

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF
EP ENERGY
1001 LOUISIANA STREET
HOUSTON, TEXAS 77002

DOCKET NUMBER I14-10
SETTLEMENT AGREEMENT

This **SETTLEMENT AGREEMENT** (hereinafter "**AGREEMENT**") is between EP ENERGY (hereinafter "**EP ENERGY**") and the **DIRECTOR OF THE DIVISION OF WATER QUALITY** (hereinafter the "**DIRECTOR**"), concerning violations of the *Utah Water Quality Act* (the *Act*), *Utah Code Annotated*, and the *Utah Administrative Code*.

1. The **DIRECTOR** has authority to administer the *Utah Water Quality Act, as amended 1953*, (hereinafter the "**ACT**").
2. The **UTAH DEPARTMENT OF ENVIRONMENTAL QUALITY (DEQ)** has been delegated authority by the U.S. Environmental Protection Agency (EPA) to administer the *National Pollutant Discharge Elimination System (NPDES)* permit program under the *Federal Clean Water Act (CWA)*.
3. The parties now desire to resolve this matter fully without further administrative proceedings except to the extent provided herein by entering into this **AGREEMENT**. Entering into this **AGREEMENT** is not an admission of liability or factual allegation set out in the **NOTICE**, nor is it an admission of or an agreement to any disputed facts or disputed legal theories, nor is it an admission of any violation of any law, rule, regulation or permit by **EP ENERGY**.
4. The **DIRECTOR** will administer the terms and provisions of this **AGREEMENT**.
5. This **AGREEMENT** resolves the **NOTICE OF VIOLATION** and **ORDER**, Docket Number I14-08 (hereinafter the "**NOTICE**"), between **EP ENERGY** and the **UTAH WATER QUALITY (BOARD)**, issued to **EP ENERGY** on June 19, 2014, by the **BOARD**. It does not in any way relieve **EP ENERGY** from any other obligation imposed under the Act or any other State or Federal laws.
6. In resolution of said **NOTICE** referenced in Paragraph 5 of this **AGREEMENT**, **EP ENERGY** agrees to;
 - a. Pay a total penalty amount of \$9,333.00 within 30 days of the effective date of this **AGREEMENT** by check made payable to the State of Utah.

The penalty has been determined using the *Penalty Criteria for Civil Settlement Negotiations, Utah Administrative Code ("UAC") R317-1-9* which considers such factors as the nature, severity and extent of the violations, history of noncompliance, degree of willfulness and/or negligence, good faith efforts to comply, and economic benefit. Submittals required under this **AGREEMENT** shall be delivered or mailed to the Division of Water Quality, Department of Environmental Quality, 195 North 1950 West, P.O. Box 144870, Salt Lake City, Utah 84114.

7. Nothing contained in this **AGREEMENT** shall preclude the **DIRECTOR** from taking additional actions to include additional penalties against **EP ENERGY** for permit violations not resolved by this **AGREEMENT**.
8. If an agreement between **EP ENERGY** and the **DIRECTOR** cannot be reached in a dispute arising under any provision of this **AGREEMENT**, then **EP ENERGY** or the **DIRECTOR** may commence a proceeding with the **DEQ** under the *Administrative Procedures Act* to resolve the dispute. A final decision in any adjudicative proceeding shall be subject to judicial review under applicable state law.
9. Nothing in this **AGREEMENT** shall constitute a waiver by **EP ENERGY** to raise in defense any legal or factual contention for future allegations of noncompliance.
10. Nothing in this **AGREEMENT** shall constitute or be considered as a release from any claims, to include natural resource damage claims, cause of action, or demand in law or equity which the **STATE** may have against **EP ENERGY**, or any other person, firm, partnership or corporation for any liability arising out of or relating in any way to the release of pollutants to waters of the State.

AGREED to this ____ day of _____, 2015.

EP ENERGY

**UTAH DIVISION of WATER
QUALITY**

By 
Authorized Agent

By _____
Director