


**GENE R. GEORGE & ASSOCIATES, INC.**

Petroleum Geology • Engineering • Hydrogeology • Regulatory Permitting

 111 West Second Street, Suite #400  
 P.O. Box 2775  
 Casper, WY 82602

 Phone: 307-265-9199  
 Fax: 307-473-7138  
 E-mail: shayw@gga-inc.com

June 22, 2010

 Administrator, WDEQ/AQD  
 Herschler Building 2-E  
 122 West 25th Street  
 Cheyenne, WY 82002


**Re: YATES PETROLEUM CORPORATION'S COMMENTS ON THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY AIR QUALITY DIVISION'S PROPOSED REVISIONS TO THE WYOMING AIR QUALITY STANDARDS AND REGULATIONS**

Dear WDEQ/AQD Administrator:

The following comments are submitted on behalf of Yates Petroleum Corporation (Yates). Yates has been leasing and operating in the Rocky Mountain West for over 30 years and currently holds a number of oil and gas leases throughout Wyoming. As a result, Yates has a significant interest in the air quality standards and regulations being implemented in Wyoming. Yates appreciates the opportunity to comment on the Wyoming Department of Environmental Quality (WDEQ) Air Quality Division's (AQD) proposed revisions to the Wyoming Air Quality Standards and Regulations (WAQSR) during the formal commenting period.

Yates understands why the WDEQ AQD is proposing to update chapters 2, 3, 5, 6, and 11 of the WAQSR by referencing the 2008 Code of Federal Regulations (CFR). However, as environmental regulations impacting oil and gas development continue to become increasingly restrictive, Yates is concerned with the individual and accumulative effect these regulations will have on their ability to conduct future oil and gas development operations. As such, I have prepared comments expressing Yates concerns with the proposed revisions.

Again, thank you for the opportunity to comment on the WDEQ AQD proposed revisions to the WAQSR prior to their submission to the Environmental Quality Council for consideration.

Respectfully submitted,

 Shay R. Westbrook  
 Regulatory, Government Relations and Policy Analyst  
 Gene R. George & Associates

Copies: Lisa Norton, Yates; Darrick Stallings, Yates  
Comments on the WDEQ AQD Proposed Revisions to the WAQSR

OVER 35 YEARS OF PROFESSIONAL INTEGRITY

## **Comments on the WDEQ AQD Proposed Revisions to the WAQSR**

- **Preservation of State Regulatory Authority**

- In light of changes to corresponding federal air quality standards and regulations, Yates understands the need to update the air quality standards and regulations provided for in Chapters 2, 3, 5, 6 and 11 of the WAQSR by referencing the 2008 Code of Federal Regulations (CFR). Additionally, Yates appreciates the WDEQ AQD's preference to keep Wyoming's air quality standards and regulations on par with those adopted at the federal level to preserve state regulatory authority. Regulation of oil and gas development is most effective and efficient when conducted by state rather than federal regulatory agencies. As such, Yates is generally supportive of the WDEQ AQD's effort to maintain regulatory authority over air quality regulation in Wyoming.

- **Chapter 5, National Emission Standards**

- Yates understands that proposed revisions to WAQSR chapter 5 are necessary to formally adopt changes in 40 CFR 60 and update various performance standards for petroleum refineries already being implemented by WDEQ AQD. However, Yates is concerned with the additional expenditure of resources necessary to comply with these new standards. In particular, Yates is concerned that compliance with the new emission testing requirements for stationary internal combustion engines (as specified in part JJJJ), as compared with previous emission standards, will require a significant expenditure of time and money. As expenses associated with oil and gas development increase, the incentive to conduct such operations is diminished. Eventually the expense will outweigh the benefit and make implementation of some projects cost prohibitive.

6/22/2010

**TO:** AMINISTRATOR, WDEQ/AQD  
HERSCHLER BUILDING 2-E  
122 WEST 25<sup>TH</sup> STREET  
CHEYENNE, WY 82002

**FAX #:** (307) 777-5616

**FROM:** SHAY WESTBROOK  
GENE R. GEORGE & ASSOCIATES  
(307) 262-3425

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