

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 8

2015 SEP 15 AM 10:03

FILED  
EPA REGION VIII  
HEARING CLERK

**IN THE MATTER OF:**

Samson Resources Company  
Two West Second Street  
Tulsa, Oklahoma 74103  
Respondent.

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Docket No. **CWA-08-2015-0027**

**COMBINED COMPLAINT AND  
CONSENT AGREEMENT**

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

**I. AUTHORITY**

1. This proceeding is subject to EPA's "Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation or Suspension of Permits," 40 C.F.R. part 22. This Combined Complaint and Consent Agreement (CCCA) is entered into by the parties for the purpose of simultaneously commencing and concluding this matter, as authorized by 40 C.F.R. § 22.13(b), and is executed pursuant to 40 C.F.R. § 22.18(b)(2) and (3).
2. EPA has jurisdiction over this matter pursuant to section 309(g)(1)(A) of the Clean Water Act (CWA), 33 U.S.C. § 1319(g)(1)(A).

**II. PARTIES BOUND**

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

**III. STATEMENT OF THE PARTIES**

4. For the purposes of this settlement only, Respondent admits the jurisdictional allegations contained herein and neither admits nor denies EPA's specific factual allegations and legal conclusions.
5. Respondent waives any and all remedies, claims for relief, and otherwise available rights to judicial or administrative review that Respondent may have with respect to any issue of fact or law set forth in this CCCA, including any right of judicial review under the Administrative Procedure Act, 5 U.S.C. §§ 701 – 706.

6. EPA asserts that settlement of this matter is in the public interest, and EPA and Respondent agree that entry of this CCCA and its incorporation into a Final Order without further litigation and without adjudication of any issue of fact or law will avoid prolonged and complicated litigation between the parties.
7. This CCCA, upon incorporation into a Final Order and full satisfaction by the parties, shall be a complete and full resolution of Respondent's liability for federal civil penalties for the violations alleged below.

#### **IV. ALLEGATIONS**

8. Respondent is a corporation organized under the laws of the State of Oklahoma and authorized to do business in the State of Colorado. Respondent's principal office is located in Tulsa, Oklahoma.
9. Respondent is a "person" within the meaning of section 502(5) of the CWA and is therefore, subject to the requirements of the CWA and its implementing regulations. 33 U.S.C. § 1362(5) and 40 C.F.R. § 122.2.
10. Respondent owns and/or operates a flow line associated with the SE Bayfield 34-7 #13U-3 CBM well (Flow Line), located in LaPlata County, Colorado, within the exterior boundaries of the Southern Ute Indian Reservation (Reservation).
11. The Flow Line transports a two-phase gas and water stream consisting of coal bed methane and water produced as a waste product from oil and/or gas drilling operations.
12. On or about October 17, 2014, Respondent discharged approximately fifteen barrels of produced water from the Flow Line into Beaver Creek. The discharge occurred at or near 37.188056° N, - 107.67722° W
13. EPA learned of the discharge referenced in paragraph 12, above, after Respondent reported the discharge to the National Response Center.
14. Beaver Creek is a "navigable water" as defined in section 502(7) of the CWA, 33 U.S.C. § 1362(7), and a "water of the United States" as defined in 40 C.F.R. § 122.2.
15. The produced water referenced in paragraph 12, above, constitutes a "pollutant" as defined in section 502(6) of the CWA, 33 U.S.C. § 1362(6).
16. The produced water referenced in paragraph 12, above, constituted a discharge of a pollutant as defined in section 502(12) of the CWA, 33 U.S.C. § 1362(12).

17. The discharge described in paragraph 12, above, was not authorized by any permit issued pursuant to the CWA or by any provision of the CWA.
18. Section 301(a) of the CWA, 33 U.S.C. § 1311(a), prohibits any person from discharging any pollutant into navigable waters except as in compliance with sections 301, 312, 306, 307, 308, 402 and 404 of the CWA, 33 U.S.C. §§ 1311, 1312, 1316, 1317, 1318, 1342 and 1344.
19. The discharge described in paragraph 12, above, constitutes a violation of section 301 (a) of the CWA, 33 U.S.C. § 1311(a), for each day of the discharge's occurrence. For each day of violation, Respondent is liable for civil administrative penalties pursuant to section 309(g) of the CWA, 33 U.S.C. § 1319(g).

#### V. CIVIL PENALTY

20. Pursuant to section 309(g)(2)(A) of the CWA, 33 U.S.C. § 1319(g)(2)(A), and after consideration of the facts of this case as they relate to the factors set forth in section 309(g)(3) of the CWA, 33 U.S.C. § 1319(g)(3), EPA has determined that a civil penalty of twelve thousand one hundred dollars (\$12,100.00) is appropriate to settle this matter.
21. Respondent consents and agrees to pay a civil penalty in the amount of twelve thousand one hundred dollars (\$12,100.00) in the manner described below:
  - a. Payment shall be in a single payment of \$12,100, due no later than thirty (30) calendar days from the date of the Final Order. If the due date for the payment falls on a weekend or federal holiday, then the due date is the next business day. The date the payment is made is considered to be the date processed by U.S. Bank, as described below. Payment must be received by 11:00 a.m. Eastern Standard Time to be considered as received that day.
  - b. The payment shall be made by remitting a check or making a wire transfer or on-line payment. The check or other payment shall designate the name and docket number of this case, be in the amount stated in the preceding paragraph, and be payable to "Treasurer, United States of America." The payment shall be remitted as follows:

If remitted by regular U.S. mail:

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

If remitted by any overnight commercial carrier:

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

Contact: Craig Steffen, 513-487-2091, [steffen.craig@epa.gov](mailto:steffen.craig@epa.gov)

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

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

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

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

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

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

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

Monia Ben-Khaled  
U.S. Environmental Protection Agency (8ENF-W-NP)  
1595 Wynkoop Street  
Denver, Colorado 80202-1129

and

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

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

22. If the payment is not received by the specified due date, interest accrues from the date of the Final Order, not the due date, at a rate established by the Secretary of the Treasury pursuant to 31 U.S.C. § 3717, and will continue to accrue until payment in full is received (e.g., on the 1<sup>st</sup> late day, 30 days of interest will have accrued).
23. A handling charge of fifteen dollars (\$15) shall be assessed the 31<sup>st</sup> day from the date of the Final Order, and for each subsequent 30-day period that the debt, or any portion thereof, remains unpaid. In addition, a 6% per annum penalty shall be assessed on any unpaid principal amount if payment is not received within 30 days of the due date. Payments are first applied to outstanding handling charges, second to penalty assessments, third to accrued interest, and then to the outstanding principal amount.
24. Respondent agrees that the penalty shall never be claimed as a federal or other tax deduction or credit.

## VI. PUBLIC NOTICE


25. As required by section 309(g)(4)(A) of the CWA, 33 U.S.C. §1319(g)(4)(A), prior to requesting that the Regional Judicial Officer (RJO) issue a Final Order incorporating this CCCA and assessed penalty, EPA will provide the public notice of and reasonable opportunity to comment on the penalty agreed to herein.

## VII. GENERAL PROVISIONS


26. Nothing in this CCCA shall relieve Respondent of the duty to comply with the CWA and any regulation, order, or permit issued pursuant to the CWA.
27. Any failure by Respondent to comply with this CCCA shall constitute a breach of this CCCA and may result in referral of the matter to the United States Department of Justice for enforcement of this CCCA and such other relief as may be appropriate.
28. Nothing in this CCCA shall be construed as a waiver by EPA or any other federal entity of its authority to seek costs or any appropriate penalty associated with any collection action instituted as a result of any failure by Respondent to comply with this CCCA.
29. The parties agree to submit this CCCA to the Regional Judicial Officer, with a request that it be incorporated into a Final Order following provision of public notice pursuant to section 309(g)(4) of the CWA, 33 U.S.C. § 1319(g)(4) and 40 C.F.R. § 22.45.
30. Each party shall bear its own costs and attorney's fees in connection with this matter.

UNITED STATES ENVIRONMENTAL  
PROTECTION AGENCY, REGION 8,  
Complainant

Date: 9/14/2015

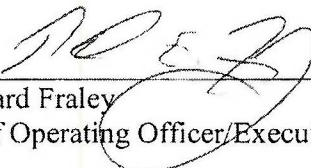
By:   
James H. Eppers, Supervisory Attorney  
Legal Enforcement Program  
Office of Enforcement, Compliance,  
and Environmental Justice

Date: 9/14/2015

By:   
Gwenette C. Campbell, Unit Chief  
NPDES Enforcement Program  
Office of Enforcement, Compliance,  
and Environmental Justice

SAMSON RESOURCES COMPANY,  
Respondent

Date: Sept 14, 2015

By:   
Richard Fraley  
Chief Operating Officer/Executive Vice President

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

**PUBLIC NOTICE AND OPPORTUNITY TO COMMENT ON CLEAN WATER ACT  
SETTLEMENT**

**Action:** The EPA is providing notice of the opportunity to comment on a proposed Combined Complaint and Consent Agreement (CCCA). The agreement relates to alleged violations of the Clean Water Act (CWA) at the flow line associated with the SE Bayfield well (Flow Line) on the Southern Ute Indian Reservation. The penalty is to be assessed against Samson Resources Company (Samson). The corporate address of Samson is Two West Second Street, Tulsa, Oklahoma 74103-3103.

**Summary:** The EPA is authorized by section 309(g) of the CWA, 33 U.S.C. § 1319(g), and by 40 C.F.R. §§ 22.13(b) and 22.38, to issue an order assessing a civil administrative penalty for violations of certain CWA requirements, after providing (1) an opportunity for the person to be assessed the penalty (the Respondent) to request a hearing to contest the penalty, and (2) notification to the public of its rights to submit written comments and to participate in any hearing. The deadline for the public to submit comments is thirty (30) calendar days after issuance of this notice.

The EPA has alleged that on or about October 17, 2014, Samson discharged approximately fifteen barrels of produced water from the Flow Line into Beaver Creek without a CWA permit. The EPA and Samson have agreed to enter into a CCCA to resolve the EPA's alleged violations of section 301(a) of the CWA, described above. Samson has agreed to pay a civil penalty of \$12,100.00 to resolve its civil penalty liability for these claims. Pursuant to section 309(g)(4) of the CWA, the EPA hereby notifies the public of the EPA's proposed penalty assessment.

EPA Docket Number: **CWA-08-2015-0027**

**PUBLIC COMMENTS**

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



Please submit written comments to:

Tina Artemis (8RC)  
Regional Hearing Clerk  
U.S. EPA, Region 8  
1595 Wynkoop Street  
Denver, Colorado 80202-1129.  
Telephone: (303) 312-6765

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