. The Department asserts there are no genuine disputes regarding the facts presented below.

1. Citation conducted a voluntary environmental audit in March 2018. (Citation Mem. at 2). In accordance with Wyo. Stat. Ann. § 35-11-1105(a)(ii), Citation submitted an environmental audit report to the Division that sufficiently outlined the noncompliance that

was discovered at its facilities and created a plan to fix those deficiencies. Citation Mem. at 2).

2. Subsequently, Citation submitted minor source air permit applications for the facilities subject to this appeal. *Id.* Citation noted that it was submitting the applications “based on operations as existing today; no construction applications or modification to existing permits are being proposed.” *Id.* Citation did not include a BACT analysis in any of its permit applications.¹ (DEQ Ex. 5 at ¶ 40; *See* DEQ Ex. 2).

3. The Division conducted permit application analyses on the seven permit applications. (DEQ Ex. 5 at ¶ 34; Citation Mem. at 2; Ex. A attached to Citation Mem.). During its review of the applications, the Division discovered that Citation had previously modified all seven of the facilities but did not go through the required permit application process at the time of these modifications. *Id.* Citation modified its oil and gas facilities by adding wells, recompleting wells, working over wells, or fracture treating wells. Specifically, these modifications were:

- Dallas Dome Tank Battery: “This facility was modified on October 1, 2014 with the addition of the Barber 89 well and again on November 1, 2014 with the addition of the Barber 49R and 88 wells. An application for these modifications was never submitted.”

¹ Citation also declined to submit a BACT demonstration after the issuance of the permits. (DEQ Ex. 5 at ¶ 40).

- Embar 1 Tank Battery: “This facility was modified on September 20, 2008 with the addition of the LBB 386 well; however, an application for the modification was never submitted.”
- Embar 3 Tank Battery: “This facility was modified on November 29, 2005 with the recompletion of the LBB DSU 211 well and on July 25, 2011 with the workover of the LBB DSU 211 well. An application for the modifications was never submitted.”
- NWD 1 Tank Battery: “This facility was modified on May 31, 2014 with the addition of the NWD 42 well; however, an application for the modification was never submitted.”
- NWD 2 Tank Battery: “This facility was modified on March 24, 2014 with the addition of the NWD 43 well; however, an application for the modification was never submitted.”
- Tensleep 1 Tank Battery: “This facility was modified on September 2, 2012 with the workover of the LBB 178H well; however, an application for the modification was never submitted.”
- Tensleep 2 Tank Battery: “This facility was modified on August 10, 2010 with the fracture treating of the LBB DSU C-052236 172 well; however, an application for the modification was never submitted.”

(DEQ Ex. 5 at ¶¶ 35-36; Ex. A attached to Citation Mem. at 4, 13, 21, 29, 37, 45, and 53).

4. The Division provided notice to Citation, by letters, dated April 24, 2020, explaining that the proposed permits would go out for public comment, as required by Chapter 6, Section 2(m). (DEQ Ex. 5 at ¶ 44; DEQ Ex. 4). The letters explained that the Division had completed its initial evaluation of Citation's permit applications and recommended that Citation review the proposed permit conditions. (*Id.*) These letters were sent by certified mail to Citation with links to the application analysis documents which set forth the proposed conditions.

5. The Division did not receive any comments on the proposed conditions during the public comment period, including from Citation. (DEQ Ex. 5 at ¶ 45). Citation did not comment on the proposed permits at any time until after the final permits had been issued. (DEQ Ex. 5 at ¶ 46).

6. In June 2020, after the close of the public comment period, the Division issued seven final minor air source permits to Citation. (Citation Mem. at 3). The seven permits contained conditions (specifically conditions 7 through 13) requiring Citation's compliance with current PBACT requirements for new or modified sources pursuant to the 2018 Guidance. (DEQ Ex. 5 at ¶ 48; Citation Petition for hearing on P0027427, *et seq.*).

7. The Division's application of current PBACT requirements to Citation's permits was not unusual. It is common practice for the Division to apply the current requirements and standards at the time a permit application is submitted. Other operators around the State who have taken advantage of PBACT have been subject to the guidelines in place when their permit application was submitted. (DEQ Ex. 5 at ¶ 49).

Dated this 21st day of December, 2020.



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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing *Rule 56.1 Statement of Material Facts* was served upon the persons listed below, on this 21st day of December, 2020, addressed as follows:

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