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**BEFORE THE UNITED STATES  
ENVIRONMENTAL PROTECTION AGENCY  
REGION III  
1650 Arch Street  
Philadelphia, Pennsylvania 19103-2029**

In The Matter of:	:	Proceeding to Assess a Class II
	:	Administrative Penalty Under
Mountain V Oil & Gas, Inc.	:	Section 309(g) of the Clean Water Act
104 Heliport Road	:	
P.O. Box 470	:	
Bridgeport, West Virginia 26330	:	
	:	
Respondent	:	<b>Docket No. CWA-03-2013-0131</b>
	:	
	:	<b>CONSENT AGREEMENT and</b>
	:	<b>FINAL ORDER</b>
Property identified as located 2000 LF south :	:	
of County Route 32/10 (French Long Road) :	:	
and County Route 32/7 (Evergreen Alton), :	:	
Tallmansville, Upshur County, :	:	
West Virginia 26237	:	

**I. PRELIMINARY STATEMENT and STATUTORY AUTHORITY**

1. This Consent Agreement and Final Order ("CAFO") is entered into by the Director, Environmental Assessment and Innovation Division, United States Environmental Protection Agency, Region III ("Complainant"), and Respondent, Mountain V Oil & Gas, Inc., pursuant to Section 309(g) of the Clean Water Act, 33 U.S.C. § 1319(g), and 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")*, 40 C.F.R. Part 22. The authority to settle this matter has been delegated to the Regional Administrator pursuant to delegation no. 2-52-A (9/1/05). The parties have agreed to settlement of the alleged violations of the Clean Water Act by Respondent. This CAFO simultaneously commences and concludes this action pursuant to 40 C.F.R. § 22.13(b) and 22.18(b)(2) & (3).
2. Pursuant to Section 309(g) of the Clean Water Act ("CWA" or "Act"), 33 U.S.C. § 1319(g), and the Civil Monetary Penalty Inflation Adjustment Rule, 40 C.F.R. Part 19, any person violating the CWA is liable for an administrative penalty under Section

309(g) of the Act, in an amount not to exceed \$11,000 per day for each day of violation, up to a total penalty amount of \$177,500.

**II. FINDINGS OF FACT, JURISDICTIONAL ALLEGATIONS**  
**and CONCLUSIONS OF LAW**

3. Respondent, Mountain V Oil & Gas, Inc. (“Mountain V” or “Respondent”), is an oil and gas exploration company incorporated in the State of West Virginia and is the owner of the property known as Farnsworth Stockert Freshwater Impoundment located approximately 2,000 linear feet (LF) south of the intersection of County Route 32/10 (French Long Road), and County Route 32/7 (Evergreen Alton), near Tallmansville, Upshur County, West Virginia, as further identified on the attached map labeled as Exhibit “A”, (hereinafter “the Site” or “Farnsworth Site”).
4. The Site is located 2000 LF south of the intersection of County Route 32/10 (French Long Road) and County Route 32/7 (Evergreen Alton), in Upshur County, near Tallmansville, West Virginia, adjacent to unnamed tributaries of Queens Fork which flow approximately 2,000 LF to the Queens Fork and then 1.2 miles to Laurel Fork, 3.8 miles to French Creek, 7.7 miles to Buckhannon River, and then 23.6 miles to the Tygart Valley River, a navigable-in-fact water. Therefore, the waters on Site constitute “waters of the United States” within the meaning of Section 502(7) of the Act, 33 U.S.C. § 1362(7); 40 C.F.R. § 232.2; 40 C.F.R. § 122.2
5. On information and belief, commencing in or after May 2011, Respondent, or persons acting on behalf of Respondent, operated equipment which discharged dredged and/or fill material to waters of the United States located on the Site as described in Paragraph 4, above, and further depicted on Exhibit “A.” Respondent’s activities began in approximately May 2011 and were completed in approximately July 2011. Construction of the freshwater pit resulted in the placement of fill into three unnamed tributaries of Queens Fork, a USGS-mapped perennial stream. Approximately 779 LF of an unnamed tributary to Queens Fork flowing down the hillslope had been filled and/or rerouted around the freshwater pit at the limit of disturbance. An additional 709 LF of an unnamed tributary of Queens Fork had been impacted near the toe of the slope of the freshwater pit. Approximately 272 LF of an unnamed tributary to Queens Fork had been impacted near the entrance of the Site.
6. On September 29, 2011, EPA and the Corps conducted a Clean Water Act Section 404 inspection at the Site. The Site is comprised of a freshwater pit constructed on the side of an excavated hillslope and a gravel access road leading to the pit.
7. The term “fill material” within the meaning of 40 C.F.R. § 232.2, includes any pollutant which replaces portions of the “waters of the United States” with dry land or which changes the bottom elevation of a water body for any purpose.

8. For purposes of this CAFO, the equipment referenced in Paragraph 5, above, which discharged fill material to "waters of the United States" constitutes a "point source" within the meaning of Section 502(14) of the Act, 33 U.S.C. § 1362(14).
9. Section 301(a) of the Act, 33 U.S.C. § 1311(a), prohibits the discharge of dredged or fill material from point sources to waters of the United States except in compliance with, among others, a permit issued by the Secretary of the Army under Section 404 of the Act, 33 U.S.C. § 1344.
10. Except for any applicable coverage pursuant to a nationwide permit ("NWP"), at no time during the discharge of dredged and/or fill material to the waters of the United States located on the Site did the Respondent have a permit from the Secretary of the Army as required by Section 404 of the Act, 33 U.S.C. § 1344.
11. Respondent, by discharging dredged and/or fill material to the waters of the United States without authorization, has violated Section 301(a) of the Act, 33 U.S.C. § 1311(a).

### **III. CONSENT AGREEMENT AND FINAL ORDER**

12. Respondent admits the Jurisdictional Allegations in Section II, and neither admits nor denies the Findings of Fact and Conclusions of Law set forth in Section II, above, and waives any defenses it might have as to jurisdiction and venue.
13. Respondent agrees not to contest EPA's jurisdiction to issue and enforce this CAFO.
14. Respondent hereby expressly waives its right to a hearing on any issue of law or fact in this matter pursuant to Section 309(g) of the CWA, 33 U.S.C. § 1319(g), and consent to issuance of this CAFO without adjudication.
15. Each party to this action shall bear its own costs and attorney fees.
16. The provisions of this CAFO shall be binding upon the Respondent, and its successors and assigns.
17. The parties agree that settlement of this matter prior to the initiation of litigation is in the public interest and that entry of this CAFO is the most appropriate means of resolving this matter.
18. Pursuant to Section 309(g)(4)(A) of the Act, 33 U.S.C. § 1319(g)(4)(A), and 40 C.F.R. § 22.45(b), EPA is providing public notice and an opportunity to comment on the Consent Agreement prior to issuing the Final Order. In addition, pursuant to Section

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309(g)(1)(A), EPA has consulted with the State of West Virginia, Department of the Environment (“DEP”) regarding this action, and will mail a copy of this document to the appropriate West Virginia official.

19. Based upon the foregoing and having taken into account the nature, circumstances, extent and gravity of the violation(s), Respondent’s ability to pay, prior history of compliance, degree of culpability, economic benefit or savings resulting from the violations, and such other matters as justice may require pursuant to the authority of Section 309(g) of the Act, 33 U.S.C. § 1319(g), EPA HEREBY ORDERS AND Respondent HEREBY CONSENTS to pay a civil penalty in the amount of \$100,800 in full and final settlement of EPA’s claims for civil penalties for the violations alleged herein.
20. Respondents shall pay an administrative civil penalty of \$100,800 for the violations alleged in this CAFO within thirty (30) days of the Effective Date of this CAFO, as defined in numbered paragraph 30, below, pursuant to 40 C.F.R. § 22.31(c), by mailing a cashier’s check or certified check in the amount of the penalty payable to “Treasurer, United States of America”:

By regular mail:

Regional Hearing Clerk  
U.S. EPA Region III  
Cincinnati Finance Center  
P.O. Box 979077  
St. Louis, MO 63197-9000

By overnight delivery:

U.S. Bank, Government Lock Box 979077  
US EPA Fines and Penalties  
1005 Convention Plaza  
SL-MO-C2-GL  
St. Louis, MO 63101  
314-418-1028

By Wire Transfer:

Federal Reserve Bank of New York  
ABA: 021030004  
Account Number: 68010727  
SWIFT address: FRNYUS33  
33 Liberty Street  
New York, NY 10045  
Field Tag 4200 of the Fedwire message should read:

“D 68010727 Environmental Protection Agency”

By Automated Clearinghouse (ACH):

US Treasury REX/Cashlink ACH Receiver  
ABA: 051036706  
Account Number: 310006, Environmental Protection Agency  
CTX Format Transaction Code 22 - checking  
Physical location of US Treasury facility:  
5700 Rivertech Court  
Riverdale, MD 20737

21. Respondent shall send notice of such payment, including a copy of the check, to the Regional Hearing Clerk at the following address:

Regional Hearing Clerk (3RC00)  
U.S. EPA Region III  
1650 Arch Street  
Philadelphia, PA 19103-2029

-and-

Pamela J. Lazos  
Mail Code 3RC20  
Office of Regional Counsel  
U.S. EPA Region III  
1650 Arch Street  
Philadelphia, PA 19103-2029

22. This CAFO shall not relieve Respondent of its obligation to comply with all applicable provisions of federal, state or local law and ordinance, nor shall it be construed to be a ruling on, or determination of, any issue related to any federal, state or local permit. Nor does this CAFO constitute a waiver, suspension or modification of the requirements of the CWA, 33 U.S.C. §§ 1251, *et seq.*, or any regulations promulgated thereunder.
23. The following notice concerns interest and late penalty charges that will accrue in the event that any portion of the civil penalty is not paid as directed:

Pursuant to 31 U.S.C. § 3717 and 40 C.F.R. § 13.11, EPA is entitled to assess interest and late payment penalties on outstanding debts owed to the United States and a charge to cover the costs of processing and handling a delinquent claim, as more fully described below. Accordingly, Respondent's failure to make timely payment or to comply with the conditions in this CAFO shall result in the

assessment of late payment charges including interest, penalties, and/or administrative costs of handling delinquent debts.

Interest on the civil penalty assessed in this CAFO will begin to accrue on the date that a copy of this CAFO is mailed or hand-delivered to Respondent. However, EPA will not seek to recover interest on any amount of the civil penalty that is paid in accordance with the terms of this CAFO. Interest will be assessed at the rate of the United States Treasury tax and loan rate in accordance with 40 C.F.R. § 13.11(a).

The costs of the Agency's administrative handling of overdue debts will be charged and assessed monthly throughout the period the debt is overdue. 40 C.F.R. § 13.11(b). A prorated penalty charge of six percent per year will be assessed monthly on any portion of the civil penalty which remains delinquent more than ninety (90) calendar days. 40 C.F.R. § 13.11(c). Should assessment of the penalty charge on the debt be required, it shall accrue from the first day payment is delinquent. 31 C.F.R. § 901.9(d).

24. This Consent Agreement and the accompanying Final Order resolve only the civil claims for the specific violations alleged herein. EPA reserves the right to commence action against any person, including Respondent, in response to any condition which EPA determines may present an imminent and substantial endangerment to the public health, public welfare, or the environment. In addition, this settlement is subject to all limitations on the scope of resolution and to the reservation of rights set forth in Section 22.18(c) of the Consolidated Rules of Practice. Further, EPA reserves any rights and remedies available to it under the Clean Water Act, 33 U.S.C. §§ 301 *et seq.*, the regulations promulgated thereunder, and any other federal laws or regulations for which EPA has jurisdiction, to enforce the provisions of this CAFO, following its filing with the Regional Hearing Clerk.
25. Nothing in this CAFO shall be construed as prohibiting, altering or in any way eliminating the ability of EPA to seek any other remedies or sanctions available by virtue of Respondent's violations of this CAFO or of the statutes and regulations upon which this CAFO is based or for Respondents' violation of any applicable provision of law.
26. The penalty specified above, represents civil penalties assessed by EPA and shall not be deductible for purposes of Federal taxes.
27. EPA shall have the right to institute a new and separate action to recover additional civil penalties for the claims made in this CAFO if the EPA obtains evidence that the information and/or representations of the Respondent are false, or, in any material respect, inaccurate. This right shall be in addition to all other rights and causes of action, civil or criminal, the EPA may have under law or equity in such event.

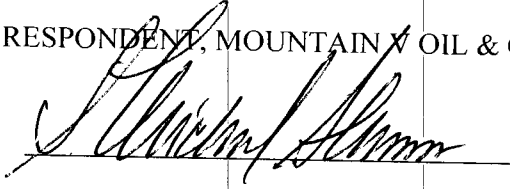
28. The undersigned representative of Respondent certifies that he is fully authorized by the party represented to enter into the terms and conditions of this CAFO and to execute and legally bind that party to it.
29. All of the terms and conditions of this CAFO together comprise one agreement, and each of the terms and conditions is in consideration of all of the other terms and conditions. In the event that this CAFO, or one or more of its terms and conditions, is held invalid, or is not executed by all of the signatories in identical form, or is not approved in such identical form by the Regional Administrator or his designee, then the entire CAFO shall be null and void.

**V. EFFECTIVE DATE**

30. Pursuant to 40 C.F.R. § 22.45, this CAFO shall be issued after a 40-day public notice period has concluded. This CAFO will become final thirty (30) days after issuance, 33 U.S.C. § 1319(g)(5), and will become effective on that same date, 40 C.F.R. § 22.31(b).

FOR RESPONDENT, MOUNTAIN V OIL & GAS, INC.

By:

A handwritten signature in black ink, appearing to read "Mike Shaver", is written over a horizontal line.

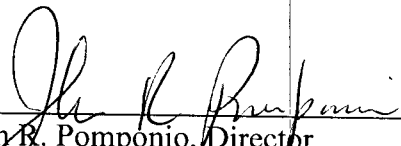
Name:

Mike Shaver, President  
Respondent Mountain V Oil & Gas, Inc.



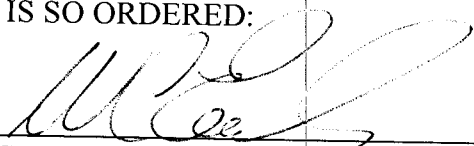
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FOR COMPLAINANT, U.S. EPA REGION III

  
\_\_\_\_\_  
John R. Pomponio, Director  
Environmental Assessment and Innovation Division  
U.S. EPA Region III


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IT IS SO ORDERED:



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U.S. Environmental Protection Agency, Region III

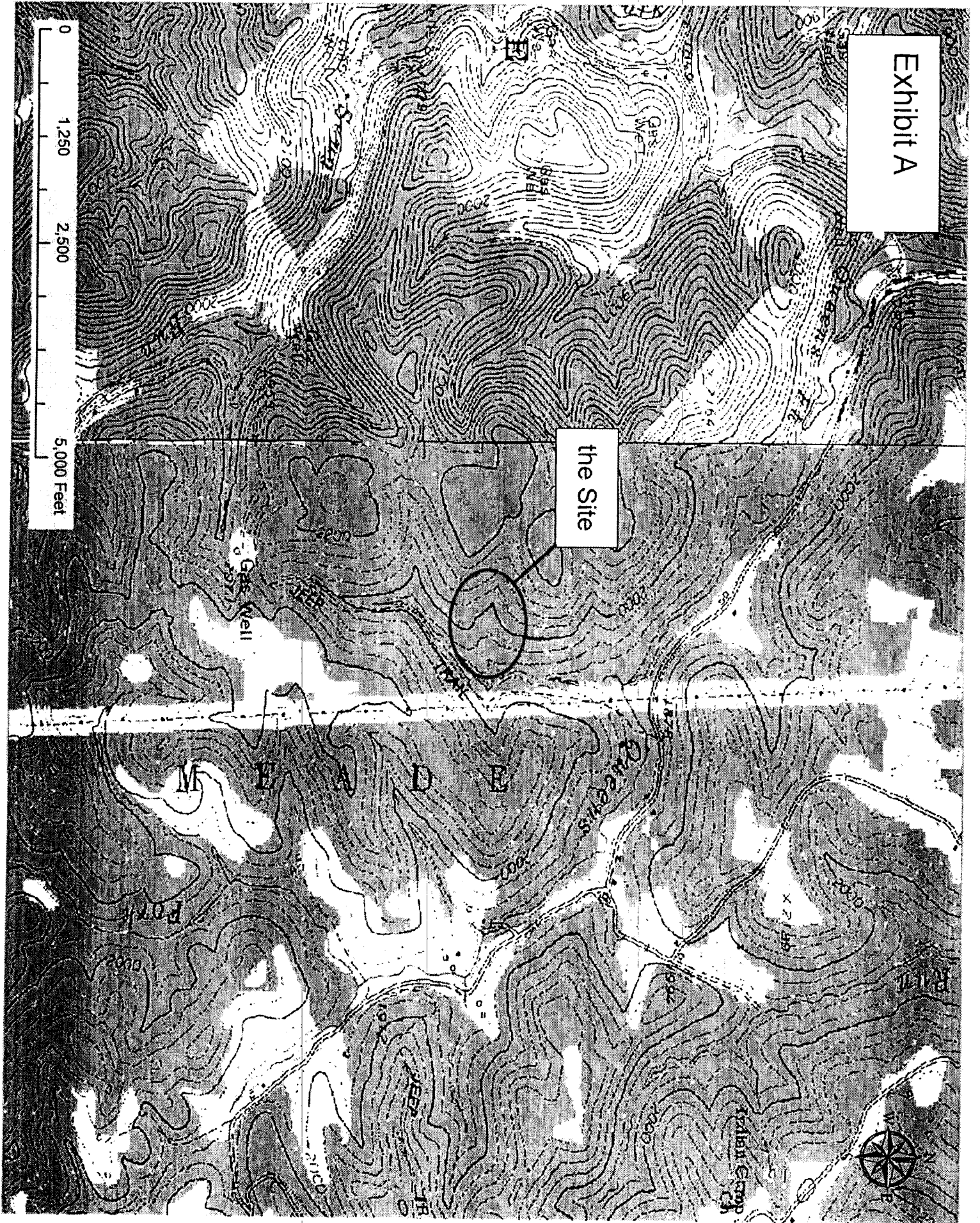


Shawn M. Garvin, Regional Administrator  
EPA Region III

Exhibit A

the Site

0 1,250 2,500 5,000 Feet



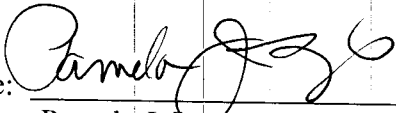
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**CERTIFICATE OF SERVICE**

I hereby certify that on this day, I caused to be filed with the Regional Hearing Clerk, EPA Region III, the original Consent Agreement and Final Order, and that copies of this document were sent to the following individuals in the manner described below:

By first class, certified mail, return receipt requested:

Mountain V Oil and Gas, Inc.  
104 Heliport Road  
P.O. Box 470  
Bridgeport, WV 26330

Date:   
Pamela J. Lazos  
Sr. Asst. Regional Counsel  
US EPA Region III