

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4**

EXPEDITED SETTLEMENT AGREEMENT

DOCKET NO: CAA-04-2020-8001(b)

**This ESA is issued to: Hilcorp Energy Company, Inc.
1340 Radcliff Road
Creola, Alabama**

for violating 40 C.F.R. § 68.65, 40 C.F.R. § 68.67, 40 C.F.R. § 68.79 and Section 112(r)(7) of the Clean Air Act.

This Expedited Settlement Agreement (ESA) is being entered into by the United States Environmental Protection Agency, EPA, Region 4, the Director of the Enforcement and Compliance Assurance Division (Complainant), and by the Hilcorp Energy Company, Inc. (Respondent), pursuant to Section 113(d) of the Clean Air Act (the "Act"), 42 U.S.C. § 7413(d), and pursuant to 40 C.F.R. § 22.13(b).

ALLEGED VIOLATIONS

Based on a compliance monitoring inspection conducted at the Respondent's facility located at 1340 Radcliffe Road, Creola, Alabama, on August 14-15, 2019, the EPA alleges that the Respondent violated the Act's Chemical Accident Prevention Provisions, when at the time of inspection, Respondent did not provide evidence that:

It compiled written process safety information for the equipment in the process which includes a piping and instrument diagram (P&ID) as required by 40 C.F.R. § 68.65(d)(1)(ii);

It documented that equipment complies with recognized and generally accepted good engineering practices as required by 40 C.F.R. § 68.65(d)(2);

It retained process hazards analyses (PHA) and updates and revalidations for each process covered by 40 C.F.R. Part 68, as well as the documented resolution of recommendations for the life of the process as required by 40 C.F.R. § 68.67(g); and

It promptly determined and documented an appropriate response to each of the findings of the compliance audit, and documented the deficiencies have been corrected as required by 40 C.F.R. § 68.79(d).

SETTLEMENT

In consideration of Respondent's size, its full compliance history, its good faith efforts to comply, and other factors as justice may require, and upon consideration of the entire record the parties enter into the ESA in order to settle the violations cited above, for the total penalty amount of **\$3,000**.

This settlement is subject to the following terms and conditions: the Respondent by signing below admits the jurisdictional allegations contained herein, neither admits nor denies the specific factual allegations contained herein, and consents to the assessment of the penalty as stated above; Respondent waives its rights to a hearing afforded by Section 113(d)(2)(A) of the Act, 42 U.S.C § 7413(d)(2)(A), and to appeal this ESA or otherwise contest the allegations contained in this ESA; and each party to this action shall bear its own costs and fees, if any.

Respondent certifies, subject to civil and criminal penalties for making a false submission to the United States Government, that the Respondent has corrected the alleged violations listed in this ESA.

Within fifteen (15) days of receiving a copy of the fully executed ESA, Respondent shall pay a civil penalty in the amount of **\$3,000**. Respondent's payment shall be made by sending a cashier's check or certified check (payable to the "Treasurer, United States of America") in the amount of **\$3,000**, in payment of the full penalty amount to one of the following addresses or via wire transfer:

For payment sent via electronic transfer

For payment by wire transfer, in lieu of a cashier's check or certified check, if desired, should be directed to the Federal Reserve Bank of New York using the following information:

ABA : 021030004

Account : 68010727

SWIFT address: FRNYUS33

33 Liberty Street

New York, New York 10045

Beneficiary: "U.S. Environmental Protection Agency";

The wire transfer instructions shall reference the Respondent's name and Docket Number of this ESA.

For payment sent via Standard Delivery

U.S. Environmental Protection Agency

Cincinnati Finance Center Box 979077

St. Louis, MO 63197-9000; or

For payment sent for Signed Receipt Confirmation (FedEx, DHL, UPS, USPS Certified, Registered, etc.)

U.S. Environmental Protection Agency

Cincinnati Finance Center Box 979077

1005 Convention Plaza
SL-MO-C2-GL
St. Louis, MO 63101
Delivery Location Phone Number: 314- 425-1819

The Respondent's name and the Docket Number of this ESA must be included on the check. The Docket Number is located at the top left corner of the first page of this ESA.

At the time of payment, Respondent shall send a separate copy of the check, and a written statement that payment has been made in accordance with this ESA to:

Regional Hearing Clerk
U.S. EPA Region 4
61 Forsyth Street, S.W.
Atlanta, Georgia 30303, and

Jordan Noles
U.S. EPA Region 4
Air Section 1
Air Enforcement Branch
61 Forsyth Street S.W.
Atlanta, Georgia 30303

The penalty specified in this ESA shall represent civil penalties assessed by the EPA and shall not be deductible for purposes of State or Federal taxes.

Respondent's full compliance with this ESA shall only resolve Respondent's liability for Federal civil penalties for the violations alleged in this ESA. The EPA does not waive any other enforcement action for any other violations of the Act or any other statute.

This ESA is binding on the parties signing below. This ESA is effective upon filing with the Regional Hearing Clerk.

The parties consent to service of this Expedited Settlement Agreement and Final Order by e-mail at the following valid e-mail addresses: noles.jordan@epa.gov (for Complainant), and rmedhora@harvestmidstream.com(for Respondent).

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FOR RESPONDENT:

H. Medhora

Date: 3-16-2020

Name (print): HIRAZ (RUSS) MEDHORA

Title (print): LEAD PROCESS SAFETY ENGINEER
Hilcorp

FOR COMPLAINANT:

Date: _____

Carol L Kemker
Director
Enforcement and Compliance Assurance Division

I hereby ratify the ESA and incorporate it herein by reference. It is so ORDERED.

Date: _____

Tanya Floyd
Regional Judicial Officer

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing Expedited Settlement Agreement (ESA), in the matter of Hilcorp Energy Company, Inc., CAA-04-2020-8001(b), by email to the parties as indicated below:

Via Email:

Jordan Noles
U. S. EPA, Region 4
Enforcement and Compliance
Assurance Division
noles.jordan@epa.gov

Mr. Russ Medhora
Hilcorp Energy Company, Inc.
1111 Travis Street
Houston, Texas 77002
rmedhora@harvestmidstream.com

Date: _____

Patricia A. Bullock, Regional Hearing Clerk
United States Environmental
Protection Agency, Region 4
Atlanta Federal Center
61 Forsyth Street, S.W.
Atlanta, GA 30303
(404) 562-9511