



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

SEP 30 2019

REPLY TO THE ATTENTION OF
ECW-15J

VIA E-MAIL

Mr. Doug Struble
Lease Management, Inc.
503 Industrial Avenue
Post Office Box 290
Mount Pleasant, Michigan 48858
Email: dstruble@leaseman.biz

Dear Mr. Struble:

Enclosed is a file-stamped Consent Agreement and Final Order (CAFO), which resolves the issues identified in docket number SDWA-05-2019-0004. As indicated by the filing stamp on the first page of the CAFO, the CAFO was filed with the Regional Hearing Clerk on September 30, 2019. This CAFO will be effective 30 days from the filing date.

Pursuant to paragraph 115 of the CAFO, Lease Management, Inc. must pay the first instalment of the civil penalty within 90 days of the effective date (120 days from the filing date listed above). As specified in paragraph 116, please indicate "in the Matter of Lease Management, Inc." and the docket number of this CAFO on the check or description field of the electronic payment.

Please direct any questions regarding this matter to Timothy Elkins of my staff at (312) 886-0263 or elkins.timothy@epa.gov or your Counsel can contact, Charles Mikalian, Associate Regional Counsel, at (312) 886-2242 or at mikalian.charles@epa.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Ray Bode".

Acting for
Patrick F. Kuefler, Chief
Water Enforcement and Compliance Assistance Branch

Enclosure

cc: Ann Coyle, Regional Judicial Officer
Regional Hearing Clerk
Charles Mikalian, Associate Regional Counsel
Timothy Elkins, EPA

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5

IN THE MATTER OF:) Docket No. SDWA-05-2019-0004
)
Lease Management, Inc.) Proceeding under Section 1423(c) of
) the Safe Drinking Water Act,
Respondent.) 42 U.S.C. § 300h-2(c)
)
_____)



CONSENT AGREEMENT AND FINAL ORDER

I. INTRODUCTION

1. This is an administrative action for the assessment of a civil penalty and the issuance of a compliance order, commenced and concluded under Sections 1423(a)(2) and 1423(c)(2) of the Safe Drinking Water Act (“SDWA”), 42 U.S.C. §§ 300h-2(a)(2), 300h-2(c)(2).

2. The procedures applicable to this proceeding are the “Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, Issuance of Compliance or Corrective Action Orders, and the Revocation, Termination or Suspension of Permits” (“Consolidated Rules”), as codified at 40 Code of Federal Regulations (C.F.R.) Part 22. This proceeding was conducted in accordance with the procedures set forth in the Consolidated Rules at 40 C.F.R. Part 22, Subpart I, which apply to actions, such as this one, that are not governed by Section 554 of the Administrative Procedure Act (“APA”), 5 U.S.C. § 554.

3. The authority to act under Section 1423(c) of SDWA, 42 U.S.C. § 300h-2(c), is delegated to the Administrator of the U.S. Environmental Protection Agency (EPA). The Administrator of EPA delegated the authority to issue this consent agreement and final order (“CAFO”) to the Regional Administrator of EPA Region 5, who delegated the authority to the Director of the Enforcement & Compliance Assurance Division (Complainant).

4. The Respondent is Lease Management, Inc. (hereinafter “Respondent”).

5. Where the parties agree to settle one or more causes of action before the filing of a complaint, the administrative action may be commenced and concluded simultaneously by the issuance of a consent agreement and final order (CAFO). 40 C.F.R. § 22.13(b).

6. The parties agree that settling this action through the filing of this CAFO without the filing of a complaint or the adjudication of any issue of fact or law is in their interest and in the public interest.

7. Respondent consents to the terms of this CAFO, including the assessment of the civil penalty and the compliance requirements specified below.

II. JURISDICTION AND WAIVERS

8. Respondent admits the jurisdictional allegations in this CAFO and neither admits nor denies the factual allegations in this CAFO.

9. 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 CAFO including, but not limited to, its right to request a hearing under 40 C.F.R. § 22.15(c) and Section 1423(c)(3) of SDWA, 42 U.S.C. § 300h-2(c)(3); its right to seek federal judicial review of the CAFO pursuant to Chapter 7 of the Administrative Procedure Act, 5 U.S.C. §§ 701-06; any right to contest the allegations in this CAFO; and its right to appeal this CAFO under Section 1423(c)(6) of SDWA, 42 U.S.C. § 300h-2(c)(6). Respondent consents to issuance of this CAFO without further adjudication.

III. STATUTORY AND REGULATORY AUTHORITY

10. Section 1421 of SDWA, 42 U.S.C. § 300h, requires that EPA promulgate regulations for State underground injection control ("UIC") programs, which UIC regulations shall prevent underground injection which endangers drinking water sources.

11. Section 1421(d)(1) of SDWA, 42 U.S.C. § 300h(d)(1), defines “underground injection” as the subsurface emplacement of fluids by well injection and excludes the underground injection of natural gas for purposes of storage and the underground injection of fluids or propping agents (other than diesel fuels) pursuant to hydraulic fracturing operations related to oil, gas, or geothermal production activities.

12. Pursuant to Sections 1421 and 1422 of SDWA, 42 U.S.C. §§ 300h and 300h-1, EPA promulgated UIC regulations at 40 C.F.R. Parts 124 and 144-148. The UIC regulations include inspection, monitoring, recordkeeping and reporting requirements.

13. Section 1422(b) of SDWA, 42 U.S.C. § 300h-1(b), provides that States, upon receipt of EPA’s approval of a proposed UIC program, may implement a Federally-enforceable UIC program in that State and obtain primary enforcement responsibility for that program (a concept called “primacy”).

14. Section 1422(c) of SDWA, 42 U.S.C. § 300h-1(c), provides that in States that have not obtained primacy, EPA shall prescribe a UIC program applicable to that State.

15. At all times relevant to this CAFO, EPA had primacy over the UIC program applicable to the State of Michigan. 42 U.S.C. § 300h-1; 40 C.F.R. § 147.1151(a).

16. Section 1422 of SDWA, 42 U.S.C. § 300h-1(d), defines the “applicable UIC program” for a State in part as the program (or most recent amendment thereof) prescribed by the Administrator under 42 U.S.C. § 300h-1(c).

17. Pursuant to Section 1422(c) of SDWA, 42 U.S.C. § 300h-1(c), EPA prescribed a UIC program applicable to the State of Michigan, effective June 25, 1984.

18. At all times relevant to this CAFO, the UIC program set forth at 40 C.F.R. Parts 124, 144, 146, 147 (Subpart X) and 148 comprised the “applicable UIC program” for the State of Michigan, as defined at Section 1422(d) of SDWA, 42 U.S.C. § 300h-1(d).

19. UIC regulations define a “well” as a bored, drilled, or driven shaft whose depth is greater than the largest surface dimension; or a dug hole whose depth is greater than the largest surface dimension; or an improved sinkhole; or a subsurface fluid distribution system. 40 C.F.R. § 144.3.

20. 40 C.F.R. § 144.3 defines “injection well” as a “well” into which “fluids” are being injected.

21. 40 C.F.R. § 144.3 defines “fluid” as any material or substance which flows or moves whether in a semisolid, liquid, sludge, gas, or any other form or state.

22. UIC regulations define six classes of injection wells, including “Class II” wells that inject fluids brought to the surface in connection with conventional oil or natural gas production. 40 C.F.R. §§ 144.6(b), 146.5(b).

23. UIC regulations require that unless an underground injection well is authorized by rule under 40 C.F.R. Part 144, Subpart C, all injection activities are prohibited until the owner or operator is authorized by permit. 40 C.F.R. § 144.31(a). 40 C.F.R. § 144.11 prohibits any underground injection, except into a well authorized by rule or by permit issued under the UIC program.

24. UIC regulations state that all UIC permits are subject to a “duty to comply” condition. Under this condition, 1) a permittee must comply with all conditions of its permit; and 2) any permit noncompliance constitutes a violation of SDWA and is grounds for enforcement action. 40 C.F.R. §§ 144.51, 144.51(a).

25. Section 1401(12) of SDWA, 42 U.S.C. § 300f(12), defines a “person” as an individual, corporation, company, association, partnership, State, municipality, or Federal agency (including officers, employees and agents of same).

26. UIC regulations define a “person” as an individual, association, partnership, corporation, municipality, State, Federal, or Tribal agency, or an agency or employee thereof. 40 C.F.R. § 144.3.

27. Section 1423(a)(2) of SDWA, 42 U.S.C. § 300h-2(a)(2), provides that any person found to be in violation of any requirement of an applicable UIC program in a state that does not have primacy may be subject to an order requiring compliance pursuant to Section 1423(c)(2) of SDWA, 42 U.S.C. § 300h-2(c)(2) or may be subject to a civil action Section 1423(b) of SDWA, 42 U.S.C. § 300h-2(b).

28. Section 1423(c)(2) of SDWA, 42 U.S.C. § 300h-2(c)(2), provides that in any case in which the Administrator may bring a civil action under Section 1423(b) of SDWA, 42 U.S.C. § 300h-2(b), with respect to any regulation or requirement relating to the underground injection of brine or other fluids brought to the surface in connection with oil or natural gas production, the Administrator may also issue an order under Section 1423(c)(2) of SDWA, 42 U.S.C. § 300h-2(c)(2), assessing a penalty, requiring compliance with regulations or other requirements, or both.

IV. GENERAL ALLEGATIONS

29. Respondent is, and has been at all relevant times to this matter, a corporation doing business in the State of Michigan. At all times relevant to this Complaint, Respondent had a place of business at or about 503 Industrial Ave., Mt. Pleasant, Michigan 48804. Each of the wells addressed in this CAFO are located in Michigan.

30. Respondent is a “person,” as that term is defined at Section 1401(12) of SDWA, 42 U.S.C. § 300f(12), and 40 C.F.R. § 144.3.

31. Respondent owns and operates numerous injection wells located in the State of Michigan. For purposes of this CAFO, those wells include wells referred to as:

- a. N.B. Bradley #5 SWD (EPA No. MI-011-2D-0018);
- b. Stanlinson Flick #2 (EPA No. MI-011-2D-0020);
- c. Frank Cox #1 SWD (EPA No. MI-107-2D-0007);
- d. A. Bunning #2 (EPA No. MI-113-2D-0007);
- e. Henry Kornoelly #1 (EPA No. MI-113-2D-0008);
- f. Halliday #2 SWD (EPA No. MI-117-2D-0002);
- g. O.M. Hanson #1 SWD (EPA No. MI-117-2D-0004);
- h. Anderson #1 SWD (EPA No. MI-117-2D-0005);
- i. W.E. Robbins #2 SWD (EPA No. MI-117-2D-0006);
- j. Mills Estate #1 (EPA No. MI-129-2D-0004);
- k. William Howe #1 SWD (EPA No. MI-133-2D-0007); and
- l. Gust Abel #5 (EPA No. MI-011-2D-0006).

32. At all times relevant to this Complaint, each well identified in paragraph 31 was a “well,” as that term is defined at 40 C.F.R. § 144.3.

33. At all times relevant to this Complaint, each well identified in paragraph 31 was an “injection well” as that term is defined at 40 C.F.R. § 144.3.

34. At all times relevant to this Complaint, each well identified in paragraph 31 injected “fluid” as that term is defined at 40 C.F.R. § 144.3.

35. At all times relevant to this Complaint, each well identified in paragraph 31 was a well into which Respondent injected fluids brought to the surface in connection with conventional oil or natural gas production.

36. At all times relevant to this Complaint, each well identified in paragraph 31 was a Class II UIC well, as that term is defined at 40 C.F.R. §§ 144.6(b), 146.5(b).

37. At all times relevant to this Complaint, Respondent was the owner or operator of each well identified in paragraph 31.

38. EPA issued to the Respondent the following UIC permits for the wells identified in paragraph 31. Each of these permits were in effect at all times relevant to this matter.

a. UIC Permit No. MI-011-2D-0018 for the N.B. Bradley #5 SWD well (N.B. Bradley # 5 SWD Permit);

b. UIC permit No. MI-011-2D-0020 for the Stanlinson Flick #2 well (Stanlinson Flick #2 Permit);

c. UIC permit No. MI-107-2D-0007 for the Frank Cox #1 SWD well (Frank Cox #1 SWD Permit);

d. UIC permit No. MI-113-2D-0007 for the A. Bunning #2 well (A. Bunning #2 Permit);

e. UIC permit No. MI-113-2D-0008 for the Henry Kornoelly #1 well (Henry Kornoelly #1 Permit);

f. UIC permit No. MI-117-2D-0002 for the Halliday #2 SWD well (Halliday #2 SWD Permit);

g. UIC permit No. MI-117-2D-0004 for the O.M. Hanson #1 SWD well (O.M. Hanson #1 SWD Permit);

- h. UIC permit No. MI-117-2D-0005 for the Anderson #1 SWD well (Anderson #1 SWD Permit);
- i. UIC permit No. MI-117-2D-0006 for the W.E. Robbins #2 SWD well (W.E. Robbins #2 SWD Permit);
- j. UIC permit No. MI-129-2D-0004 for the Mills Estate #1 well (Mills Estate #1 Permit);
- k. UIC permit No. MI-133-2D-0007 for the William Howe #1 SWD well (William Howe #1 SWD Permit); and
- l. UIC permit No. MI-011-2D-0006 for the Gust Abel #5 SWD well (Gust Abel #5 SWD Permit).

39. At all times relevant to this Complaint, Respondent was the permittee for each well identified in paragraph 31.

40. At all times relevant to this Complaint, Respondent operated each well identified in paragraph 31 under authority of the applicable permit identified in paragraph 38.

General Permit Compliance Requirements

41. Respondent is subject to the UIC program requirements set forth at 40 C.F.R. Parts 124, 144, 146, 147 (Subpart X – for the State of Michigan), and 148, that EPA promulgated pursuant to Section 1421 of SDWA, 42 U.S.C. § 300h.

42. For each of Respondent’s permits identified in paragraph 38, the following respective permit provisions have at all times been relevant to this Complaint provided that:

- 1) Respondent must comply with all conditions of the permit; and 2) any permit noncompliance constitutes a violation of SDWA and is grounds for enforcement action, permit termination, revocation and re-issuance or modification:

- a. Part I (E)(1) of the N.B. Bradley #5 SWD Permit;
- b. Part I (E)(1) of the Stanlison Flick #2 Permit;
- c. Part I (E)(1) of the Frank Cox #1 SWD Permit;
- d. Part I (E)(1) of the A. Bunning #2 Permit;
- e. Part I (E)(1) of the Henry Kornoelly #1 Permit;
- f. Part I (E)(1) of the Halliday #2 SWD Permit;
- g. Part I (E)(1) of the O. M. Hanson #1 SWD Permit;
- h. Part I (E)(1) of the Anderson #1 SWD Permit;
- i. Part I (E)(1) of the W.E. Robbins #2 SWD Permit;
- j. Part I (E)(1) of the Mills Estate #1 Permit;
- k. Part I (E)(1) of the William Howe #1 SWD Permit; and
- l. Section (E)(1) of the Gust Abel #5 SWD Permit.

V. VIOLATIONS

COUNT I

UNAUTHORIZED INJECTION

- 43. Paragraphs 1 to 42 of this CAFO are incorporated by reference.
- 44. Page 1 of the Stanlison Flick #2 SWD Permit provides that the injection allowed by the permit is for the disposal of salt water from production wells owned or operated by Respondent in the immediate area.

45. Part I Condition (E)(18) of the Stanlison Flick #2 SWD Permit states that “the permittee shall be restricted to the injection of oil field brines or those fluids used in the enhancement of oil and gas production, and further, no fluids other than those from sources noted in the administrative record for this permit and approved by the Director shall be injected.”

46. For purposes of the Stanlison Flick #2 SWD Permit, the Director is the Director of the Water Division, EPA Region 5, Chicago Illinois.

47. On or about the following dates, Respondent injected into the Stanlison Flick #2 SWD well gas well brine from the Zurvitmski (or "J. Zurvitmski #1") gas production well (Michigan Department of Environmental Quality No. 9699):

- a. February 6, 2013
- b. March 7, 2013
- c. June 11, 2013
- d. September 10, 2013
- e. November 26, 2013
- f. January 8, 2014
- g. March 4, 2014
- h. March 17, 2014
- i. August 6, 2014
- j. December 9, 2014
- k. February 10, 2015
- l. March 8, 2015
- m. May 6, 2015
- n. August 12, 2015
- o. October 20, 2015
- p. March 12, 2016

48. Respondent did not notify EPA of the addition of the Zurvitmski well as a source of injection fluid for the Stanlison Flick #2 SWD prior to the injections identified in paragraph 47.

49. The Zurvitmski well is owned and operated by Taylor C. Hankins.

50. The fluids identified in Paragraph 47 were not from production wells owned or operated by Respondent.

51. The fluids identified in Paragraph 47 were not from sources noted in the administrative record for the Stanlison Flick #2 SWD Permit and approved by the Director.

52. Respondent did not obtain approval by the Director for injection of the fluids identified in Paragraph 47 into the Stanlison Flick #2 SWD Well.

53. Respondent's injection of the fluids identified in Paragraph 47 into the Stanlison Flick #2 SWD Well violated 40 C.F.R. §§ 144.11 and 144.51(a).

54. Respondent's injection of the fluids identified in Paragraph 47 into the Stanlison Flick #2 SWD Well violated Part I Condition (E)(18) and Page 1 of the Stanlison Flick #2 SWD Permit and 40 C.F.R. § 144.51(a).

COUNT II

FAILURE TO MAKE REQUIRED NOTIFICATIONS

55. Paragraphs 1 to 54 of this CAFO are incorporated by reference as if fully set forth herein.

56. Part I Condition (E)(9)(a) of the Stanlison Flick #2 SWD Permit requires the Respondent to notify and obtain the EPA's approval at least 30 days prior to any planned physical alterations or additions to the permitted facility, or changes in the injection fluids.

57. Injection of each of the fluids identified in paragraph 47 constitutes a change in the injection fluid that was approved for disposal by EPA within the meaning of Part I Condition (E)(9)(a) of the Stanlison Flick #2 SWD Permit.

58. Respondent failed to notify EPA of, and obtain EPA's approval for, injection of the fluids identified in paragraph 47 at least 30 days prior to injecting those fluids into the Stanlison Flick #2 SWD.

59. Respondent's failure to notify EPA of, and obtain EPA's approval for, injection of the fluids identified in paragraph 47 at least 30 days prior to injecting those fluids into the Stanlison Flick #2 SWD violated Part I Condition (E)(9)(a) of the Stanlison Flick #2 SWD Permit and the UIC regulation at 40 C.F.R. 144.51(a).

COUNT III

FAILURE TO SUBMIT CHEMICAL COMPOSITION ANALYSES

60. Paragraphs 1 to 54 of this CAFO are incorporated by reference as if fully set forth herein.

61. Part I Condition (E)(9)(a) of the Stanlison Flick #2 SWD Permit requires the Respondent to submit an analysis of new injection fluids to EPA for approval within 10 days prior to injection into the Stanlison Flick #2 SWD Permit.

62. Respondent failed to submit an analysis of the fluids identified in paragraph 47 to EPA for approval within 10 days prior to injecting those fluids into the Stanlison Flick #2 SWD Well.

63. By failing to submit an analysis of the fluids identified in paragraph 47 to EPA for approval within 10 days prior to injecting those fluids into the Stanlison Flick #2 SWD Well, Respondent violated Part I Condition (E)(9)(a) and the UIC regulations at 40 C.F.R. § 144.51(a).

COUNT IV
FAILURE TO MAINTAIN RECORDS

64. Paragraphs 1 to 42 of this CAFO are incorporated by reference.

65. UIC regulations state that all permits are subject to the condition that the permittee must report monitoring results at the intervals specified in the permit. 40 C.F.R. §§ 144.51, 144.51(l)(4).

66. For each of Respondent's wells identified in paragraph 31, the following respective permit provisions have at all times relevant to this Complaint provided that the permittee shall monitor the wells at least weekly for the injection pressure, annulus pressure, flow rate, and cumulative volume:

- a. Part II (B)(2)(d) and Part III (A) of the N.B. Bradley #5 SWD Permit;
 - b. Part II (B)(2)(d) and Part III (A) of the Stanlinson Flick #2 Permit;
 - c. Part II (B)(2)(d) and Part III (A) of the Frank Cox #1 SWD Permit;
 - d. Part II (B)(2)(d) and Part III (A) of the A. Bunning #2 Permit;
 - e. Part II (B)(2)(d) and Part III (A) of the Henry Kornoelley #1 Permit;
 - f. Part II (B)(2)(d) and Part III (A) of the Halliday #2 SWD Permit;
 - g. Part II (B)(2)(d) and Part III (A) of the O. M. Hanson #1 SWD Permit;
 - h. Part II (B)(2)(d) and Part III (A) of the Anderson #1 SWD Permit;
 - i. Part II (B)(2)(d) and Part III (A) of the W.E. Robbins #2 SWD Permit;
 - j. Part II (B)(2)(d) and Part III (A) of the Mills Estate #1 Permit;
 - k. Part II (B)(2)(d) and Part III (A) of the William Howe #1 SWD Permit;
- and
- l. Section (G)(2)(d) and Attachment (E) of the Gust Abel #5 SWD Permit.

67. For each of Respondent's wells identified in paragraph 31, the following respective permit provisions have at all times relevant to this Complaint provided that the permittee shall retain records of all monitoring information and copies of records required by this permit for a period of at least three years from the date of the sample, measurement or report:

- a. Part I (E)(8)(a) of the N.B. Bradley #5 SWD Permit;
- b. Part I (E)(8)(a) of the Stanlinson Flick #2 Permit;
- c. Part I (E)(8)(a) of the Frank Cox #1 SWD Permit;
- d. Part I (E)(8)(a) of the A. Bunning #2 Permit;
- e. Part I (E)(8)(a) of the Henry Kornoelly #1 Permit;
- f. Part I (E)(8)(a) of the Halliday #2 SWD Permit;
- g. Part I (E)(8)(a) of the O. M. Hanson #1 SWD Permit;
- h. Part I (E)(8)(a) of the Anderson #1 SWD Permit;
- i. Part I (E)(8)(a) of the W.E. Robbins #2 SWD Permit;
- j. Part I (E)(8)(a) of the Mills Estate #1 Permit;
- k. Part I (E)(8)(a) of the William Howe #1 SWD Permit; and
- l. Section (E)(7)(a) of the Gust Abel #5 SWD Permit.

68. For each of Respondent's wells identified in paragraph 31, the following respective permit conditions require that the records which must be maintained for three years include: (1) the date, exact place, and the time of sampling or measurement; (2) the individuals(s) who performed the sampling or measurements; (3) a precise description of the both sampling methodology and the handling of samples; (4) the date(s) the analysis were

performed; (5) the individuals who performed the analysis; (6) the analytical techniques or methods used; and (7) the results of such analysis.

- a. Part I (E)(8)(c) of the N.B. Bradley #5 SWD Permit;
- b. Part I (E)(8)(c) of the Stanlinson Flick #2 Permit;
- c. Part I (E)(8)(c) of the Frank Cox #1 SWD Permit;
- d. Part I (E)(8)(c) of the A. Bunning #2 Permit;
- e. Part I (E)(8)(c) of the Henry Kornoelly #1 Permit;
- f. Part I (E)(8)(c) of the Halliday #2 SWD Permit;
- g. Part I (E)(8)(c) of the O. M. Hanson #1 SWD Permit;
- h. Part I (E)(8)(c) of the Anderson #1 SWD Permit;
- i. Part I (E)(8)(c) of the W.E. Robbins #2 SWD Permit;
- j. Part I (E)(8)(c) of the Mills Estate #1 Permit;
- k. Part I (E)(8)(c) of the William Howe #1 SWD Permit; and
- l. Section (E)(7)(c) of the Gust Abel #5 SWD Permit.

69. For each of the wells identified in paragraph 31, Respondent failed to maintain the acceptable records of the information described in paragraph 68 with respect to the weekly monitoring of the injection pressure, annulus pressure, flow rate, and cumulative volume.

70. By failing to maintain, for each of the wells identified in paragraph 31, acceptable records of the information described in paragraph 68 with respect to the weekly monitoring of the injection pressure, annulus pressure, flow rate, and cumulative volume, Respondent violated each of the permit provisions identified in paragraphs 67 and 68, and the UIC regulations at 40 C.F.R. § 144.51(a).

COUNT V

FAILURE TO SUBMIT QUARTERLY REPORTS OF ANNULUS LIQUID LOSS

71. Paragraphs 1 to 42 of this CAFO are incorporated by reference.

72. UIC regulations state that all permits are subject to the condition that the permittee must report monitoring results at the intervals specified in the permit. 40 C.F.R. §§ 144.51, 144.51(*I*)(4).

73. For each of the following of the wells identified in paragraphs 31, the following respective permit provisions have at all times relevant to this Complaint provided that the permittee shall monitor the wells at least quarterly for annulus liquid loss.

- a. Parts II (B)(2)(d) and III (A) of the Frank Cox #1 SWD Permit;
- b. Parts II (B)(2)(d) and III (A) of the Halliday #2 SWD Permit;
- c. Parts II (B)(2)(d) and III (A) of the O. M. Hanson #1 SWD Permit;
- d. Parts II (B)(2)(d) and III (A) of the W.E. Robbins #2 SWD Permit; and
- e. Parts II (B)(2)(d) and III (A) of the Mills Estate #1 Permit.

74. For each of the following of Respondent's wells identified in paragraphs 31, the following respective permit provisions have at all times relevant to this Complaint provided that the permittee shall submit quarterly reports of annulus liquid loss at the end of each quarter and be postmarked no later than the 10th day of the first month following the quarter:

- a. Part II (B)(3)(b) of the Frank Cox #1 SWD Permit;
- b. Part II (B)(3)(b) of the Halliday #2 SWD Permit;
- c. Part II (B)(3)(b) of the O. M. Hanson #1 SWD Permit;
- d. Part II (B)(3)(b) of the W.E. Robbins #2 SWD Permit; and
- e. Part II (B)(3)(b) of the Mills Estate #1 Permit.

75. Respondent failed to submit quarterly reports of annulus liquid loss for the following wells and quarters:

- a. 1st quarter 2018 for the Frank Cox #1 well;
- b. 2nd quarter 2018 for the Halliday #2 well;
- c. 2nd quarter 2018 for the O. M. Hanson #1 well;
- d. 1st quarter 2018 for the W.E. Robbins #2 well; and
- e. 3rd quarter 2018 for the Mills Estate #1 well.

76. From January 2014 through the third quarter of 2017, Respondent reported all annulus liquid loss measurements for the wells referenced in paragraph 31 as a preprinted statement “no annular fluid loss noted this month” on monthly reports submitted to EPA .

77. By failing to submit quarterly reports of annulus liquid loss, for each of the wells and quarters identified in paragraph 75, Respondent violated the respective permit provisions identified in paragraph 74, and the UIC regulations at 40 C.F.R. § 144.51(a).

COUNT VI

FAILURE TO HAVE PROPER SIGNATORIES ON DOCUMENTS SUBMITTED TO EPA

78. Paragraphs 1 to 42 of this CAFO are incorporated by reference.

79. For each of the following of Respondent’s wells identified in paragraph 31, the following respective permit provisions have at all times relevant to this Complaint provided that the reports submitted to EPA must be signed by a responsible corporate officer or duly authorized representative of such officer.

- a. Part I (E)(11) of the N.B. Bradley #5 SWD Permit;
- b. Part I (E)(11) of the Stanlinson Flick #2 Permit;
- c. Part I (E)(11) of the Frank Cox #1 SWD Permit;

- d. Part I (E)(11) of the A. Bunning #2 Permit;
- e. Part I (E)(11) of the Henry Kornoelly #1 Permit;
- f. Part I (E)(11) of the Halliday #2 SWD Permit;
- g. Part I (E)(11) of the O. M. Hanson #1 SWD Permit;
- h. Part I (E)(11) of the Anderson #1 SWD Permit;
- i. Part I (E)(11) of the W.E. Robbins #2 SWD Permit;
- j. Part I (E)(11) of the Mills Estate #1 Permit; and
- k. Part I (E)(11) of the William Howe #1 SWD Permit.

80. By letter to EPA dated April 19, 2016, Respondent identified its authorized corporate officials and designated representatives for purposes of Part I (E)(11) of the permits identified in paragraph 38.

81. Respondent submitted five 4th quarter 2017 annulus liquid loss reports signed by individuals other than those identified in Respondent's April 19, 2016 letter to EPA.

82. Respondent submitted 28 1st, 2nd or 3rd quarter 2018 annulus liquid loss reports signed by individuals other than those identified in Respondent's April 19, 2016 letter to EPA.

83. By submitting quarterly reports of annulus liquid loss without proper signatures as set forth above, Respondent violated each of the permit provisions identified in paragraph 79, and the UIC regulations at 40 C.F.R. § 144.51(a).

COUNT VII

GUST ABEL #5 WELL **FAILURE TO MAINTAIN POSITIVE ANNULUS PRESSURE**

84. Paragraphs 1 to 42 of this CAFO are incorporated by reference.

85. Section G (1)(iv) of the Gust Abel #5 SWD Permit requires that the permittee maintain positive annulus pressure on the Gust Abel #5 SWD well.

86. From October 2017 through June 2018, and January 2019 through March 2019, Respondent reported to EPA that the annulus pressure for the Gust Abel #5 SWD Well was zero pounds per square inch (psi).

87. By failing to maintain positive annulus pressure for the Gust Abel #5 SWD well, Respondent violated Section G (1)(iv) of the Gust Abel #5 SWD Permit, and the UIC regulations at 40 C.F.R. § 144.51(a).

COUNT VIII

GUST ABEL #5 WELL
FAILURE TO SUBMIT A GAUGE CALIBRATION CERTIFICATE

88. Paragraphs 1 to 42 of this CAFO are incorporated by reference.

89. Section G (2)(d) of the Gust Abel #5 SWD Permit requires that injection pressure, annulus pressure, flow rate and cumulative volume be recorded at least weekly for the Gust Abel #5 SWD well.

90. Section G (2)(d) of the Gust Abel #5 SWD Permit requires that all gauges used in required monitoring shall be calibrated in accordance with Section (E)(21)(c) of the Gust Abel #5 SWD Permit.

91. Section E (21)(c) of the Gust Abel #5 SWD Permit sets standards for gauge calibration and requires permittee to annually submit a gauge calibration certificate to EPA.

92. As of May 17, 2019, Respondent has not submitted a gauge calibration certificate to EPA in accordance with Section (E)(21)(c) of the Gust Abel #5 SWD Permit for the gauge(s) Respondent used to conduct the monitoring required by the Gust Abel #5 SWD Permit during 2017, 2018, and 2019.

93. Because Respondent has not submitted a gauge calibration certificate to EPA for a gauge or gauges used to conduct monitoring required by the Gust Abel #5 SWD Permit for

2017, 2018, and 2019, Respondent violated Section (E)(21)(c) of the Gust Abel #5 SWD Permit and the UIC regulations at 40 C.F.R. § 144.51(a).

COUNT IX

GUST ABEL #5 WELL FAILURE TO REPORT

94. Paragraphs 1 to 42 of this CAFO are incorporated by reference.

95. Section (G)(3)(a) and Attachment (E) of the Gust Abel #5 SWD Permit requires permittee to submit monthly monitoring reports to EPA, and monthly reports shall include the “weekly measurements” of injection pressure, annulus pressure, flow rate, and cumulative volume.

96. Respondent failed to submit the monthly monitoring reports required by Section (G) (3)(a) and Attachment (E) of the Gust Abel #5 SWD Permit to EPA for the months of July 2018 through December 2018.

97. Section G (3)(a) of the Gust Abel #5 SWD Permit requires that monthly monitoring reports shall submitted on a form postmarked not later than the 10th day of the month following the sampling period.

98. Respondent submitted its monthly report for April 2018 on May 22, 2018.

99. Respondent submitted its monthly report for May 2018 on July 6, 2018.

100. By not submitting monthly monitoring reports or by submitting those reports after the 10 day of the following month, Respondent violated Section G (3)(a) and Attachment (E) of the Gust Abel #5 SWD Permit, and the UIC regulations at 40 C.F.R. § 144.51(a).

COUNT X

FAILURE TO MONITOR WELL ANNULUS PRESSURE

101. Paragraphs 1 to 42 of this CAFO are incorporated by reference.

102. For each of Respondent's wells identified in paragraph 31, the following respective permit provisions have at all times relevant to this Complaint provided that the permittee shall monitor the wells at least weekly for the injection pressure, annulus pressure, flow rate, and cumulative volume:

- a. Part II (B)(2)(d) and Part III (A) of the N.B. Bradley #5 SWD Permit;
 - b. Part II (B)(2)(d) and Part III (A) of the Stanlinson Flick #2 Permit;
 - c. Part II (B)(2)(d) and Part III (A) of the Frank Cox #1 SWD Permit;
 - d. Part II (B)(2)(d) and Part III (A) of the A. Bunning #2 Permit;
 - e. Part II (B)(2)(d) and Part III (A) of the Henry Kornoelley #1 Permit;
 - f. Part II (B)(2)(d) and Part III (A) of the Halliday #2 SWD Permit;
 - g. Part II (B)(2)(d) and Part III (A) of the O. M. Hanson #1 SWD Permit;
 - h. Part II (B)(2)(d) and Part III (A) of the Anderson #1 SWD Permit;
 - i. Part II (B)(2)(d) and Part III (A) of the W.E. Robbins #2 SWD Permit;
 - j. Part II (B)(2)(d) and Part III (A) of the Mills Estate #1 Permit;
 - k. Part II (B)(2)(d) and Part III (A) of the William Howe #1 SWD Permit;
- and
- l. Section (G)(2)(d) and Attachment (E) of the Gust Abel #5 SWD Permit.

103. For each of Respondent's wells identified in paragraph 31, the following respective permit provisions have at all times relevant to this Complaint provided that the permittee submit monthly monitoring reports to EPA, and monthly reports shall include the

“weekly measurements” of injection pressure, annulus pressure, flow rate, and cumulative volume:

- a. Part II (B)(3)(a) and Part III (A) of the N.B. Bradley #5 SWD Permit;
 - b. Part II (B)(3)(a) and Part III (A) of the Stanlinson Flick #2 Permit;
 - c. Part II (B)(3)(a) and Part III (A) of the Frank Cox #1 SWD Permit;
 - d. Part II (B)(3)(a) and Part III (A) of the A. Bunning #2 Permit;
 - e. Part II (B)(3)(a) and Part III (A) of the Henry Kornoelley #1 Permit;
 - f. Part II (B)(3)(a) and Part III (A) of the Halliday #2 SWD Permit;
 - g. Part II (B)(3)(a) and Part III (A) of the O. M. Hanson #1 SWD Permit;
 - h. Part II (B)(3)(a) and Part III (A) of the Anderson #1 SWD Permit;
 - i. Part II (B)(3)(a) and Part III (A) of the W.E. Robbins #2 SWD Permit;
 - j. Part II (B)(3)(a) and Part III (A) of the Mills Estate #1 Permit;
 - k. Part II (B)(3)(a) and Part III (A) of the William Howe #1 SWD Permit;
- and
- l. Section (G)(3)(a) and Attachment (E) of the Gust Abel #5 SWD Permit.

104. For each of Respondent’s wells identified in paragraph 31, the following respective permit provisions have at all times relevant to this Complaint required samples and measurements, taken for the purpose of monitoring, be representative of the monitoring activity:

- a. Part II (B)(2)(a) of the N.B. Bradley #5 SWD Permit;
- b. Part II (B)(2)(a) of the Stanlinson Flick #2 Permit;
- c. Part II (B)(2)(a) of the Frank Cox #1 SWD Permit;
- d. Part II (B)(2)(a) of the A. Bunning #2 Permit;
- e. Part II (B)(2)(a) of the Henry Kornoelley #1 Permit;

- f. Part II (B)(2)(a) of the Halliday #2 SWD Permit;
- g. Part II (B)(2)(a) of the O. M. Hanson #1 SWD Permit;
- h. Part II (B)(2)(a) of the Anderson #1 SWD Permit;
- i. Part II (B)(2)(a) of the W.E. Robbins #2 SWD Permit;
- j. Part II (B)(2)(a) of the Mills Estate #1 Permit;
- k. Part II (B)(2)(a) of the William Howe #1 SWD Permit; and
- l. Section (G)(2)(a) of the Gust Abel #5 SWD Permit.

105. Prior to measuring annulus pressure of the wells listed in paragraph 31, Respondent bled the annulus pressure off those wells and then reported 0 psig for the annulus pressure on numerous monthly reports submitted to EPA since 2014.

106. Respondent failed to measure and record annulus pressures with calibrated gauges in a manner representative of annulus pressure, and report weekly annulus pressure measurements of wells identified in paragraph 31, as required in the permit provisions referenced in paragraphs 102 – 104 above, since 2014 .

107. By failing to measure and record the annulus pressure of wells identified in paragraph 31, as required in the permit provisions referenced in paragraphs 102 – 104 above, Respondent violated the respective provisions in the permits identified in paragraph 38 and the UIC regulations at 40 C.F.R. § 144.51(a).

COUNT XI

FAILURE TO MONITOR WELL CUMULATIVE VOLUME AND FLOW RATE

108. Paragraphs 1 to 107 of this CAFO are incorporated by reference.

109. Since 2014, Respondent estimated but did not measure the cumulative volume and flow rate of fluid injected into the wells listed in paragraph 31, and reported estimates on monthly reports submitted to EPA.

110. Respondent failed to measure and record cumulative volume and flow rate and report weekly measurements of fluid injected into the wells identified in paragraph 31, as required in the permit provisions referenced in paragraphs 102 – 104 above, since 2014.

111. By failing to measure and report the weekly volume and flow rate of wells identified in paragraph 31, as set forth in paragraphs 102 – 104 above, Respondent violated the permits in paragraph 38 and the UIC regulations at 40 C.F.R. § 144.51(a).

VI. CONSENT AGREEMENT

Based upon the foregoing stipulations, and having taken into account the requirements of Section 1423(c)(4) of SDWA, 42 U.S.C. § 300h-2(c)(4), Complainant and Respondent agree as follows:

CIVIL PENALTY

112. Under Section 1423(c)(2) of SDWA, 42 U.S.C. § 300h-2(c)(2), and 40 C.F.R. Part 19, EPA may assess a civil penalty of not more than \$7,500 for each day of violation, up to a maximum administrative penalty of \$187,500 for SDWA violations occurring after December 6, 2013 through November 2, 2015, and civil penalties of up to \$11,463 for each day of violation, up to a maximum administrative penalty of \$286,586 for SDWA violations occurring after November 2, 2015.

113. Section 1423(c)(4)(B) of SDWA, 42 U.S.C. 300h-2(c)(4)(B), requires the Administrator to take into account the seriousness of the violation, the economic benefit (if any) resulting from the violation, any history of such violations, any good faith efforts to comply with the applicable requirements, the economic impact of the penalty on the violator, and such other matters as justice may require, when assessing a civil penalty for violations of SDWA.

114. Based upon the facts alleged in this CAFO, the factors listed in Section 1423(c)(4)(B) of SDWA, 42 U.S.C. 300h-2(c)(4)(B), EPA's UIC Program Judicial and

Administrative Order Settlement Penalty Policy (September 1993) (EPA's UIC Penalty Policy), and Respondent's good faith and cooperation in resolving this matter, EPA has determined that an appropriate civil penalty to settle this action is \$100,000.

115. Respondent must pay the \$100,000 civil penalty in four installments with interest as follows:

Installment	Due By	Payment	Principal	Interest (4%)
Payment #1	Within 90 days of effective date of CAFO	\$ 25,250.00	\$ 25,000.00	\$ 250.00
Payment #2	Within 180 days of effective date of CAFO	\$ 25,187.50	\$ 25,000.00	\$ 187.50
Payment #3	Within 270 days of effective Date of CAFO	\$ 25,150.00	\$ 25,000.00	\$ 150.00
Payment #4	Within 360 days of effective Date of CAFO	\$ 25,062.50	\$ 25,000.00	\$ 62.50
TOTAL PAYMENTS:		\$100,625.00	\$ 100,000.00	\$ 625.00

116. Respondent must pay the installments by sending cashier's checks, payable to "Treasurer, United States of America," to:

U.S. EPA
 Fines and Penalties
 Cincinnati Finance Center
 P.O. Box 979077
 St. Louis, MO 63197-9000

The checks must state in the Matter of Lease Management, Inc, and the docket number of this CAFO.

117. A transmittal letter stating Respondent's name, the case title and the case docket number must accompany the payments. Respondent must send a copy of the checks and transmittal letter to:

Regional Hearing Clerk (ECA-18J)
U.S. EPA, Region 5
77 West Jackson Blvd.
Chicago, IL 60604

Timothy Elkins
Enforcement & Compliance Assurance (WC-15J)
U.S. EPA, Region 5
77 West Jackson Blvd.
Chicago, IL 60604

Charles Mikalian
Office of Regional Counsel
U.S. EPA, Region 5
77 West Jackson Blvd.
Chicago, IL 60604

118. This civil penalty is not deductible for federal tax purposes.

119. If Respondent does not pay an installment payment as set forth in paragraph 115, above, or timely pay any stipulated penalties due under paragraph 131, below, the entire unpaid balance of the civil and stipulated penalties and any amount required by paragraph 120, below, shall become due and owing upon written notice by U.S. EPA to Respondent of the delinquency. If Respondent does not pay timely the civil penalty, EPA may request the United States Department of Justice bring an action to collect any unpaid portion of the penalty with interest, handling charges, nonpayment penalties, and the United States' enforcement expenses for the collection action under Section 1423(c)(7) of SDWA, 42 U.S.C. § 300h-2(c)(7).

120. Pursuant to 31 U.S.C. § 3717, 40 C.F.R. § 13.11, and 31 C.F.R. § 901.9, Respondent must pay the following on any amount overdue under this CAFO: interest accrued from the date payment was due at a rate established by the Secretary of the Treasury; the United States' enforcement expenses, including but not limited to attorneys' fees and costs incurred by the United States for collection proceedings; a \$15 handling charge each month that any portion

of the penalty is more than 30 days past due; and 6% per year penalty on any principal amount 90 days past due.

COMPLIANCE REQUIREMENTS

121. Respondent certifies that, to the best of its knowledge after reasonable inquiry, it is in compliance with the requirements at Section 1423 of SDWA, 42 U.S.C. § 300h-2, 40 C.F.R. Part 144, and its Permits applicable to the wells addressed in this CAFO.

122. As provided by Section 1423(c)(2) of SDWA, 42 U.S.C. § 300h-2(c)(2), Respondent shall, from the effective date of this CAFO:

- a. Not inject into any disposal well fluids that have not been approved by EPA for injection into that well.
- b. Immediately sample, analyze, record and retain all monitoring information in accordance with the Permits and 40 C.F.R. § 144.51(j), including but not limited to:
 - i. record the date, exact place, and time of sample or measurements, the individual(s) who performed the sampling or measurements, the methods used, the results, and all calibration records from the date of the sample, measurement or report;
 - ii. use calibrated gauges for all monitoring required by the Permits;
 - iii. weekly measure the annulus pressure of the Respondent's injection wells taken in a manner representative of the monitoring activity, without first bleeding of annulus pressure;
 - iv. use calibrated meters or equivalent equipment capable of quantified measurement to conduct weekly measurements of cumulative volume and flow rate of fluid injected into the Respondent's injection wells, submit those

measurements on Respondent's monthly monitoring reports submitted to EPA, and cease submitting estimates of cumulative volume and flow rate on those monthly reports;

v. use calibrated meters or equivalent equipment capable of quantified measurement to completely fill the annulus between the tubing and long string casing in the Respondent's wells, and report the volume additions (or losses) to EPA on a quarterly basis.

c. Within 30 days of the effective date of this CAFO, establish and implement a record keeping system capable of properly preserving and retaining records required by the Permits, including all calibration and maintenance records and copies of all records from the date of the sample, measurement or report and submit a written explanation of that system to EPA along with copies of any documentation memorializing that system;

d. Beginning with the first monthly report submitted after the effective date of this CAFO, submit to EPA copies of all records of monitoring information with its monthly reports, for 24 months from the effective date of this CAFO. Reports and records of all monitoring information shall be postmarked no later than the 10th day of the month following the reporting period;

123. Within 90 days of the effective date of this CAFO, Respondent will submit to EPA and implement a standard operating procedure ("SOP") for use in providing adequate direction to all staff or contractors in monitoring, recording, and reporting practices required by the Permits. The SOP must address procedures for measuring injection pressure, annulus pressure, flow rate and cumulative volume with calibrated gauges and flow meters or totalizers. The SOP must also address how all monitoring information will be maintained in accordance

with the Permits, 40 C.F.R. § 144.51(j) and the recordkeeping system discussed in subparagraph 121(d) above.

124. In accordance with Part I (E)(11) and Section (E)(15) of the permits referenced in paragraph 38, all reports, notifications, documentation, and submissions required by this CAFO shall be signed by a duly authorized representative of Respondent and shall include the following statement consistent with 40 C.F.R. § 144.32(d):

“I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.”

125. Respondent may not withhold information based on a claim that it is confidential. However, pursuant to 40 C.F.R. Part 2, Subpart B, Respondent may assert a claim of business confidentiality regarding any portion of the information submitted in response to this CAFO, as provided in 40 C.F.R. § 2.302(a)(2). The manner of asserting such claims is specified in 40 C.F.R. § 2.203(b). The name and address of any permit applicant or permittee and information which deals with the existence, absence, or level or contaminants in drinking water is not entitled to confidential treatment. 40 C.F.R. § 144.5. Information subject to a business confidentiality claim is available to the public only to the extent, and by means of the procedures, set forth in 40 C.F.R. Part 2, Subpart B. If Respondent does not assert a claim of business confidentiality when it submits the information, EPA may make the information available to the public without further notice.

126. If Respondent finds at any time after submitting information that any portion of that information is false or incorrect, the signatory must notify EPA immediately. Knowingly

submitting false information to EPA in response to this CAFO may subject Respondent to criminal prosecution under Section 1423(b) of SDWA, 42 U.S.C. § 300h-2(b), as well as 18 U.S.C. §§ 1001 and 1341.

127. Submissions required by this CAFO shall be deemed submitted on the date they are sent electronically or on the date postmarked if sent by U.S. mail.

128. Upon EPA approval, submissions by Respondent are incorporated and enforceable as part of this CAFO. In case of inconsistency between any submission by Respondent and this CAFO and its subsequent modifications, this CAFO and its subsequent modifications shall control.

129. EPA may use any information submitted in accordance with this CAFO in support of an administrative, civil, or criminal action against Respondent.

130. If Respondent fails to comply with the requirements set forth in paragraph 122 and 123, EPA may request the United States Department of Justice bring an action to seek penalties for violating this CAFO.

STIPULATED PENALTIES

131. If Respondent violates any requirement of the requirements of paragraphs 122 and 123, Respondent must pay stipulated penalties to the United States in the following amounts per day for each day of violation of each requirement of paragraph 122 and/or 123:

<u>Penalty per violation per day</u>	<u>Period of violation</u>
\$500	1 st through 14 th day
\$1000	15 through 30 th day
\$1500	31 st day and beyond

132. U.S. EPA's determinations of whether Respondent violated paragraphs 122 and/or 123 will bind Respondent, unless the delay in complying with the subject requirement is determined to be caused by a *force majeure* event in accordance with paragraph 133.

133. Force Majeure

If an event occurs which causes or may cause a delay in complying with the requirements of paragraphs 122 and 123:

- a. Respondent must notify U.S. EPA in writing within ten days after learning of an event which caused or may cause a delay in completing the subject requirement. The notice must describe the anticipated length of the delay, its cause(s), Respondent's past, current and proposed actions to prevent or minimize the delay, and a schedule to carry out those actions. Respondent must take all reasonable actions to avoid or minimize any delay. If Respondent fails to notify U.S. EPA according to this paragraph, Respondent will not receive an extension of time to complete the subject requirement.
- b. If the parties agree that circumstances beyond the control of Respondent caused or may cause a delay in completing the requirement, the parties will stipulate to an extension of time no longer than the period of delay.
- c. If U.S. EPA does not agree that circumstances beyond the control of Respondent caused or may cause a delay in completing the subject requirement, U.S. EPA will notify Respondent in writing of its decision and any delay in completing the requirement will not be excused.
- d. Respondent has the burden of proving that circumstances beyond its control caused or may cause a delay in completing the subject requirement. Increased costs for completing the subject requirement will not be a basis for an extension of time under subparagraph b, above.

GENERAL PROVISIONS

134. Consistent with the "Standing Order Authorizing E-Mail Service of Order and Other Documents Issued by the Regional Administrator or Regional Judicial Officer Under the Consolidated Rules," dated March 27, 2015, and 40 C.F.R. § 22.5, the parties consent to service of this CAFO by e-mail at the following valid e-mail addresses: mikalian.charles@epa.gov (for

Complainant), and dstruble@leaseman.biz (for Respondent). The parties waive their right to service by the methods specified in 40 C.F.R. § 22.6.

135. Respondent's full compliance with this CAFO shall only resolve Respondent's liability for federal civil penalties for the violations alleged in this CAFO. Violation of this CAFO shall be deemed a violation of SDWA for purposes of Section 1423(b) of SDWA, 42 U.S.C. § 300h-2(b).

136. This CAFO does not affect the right of U.S. EPA or the United States to pursue appropriate injunctive or other equitable relief or criminal sanctions for any violations of law.

137. This CAFO does not affect Respondent's responsibility to comply with SDWA and other applicable federal, state, local laws or permits.

138. This CAFO constitutes a "previous violation" as that term is used in EPA's UIC Program Judicial and Administrative Order Settlement Penalty Policy and to determine Respondent's "history of such violations" under Section 1423(c)(4)(B) of SDWA, 42 U.S.C. § 300h-2(c)(4)(B).

139. The terms of this CAFO bind Respondent and its successors and assigns.

140. Each person signing this CAFO certifies that he or she has the authority to sign for the party whom he or she represents and to bind that party to the terms of this CAFO.

141. Each party agrees to bear its own costs and attorney's fees in this action.

142. This CAFO constitutes the entire agreement between the parties.

143. The information required to be submitted pursuant to this CAFO is not subject to the approval requirements of the Paperwork Reduction Act of 1995, 44 U.S.C. § 3501 et seq.

144. The Consolidated Rules at 40 C.F.R. § 22.45 require Complainant to publish notice to the public no less than 40 days before the issuance of an order assessing a civil penalty. The parties acknowledge and agree that final approval by EPA of this CAFO is subject to 40 C.F.R. § 22.45(c)(4) which sets forth requirements under which a person not a party to this proceeding may petition to set aside a consent agreement and final order on the basis that material evidence was not considered.


145. In accordance with SDWA, this CAFO shall be effective 30 days after the date this CAFO has been approved and issued by the Regional Judicial Officer and is filed with the Regional Hearing Clerk.

Lease Management, Inc., Respondent


Rudolph Kler
Lease Management, Inc.

Dated: 7-25-2019

United States Environmental Protection Agency, Complainant

for 
Michael D. Harris
Acting Division Director
Enforcement & Compliance Assurance Division
U.S. EPA, Region 5 (WC-15J)
77 West Jackson Boulevard
Chicago, Illinois 60604-3590

Dated: 7/31/19

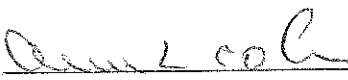
**Consent Agreement and Final Order
In the Matter of Lease Management, Inc.**

Docket No. SDWA-05-2019-0004



FINAL ORDER

This Consent Agreement and Final Order, as agreed to by the parties, shall become effective immediately upon filing with the Regional Hearing Clerk. This Final Order concludes this proceeding pursuant to 40 C.F.R. §§ 22.18 and 22.31. IT IS SO ORDERED.

By: 
Ann L. Coyle
Regional Judicial Officer
U.S. Environmental Protection Agency
Region 5

Date: 9/26/19

Consent Agreement and Final Order
In the matter of: Lease Management, Inc.
Docket Number: SDWA-05-2019-0004

CERTIFICATE OF SERVICE

I certify that I served a true and correct copy of the foregoing **Consent Agreement and Final Order**, docket number SDWA-05-2019-0004, which was filed on September 30, 2019, in the following manner to the following E-mail addressees:

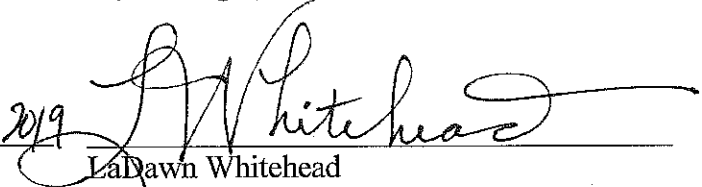
Copy by E-mail to
Attorney for Complainant: Charles Mikalian
mikalian.charles@epa.gov

Copy by E-mail to
Respondent: Doug Struble
dstruble@leaseman.biz

Copy by E-mail to
Attorney for Respondent: Gina A. Bozzer
gaboizzer@krlawtc.com

Copy by E-mail to
Regional Judicial Officer: Ann Coyle
coyle.ann@epa.gov

Dated:

September 30, 2019

Dawn Whitehead
Regional Hearing Clerk
U.S. Environmental Protection Agency, Region 5