



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 8

2019 MAY -7 PM 2:08

1595 WYNKOOP STREET

DENVER, CO 80202-1129

Phone 800-227-8917

http://www.epa.gov/region08

FILED
EPA REGION VIII
HEARING CLERK

DOCKET NO.: CAA-08-2019-0010

IN THE MATTER OF:

CRESCENT POINT ENERGY
U.S. CORP.

RESPONDENT

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FINAL ORDER

Pursuant to 40 C.F.R. § 22.13(b) and §§ 22.18(b)(2) and (3) of EPA’s Consolidated Rules of Practice, the Consent Agreement resolving this matter is hereby approved and incorporated by reference into this Final Order.

The Respondent is hereby **ORDERED** to comply with all of the terms of the Consent Agreement, effective immediately upon filing this Consent Agreement and Final Order.

SO ORDERED THIS 7th DAY OF May, 2019.

Katherin E. Hall
Katherin E. Hall
Regional Judicial Officer

**UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 8**

2019 MAY -7 PM 2: 08

IN THE MATTER OF:)
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CRESCENT POINT ENERGY) **Docket No. CAA-08-2019-0010**
U.S. CORP.)
)
)
Respondent.)
) **CONSENT AGREEMENT**

FILED
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I. PRELIMINARY STATEMENT

1. This is an administrative penalty assessment proceeding under section 113(d) of the Clean Air Act (CAA), 42 U.S.C. § 7413(d), and sections 22.13 and 22.18 of the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits (Consolidated Rules), as codified at 40 C.F.R. part 22.
2. Complainant is the United States Environmental Protection Agency, Region 8 (EPA). On the EPA's behalf, Suzanne J. Bohan, Assistant Regional Administrator for the Office of Enforcement, Compliance and Environmental Justice, is delegated the authority to settle civil administrative penalty proceedings under section 113(d) of the CAA.
3. Respondent is Crescent Point Energy, U.S. Corp. (Crescent Point), a corporation organized under the laws of Delaware.
4. Respondent is a "person" as defined in section 302(e) of the CAA, 42 U.S.C. § 7602(e).
5. Complainant and Respondent, having agreed that settlement of this action is in the public interest, consent to the entry of this consent agreement (Agreement) without adjudication of any issues of law or fact herein, and Respondent agrees to comply with the terms of this Agreement.

II. JURISDICTION

6. This Agreement is entered into under section 113(d) of the CAA, as amended, 42 U.S.C. § 7413(d), and the Consolidated Rules, 40 C.F.R. part 22. The violations in this Agreement are alleged pursuant to section 113(a)(3)(A) of the CAA, 42 U.S.C. § 7413(a)(3)(A).
7. The Regional Judicial Officer is authorized to ratify this Agreement with a final order, which memorializes a settlement between Complainant and Respondent. 40 C.F.R. §§ 22.4(b) and 22.18(b).
8. This Agreement and approval in a final order simultaneously commences and concludes this proceeding. 40 C.F.R. § 22.13(b).

III. GOVERNING LAW

9. Section 111 of the CAA, 42 U.S.C. § 7411, authorizes the Administrator to promulgate regulations regarding emissions from new sources. The relevant regulations promulgated by the EPA, pursuant to section 111 of the CAA, are set forth in 40 C.F.R. part 60.
10. 40 C.F.R. part 60, subpart JJJJ, sets forth standards of performance for stationary spark ignition internal combustion engines (Subpart JJJJ).
11. 40 C.F.R. part 60, subpart JJJJ, incorporates by reference applicable requirements of 40 C.F.R. part 1048, which provides for control of emissions from new, large nonroad spark ignition engines. 40 C.F.R. § 60.4233(d).
12. 40 C.F.R. part 60, subpart OOOO, sets forth standards of performance for crude oil and natural gas production, transmission and distribution for which construction, modification or reconstruction commenced after August 23, 2011, and on or before September 18, 2015 (Subpart OOOO).
13. Section 110 of the CAA, 42 U.S.C. § 7410, authorizes the Administrator to establish a pre-construction permitting program (New Source Review Program) for all new and modified minor sources and minor modifications at major sources located in Indian country. The relevant regulations promulgated by the EPA, pursuant to section 110 of the CAA, are set forth in 40 C.F.R. part 49.

IV. STATEMENT OF FACTS

14. Respondent is a Delaware corporation engaged in the exploration and development of oil and gas minerals in Utah.
15. On May 3, 2017, Respondent acquired facilities owned by III Exploration II LP and operated by Petroglyph Operating Company, Inc. Certain of these facilities are located within the exterior boundaries of the Uintah and Ouray Reservation in Utah and are the subject of the environmental audit described below (Facilities).
16. On September 22, 2017, Respondent submitted to EPA a voluntary self-disclosure (Initial Self-Disclosure) of violations of the CAA, and/or regulations promulgated thereunder, discovered during Respondent's environmental audit of the acquired Facilities pursuant to the EPA's policies entitled Incentives for Self-Policing: Discovery, Disclosure, Correction and Prevention of Violations (Audit Policy), 65 Fed. Reg. 19,618-19,627 (Apr. 11, 2000) and Interim Approach to Applying the Audit Policy to New Owners (Interim Approach), 73 Fed. Reg. 44,001-45,006 (Aug. 1, 2008).
17. On December 13, 2017, Respondent submitted to EPA its first supplemental self-disclosure (First Supplemental Self-Disclosure), pursuant to the EPA's Audit Policy and Interim Approach, identifying violations of the CAA, and/or regulations promulgated thereunder, discovered during Respondent's environmental audit of the acquired Facilities.
18. Respondent submitted corrective action updates and certifications to EPA on January 4, 2018, March 8, 2018, and June 5, 2018, describing corrective action measures taken by Respondent in response to the violations.

19. The final list of disclosed violations to be settled in this Agreement is incorporated by reference into this Agreement as Attachment A.

V. ALLEGED VIOLATIONS OF LAW

20. As described in the Initial Self-Disclosure and Attachment A, Respondent violated certain requirements under Subpart OOOO, Subpart JJJJ and the New Source Review Program at certain Facilities.

21. As described in the First Supplemental Disclosure and Attachment A, Respondent violated certain requirements under Subpart OOOO, Subpart JJJJ and the New Source Review Program at certain Facilities.

VI. TERMS OF AGREEMENT

22. For the purposes of this administrative proceeding, as required by 40 C.F.R. § 22.18(b)(2), Respondent:

- a. admits the EPA has jurisdiction over the subject matter alleged in this Agreement;
- b. neither admits nor denies the alleged statement of facts or violations of law stated above;
- c. consents to the assessment of a civil penalty as stated below;
- d. consents to the conditions specified in this Agreement;
- e. waives any right to contest the alleged violations of law set forth in Section V of this Agreement; and
- f. waives its rights to appeal any final order which approves this Agreement.

23. For the purposes of this administrative proceeding, Respondent:

- a. agrees this Agreement states a claim upon which relief may be granted against Respondent;
- b. acknowledges this Agreement constitutes an enforcement action for purposes of considering Respondent's compliance history in any subsequent enforcement actions;
- c. 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 Agreement, including any right of judicial review under section 307(b)(1) of the CAA, 42 U.S.C. § 7607(b)(1);
- d. consents to personal jurisdiction in any action to enforce this Agreement in the United States District Court for the District of Utah; and

- e. waives any rights it may possess at law or in equity to challenge the authority of the EPA to bring a civil action in a United States District Court to compel compliance with the Agreement and to seek an additional penalty for such noncompliance with this Agreement and agrees that federal law shall govern in any such civil action to enforce compliance with this Agreement.

24. Pursuant to the EPA's Audit Policy and Interim Approach, Respondent hereby certifies and warrants as true for all the violations listed in Attachment A:

- a. Respondent is a "New Owner" as defined in the Interim Approach;
- b. The violations were discovered through an environmental audit;
- c. The violations were discovered voluntarily;
- d. The violations were promptly disclosed to the EPA in writing
- e. The violations were disclosed prior to commencement of an agency inspection or investigation, notice of a citizen suit, filing of a complaint by a third party, reporting of the violations by a "whistleblower" employee, or imminent discovery by a regulatory agency;
- f. The violations have been corrected;
- g. Appropriate steps have been taken to prevent a recurrence of the violations;
- h. The violations are not "repeat violations" as described in the Interim Approach;
- i. The violations have not resulted in serious actual harm nor presented an imminent and substantial endangerment to human health or the environment and they did not violate the specific terms of any judicial or administrative final order or agreement to which the Respondent is a party; and
- j. Respondent has cooperated as requested by the EPA.

25. Section 113(d)(1)(B) of the CAA, 42 U.S.C. § 7413(d)(1)(B), and 40 C.F.R. part 19 authorize the assessment of a civil penalty of up to \$46,192 per day of violation for each violation of the implementing regulations associated with the requirements of 42 U.S.C. § 7411. To determine the amount of the civil penalty to be assessed, the EPA took into account the facts of this case as they relate to the factors set forth in section 113(e)(1) of the CAA, 42 U.S.C. § 7413(e)(1).

26. Under the Audit Policy and Interim Approach, the EPA has determined that Respondent qualifies for a 100% reduction of the gravity component of the civil penalty that would otherwise apply to these violations. Condition D.7 of the Audit Policy and Interim Approach does not apply in this case because the facilities covered by the Agreement were newly acquired by Respondent.

27. Therefore, pursuant to the Audit Policy and Interim Approach, the EPA is assessing a penalty equivalent to the economic benefit associated with avoided operation and maintenance costs

Respondent gained because of its noncompliance. The EPA has determined that Respondent obtained an economic benefit of \$26,000 as a result of its noncompliance in this matter.

28. Penalty Payment. Respondent agrees to:

- a. pay a civil penalty of \$26,000 (EPA Penalty) within 30 calendar days of the Effective Date of this Agreement;
- b. pay the EPA Penalty using any method, or combination of methods, provided on the websites <https://www.epa.gov/financial/makepayment> and <http://www2.epa.gov/financial/additional-instructions-making-payments-epa>, and identifying each and every payment with the docket number associated with this matter. Within 24 hours of payment of the EPA Penalty, send proof of payment to loiacono.sara@epa.gov (“proof of payment” means, as applicable, a copy of the check, confirmation of credit card or debit card payment, confirmation of wire or automated clearinghouse transfer, and any other information required to demonstrate that payment has been made according to the EPA requirements, in the amount due).

29. If Respondent fails to timely pay any portion of the penalty assessed under this Agreement, the EPA may:

- a. request the Attorney General to bring a civil action in an appropriate district court to recover: the amount assessed; interest at rates established pursuant to 26 U.S.C. § 6621(a)(2); the United States’ enforcement expenses; and a 10 percent quarterly nonpayment penalty, 42 U.S.C. § 7413(d)(5);
- b. refer the debt to a credit reporting agency or a collection agency, 42 U.S.C. § 7413(d)(5), 40 C.F.R. §§ 13.13, 13.14, and 13.33;
- c. collect the debt by administrative offset (i.e., the withholding of money payable by the United States to, or held by the United States for, a person to satisfy the debt the person owes the Government), which includes, but is not limited to, referral to the Internal Revenue Service for offset against income tax refunds, 40 C.F.R. part 13, subparts C and H; and
- d. suspend or revoke Respondent’s licenses or other privileges or suspend or disqualify Respondent from doing business with the EPA or engaging in programs the EPA sponsors or funds, 40 C.F.R. § 13.17.

30. The provisions of this Agreement, upon incorporation into a final order, shall apply to and be binding upon the EPA and upon Respondent, its successors and assigns.

31. By signing this Agreement, Respondent acknowledges this Agreement will be available to the public and agrees this Agreement does not contain any confidential business information or personally identifiable information.

32. By signing this Agreement, the undersigned representative of Complainant and the undersigned representative of Respondent each certify that he or she is fully authorized to execute and enter into

the terms and conditions of this Agreement and has the legal capacity to bind the Party he or she represents to this Agreement.

33. By signing this Agreement, both Parties agree that each Party's obligations under this Agreement constitute sufficient consideration for the other Party's obligations.
34. This Agreement, upon incorporation into a final order by the Regional Judicial Officer and full satisfaction by the Parties, shall be a complete, full and final settlement of the EPA's civil penalty claims against Respondent for the specific violations alleged in this Agreement.
35. By signing this Agreement, Respondent certifies that the information it has supplied concerning this matter was at the time of submission true, accurate, and complete for each such submission, response, and statement. Respondent acknowledges that there are significant penalties for submitting false or misleading information, including the possibility of fines and imprisonment for knowing submission of such information, under 18 U.S.C. § 1001.
36. Except as qualified by paragraph 29 above, each Party shall bear its own attorney's fees, costs, and disbursements incurred in this proceeding.

VII. EFFECT OF AGREEMENT

37. In accordance with 40 C.F.R. § 22.18(c), completion of the terms of this Agreement resolves only Respondent's liability for federal civil penalties for the violations and facts specifically alleged above.
38. Penalties paid pursuant to this Agreement shall not be deductible for purposes of federal, state or local taxes.
39. This Agreement constitutes the entire agreement and understanding of the Parties and supersedes any prior agreements or understandings, whether written or oral, among the Parties with respect to the subject matter hereof.
40. Nothing in this Agreement shall relieve Respondent of the duty to comply with all applicable provisions of the CAA and other federal, state, or local laws or statutes, nor shall it restrict the EPA's authority to seek compliance with any applicable laws or regulations, nor shall it be construed to be a ruling on, or determination of, any issue related to any federal, state, or local permit.
41. Nothing herein shall be construed to limit the power of the EPA to undertake any action against Respondent or any person in response to conditions that may present an imminent and substantial endangerment to the public health, welfare, or the environment.


VIII. EFFECTIVE DATE

42. Respondent and Complainant agree to issuance of a final order approving this Agreement. Upon filing, the EPA will transmit a copy of the filed Agreement to the Respondent. This Agreement and subsequently issued final order shall become effective after execution of the final order by the Regional Judicial Officer, on the date of filing with the Hearing Clerk.

Consent Agreement In the Matter of Crescent Point Energy, U.S. Corp.

**UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
Complainant**

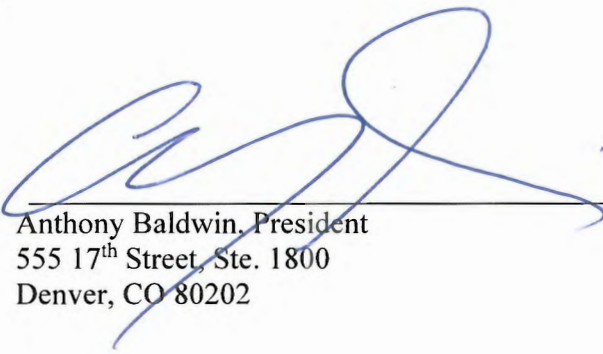
Date: 5/1/2019

By: 

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

**CRESCENT POINT ENERGY, U.S. CORP.
Respondent**

Date: 4/24/2019

By: 

Anthony Baldwin, President
555 17th Street, Ste. 1800
Denver, CO 80202

IN THE MATTER OF CRESCENT POINT ENERGY U.S. CORP. - ATTACHMENT A

Alleged Violations

Voluntary Disclosure Category	Alleged Violation(s) Regulatory Citation(s)	Facility(ies) with Alleged Violation(s)
NSPS Subpart JJJJ	40 C.F.R. § 60.4233(d) and 40 C.F.R. § 1048.101(c)	Ute Tribal 07-14 Ute Tribal 20-10
NSPS Subpart OOOO	40 C.F.R. §§ 60.5395, 60.5410(h), 60.5411(b), 60.5411(c), 60.5412(d), 60.6415(e), 60.5416(c), 60.5417(h), and 60.5420(b)	PGW 16-02 PGW 21-14 PGW UT 08-01 PGW UT 21-03 Ute Tribal 04-06 Ute Tribal 07-14 Ute Tribal 18-01 Ute Tribal 18-15 PGW 20-06 PGW 29-06 PGW UT 17-15 Ute Tribal 08-16 Ute Tribal 09-01
New Source Review Program	40 C.F.R. § 49.151(c)(iii)	Ute Tribal 04-06 Ute Tribal 05-07 Ute Tribal 07-14 PGW UT 08-01 Ute Tribal 08-04 Ute Tribal 17-02 Ute Tribal 08-16 Ute Tribal 09-01 Ute Tribal 09-16 PGW UT 16-02 PGW UT 17-15 Ute Tribal 18-01 Ute Tribal 18-15 PGW UT 19-06

Voluntary Disclosure Category	Alleged Violation(s) Regulatory Citation(s)	Facility(ies) with Alleged Violation(s)
New Source Review Program	40 C.F.R. § 49.151(c)(iii)	PGW UT 19-16 PGW UT 20-06 PGW UT 21-03 Ute Tribal 20-16 PGW UT 21-14 PGW UT 28-07 PGW UT 29-06 PGW UT 29-09 PGW UT 30-04 PGW UT 30-15 PGW UT 31-04 PGW UT 32-08 Ute Tribal 18-08 Ute Tribal 21-11 Ute Tribal 30-10 Ute Tribal 04-07 Ute Tribal 17-01 Ute Tribal 03-05 Ute Tribal 08-11 PGW UT 33-14
New Source Review Program	40 C.F.R. § 49.153(a)	Ute Tribal 20-02

CERTIFICATE OF SERVICE

The undersigned certifies that the original of the attached **CONSENT AGREEMENT and FINAL ORDER** in the matter of **CRESCENT POINT ENERGY U.S. CORP.; DOCKET NO.: CAA-08-2019-0010** was filed with the Regional Hearing Clerk on May 7, 2019.

Further, the undersigned certifies that a true and correct copy of the documents were emailed to, Abby Dean, Enforcement Attorney. True and correct copies of the aforementioned documents were placed in the United States mail certified/return receipt on May 7, 2019, to:

Respondent

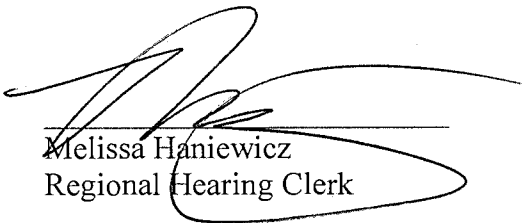
Anthony Baldwin, President
Crescent Point Energy, U.S. Corp
555 17th Street, Suite 1800
Denver, Colorado 80202

Randy Dann, Legal Representation
Davis, Graham and Stubbs LLP
1550 17th Street, Suite 500
Denver, Colorado 80202

And emailed to:

Jessica Chalifoux
U. S. Environmental Protection Agency
Cincinnati Finance Center
26 W. Martin Luther King Drive (MS-0002)
Cincinnati, Ohio 45268

May 7, 2019


Melissa Haniewicz
Regional Hearing Clerk