



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

JUL 10 2013

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Rocky Roberts
Senior Vice President of Appalachian Operations
Triad Hunter, LLC
125 Putnam Street
Marietta, Ohio 45750

Re: Triad Hunter, LLC
Consent Agreement and Final Order, Docket Number: CWA-04-2013-5130(b)

Enclosed is a copy of the fully executed Consent Agreement and Final Order (CA/FO) as filed with the Regional Hearing Clerk (RHC) in the above referenced matter. The CA/FO was effective upon filing with the RHC. Payment of the civil penalty of twenty-one thousand dollars (\$21,000) is due within thirty (30) calendar days after the effective date.

As a reminder, copies of all payments should be submitted to both of the following individuals:

Patricia Bullock
Regional Hearing Clerk
U.S. EPA, Region 4
Sam Nunn Atlanta Federal Center
61 Forsyth Street, SW
Atlanta, Georgia 30303-8960

And to:

César A. Zapata
Chief, RCRA & OPA Enforcement and Compliance Branch
RCRA Division
U.S. EPA - Region 4
61 Forsyth Street, S.W.
Atlanta, Georgia 30303-8960

Also enclosed is a copy of a document titled "Notice of Securities and Exchange Commission Registrants' Duty to Disclose Environmental Legal Proceedings." This document puts Triad Hunter LLC on notice of its potential duty to disclose to the Securities and Exchange Commission any environmental actions taken by the EPA.

Naaha Dixit

Naaha Dixit
Associate Regional Counsel
Office of Environmental Accountability

Enclosures

Stipulations

The parties, in their own capacity or by their attorneys or other authorized representatives, hereby stipulate:

1. Respondent, Triad Hunter, LLC, is a limited liability company based in Marietta, Ohio and incorporated in Delaware. Respondent is a “person” within the meaning of Section 311(a)(7) of the CWA, 33 U.S.C. § 1321(a)(7).

2. The Respondent is the “owner” and “operator” (as defined in Section 311(a)(6) of the CWA, 33 U.S.C. § 1321(a)(6)) of an oil wellhead (facility), which is an “onshore facility” (as defined in Section 311(a)(10) of the CWA, 33 U.S.C. § 1321(a)(10)).

3. The facility is known as the Lucy Cundiff #21 wellhead and is located in Beattyville, Kentucky, near the North Fork of the Kentucky River, a confluence of the Kentucky River.

4. The North Fork of the Kentucky River 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 is therefore subject to the jurisdiction of Section 311 of the CWA, 33 U.S.C. § 1321.

5. Section 311(b)(3) of the CWA, 33 U.S.C. § 1321(b)(3), prohibits the discharge of oil into or upon the navigable waters of the United States or adjoining shorelines in such quantities that have been determined may be harmful to the public health or welfare or environment of the United States.

6. Pursuant to Section 311(b)(4) of the CWA, 33 U.S.C. § 1321(b)(4), the determination of quantities of oil that may be harmful and thereby prohibited under Section 311(b)(3), 33 U.S.C. § 1321(b)(3), is defined at 40 C.F.R. § 110.3 to include discharges of oil that (1) violate applicable water quality standards or (2) cause a film or a sheen upon or discoloration of the surface of the water or adjoining shorelines or cause a sludge or emulsion to be deposited beneath the surface of the water or upon the adjoining shorelines.

Allegations

Complainant alleges, and Respondent neither admits nor denies, that:

7. On or about July 21, 2011, Respondent discharged approximately 28 barrels of a mixture of brine and oil, which is considered oil as defined in Section 311(a)(1) of the CWA, 33 U.S.C. § 1321(a)(1), from its facility into or upon the North Fork of the Kentucky River and/or its adjoining shorelines.

8. Respondent's July 21, 2011, discharge of oil from its facility caused a sheen upon or discoloration of the surface of the North Fork of the Kentucky River and/or its adjoining shoreline, and therefore, was in a quantity that has been determined may be harmful under 40 C.F.R. § 110.3, in violation of Section 311(b)(3) of the CWA, 33 U.S.C. § 1321(b)(3).

Waiver of Rights

9. Solely for the purpose of this Consent Agreement, Respondent waives the right to contest the allegations contained herein, to a hearing under Section 311(b)(6)(B)(ii) of the CWA, 33 U.S.C. § 1321(b)(6)(B)(ii), to appeal any Final Order in this matter under Section 311(b)(6)(G)(ii) of the CWA, 33 U.S.C. § 1321(b)(6)(G)(ii), and consents to the issuance of a Final Order without further adjudication.

10. Respondent waives any right it may have pursuant to 40 C.F.R. § 22.8 to be present during any discussions with, or to be served with and reply to, any memorandum or communication addressed to EPA officials where the purpose of such discussion, memorandum, or communication is to persuade such official to accept and issue this CA/FO.

Penalty

11. Respondent consents to the assessment of a civil penalty of TWENTY ONE THOUSAND DOLLARS (\$21,000).

Payment Terms

Based on the foregoing, the parties, in their own capacity or by their attorneys or authorized representatives, hereby agree that:

12. No later than 30 days after the effective date of the Final Order, the Respondent shall pay the amount of TWENTY ONE THOUSAND DOLLARS (\$21,000) by means of a corporate/cashier's or certified check, by electronic funds transfer (EFT), or on-line. If paying by check, Respondent shall submit a corporate/cashier's or certified check, payable to the "Environmental Protection Agency." The check shall bear the notation "OSLTF – 311" and Respondent shall reference the title and docket number of this case on the face of the check.

If the Respondent sends payment by the U.S. Postal Service, the payment shall be sent to:

U.S. Environmental Protection Agency
Fines and Penalties
Cincinnati Finance Center
Post Office Box 979077
St. Louis, Missouri 63197-9000

If the Respondent sends payment by an overnight commercial delivery service such as DHL, FedEx, or UPS, the payment shall be sent to:

U.S. Bank
Government Lockbox 979077
U.S. EPA Fines & Penalties
1005 Convention Plaza
SL-MO-C2-GL
St. Louis, Missouri 63101
(314) 418-1028

If the Respondent sends payment by wire transfer, the wire transfer should be directed to the Federal Reserve Bank of New York:

Federal Reserve Bank of New York
ABA = 021030004
Account = 68010727
SWIFT address = FRNYUS33
33 Liberty Street
New York, New York 10045

The Field Tag 4200 of the Fedwire message should read “D 68010727 Environmental Protection Agency.”

Respondent may also elect the On-Line Payment Option, available through the Department of Treasury. This payment option can be accessed at www.pay.gov. Enter sfo 1.1 in the search field and then open the form and complete required fields.

13. Respondent shall submit copies of each check (or, in the case of a wire transfer or on-line payment, a copy of the wire transfer or on-line confirmation) to the following people:

Patricia Bullock
Regional Hearing Clerk
U.S. EPA, Region 4
Atlanta Federal Center
61 Forsyth Street, SW
Atlanta, Georgia 30303-8960

and to:

César A. Zapata
Chief, RCRA and OPA Enforcement and Compliance Branch
RCRA Division
U.S. EPA, Region 4
Atlanta Federal Center
61 Forsyth Street, SW
Atlanta, Georgia 30303-8960

14. Penalties paid pursuant to this CA/FO are not deductible for federal purposes under 26 U.S.C. § 162(f).

15. Respondent’s failure to pay the penalty assessed by the Final Order in full by its due date may subject Respondent to a civil action to collect the assessed penalty, plus interest, attorney's fees, costs and an additional quarterly nonpayment penalty pursuant to Section 311(b)(6)(H) of the CWA, 33 U.S.C. § 1321(b)(6)(H). In any such collection action, the validity, amount and appropriateness of the penalty agreed to herein shall not be subject to review.

General Provisions

16. Pursuant to Section 311(b)(6)(C) of the CWA, 33 U.S.C. § 1321(b)(6)(C), and 40 C.F.R. § 22.45, Complainant will provide public notice of and reasonable opportunity to comment on this Consent Agreement and proposed Final Order.

17. Complainant reserves the right, pursuant to 40 C.F.R. § 22.45(c)(4)(iii), to withdraw from this Consent Agreement and proposed Final Order within fifteen (15) calendar days of receipt of a commenter's petition requesting, pursuant to 40 C.F.R. § 22.45(c)(4)(ii), that the Regional Administrator set aside the Consent Agreement and proposed Final Order on the basis that material evidence was not considered.

18. The Final Order shall be binding upon Respondent and Respondent's officers, directors, agents, and successors or assigns.

19. The Final Order does not constitute a waiver, suspension or modification of the requirements of Section 311 of the CWA, 33 U.S.C. § 1321, or any regulations promulgated thereunder, and does not affect the right of the Administrator or the United States to pursue any applicable injunctive or other equitable relief or criminal sanctions for any violation of law.

20. Compliance with this CA/FO resolves Respondent's liability for federal civil penalties for the violations and facts stipulated to and alleged herein.

21. The undersigned representative of Respondent hereby certifies that he or she is fully authorized to enter into and execute this Consent Agreement and to legally bind Respondent to the terms and conditions of this Consent Agreement and the attached Final Order.

22. A copy of any documents that Respondent files in this action shall be sent to the following attorney who represents the EPA in this matter and who is authorized to receive service for EPA in the proceeding:

Naeha Dixit
Assistant Regional Counsel
Office of Environmental Accountability
U.S. EPA - Region 4
Atlanta Federal Center
61 Forsyth Street, SW
Atlanta, Georgia 30303-8960
(404) 562-9441
dixit.naeha@epa.gov

23. A copy of any documents that Complainant files in this action shall be sent to the following individuals who represent the Respondent in this matter and who are to receive service for the Respondent in this proceeding:

Rocky Roberts
Senior Vice President of Appalachian Operations
Triad Hunter, LLC
125 Putnam Street
Marietta, Ohio 45750
(740) 760-0556
rroberts@triadhunter.com

Paul M. Johnston
Senior Vice President and General Counsel
Triad Hunter, LLC
c/o Magnum Hunter Resources Corporation
777 Post Oak Blvd., Suite 650
Houston, Texas 77056
(832) 203-7023
pjohnston@magnumhunterresources.com

[CONTINUED ONTO THE NEXT PAGE]

Effective Date

24. This CA/FO is effective when the Final Order is filed with the Regional Hearing Clerk.

In the matter of Triad Hunter, LLC, Docket No. CWA-04-2013-5130(b):

CONSENTED AND AGREED TO:

TRIAD HUNTER, LLC

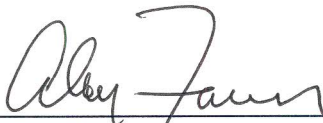
Date: 04-09-2013



Richard S. Farrell
Senior Vice President of Business Development/Land

U.S. ENVIRONMENTAL PROTECTION AGENCY

Date: 4/11/2013



G. Alan Farmer
Director
RCRA Division

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4**


IN THE MATTER OF)	
)	CWA SECTION 311 CLASS II
Triad Hunter, LLC)	CONSENT AGREEMENT AND
125 Putnam Street)	FINAL ORDER
Marietta, Ohio 45750)	UNDER 40 C.F.R. § 22.13(b)
)	
Respondent)	Docket No. CWA-04-2013-5130(b)
_____)	

FINAL ORDER

Pursuant to Section 311(b)(6) of the Clean Water Act, 33 U.S.C. § 1321(b)(6), and the delegated authority of the undersigned, and in accordance with the *Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits*, codified at 40 C.F.R. Part 22, the foregoing Consent Agreement is hereby approved and incorporated by reference into this Final Order, and the Stipulations by the parties and Allegations by the Complainant are adopted as Findings in this Final Order.

Triad Hunter, LLC the Respondent, is ordered to comply with the terms of the Consent Agreement, Docket No. CWA-04-2013-5130(b).

Date: 7/2/13

Signature: 
A. Stanley Meiburg
Acting Regional Administrator

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing Consent Agreement and Final Order, in the matter of Triad Hunter, LLC, Docket No. CWA-04-2013-5130(b), on the parties listed below in the manner indicated:

Naeha Dixit
Assistant Regional Counsel
Office of Environmental Accountability
U.S. Environmental Protection Agency, Region 4
61 Forsyth Street SW
Atlanta, Georgia 30303

(Via EPA's Electronic Mail)

Quantindra Smith
RCRA and OPA Enforcement and Compliance Branch
U.S. Environmental Protection Agency, Region 4
61 Forsyth Street SW
Atlanta, Georgia 30303

(Via EPA's Electronic Mail)

Héctor M. Danois
RCRA and OPA Enforcement and Compliance Branch
U.S. Environmental Protection Agency, Region 4
61 Forsyth Street SW
Atlanta, Georgia 30303

(Via EPA's Electronic Mail)

Rocky Roberts
Senior Vice President of Appalachian Operations
Triad Hunter, LLC
125 Putnam Street
Marietta, Ohio 45750
740-760-0556
rroberts@triadhunter.com

(Via Certified Mail)

Paul M. Johnston
Senior Vice President and General Counsel
Triad Hunter, LLC
c/o Magnum Hunter Resources Corporation
777 Post Oak Blvd., Suite 650
Houston, Texas 77056

(Via Certified Mail)

Dated this 10 day of July, 2013.


Patricia Bullock
Regional Hearing Clerk
U.S. Environmental Protection Agency, Region 4
61 Forsyth Street SW
Atlanta, Georgia 30303