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EPA REGION VIII
HEARING CLERK

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8**

IN THE MATTER OF:)

Samson Resources Company)
Two West Second Street)
Tulsa, Oklahoma 74103)

Respondent.)

Docket No. **CWA-08-2015-0028**

**COMBINED COMPLAINT AND
CONSENT AGREEMENT**

**Proceeding to Assess Civil Penalty
Under Section 311
of the Clean Water Act**

The U.S. Environmental Protection Agency, Region 8 (EPA), and Samson Resources Company (Respondent), by their undersigned representatives, hereby consent and agree as follows:

I. AUTHORITY

1. This proceeding is subject to EPA's "Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation or Suspension of Permits," 40 C.F.R. part 22. This Combined Complaint and Consent Agreement (CCCA) is entered into by the parties for the purpose of simultaneously commencing and concluding this matter, as authorized by 40 C.F.R. § 22.13(b), and is executed pursuant to 40 C.F.R. § 22.18(b)(2) and (3).
2. EPA has jurisdiction over this matter pursuant to section 311(b)(6)(B)(ii) of the Clean Water Act (CWA), 33 U.S.C. § 1321(b)(6)(B)(ii).

II. PARTIES BOUND

3. This CCCA, upon incorporation into a Final Order, applies to and is binding upon EPA and upon Respondent, and Respondent's officers, directors, agents, successors and assigns. Each signatory to this CCCA certifies that they are authorized to execute and legally bind the party they represent to this CCCA.

III. STATEMENT OF THE PARTIES

4. For the purposes of this settlement only, Respondent admits the jurisdictional allegations contained herein and neither admits nor denies EPA's specific factual allegations and legal conclusions.

5. Respondent waives any and all remedies, claims for relief, and otherwise available rights to judicial or administrative review that Respondent may have with respect to any issue of fact or law set forth in this CCCA, including any right of judicial review under the Administrative Procedure Act, 5 U.S.C. §§ 701 – 706.
6. EPA asserts that settlement of this matter is in the public interest, and EPA and Respondent agree that entry of this CCCA and its incorporation into a Final Order without further litigation and without adjudication of any issue of fact or law will avoid prolonged and complicated litigation between the parties.
7. The parties reserve any and all rights and defenses they may have against any person or entity not a party to this CCCA.
8. This CCCA, upon incorporation into a Final Order and full satisfaction by the parties, shall be a complete and full resolution of Respondent's liability for federal civil penalties for the violations alleged below.

IV. GENERAL ALLEGATIONS

a. Oil Discharge Prohibition

9. Section 311(b)(3) of the CWA, 33 U.S.C. § 1321(b)(3), prohibits discharging oil into or upon the navigable waters of the United States in such quantities as may be harmful as determined under section 311(b)(4) of the CWA, 33 U.S.C. § 1321(b)(4).
10. For purposes of section 311(b)(4) of the CWA, 33 U.S.C. § 1321(b)(4), EPA has determined, in 40 C.F.R. § 110.3, that a discharge of oil may be harmful to the public health or welfare or the environment of the United States if that discharge (a) violates applicable water quality standards or (b) causes a film or sheen upon or discoloration of the surface of the water or adjoining shorelines or causes a sludge or emulsion to be deposited beneath the surface of the water or upon the adjoining shorelines.
11. Section 311(b)(4) of the CWA, 33 U.S.C. § 1321(b)(4), directed the President to make the determination referenced in paragraph 10, above. The President delegated the authority to make this determination to the Administrator of the EPA by Executive Order No. 12777 (56 Fed. Reg. 54757, October 21, 1991) and Executive Order No. 11735 (38 Fed. Reg. 21243, August 7, 1973).

b. Spill Prevention Control and Countermeasure Requirements

12. Section 311(j)(1)(C) of the CWA, 33 U.S.C. § 1321(j)(1)(C), directed the President to issue regulations "establishing procedures, methods, and equipment and other requirements for equipment

to prevent discharges of oil . . . from vessels and from onshore and offshore facilities, and to contain such discharges”

13. In response to the directive referenced in paragraph 12, above, EPA promulgated 40 C.F.R. part 112.
14. A facility subject to 40 C.F.R. part 112 is required to prepare a written Spill Prevention Control and Countermeasure (SPCC) plan and to adhere to the discharge prevention and containment procedures specified in that regulation.

V. SPECIFIC ALLEGATIONS

15. Respondent is a corporation organized under the laws of the State of Oklahoma and authorized to do business in the State of Montana. Respondent’s principal office is located in Tulsa, Oklahoma.
16. Respondent is a “person” within the meaning of sections 311(a)(7) and 502(5) of the CWA, 33 U.S.C. §§ 1321(a)(7) and 1362(5).
17. Respondent owns and/or operates a “production facility” as defined in 40 C.F.R. § 112.2, including, but not limited to, wells, flow-lines, tank batteries, separation units, and associated piping, in Roosevelt County, Montana. The production facility is known as the Crusch Fee Two 14-18 well site (the Facility).
18. Respondent states that it acquired ownership and began operating the Facility in 2007.
19. Respondent is therefore an “owner or operator” of the Facility as defined in section 311(a)(6) of the CWA, 33 U.S.C. § 1321(a)(6).
20. Respondent is engaged in drilling, producing, gathering, storing, processing, transferring, and/or distributing oil at the Facility.
21. The Facility is an “onshore facility” as defined in section 311(a)(10) of the CWA, 33 U.S.C. § 1321(a)(10), and a “non-transportation related” facility as defined in 40 C.F.R. § 112.2.
22. The oil referenced in paragraph 20, above, meets the definition of “oil” in section 311(a)(1) of the CWA, 33 U.S.C. § 1321(a)(1) and 40 C.F.R. § 112.2.
23. When discharged into water, the oil referenced in paragraphs 20 and 22, above, also meets the definition of “pollutant” in section 502(6) of the CWA, 33 U.S.C. § 1362(6).
24. Due to its location, the Facility could reasonably be expected to discharge oil and/or other pollutants to Sand Creek and/or wetlands adjacent to Sand Creek and then into Medicine Lake and/or its tributaries and/or its adjoining shorelines in quantities that would a) violate applicable water quality

standards or (b) cause a film or a sheen upon or discoloration of the surface of the navigable waters of the United States or adjoining shorelines or cause a sludge or emulsion to be deposited beneath the surface of such waters or their adjoining shorelines.

25. Sand Creek is a tributary to Medicine Lake.
26. Medicine Lake is navigable-in-fact water.
27. Medicine Lake is a "navigable water" as defined in section 502(7) of the CWA, 33 U.S.C. § 1362(7) and 40 C.F.R. §§ 110.1 and 112.2.
28. At all relevant times, the Facility has been subject to the SPCC requirements of 40 C.F.R. part 112.
29. On or about June 24, 2013, Respondent discovered a discharge of approximately 10 barrels of crude oil and 400 barrels of produced water from a produced water transfer line at the Facility.
30. EPA learned of the discharge referenced in paragraph 29, above, after the U.S. Fish and Wildlife Service reported the discharge to the National Response Center on or about July 10, 2013.
31. Respondent did not notify EPA or the National Response Center of the discharge referenced in paragraph 29, above.
32. The discharge referenced in paragraph 29, above, violated water quality standards, caused a film or sheen upon or discoloration of the surface of the water and/or its adjoining shorelines and/or caused a sludge or emulsion to be deposited beneath the surface of the water(s) and/or upon the adjoining shorelines of Sand Creek.
33. On or about March 4, 2014, EPA sent Respondent an information request under section 308 of the CWA, 33 U.S.C. § 1318, to investigate the discharge referenced in paragraph 29, above.
34. On or about July 14, 2015, EPA determined, following review of information provided by Respondent to the information request referenced in paragraph 33, above, that Respondent's SPCC plan was deficient and therefore in violation of the SPCC requirements of 40 C.F.R. part 112. Specifically, the SPCC plan lacked a Contingency Plan for the produced water transfer line referenced in paragraph 29, above.

VI. EPA'S FINDINGS OF VIOLATION

35. Respondent's discharge of oil described in paragraph 29, above, constitutes a violation of section 311(b)(3) of the CWA, 33 U.S.C. § 1321(b)(3), for each day during which the discharge occurred and continued. For such discharge, Respondent is liable for civil administrative penalties pursuant to section 311(b)(6)(A)(i) of the CWA, 33 U.S.C. § 1321(b)(6)(A)(i).

36. The deficiency identified in Respondent's SPCC Plan described in paragraph 34, above, constitutes a violation of section 311(j), 33 U.S.C. § 1321(j), and 40 C.F.R. part 112, for which Respondent is liable for civil administrative penalties pursuant to section 311(b)(6)(A)(ii) of the CWA, 33 U.S.C. § 1321(b)(6)(A)(ii).

VII. CIVIL PENALTY

37. Pursuant to section 311(b)(6)(A) of the CWA, 33 U.S.C. § 1321(b)(6)(A), and after consideration of the facts of this case as they relate to the factors set forth in section 311(b)(8) of the CWA, 33 U.S.C. § 1321(b)(8), EPA has determined that a civil penalty of one hundred and fifty thousand dollars (\$150,000.00) is appropriate to settle this matter.

38. Respondent consents and agrees to pay a civil penalty in the amount of one hundred and fifty thousand dollars (\$150,000.00) in the manner described below:

- a. Payment shall be in a single payment of \$150,000.00, due no later than thirty (30) calendar days from the date of the Final Order. If the due date for the payment falls on a weekend or federal holiday, then the due date is the next business day. The date the payment is made is considered to be the date processed by U.S. Bank, as described below. Payment must be received by 11:00 a.m. Eastern Standard Time to be considered as received that day.
- b. The payment shall be made by remitting a check or making a wire transfer or on-line payment. The check or other payment shall designate the name and docket number of this case, be in the amount stated in the preceding paragraph, and be payable to "Oil Spill Liability Trust Fund - 311." The payment shall be remitted as follows:

If remitted by regular U.S. mail:

U.S. Environmental Protection Agency
P.O. Box 979077
St. Louis, Missouri 63197-9000

If remitted by any overnight commercial carrier:

U.S. Bank
Government Lockbox No. 979077
1005 Convention Plaza
SL-MO-C2-GL
St. Louis, Missouri 63101

Contact: Craig Steffen, 513-487-2091, steffen.craig@epa.gov

If remitted by wire transfer: Any wire transfer must be sent directly to the Federal Reserve Bank in New York City using the following information:

Federal Reserve Bank of New York
ABA = 021030004
Account = 68010727
SWIFT address = FRNYUS33
33 Liberty Street
New York, New York 10045
Beneficiary: US Environmental Protection Agency

If remitted through the Automated Clearing House (ACH) for receiving U.S. currency:

U.S. Treasury REX / Cashlink ACH Receiver
ABA: 051036706
Account Number: 310006, Environmental Protection Agency
CTX Format Transaction Code 22 -- checking

Physical location of U.S. Treasury facility:
5700 Rivertech Court
Riverdale, Maryland 20737
Contacts: REX (Remittance Express): 866-234-5681

If remitted online with a debit card or credit card: No user name, password, or account number is necessary for this option. Online payment can be accessed via WWW.PAY.GOV, entering SFO 1.1 in the form search box on the left side of the screen, opening the form, and following the directions on the screen.

Copies of the check or record of payment shall be sent to:

Christopher Ajayi
U.S. Environmental Protection Agency (8ENF-UFO)
1595 Wynkoop Street
Denver, Colorado 80202-1129

and

Tina Artemis
Regional Hearing Clerk
U.S. Environmental Protection Agency (8RC)
1595 Wynkoop Street
Denver, Colorado 80202-1129

A transmittal letter identifying the case title and docket number must accompany the remittance and copies of the check.

39. If the payment is not received by the specified due date, interest accrues from the date of the Final Order, not the due date, at a rate established by the Secretary of the Treasury pursuant to 31 U.S.C. § 3717, and will continue to accrue until payment in full is received.
40. A handling charge of fifteen dollars (\$15) shall be assessed the 31st day from the date of the Final Order, and for each subsequent 30-day period that the debt, or any portion thereof, remains unpaid. In addition, a 6% per annum penalty shall be assessed on any unpaid principal amount if payment is not received within 30 days of the due date. Payments are first applied to outstanding handling charges, second to penalty assessments, third to accrued interest, and then to the outstanding principal amount.
41. Respondent agrees that the penalty shall never be claimed as a federal or other tax deduction or credit.

VIII. PUBLIC NOTICE

42. As required by section 311(b)(6)(C)(i) of the CWA, 33 U.S.C. §1321(b)(6)(C)(i), prior to requesting that the Regional Judicial Officer (RJO) issue a Final Order incorporating this CCCA and assessed penalty, EPA will provide the public notice of and reasonable opportunity to comment on the penalty agreed to herein.

IX. GENERAL PROVISIONS

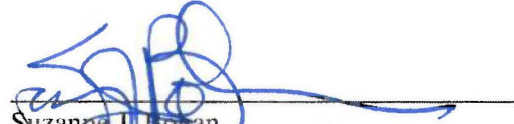
43. Nothing in this CCCA shall relieve Respondent of the duty to comply with the CWA and any regulation, order, or permit issued pursuant to the CWA.
44. Any failure by Respondent to comply with this CCCA shall constitute a breach of this CCCA and may result in referral of the matter to the United States Department of Justice for enforcement of this CCCA and such other relief as may be appropriate.
45. Nothing in this CCCA shall be construed as a waiver by EPA or any other federal entity of its authority to seek costs or any appropriate penalty associated with any collection action instituted as a result of any failure by Respondent to comply with this CCCA.
46. The parties agree to submit this CCCA to the Regional Judicial Officer, with a request that it be incorporated into a Final Order following provision of public notice pursuant to section 311(b)(6)(C)(i) of the CWA, §1321(b)(6)(C)(i) and 40 C.F.R. § 22.45.
47. Each party shall bear its own costs and attorney's fees in connection with this matter.

UNITED STATES ENVIRONMENTAL
PROTECTION AGENCY, REGION 8,
Complainant

Date:

9/15/15

By:



Suzanne J. Honan
Assistant Regional Administrator
Office of Enforcement, Compliance,
and Environmental Justice

SAMSON RESOURCES COMPANY,
Respondent

Date:

Sept 15, 2015

By:


Richard Fraley
Chief Operating Officer/Executive Vice President

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION 8
1595 Wynkoop Street; Denver, CO 80202-1129**

PUBLIC NOTICE AND OPPORTUNITY TO COMMENT ON CLEAN WATER ACT SETTLEMENT

Action: EPA is providing notice of a Combined Complaint and Consent Agreement with penalty assessment and the opportunity for public comment on the proposed administrative penalty assessment against Samson Resources Company for discharges of oil into waters of the U.S and for an inadequate Spill Prevention, Control, and Countermeasures Plan.

Summary: EPA is authorized in Class II proceedings under Section 311(b)(6) of the Clean Water Act (Act), 33 U.S.C. § 1321(b)(6), to issue orders assessing civil penalties for violations of the Act and its implementing regulations, after providing the person subject to the penalty notice of an opportunity for a hearing, and after providing the public with notice of the proposed penalty, and the opportunity to submit written comments and to participate in a Class II penalty proceeding (hearing), if any. The deadline for submitting public comment is thirty (30) calendar days after issuance of this notice.

On September 15, 2015, EPA filed a Combined Complaint and Consent Agreement pursuant to section 311(b)(6)(B)(ii) of the Act. Pursuant to section 311(b)(6)(C) of the Act, and 40 C.F.R. § 22.45, EPA hereby notifies the public of this proposed penalty assessment:

In the matter of: Samson Resources Company
Two West Second Street
Tulsa, Oklahoma 74103

EPA Docket Number: CWA-08-2015-0028

Proposed penalty in the Complaint: \$150,000.00

Alleged violations: Discharge of approximately 400 barrels of produced water and 10 barrels of crude oil from an underground produced water transfer injection line on June 24, 2013, and for an inadequate Spill Prevention, Control and Countermeasure (SPCC) plan. A portion of the produced water/oil mix impacted wetlands adjacent to Sand Creek which is a tributary of Medicine Lake in Roosevelt County, Montana, in violation of section 311(b)(3) of the CWA, 33 U.S.C. § 1321(b)(3). The SPCC plan does not include a contingency plan for the injection line that failed in violation of 311(j) of the CWA, 33 U.S.C § 1321(j).

Written comments on the Combined Complaint and Consent Agreement are encouraged and will be accepted at the address listed below for a period of thirty (30) calendar days after the publication of this notice. Written comments submitted by the public, as well as information submitted by Samson Resources Company will be available for public review, subject to the provisions of law restricting the disclosure of confidential information. Any person submitting written comments has a right to participate in a hearing, if one is held. The Combined Complaint and Consent Agreement is available for review between 9:00 a.m. and 4:00 p.m. at the address listed below and on the internet at: <http://yosemite.epa.gov/oa/rhc/epaadmin.nsf>.

Submit written comments to: Tina Artemis
Regional Hearing Clerk (8RC);
EPA Region 8
1595 Wynkoop Street
Denver, CO 80202-1129
Telephone: (303) 312-6765.

FOR FURTHER INFORMATION: Persons wishing to receive a copy of the Combined Complaint and Consent Agreement, or other documents in this proceeding (such as the regulations in 40 C.F.R. part 22, which establish procedures for hearings), or to comment upon the proposed penalty assessment, or any other aspect of the matter, should contact the Regional Hearing Clerk identified above. No action will be taken by EPA to finalize a settlement in this matter until thirty (30) calendar days after this public notice.