

**UTAH DEPARTMENT OF ENVIRONMENTAL QUALITY
UTAH DIVISION OF WATER QUALITY**

IN THE MATTER OF EP ENERGY E & P COMPANY, L. C. C/O CT Corporation System Registered Agent 1108 East South Union Ave. Midvale, Utah 84047	SETTLEMENT AGREEMENT Docket No. I20-05
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This Administrative Settlement Agreement (hereinafter "**Settlement**") is between the Director of the Utah Division of Water Quality ("**Director**") and EP Energy E&P Company, L.C. ("**Respondent**") pursuant to the Director's authority to administer the Utah Water Quality Act. The **Director** and **Respondent** are sometimes referred to hereinafter as "**the Parties**."

1. The **Director** has authority to administer the Utah Water Quality Act ("the **Act**") pursuant to Utah Code Section 19-1-105(1)(e), and has authority to enforce rules through the issuance of orders, as specified in Utah Code Sections 19-5-106(2)(d) and 19-5-111. The **Director** also has authority to settle any civil action initiated to compel compliance with the **Act** and implementing regulations pursuant to Utah Code Section 19-5-106(2)(k).
2. **Respondent** is a "person" as that term is defined in Utah Code Section 19-1-103(4).
3. This **Settlement** is entered into for the purposes of avoiding further administrative enforcement based upon the following findings and violation[s]:
4. On or about February 25, 2020 the Utah Division of Water Quality (Division) received a report from a representative of EP Energy of a release of an estimated 11,648 barrels (489,216 gallons) of produced water from the Rust 1-4B3 Salt Water Disposal Transfer Line near 3000 N. 12000 W., Bluebell, Duchesne County, Utah. The produced water surfaced in a pasture and flowed approximately 500 feet to the east into a small pond which drains into a series of other small ponds and then into a small creek. This creek eventually flows into Dry Gulch Creek approximately 2.5 miles to the east, which flows into the Uinta River approximately 20 miles to the southeast. The report was entered into the Utah Department of Environmental Quality (DEQ) environmental incident database and assigned the number 14316.
5. On or about February 25, 2020 employees of the environmental consulting company Outlaw Engineering collected soil and water samples from the pasture and pond. The samples were delivered to Chemtech-Ford Laboratories in Sandy, Utah for analysis. Two of the water samples collected from the pond contained concentrations of total dissolved solids (TDS) and boron which exceeded numeric water quality standards, as well detectable concentrations of benzene, ethylbenzene, toluene, xylenes, gasoline-range (GRO), diesel-range (DRO), and oil-range (ORO) organic compounds.

6. In response to the discharge, the **Director** issued a Notice of Violation and Compliance Order Docket No. I20-05 (NOV/CO) to **Respondent** on May 14, 2020
7. The **Parties** voluntarily enter into this **Settlement** to resolve the NOV/CO issued to the **Respondent** without the necessity of further administrative or judicial proceedings.
8. **Respondent** understands and agrees that a penalty in the amount of \$5,333.00 is appropriate based on the application of DWQ's penalty policy contained in Utah Administrative Code R317-1-8 as applied to the violation(s) under the circumstances specified herein. This proposed settlement and penalty is subject to a thirty (30) day notice and comment period as provided for in Utah Administrative Code R305-7-402. The **Parties** each reserve the right to withdraw from this **Settlement** if comments received during the notice period result in a modification to the terms and conditions.
9. By entering into this **Settlement**, **Respondent** neither admits nor denies the findings, violations or deficiencies specified herein.
10. Respondent agrees to the terms, conditions and requirements of this **Settlement**. By signing this **Settlement**, Respondent understands, acknowledges and agrees that it waives: (1) the opportunity for an administrative hearing pursuant to Utah Code § 19-1-301; (2) the right to contest the finding(s) in Notice of Violation and Compliance Order, Docket No. I19-05; and (3) the opportunity for judicial review.
11. The **Parties** mutually agree that this **Settlement** is entered in good faith and is an appropriate means to resolve the matters specified herein.
12. This **Settlement** will be final after the thirty day notice and comment period, on the date the **Director** signs the **Settlement**,
13. **Respondent** agrees that within fifteen (15) calendar days of receiving the signed and final **Settlement** from the **Director**, Respondent shall submit a certified or cashier's check written to the Division of Water Quality in the amount specified in paragraph 8, above and hand deliver or send by certified mail to:

Division of Water Quality
PO Box 144870
Salt Lake City, Utah 84114-4870
14. Notwithstanding paragraph 9 above, the violations described herein will constitute part of **Respondent's** compliance history where such history is relevant, including any subsequent violations. **Respondent** understands and agrees that this **Settlement** is not and cannot be raised as a defense to any other action to enforce any federal, state or local law.
15. This **Settlement**, when final, is binding upon **Respondent** and any corporate subsidiaries or parents, their officers, directors, employees, successors in interest, and assigns. The undersigned warrants that it is authorized to legally bind their respective principals to this **Settlement**.

ACCEPTED BY ~~EP ENERGY E&P COMPANY, LC.~~ EP ENERGY E&P COMPANY, L.P.


Name (print) Jeffery R. Langlois

Title (print) Production Manager

Signature Jeffery R. Langlois
Digitally signed by Jeffery R. Langlois
Date: 2020.07.30 14:57:46 -05'00'

Date 09/21/2020

DIVISION OF WATER QUALITY



Erica Brown Gaddis, PhD

Director 09/21/2020

Date _____