

UTAH DIVISION OF WATER QUALITY

IN THE MATTER OF QEP RESOURCES, INC.	DOCKET NUMBER I18-03 SETTLEMENT AGREEMENT
---	--

This **SETTLEMENT AGREEMENT** (hereinafter "**AGREEMENT**") is between **QEP RESOURCES, INC.**, (hereinafter "**QEP**") and the **DIRECTOR OF THE UTAH 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*, as specified in *UCA 19-5-106(2)(d)* (hereinafter the "**ACT**").
2. The **DIRECTOR** 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. **QEP** has submitted a response to the **NOTICE OF VIOLATION** outlining the facts and circumstances surrounding the incident, and now desires 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 **QEP**.
4. The **DIRECTOR** will administer the terms and provisions of this **AGREEMENT**.
5. This **AGREEMENT** resolves the **NOTICE OF VIOLATION** and **ORDER**, Docket Number I18-03 (hereinafter the "**NOTICE**"), between **QEP** and the **DIRECTOR**, issued to **QEP** on May 7, 2018, by the **DIRECTOR**. It does not in any way relieve **QEP** from any other obligation imposed under the Act or any other State or Federal laws.
6. In resolution of said **NOTICE** in Paragraph 5 of this **AGREEMENT**;
 - A. **QEP** agrees to pay a penalty in the amount of \$5,667.00, which was calculated and adjusted for circumstances in conformance with the penalty policy outlined in *UAC 317-1-8*.

Payment is to be made within thirty (30) days of the effective date of this **AGREEMENT** by online payment, or check made payable to the State of Utah delivered or mailed to:

Department of Environmental Quality
Division of Water Quality
P. O. Box 144870
Salt Lake City, Utah 84114-4870

- B. **QEP** agrees to submit a remediation and recovery plan to the **DIRECTOR** for approval

within thirty (30) days of the effective date of this **AGREEMENT**, and complete all necessary clean up and remediation steps in the affected areas.

- C. **QEP** shall be required to submit updates, based on an approved remediation plan. The updates must include how the project is progressing and any known setbacks that may impact the progress of the mitigation and recovery.
7. Nothing contained in this **AGREEMENT** shall preclude the **DIRECTOR** from taking additional actions against **QEP** for permit violations not resolved by this **AGREEMENT**.
 8. If an agreement between **QEP** and the **DIRECTOR** cannot be reached in a dispute arising under any provision of this **AGREEMENT**, then **QEP** or the **DIRECTOR** may commence a proceeding with the **BOARD** 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 **QEP** 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 **QEP**, 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 _____, 2018.

QEP RESOURCES, INC.

**UTAH DIVISION OF
WATER QUALITY**

By _____
Authorized Agent

By _____
Director

DWQ-2018-008157