

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 6

FILED

2015 MAR 31 AM 8:51
REGIONAL HEARING CLERK
EPA REGION VI

In the Matter of	§	Docket Nos.	CWA-06-2014-2701
	§		CWA-06-2014-2702
QEP Energy Company	§		CWA-06-2014-2703
	§		CWA-06-2014-2704
Respondent	§		

NOTICE OF DETERMINATION

Pursuant to the revised final policy on “Incentives for Self-Policing: Discovery, Disclosure, Correction, and Prevention of Violations” (“Audit Policy”), 65 Fed. Reg. 19,618 (Apr. 11, 2000), the United States Environmental Protection Agency, Region 6 (“EPA”) hereby issues this Notice of Determination to QEP Energy Company (“Respondent”) regarding Respondent’s disclosed violations of the Federal Water Pollution Control Act (“Clean Water Act”), 33 U.S.C. §§ 1251–1387.

AUDIT POLICY

EPA issued the Audit Policy to encourage regulated entities to voluntarily discover, promptly disclose and expeditiously correct violations of federal environmental requirements. As an incentive for regulated entities to participate in the Audit Policy’s voluntary disclosure process, EPA may substantially reduce or eliminate the gravity-based component of civil penalties to be assessed for violations which are voluntarily disclosed in accordance with the conditions specified in the Audit Policy. The conditions of the Audit Policy are: (1) discovery of the violation(s) through an environmental audit or compliance management system; (2) voluntary discovery; (3) prompt disclosure; (4) discovery and disclosure independent of government or third-party plaintiff; (5) correction and remediation; (6) prevent recurrence; (7) no repeat violations; (8) other violations excluded; and (9) cooperation.

Pursuant to the Audit Policy, EPA may reduce gravity-based penalties up to 100 percent, if the disclosing entity satisfies all of the conditions described above. EPA may reduce gravity-based penalties up to 75 percent, if the disclosing entity satisfies conditions (2) through (9) above. EPA reserves the right to assess a civil penalty with regard to any economic benefit that may have been realized as a result of such violations, even in those instances when the disclosing entity has met all the conditions of the Audit Policy. In its enforcement discretion, EPA may waive a penalty with regard to the economic benefit arising from such violations if EPA determines that the economic benefit is insignificant. Penalty reductions are not available under the Audit Policy for violations that result in serious actual harm or may present an imminent and substantial endangerment of public health or the environment, nor are reductions available for violations of any order or consent agreement.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. On March 30, 2012, May 21, 2012, July 9, 2012, and September 7, 2012, Respondent submitted self-disclosures to EPA. Respondent disclosed multiple violations of the Section 404 of the Clean Water Act. A complete list of the disclosed violations is attached to this Notice of Determination as Attachment A (March 30, 2012), Attachment B (May 21, 2012), Attachment C (July 9, 2012), and Attachment D (September 7, 2012). For the purposes of this NOD and Consent Agreement and Final Orders associated with these disclosures, EPA has assigned the following matter numbers to the four disclosures:

March 30, 2012 Disclosure (Attachment A)	CWA-06-2014-2701
May 21, 2012 Disclosure (Attachment B)	CWA-06-2014-2702
June 9, 2012 Disclosure (Attachment C)	CWA-06-2014-2703
September 7, 2012 Disclosure (Attachment D)	CWA-06-2014-2704

2. On June 26, 2012 and October 15, 2012, Respondent provided EPA with copies of after-the-fact (“ATF”) permit applications submitted to the U.S. Army Corps of Engineers (“Corps”) to address the wetlands and stream impacts disclosed in Attachments A through D. The Corps issued the ATF permits to Respondent in 2013 and 2014.

3. On June 9, 2014, Respondent submitted an economic benefit calculation for violations relating to wetlands impacts totaling \$234,064.00. On October 8, 2014, Respondent submitted an economic benefit calculation for violations relating to stream impacts totaling \$31,760.00.

4. Based upon the information provided by Respondent, EPA has determined that Respondent met each of the conditions set forth in the Audit Policy for each of the violations listed on Attachments A through D.

FINAL DETERMINATION

Pursuant to the Audit Policy and based upon information provided by Respondent, EPA makes the following determinations:

5. Respondent violated the Clean Water Act as disclosed in Attachments A through D.

6. Respondent met each of the conditions of the Audit Policy for all violations disclosed in Attachments A through D.

7. Because Respondent met each of the conditions of the Audit Policy for all disclosed violations, Respondent qualifies for a 100 percent reduction in the gravity-based penalty for the violations identified on Attachments A through D. Therefore, EPA will not assess any gravity-based penalty for the disclosed violations. In making this determination and consistent with the purposes of the Audit Policy, EPA expects Respondent to institute, on a continuing and facility-wide basis, the internal policies and procedures necessary to prevent a recurrence of violations of environmental requirements.

8. EPA finds that, after determining that Respondent’s calculation of economic benefit is reasonable, Respondent, through its violation of the Clean Water Act, obtained a significant economic benefit. The economic benefit relating to each disclosure is as follows:

March 30, 2012 Disclosure (Attachment A)	\$106,153.00
May 21, 2012 Disclosure (Attachment B)	\$117,150.00
June 9, 2012 Disclosure (Attachment C)	\$ 42,521.00
September 7, 2012 Disclosure (Attachment D)	n/a ¹

¹ The September 7, 2012 Disclosure addressed impacts associated with pipeline construction. When QEP purchased mitigation credits, it internally allocated credits associated with pipeline-related impacts to the nearest well pad. Therefore, the economic benefit relating to pipeline-associated impacts is distributed among the economic benefit calculations for the first three disclosures.

9. EPA finds that recovery of the economic benefit is appropriate. EPA and Respondent have agreed to resolve the matter through a Consent Agreement and Final Order, issued pursuant to 40 C.F.R. § 22.13, for each disclosure.

RESERVATION OF RIGHTS

10. This Final Determination resolves only the potential claims for civil penalties that might arise out of the violations referenced in Attachments A through D. Nothing in this Final Determination is intended, nor shall be construed, to operate in any way to resolve criminal liability, if any, of Respondent. EPA reserves the right to require compliance, corrective action, and/or other remedial measures in connection with any violations, including those referenced in Attachments A through D, of any federal environmental law. This Final Determination does not constitute a waiver by EPA and/or the United States of its right to bring an enforcement action against Respondent for any other violation of any federal or state statute, regulation or permit.

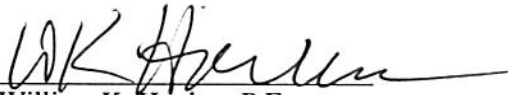
11. This Final Determination shall not relieve Respondent of its obligation to comply with all applicable provisions of federal, state and local law, nor shall it be construed as a ruling on, or determination of, any issues relating to any federal, state or local permit. This Final Determination does not constitute a waiver, suspension, or modification of the requirements of any law or regulations promulgated there under.

12. EPA reserves the right to revoke this Final Determination, thereby rendering the Final Determination null and void, if, and to the extent that, any information or statement provided by Respondent upon which this Final Determination is based, or upon which any civil penalty mitigation granted herein is based, was false or inaccurate at the time the information or statement was provided to EPA. In such event, EPA reserves the right to assess and collect any civil penalties for any violation described in Attachments A through D. Revocation shall be in writing and shall become effective upon receipt by Respondent.

13. Nothing herein shall be construed to limit the authority of EPA and/or the United States to undertake action against any person, including Respondent, in response to any condition which EPA or the United States determines may present an imminent and substantial endangerment to the public health, welfare or the environment.

13. In issuing this Notice of Determination, EPA seeks to promote self-auditing and expects Respondent to be in full compliance with all environmental requirements and to continue the internal procedures necessary to prevent recurrence of violations of environmental requirements.

Dated: 3/27/15

By: 
William K. Honker, P.E.
Director
Water Quality Protection Division

Attachment A

QEP Disclosure Dated March 30, 2012

THOMPSON & KNIGHT LLP

ATTORNEYS AND COUNSELORS

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March 30, 2012

**Via Certified Mail # 7008 1830 0003 8727 3807
And Facsimile (214) 665-7446**

Ms. Rhonda Ruple (6EN-X)
U.S. Environmental Protection Agency, Region 6
Compliance Assurance and Enforcement Division
Self Disclosure Audit Reporting
1445 Ross Avenue, Suite #1200
Dallas, TX 75202-2733

RE: Voluntary Disclosure of Potential Violations under EPA Audit Policy Discovered Pursuant to Scheduled Environmental Compliance Audit of Oil and Natural Gas Exploration and Production Facilities Owned by QEP Energy Corporation in Northwest Louisiana.

Dear Ms. Ruple:

We represent QEP Energy Corporation ("QEP"). QEP is in the process of conducting a multi-stage, third-party environmental audit of certain of the company's oil and natural gas exploration and production facilities in northwest Louisiana. The environmental audit was initiated with the goal of identifying any issues of noncompliance at certain of QEP's facilities under section 404 of the Clean Water Act. The environmental consulting firm Wildlife Technical Services, Inc. (WTSI) was engaged to assist with the audit. The list of facilities subject to this disclosure is attached as Exhibit A to this letter.

Because of the number of sites included within the scope of the environmental audit, the audit has been separated into multiple phases. In accordance with the EPA's Audit Policy, the purpose of this letter is to disclose to you the potential compliance issues that were discovered during the past 21 days as part of the first stage of the audit. The facilities included in the first stage of the audit are those listed on Exhibit A. If additional issues are discovered during subsequent phases of the audit, we will timely disclose that information to EPA at a later date.

The facilities that were determined to not contain any jurisdictional waters are described as "uplands" under the "wetlands" column of the table. The table further reflects that no permit

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Ms. Rhonda Ruple
March 30, 2012
Page 2

is required for these facilities through the "NPR" notation under the "Permit" column. There are no potential violations associated with these facilities.


Potential violations were identified at the other facilities. The type and area of jurisdictional waters impacted are provided on the table, as is the type of after-the-fact permit required. QEP believes that the violations began on or around the date that construction of the facilities began. That date, or in certain instances the date of the first construction invoice or spud date, is provided for each facility. We have also listed the date of discovery, which is the date that the delineation report for each facility was prepared and submitted by WTSI to QEP's counsel. As reflected in the table, all of the potential violations are being disclosed to EPA within 21-days of discovery.

QEP is in the process of correcting all of the issues noted by WTSI by preparing applications for after-the-fact permits for submission to the United States Army Corps of Engineers (USACE). As part of that process, QEP will mitigate all impacts to wetlands and other jurisdictional waters. Because of the USACE's permitting timetable, the Audit Policy's 60-day deadline to complete corrective actions is not obtainable. QEP therefore requests that EPA extend the deadline in order to allow sufficient time for after-the-fact permits to be issued. QEP will fully cooperate with the USACE to ensure prompt issuance of the permits. QEP expects to submit applications for after-the-fact permits to USACE for the facilities identified in this disclosure within the next few weeks.

We do not believe that any of these issues have resulted in actual harm that might have presented an imminent and substantial endangerment to public health or the environment. We do not believe that these issues violate any specific term of any order or consent agreement. Moreover, these issues were voluntarily discovered; they were not discovered through a monitoring, sampling, or auditing procedure that is required by statute, regulation, permit, judicial/administrative order, or consent agreement. Furthermore, QEP has discovered and disclosed these issues independently and on its own initiative as part of an environmental audit, before EPA or another government agency likely would have identified them. Finally, QEP does not believe that any of the issues listed above are repeat violations from the past three years.

QEP is eager to cooperate with the EPA, and believes that these disclosures comply with the Audit Policy. In that regard, please do not hesitate to contact me at 512/469-6130 if you have any questions or require further information regarding this matter.

Very truly yours,



James C. Morriss III

Ms. Rhonda Ruple
March 30, 2012
Page 3

Enclosed Table (Exhibit A)



FACILITIES AUDITED IN CWA § 404 ENVIRONMENTAL AUDIT; STAGE 1

Site		Construction	Report	Coordinate		Wetland Impacts		Stream Impacts			Permit
Name	ID	Date	Date	Lat.	Long.	Type	Acres	Type	Linear Ft	Acres	Type
CLARENCE FRIERSON 30	003-ALT	12/5/07*	3/20/12	32.346600	-93.599916	Emergent	1.73				GP19
						Scrub-Shrub	0.25				
CLARENCE FRIERSON 30	002-ALT	12/4/07*	3/21/12	32.344630	-93.598287	Emergent	1.636				GP19
WHITTINGTON 30	006-ALT	9/10/07*	3/21/12	32.344242	-93.610091	Pond	0.12	RPW	314.5	0.029	GP19
								NRPW	173.06	0.012	
WHITTINGTON 30	005-ALT										
WHITTINGTON 30 H	001-ALT	6/29/07*	3/21/12	32.343935	-93.606853	Emergent	0.009	RPW	404.65	0.037	GP19
SIMMONS 30	003-ALT	5/13/08*	3/21/12	32.32782683	-93.61368463	Upland	n/a	n/a	n/a	n/a	NPR
CAPLIS 30	003-ALT	5/5/08*	3/21/12	32.32594834	-93.60842365	Upland	n/a	n/a	n/a	n/a	NPR
CAPLIS	009-ALT	10/10/08*	3/21/12	32.32016514	-93.61687457	Upland	n/a	n/a	n/a	n/a	NPR
LS FRIERSON 5	008-ALT	2/6/09*	3/21/12	32.31681917	-93.62069593	Upland	n/a	n/a	n/a	n/a	NPR
LS FRIERSON 5	007-ALT	1/28/09*	3/21/12	32.31151074	-93.62571662	Upland	n/a	n/a	n/a	n/a	NPR
HUTCHINSON 3	002-ALT	6/23/08*	3/21/12	32.31244498	-93.59060643	Upland	n/a	n/a	n/a	n/a	NPR
C M HUTCHINSON JR37 CM	006-ALT	8/26/08*									
HUTCHINSON 37 H	001	4/20/09**	3/21/12	32.31131031	-93.5953481	Emergent	2.011	NRPW	713.06	0.049	GP19
W K CUPPLES 39	008-ALT	5/2/08*	3/22/12	32.31118968	-93.58403671	Upland	n/a	n/a	n/a	n/a	NPR
W K CUPPLES 10 H	001	1/13/09*	3/21/12	32.30998926	-93.57808931	Emergent	0.198				GP19
W K CUPPLES 1	004-ALT	11/4/08*	3/22/12	32.31112971	-93.56371115	Upland	n/a	n/a	n/a	n/a	NPR
						Forested Wetland					
CUPPLES	016-ALT	11/4/08*	3/22/12	32.30748465	-93.56139356		0.989				GP19
WILLIAM KNIGHT CUPPLES	004	9/22/08***									
SWD CUPPLES SWD	003	1/25/08***	3/22/12	32.30223903	-93.56245945	Emergent					GP19
CUPPLES	017-ALT	11/4/08*	3/22/12	32.29659232	-93.562171	Emergent	1.27				GP19
CUPPLES	023-ALT	10/14/08*	3/22/12	32.30172777	-93.57002402	Emergent	0.047				GP19
CUPPLES	019-ALT	4/2/08*	3/22/12	32.2984578	-93.56954263	Emergent	0.074				GP19
MCCLELLAN	001-ALT	6/30/08*	3/22/12	32.2948349	-93.5806143	Emergent	0.515				GP19
HUTCHINSON 10 H	001	12/15/08*	3/22/12	32.29668586	-93.59245878	Upland	n/a	n/a	n/a	n/a	NPR
MCCLELLAN	002-ALT	10/10/08***	3/22/12	32.29487237	-93.59300364	Upland	n/a	n/a	n/a	n/a	NPR
W K CUPPLES 1	005-ALT	10/24/08*	3/22/12	32.31930847	-93.57446911			NRPW	21	0.002	NW14
CUPPLES H	002	7/16/09*	3/22/12	32.29744086	-93.55165254	Emergent	0.179	RPW	22	0.002	NW14
KJELL R WAERSTAD SWD	003	5/12/08	3/22/12	32.19447527	-93.54452349	Emergent	1.107				GP19
WAERSTAD	003	9/26/08***									
KJELL R WAERSTAD SWD	004	12/13/08***	3/22/12	32.2240381	-93.54622307	Emergent	1.22				GP19
REX YOUNG 6 H	001										
REX YOUNG SWD	001	7/11/08	3/22/12	32.22396414	-93.53642356	Upland	n/a	n/a	n/a	n/a	NPR
REX YOUNG 6 H	003										
REX YOUNG 6 H	005-ALT										
REX YOUNG 6 H	004			32.22395436	-93.52811933	Emergent	1.857				GP19
REX YOUNG SWD	002	7/8/08	3/23/12								
SAMPLE 4 H	001-ALT	5/2/08	3/23/12	32.22389562	-93.50373475	Emergent	1.63				GP19
SAMPLE 10 H	001										
SAMPLE 10 H	002-ALT	1/14/09	3/23/12	32.22270984	-93.48978718	Upland	n/a	n/a	n/a	n/a	NPR
SAMPLE 2 H	001										
SAMPLE 2 H	002	3/3/09	3/23/12	32.22441813	-93.47357458	Scrub-Shrub	0.34				GP19
BAKER 7 H	001	3/3/09	3/23/12	32.2094096	-93.53961623	Upland	n/a	n/a	n/a	n/a	NPR
BARLOW 13 H	001-ALT	4/24/09	3/23/12	32.19447527	-93.54452349	Scrub-Shrub	1.664				GP19
BRIDGES 31	001-ALT					Forested Wetland	2.056				GP19
		3/4/09*	3/23/12	32.42303837	-93.53719203	Emergent	0.267				
SCOTT 31	001-ALT					Forested Wetland	1.254				
				32.41183969	-93.54291486	Emergent	0.268				GP19
		12/12/08*	3/23/12			Scrub-Shrub	0.646				
MIMS ET AL	012-ALT	6/6/08*	3/23/12	32.41194613	-93.53012905	Forested Wetland	1.532				GP19

Exhibit A



FACILITIES AUDITED IN CWA § 404 ENVIRONMENTAL AUDIT; STAGE 1

Site		Construction	Report	Coordinate		Wetland Impacts		Stream Impacts			Permit
Name	ID	Date	Date	Lat.	Long.	Type	Acres	Type	Linear Ft	Acres	Type
PONDER 34	005-ALT	11/18/08*	3/23/12	32.42114849	-93.48348324	Upland	n/a	n/a	n/a	n/a	NPR
HALL 34	001-ALT	10/20/08*	3/23/12	32.4198599	-93.47659578	Forested Wetland	0.81				GP19
WHITTINGTON 34	002-ALT	8/18/08*	3/23/12	32.41443549	-93.47923112	Forested Wetland	1.97				GP19
JACOBS 34	006-ALT	6/23/08*	3/23/12	32.41244796	-93.48139407	Forested Wetland	1.51				GP19
GIBBS 33	001-ALT	6/30/08*	3/23/12	32.4120618	-93.49365202	Forested Wetland	0.16				GP19
CM HUTCHINSON 30-16-12 Frac Pond		1/16/09	3/26/12	32.341592	-93.603355	Emergent	4.697				GP19
CUPPLES 10-15-12 FRAC POND		2/12/09	3/26/12	32.30922	-93.577145	Emergent	2.143				GP19
CUPPLES 11-15-12 FRAC POND		1/27/09	3/26/12	32.297633	-93.561542	Emergent	1.322				GP19
SAMPLE 5-14-11 FRAC POND		6/25/08	3/26/12	32.224024	-93.521276	Upland	n/a	n/a	n/a	n/a	NPR
WEARSTAD 1-14-12 FRAC POND		7/3/08	3/26/12	32.224858	-93.547631	Emergent	2.765				GP19
SAMPLE 10-14-11 FRAC POND		2/6/09	3/26/12	32.222675	-93.491615	Upland	n/a	n/a	n/a	n/a	NPR
YOUNG 7-14-11 FRAC POND		2/14/09	3/26/12	32.213953	-93.540685	Upland	n/a	n/a	n/a	n/a	NPR
BARLOW 13-14-12 FRAC POND		7/2/09	3/26/12	32.198636	-93.548616	Upland	n/a	n/a	n/a	n/a	NPR

* Denotes the date of the first construction invoice. The actual construction date may have preceded the invoice date.

** The well pad was expanded in April 2009 to accommodate the Hutchinson 37H well. Thus, two construction dates are shown for this site.

*** Denotes the spud date of the wells. QEP has not yet determined the start date of construction for these sites.

Attachment B

QEP Disclosure Dated May 21, 2012

THOMPSON & KNIGHT LLP

ATTORNEYS AND COUNSELORS

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May 21, 2012

**Via Certified Mail # 7008 1830 0003 8727 4415
And Facsimile (214) 665-7446**

Ms. Rhonda Ruple (6EN-X)
U.S. Environmental Protection Agency, Region 6
Compliance Assurance and Enforcement Division
Self Disclosure Audit Reporting
1445 Ross Avenue, Suite #1200
Dallas, TX 75202-2733

RE: Voluntary Disclosure of Potential Violations under EPA Audit Policy Discovered Pursuant to Scheduled Environmental Compliance Audit of Oil and Natural Gas Exploration and Production Facilities Owned by QEP Energy Corporation in Northwest Louisiana – Phase 2.

Dear Ms. Ruple:

As you know, we represent QEP Energy Corporation (“QEP”). As described in my letter dated March 30, 2012, QEP is in the process of conducting a multi-stage, third-party environmental audit of certain of the company’s oil and natural gas exploration and production facilities in northwest Louisiana. The environmental audit was initiated with the goal of identifying any issues of noncompliance at certain of QEP’s facilities under section 404 of the Clean Water Act. The environmental consulting firm Headwaters Natural Resources Consulting (“Headwaters”) was engaged to assist with the audit. Headwaters recently changed its name from Wildlife Technical Services, Inc.

Because of the number of sites included within the scope of the environmental audit, the audit has been separated into multiple phases. This disclosure represents the second phase of the audit (“Phase 2”). In accordance with the EPA’s Audit Policy, the purpose of this letter is to disclose to you the potential compliance issues that were discovered during the past 21 days as part of Phase 2 of the audit. The facilities included in Phase 2 of the audit are those listed on Exhibit 2-A. If additional issues are discovered during subsequent phases of the audit, we will timely disclose that information to EPA at a later date.

Ms. Rhonda Ruple
May 21, 2012
Page 2

The facilities that were determined to not contain any jurisdictional waters are described as "uplands" under the "wetlands" column of the table. The table further reflects that no permit is required for these facilities through the "NPR" notation under the "Permit" column. The audit concluded that there are no potential violations associated with these facilities.

Potential violations were identified at the other facilities. The type and area of jurisdictional waters impacted are provided on the table, as is the type of after-the-fact permit required. QEP believes that the violations began on or around the date that construction of the facilities began. That date, or in certain instances the date of the first construction invoice or spud date, is provided for each facility. We have also listed the date of discovery, which is the date that the delineation report for each facility was prepared and submitted by Headwaters to QEP through counsel. As reflected in the table, all of the potential violations are being disclosed to EPA within 21-days of discovery.

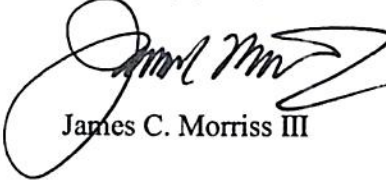
QEP is in the process of correcting all of the issues noted by Headwaters by preparing applications for after-the-fact permits for submission to the United States Army Corps of Engineers (USACE). As part of that process, QEP will mitigate all impacts to wetlands and other jurisdictional waters. Because of the USACE's permitting timetable, the Audit Policy's 60-day deadline to complete corrective actions is not obtainable. QEP therefore requests that EPA extend the deadline in order to allow sufficient time for after-the-fact permits to be issued. QEP will fully cooperate with the USACE to ensure prompt issuance of the permits. QEP expects to submit applications for after-the-fact permits to USACE for the facilities identified in this disclosure within the next few weeks.

We do not believe that any of these issues have resulted in actual harm that might have presented an imminent and substantial endangerment to public health or the environment. We do not believe that these issues violate any specific term of any order or consent agreement. Moreover, these issues were voluntarily discovered; they were not discovered through a monitoring, sampling, or auditing procedure that is required by statute, regulation, permit, judicial/administrative order, or consent agreement. Furthermore, QEP has discovered and disclosed these issues independently and on its own initiative as part of an environmental audit, before EPA or another government agency likely would have identified them. Finally, QEP does not believe that any of the issues listed above are repeat violations from the past three years.

Ms. Rhonda Ruple
May 21, 2012
Page 3

QEP is eager to cooperate with the EPA, and believes that these disclosures comply with the Audit Policy. In that regard, please do not hesitate to contact me at 512/469-6130 if you have any questions or require further information regarding this matter.

Very truly yours,



James C. Morriss III

Enclosed Table (Exhibit A)

cc: Tucker Henson, EPA (via E-mail)



FACILITIES AUDITED IN CWA § 404 ENVIRONMENTAL AUDIT; STAGE 2

Well Name	ID	Construction Date	Report Date	Coordinate		Wetland Type	Wetland Impacts		Stream Impacts		Permit Type
				Lat.	Long.		Acres	Type	Linear Ft	Acres	
WEYERHAEUSER 10 H	001	7/6/2009*	5/3/12	32.30773811	-93.37708865	Upland	n/a	NRPW	356	0.016	GP19
BATCHELOR 2 H	001	8/28/2009*	5/3/12	32.30884248	-93.37157388	Upland	n/a	n/a	n/a	n/a	NPR
DARREL W SHARP 12 H	001	7/20/2009*	5/3/12	32.30802953	-93.34262955	Upland	n/a	n/a	n/a	n/a	NPR
LEDBETTER 34-1 ALT	001-ALT	1/7/2009*	5/2/12	32.41696815	-93.476591	Forested Wetland	2.196	n/a	n/a	n/a	GP19
MORRIS 33-3 ALT	003-ALT	1/7/2009*	5/2/12	32.41959836	-93.50499835	Forested Wetland	0.138	n/a	n/a	n/a	GP19
HOWARD 33-1 ALT	001-ALT	1/7/2009*	5/2/12	32.4156981	-93.49406073	Upland	n/a	n/a	n/a	n/a	NPR
FRIERSON PROPERTY 30-16-12 LOC A	NA		5/2/12	32.346168	-93.610353	Upland	n/a	n/a	n/a	n/a	NPR
FRIERSON PROPERTY 30-16-12 LOC B	NA		5/2/12	32.345662	-93.606259	Emergent	0.035	n/a	n/a	n/a	GP19
SAMPLE 4-3	3	8/18/2009*	5/2/12	32.22408515	-93.49568766	Upland	n/a	NRPW	20	0.002	NW14
PARKS COMPRESSOR PAD 31-17-11	NA	10/1/2008	5/2/12	32.416552	-93.535126	Forested Wetland	0.131	n/a	n/a	n/a	GP19
BAKER DEHY 17-14-11	NA		5/2/12	32.195164	-93.512639	Upland	n/a	n/a	n/a	n/a	NPR
SEELCO 24	001-ALT	11/4/2008*	5/8/12	32.26610802	-93.34620588	Upland	n/a	n/a	n/a	n/a	NPR
CONLY 30	003-ALT	8/15/2008*	5/8/12	32.2611304	-93.33286677	Upland	n/a	n/a	n/a	n/a	NPR
CONLY 30 SWD	001	12/19/2009**	5/8/12	32.26130704	-93.33220531	Upland	n/a	n/a	n/a	n/a	NPR
LAWSON 30	002-ALT	1/5/2009*	5/8/12	32.26291765	-93.32802378	Forested Wetland	1.029	RPW-Seasonal	43.694	0.004	GP19
LAWSON 30	005-ALT	1/5/2009*	5/8/12	32.25981358	-93.32852645	Forested Wetland	1.222	n/a	n/a	n/a	GP19
LAWSON 30	004-ALT	1/27/2009*	5/8/12	32.25725828	-93.32664335	Forested Wetland	1.143	RPW-Seasonal	336.176	0.046	GP19
T CONLY 30	003-ALT	8/15/2008*	5/8/12	32.25677271	-93.33282755	Forested Wetland	0.398	RPW-Seasonal	59.851	0.0027	GP19
T CONLY 30	002-ALT	7/15/2008	5/8/12	32.25282217	-93.33203166	Upland	n/a	n/a	n/a	n/a	NPR
LAWSON 30	003-ALT	1/12/2009*	5/8/12	32.25438723	-93.3268214	Upland	n/a	n/a	n/a	n/a	NPR
SUSTAINABLE FOREST 29	005-ALT	3/10/2009	5/9/12	32.25650686	-93.32168707	Forested Wetland	0.395	n/a	n/a	n/a	GP19
SUSTAINABLE FOREST 29	006-ALT	6/2/2009*	5/9/12	32.25410384	-93.32090222	Emergent	2.653	n/a	n/a	n/a	GP19
SAWYER R WIMBERLY JR SWD	001	9/7/2008**	5/9/12	32.25849957	-93.30666182	Upland	n/a	n/a	n/a	n/a	NPR
HARPER 28	002-ALT	11/25/2008*	5/9/12	32.2581783	-93.30268314	Scrub/shrub Emergent	0.202	n/a	n/a	n/a	GP19



FACILITIES AUDITED IN CWA § 404 ENVIRONMENTAL AUDIT; STAGE 2

Well Name	ID	Construction Date	Report Date	Coordinate		Wetland Type	Wetland Impacts		Stream Impacts		Permit Type
				Lat.	Long.		Acres	Type	Linear Ft.	Acres	
HARPER 28	003-ALT	11/25/2008*	5/9/12	32.25665494	-93.30275399	Upland	n/a	n/a	n/a	n/a	NPR
KAUFFMAN 28	002-ALT	7/27/2009*	5/10/12	32.25339681	-93.29935487	Upland	n/a	n/a	n/a	n/a	NPR
LEON 28	001-ALT	1/5/2009*	5/10/12	32.25533722	-93.29677404	Forested	0.490	n/a	n/a	n/a	GP19
KAUFFMAN SWD	001	10/7/2008**	5/10/12	32.25560718	-93.29271328	Upland	n/a	n/a	n/a	n/a	NPR
KAUFFMAN 28	005-ALT	1/22/2009	5/10/12	32.2563452	-93.29073335	Upland	n/a	n/a	n/a	n/a	NPR
KAUFFMAN 28	003-ALT	3/25/2008*	5/10/12	32.25383493	-93.29125528	Forested	0.900	n/a	n/a	n/a	GP19
KAUFFMAN 28	006-ALT	2/25/2009*	5/10/12	32.25130425	-93.29063512	Wetland	1.200	n/a	n/a	n/a	GP19
KAUFFMAN 28	004-ALT	2/25/2009*	5/10/12	32.25130242	-93.29886767	Upland	n/a	n/a	n/a	n/a	NPR
J WOODARD 27-15-9H	001	6/12/2009*	5/10/12	32.24968249	-93.27313096	Forested	0.930	RPW-	n/a	n/a	GP19
J WOODARD 34-15-9 H	001	4/13/2009	5/10/12	32.2496818	-93.27324417	Emergent	0.120	Seasonal	222.8	0.02	GP19
WOODARD 33	004-ALT	4/28/2009	5/3/12	32.2437888	-93.29634428	Forested	0.407***	n/a	n/a	n/a	GP19
GOLSON 32 H	001	1/9/2009*	5/3/12	32.23678692	-93.30774609	Wetland	3.620	n/a	n/a	n/a	GP19
SHELBY INTERESTS 31H	001	12/11/2008*	5/4/12	32.23686023	-93.33267348	Forested	0.138	NRPW	20.021	0.0018	NW14
WIGGINS 36-15-10 H	001	7/25/2008*	5/4/12	32.23773334	-93.342876	Upland	n/a	n/a	n/a	n/a	NPR
NAC 36 H	001-ALT	5/29/2009*	5/4/12	32.23635662	-93.34859899	Upland	n/a	n/a	n/a	n/a	NPR
CONLY SR 27 H	001-ALT	12/3/2009*	5/4/12	32.25041854	-93.37490318	Forested	0.030	NRPW	442.234	0.02	GP19
CONLY SR 34 H	001-ALT	12/3/2009*	5/4/12	32.25032233	-93.37490226	Wetland	0.062	NRPW	19.929	0.0009	GP19
CONLY 37	001	4/25/2008*	5/4/12	32.24372091	-93.38779398	Wetland	0.025	NRPW	21.879	0.001	NW14
W M CONLY SWD SUSTAINABLE FOREST 23H	001-ALT	10/14/2009*	5/4/12	32.26546289	-93.37058126	Upland	n/a	n/a	n/a	n/a	NPR
MARY ETAL 14 H	001	9/3/2009	5/4/12	32.27999339	-93.37144661	Forested	0.052	RPW- Seasonal	20.341	0.002	NW14
Lawson 29	003-ALT	4/1/2009	5/8/12	32.25706067	-93.31721153	Wetland	1.964	RPW- Seasonal	360.836	0.033	GP19
Sust Forest 29	003-ALT	2/5/2009	5/9/12	32.25310265	-93.31799809	Emergent	2.842	n/a	n/a	n/a	GP19
WOODARD 33 FRAC POND	n/a	6/15/2009	5/5/12	32.247461	-93.294039	Emergent	2.000	n/a	n/a	n/a	GP19



FACILITIES AUDITED IN CWA § 404 ENVIRONMENTAL AUDIT; STAGE 2

Well Name	ID	Construction Date	Report Date	Coordinate		Wetland Type	Wetland Impacts		Stream Impacts			Permit Type
				Lat.	Long.		Acres	Acres	Type	Linear Ft.	Acres	
KEN RYAN 11-15-10 FRAC POND	n/a	7/20/2009	5/5/12	32.306062	-93.366084	Upland	n/a	RPV-Seasonal	794.364	0.091	GP19	
GOLSON 32-15-9 FRAC POND	n/a	8/19/2008	5/5/12	32.236926	-93.306693	Forested Wetland	2.840	n/a	n/a	n/a	GP19	
WIGGINS 36-15-10 FRAC POND	n/a	7/3/2008	5/5/12	32.236198	-93.342042	Emergent	0.070	n/a	n/a	n/a	GP19	
SHELBY INTEREST 31-15-9 FRAC POND	n/a	8/11/2008	5/5/12	32.236911	-93.331566	Upland	n/a	n/a	n/a	n/a	NPR	
Hutch 37 Pipeline	n/a	6/1/2009	4/26/12			Emergent (Temporary)	0.167	n/a	n/a	n/a	NW12	
Cupples 10H No. 1 Extension Pipeline	n/a	3/1/2009	4/26/12			Emergent (Temporary)	0.241	n/a	n/a	n/a	NW12	

* Denotes the date of the first construction invoice. The actual construction date may have preceded the invoice date.

** Denotes spud date of the wells.

*** In addition, there were 0.034 acres of temporary impacts at this location.

Attachment C

QEP Disclosure Dated July 9, 2012

ICIS ✓
EATS ✓

THOMPSON & KNIGHT LLP

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July 9, 2012

**Via Certified Mail # 7008 1830 0003 8727 4545
And Facsimile (214) 665-7446**

Ms. Rhonda Ruple (6EN-X)
U.S. Environmental Protection Agency, Region 6
Compliance Assurance and Enforcement Division
Self Disclosure Audit Reporting
1445 Ross Avenue, Suite #1200
Dallas, TX 75202-2733

RE: Voluntary Disclosure of Potential Violations under EPA Audit Policy Discovered Pursuant to Scheduled Environmental Compliance Audit of Oil and Natural Gas Exploration and Production Facilities Owned by QEP Energy Corporation in Northwest Louisiana – Phase 3.

Dear Ms. Ruple:

As you know, we represent QEP Energy Corporation (“QEP”). As described in my letters dated March 30 and May 21, 2012, QEP is in the process of conducting a multi-stage, third-party environmental audit of certain of the company’s oil and natural gas exploration and production facilities in northwest Louisiana. The environmental audit was initiated with the goal of identifying any issues of noncompliance at certain of QEP’s facilities under section 404 of the Clean Water Act. The environmental consulting firm Headwaters Natural Resources Consulting (“Headwaters”) was engaged to assist with the audit. Headwaters recently changed its name from Wildlife Technical Services, Inc.

Because of the number of sites included within the scope of the environmental audit, the audit has been separated into multiple phases. This disclosure represents the third phase of the audit (“Phase 3”). In accordance with the EPA’s Audit Policy, the purpose of this letter is to disclose to you the potential compliance issues that were discovered during the past 21 days as part of Phase 2 of the audit. The facilities included in Phase 3 of the audit are those listed on Exhibit 3-A. If additional issues are discovered during subsequent phases of the audit, we will timely disclose that information to EPA at a later date.

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Ms. Rhonda Ruple
July 9, 2012
Page 2

The facilities that were determined to not contain any jurisdictional waters are described as "uplands" under the "wetlands" column of the table. The table further reflects that no permit is required for these facilities through the "NPR" notation under the "Permit" column. The audit concluded that there are no potential violations associated with these facilities.

Potential violations were identified at the other facilities. The type and area of jurisdictional waters impacted are provided on the table, as is the type of after-the-fact permit required. QEP believes that the violations began on or around the date that construction of the facilities began. That date, or in certain instances the date of the first construction invoice or spud date, is provided for each facility. We have also listed the date of discovery, which is the date that the delineation report for each facility was prepared and submitted by Headwaters to QEP through counsel. As reflected in the table, all of the potential violations are being disclosed to EPA within 21-days of discovery.


QEP is in the process of correcting all of the issues noted by Headwaters by preparing applications for after-the-fact permits for submission to the United States Army Corps of Engineers (USACE). As part of that process, QEP will mitigate all impacts to wetlands and other jurisdictional waters. Because of the USACE's permitting timetable, the Audit Policy's 60-day deadline to complete corrective actions is not obtainable. QEP therefore requests that EPA extend the deadline in order to allow sufficient time for after-the-fact permits to be issued. QEP will fully cooperate with the USACE to ensure prompt issuance of the permits. QEP expects to submit applications for after-the-fact permits to USACE for the facilities identified in this disclosure within the next few weeks.

We do not believe that any of these issues have resulted in actual harm that might have presented an imminent and substantial endangerment to public health or the environment. We do not believe that these issues violate any specific term of any order or consent agreement. Moreover, these issues were voluntarily discovered; they were not discovered through a monitoring, sampling, or auditing procedure that is required by statute, regulation, permit, judicial/administrative order, or consent agreement. Furthermore, QEP has discovered and disclosed these issues independently and on its own initiative as part of an environmental audit, before EPA or another government agency likely would have identified them. Finally, QEP does not believe that any of the issues listed above are repeat violations from the past three years.

Ms. Rhonda Ruple
July 9, 2012
Page 3

QEP is eager to cooperate with the EPA, and believes that these disclosures comply with the Audit Policy. In that regard, please do not hesitate to contact me at 512/469-6130 if you have any questions or require further information regarding this matter.

Very truly yours,



James C. Morriss III

Enclosed Table (Exhibit 3-A)

cc: Tucker Henson, EPA (via E-mail)

Exhibit 3-A



FACILITIES AUDITED IN CWA § 404 AUDIT; PHASE 3

Well		Construction	Report	Coordinate		Wetland Impacts		Stream Impacts			Permit
Name	ID	Date	Date	Lat.	Long.	Type	Acres	Type	Linear Ft	Acres	Type
PHILLIP M GOULD SWD	001	9/9/09*	6/18/12	32.290161	-93.32733	Upland	n/a	n/a	n/a	n/a	NPR
BURNS FOREST 16	003-ALT	8/4/2009	6/18/12	32.289743	-93.304634	Upland	n/a	n/a	n/a	n/a	NPR
BURNS FOREST 16	001-ALT	2/13/09*	6/18/12	32.237824	-93.302976	Forested Wetland	0.995	n/a	n/a	n/a	GP 19
WOODS 16	002-ALT	6/20/2008*	6/18/12	32.28546	-93.303351	Upland	n/a	n/a	n/a	n/a	NPR
WOODS 16	001-ALT	6/23/08*	6/18/12	32.28425	-93.298642	Forested Wetland	0.553	n/a	n/a	n/a	GP 19
WOODS 16	003-ALT										
MICHAEL H L SANDERS ET UX SWD	001	9/8/08*	6/18/12	32.283443	-93.3071875	Upland	n/a	n/a	n/a	n/a	NPR
BURNS FOREST 16	002-ALT	1/23/09*	6/18/12	32.287259	-93.291726	Forested Wetland	1.263	n/a	n/a	n/a	GP 19
BURNS FOREST 16	004-ALT	7/31/2009	6/18/12	32.289152	-93.290034	Forested Wetland	0.013	n/a	n/a	n/a	GP 19
						Emergent Wetlands	0.053				
LAWSON 15	003-ALT	12/12/2008	6/18/12	32.289493	-93.283354	Upland	n/a	n/a	n/a	n/a	NPR
LAWSON 15	002-ALT	12/11/2008	6/18/12	32.284171	-93.280691	Forested Wetland	0.128	n/a	n/a	n/a	GP 19
MARAK 15	001-ALT	5/14/2009	6/18/12	32.28098	-93.286864	Upland	n/a	n/a	n/a	n/a	NPR
SELF 22	001-ALT	9/6/2008	6/18/12	32.275525	-93.282634	Upland	n/a	n/a	n/a	n/a	NPR
BILLY REX HARPER 15H	001	3/9/09*	6/18/12	32.280058	-93.273136	Upland	n/a	n/a	n/a	n/a	NPR
BILLY R HARPER 14 H	001	10/19/2009*	6/18/12	32.278829	-93.264069	Emergent Wetlands	0.457	n/a	n/a	n/a	GP 19
B HARPER 23-15-9 H	001	10/22/09*									
EDWARDS 22	001-ALT	7/30/08*	6/18/12	32.272918	-93.276548	Upland	n/a	n/a	n/a	n/a	NPR
WEATHERS 22	001-ALT	10/10/08*	6/18/12	32.270589	-93.280230	Upland	n/a	n/a	n/a	n/a	NPR
WEATHERS 22	002-ALT	8/29/08*	6/18/12	32.268892	-93.284315	Emergent Wetlands	0.128	n/a	n/a	n/a	NW 14
CURVIN O'NEAL SELF SR ETUX SWD	001	12/4/08**	6/18/12	32.268917	-93.287084	Upland	n/a	n/a	n/a	n/a	NPR
BURNS FOREST 21	001-ALT	6/13/2008	6/18/12	32.265813	-93.290727	Upland	n/a	n/a	n/a	n/a	NPR
BECKETT 28-15-9 H	001	5/19/09*	6/18/12	32.265666	-93.290023	Forested Wetland	0.963	n/a	n/a	n/a	GP 19
BURNS FOREST 21	002-ALT	6/30/08*									
MARTIN 21	004-ALT	12/12/08*	6/18/12	32.265839	-93.298404	Upland	n/a	n/a	n/a	n/a	NPR
THOMAS 20	005-ALT	2/4/09*	6/19/12	32.271141	-93.3068663	Forested Wetland	0.888	n/a	n/a	n/a	GP 19
KITCHENS 20	002-ALT	7/14/2008	6/19/12	32.269209	-93.3106769	Upland	n/a	n/a	n/a	n/a	NPR
KITCHENS 20	004-ALT	9/10/08*	6/19/12	32.271882	-93.31258996	Upland	n/a	n/a	n/a	n/a	NPR
KITCHENS 20	003-ALT	8/25/2008	6/18/12	32.274884	-93.31136434	Upland	n/a	n/a	n/a	n/a	NPR

Exhibit 3-A



FACILITIES AUDITED IN CWA § 404 AUDIT; PHASE 3

Well		Construction	Report	Coordinate		Wetland Impacts		Stream Impacts			Permit
Name	ID	Date	Date	Lat.	Long.	Type	Acres	Type	Linear Ft	Acres	Type
WILKINSON 20	001-ALT	1/2/2009	6/19/12	32.274884	-93.31126424	Upland	n/a	n/a	n/a	n/a	NPR
THOMAS 20	004-ALT	8/12/2008	6/19/12	32.278724	-93.31528097	Upland	n/a	n/a	n/a	n/a	NPR
CONLY ETAL 17	002-ALT	6/12/2009	6/19/12	32.281808	-93.3169715	Upland	n/a	n/a	n/a	n/a	NPR
BECKHAM 18	002-ALT	9/17/2008	6/19/12	32.281327	-93.32555844	Upland	n/a	n/a	n/a	n/a	NPR
HINTZMAN 19 H	001-ALT	8/7/09*	6/19/12	32.278817	-93.32890117	Upland	n/a	n/a	n/a	n/a	NPR
HINTZMAN 19	002-ALT	8/20/2008	6/19/12	32.273802	-93.32532278	Upland	n/a	n/a	n/a	n/a	NPR
B WIMBERLY 29	001-ALT	6/11/2009	6/20/12	32.255951	-93.3110132	Forested Wetland	0.416	RPW Year Round	20.09	0.0055	GP 19
								Non-RPW	20.01	0.0009	
B WIMBERLY 29	002-ALT	6/11/2009	6/20/12	32.257958	-93.31230869	Forested Wetland	0.031	n/a	n/a	n/a	NW 14
S WIMBERLY 29	002-ALT	8/5/08*	6/20/12	32.259876	-93.31328642	Forested Wetland	0.070	n/a	n/a	n/a	GP 19
S WIMBERLY 29	001-ALT	8/5/08*	6/20/12	32.260374	-93.30843813	Upland	n/a	n/a	n/a	n/a	NPR
SUSTAINABLE FOREST 28	002-ALT	2/20/09*	6/20/12	32.261468	-93.30323912	Forested Wetland	0.676	n/a	n/a	n/a	GP 19
WOODARD VILLA INC	002-ALT	2/23/2009	6/18/12	32.26333	-92.2868463	Emergent Wetlands	2.888	n/a	n/a	n/a	GP 19
MARTIN 28	002-ALT	5/13/2008	6/20/12	32.263623	-93.29451953	Upland	n/a	n/a	n/a	n/a	NPR
THOMAS-WILLIAMS 20	003-ALT	11/24/2008	6/20/12	32.267561	-93.31390425	Forested Wetland	0.005	n/a	n/a	n/a	NPR
KITCHENS 29	001-ALT	9/12/2008	6/20/12	32.264822	-93.3165427	Upland	n/a	n/a	n/a	n/a	NPR
JAMES L LOE ET UX SWD	001	10/1/09*	6/21/12	32.274855	-93.28568927	Forested Wetland	0.163	n/a	n/a	n/a	GP 19
SUSTAINABLE FOREST 29 H	001	1/27/2009	6/21/12	32.264326	-93.30739085	Forested Wetland	0.701	n/a	n/a	n/a	GP 19
W. K. CUPPLES 39	010-ALT	10/17/08*	6/21/12	32.312846	-93.577278	Upland	n/a	n/a	n/a	n/a	NPR
WEATHERS 22-15-9 FRAC POND	n/a	4/8/2009	6/21/12	32.270779	-93.282331	Forested Wetland	0.881	n/a	n/a	n/a	GP 19
						Emergent	0.272				
Hall Summitt Facility	n/a	8/1/2009	6/21/12	32.245047	-93.283904	Forested Wetland	0.911	n/a	n/a	n/a	GP 19
						Emergent	0.070				
Woodardville Field Office	n/a	7/10/2009	7/3/12	32.289124	-93.327554	Forested Wetland	2.160	n/a	n/a	n/a	GP 19

* Denotes the date of the first construction invoice. The actual construction date may have preceded the invoice date.

**Denotes the spud date.

Attachment D

QEP Disclosure Dated September 7, 2012

THOMPSON & KNIGHT LLP

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September 7, 2012

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Ms. Rhonda Ruple (6EN-X)
U.S. Environmental Protection Agency, Region 6
Compliance Assurance and Enforcement Division
Self Disclosure Audit Reporting
1445 Ross Avenue, Suite #1200
Dallas, TX 75202-2733

RE: Voluntary Disclosure of Potential Violations under EPA Audit Policy Discovered Pursuant to Scheduled Environmental Compliance Audit of Oil and Natural Gas Exploration and Production Facilities Owned by QEP Energy Corporation in Northwest Louisiana – Phase 4.

Dear Ms. Ruple:

As you know, we represent QEP Energy Corporation (“QEP”). As described in my letters dated March 30, May 21, and July 9, 2012, QEP is in the process of conducting a multi-stage, third-party environmental audit of certain of the company’s oil and natural gas exploration and production facilities in northwest Louisiana. The environmental audit was initiated with the goal of identifying any issues of noncompliance at certain of QEP’s facilities under section 404 of the Clean Water Act. The environmental consulting firm Headwaters Natural Resources Consulting (“Headwaters”) was engaged to assist with the audit.

Because of the number of sites included within the scope of the environmental audit, the audit has been separated into multiple phases. This disclosure represents the fourth and final phase of the audit (“Phase 4”). In accordance with the EPA’s Audit Policy, the purpose of this letter is to disclose to you the potential compliance issues that were discovered during the past 21 days as part of Phase 4 of the audit. The facilities included in Phase 4 of the audit are those listed on Exhibit 4-A.

The facilities that were determined to not contain any jurisdictional waters are described as “n/a” under the “wetlands” column of the table. The table further reflects that no permit is

Ms. Rhonda Ruple
September 7, 2012
Page 2

required for these facilities through the "NPR" notation under the "Permit" column. The audit concluded that there are no potential violations associated with these facilities.

Potential violations were identified at the other facilities. The type and area of jurisdictional waters impacted are provided on the table, as is the type of after-the-fact permit required. QEP believes that the violations began on or around the date that construction of the facilities began. That date, or in certain instances the date of the first construction invoice or spud date, is provided for each facility. We have also listed the date of discovery, which is the date that the delineation report for each facility was prepared and submitted by Headwaters to QEP through counsel. As reflected in the table, all of the potential violations are being disclosed to EPA within 21-days of discovery.

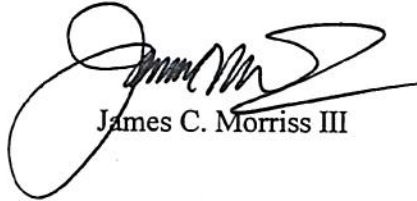
QEP is in the process of correcting all of the issues noted by Headwaters by preparing applications for after-the-fact permits for submission to the United States Army Corps of Engineers (USACE). QEP has submitted such applications for the three prior phases of the audit. As part of that process, QEP will mitigate all impacts to wetlands and other jurisdictional waters. QEP believes that for Phase 4, all of the matters will be resolved through the application of Nationwide Permit 12, or in one case, General Permit 19. As the attached table reflects, the majority of the sites that will require coverage for Phase 4 involve wetland impacts of less than half an acre. Because of the USACE's permitting timetable, the Audit Policy's 60-day deadline to complete corrective actions is not obtainable. QEP therefore requests that EPA extend the deadline in order to allow sufficient time for after-the-fact permits to be issued. QEP will fully cooperate with the USACE to ensure prompt issuance of the permits. QEP expects to submit applications for after-the-fact permits to USACE for the facilities identified in this disclosure within the next few weeks.

We do not believe that any of these issues have resulted in actual harm that might have presented an imminent and substantial endangerment to public health or the environment. We do not believe that these issues violate any specific term of any order or consent agreement. Moreover, these issues were voluntarily discovered; they were not discovered through a monitoring, sampling, or auditing procedure that is required by statute, regulation, permit, judicial/administrative order, or consent agreement. Furthermore, QEP has discovered and disclosed these issues independently and on its own initiative as part of an environmental audit, before EPA or another government agency likely would have identified them. Finally, QEP does not believe that any of the issues listed above are repeat violations from the past three years.

Ms. Rhonda Ruple
September 7, 2012
Page 3

QEP is eager to cooperate with the EPA, and believes that these disclosures comply with the Audit Policy. In that regard, please do not hesitate to contact me at 512/469-6130 if you have any questions or require further information regarding this matter.

Very truly yours,



James C. Morriss III

JCM/sg

Enclosed Table (Exhibit 4-A)

cc: Tucker Henson, EPA

Via E-mail: henson.tucker@epa.gov

Exhibit 4-A



FACILITIES AUDITED IN CWA § 404 AUDIT PHASE 4

Pipeline Area-ID	Construction Date	Report Date	Beg. Coordinate		End Coordinate		Wetland Impacts		Stream Impacts			Permit Type
			Lat.	Long.	Lat.	Long.	Type	Acres	Type	Linear Ft	Acres	
W-38 Woods 16 No. 3	5/18/2009	8/22/12	32.286629	-93.303887	32.286568	-93.299067	Forested	0.292	n/a	n/a	n/a	GP 19
W-39	12/11/2008	8/20/12	32.286678	-93.303916	32.285867	-93.303829	n/a	n/a	n/a	n/a	n/a	NPR
W-40	4/29/08	8/20/12	32.282993	-93.303102	32.280887	-93.298419	n/a	n/a	n/a	n/a	n/a	NPR
W-41	7/8/08	8/21/12	32.284316	-93.299134	32.280925	-93.298096	n/a	n/a	n/a	n/a	n/a	NPR
W-42	9/5/2008	8/17/12	32.272281	-93.312645	32.270629	-93.314817	n/a	n/a	n/a	n/a	n/a	NPR
W-43	8/23/2008	8/20/12	32.269489	-93.310382	32.268628	-93.314190	Forested	0.012	n/a	n/a	n/a	NW 12
W-44	4/28/2008	8/20/12	32.266968	-93.320761	32.268620	-93.314191	n/a	n/a	n/a	n/a	n/a	NPR
W-45	05/08/08	8/20/12	32.271802	-93.299967	32.269463	-93.302513	n/a	n/a	n/a	n/a	n/a	NPR
W-47	5/18/2009	8/20/12	32.279662	-93.279323	32.280726	-93.273291	n/a	n/a	n/a	n/a	n/a	NPR
W-48	5/18/2009	8/20/12	32.279633	-93.273930	32.279605	-93.269732	n/a	n/a	n/a	n/a	n/a	NPR
W-50	2/3/09	8/21/12	32.256705	-93.290893	32.255528	-93.291995	n/a	n/a	n/a	n/a	n/a	NPR
W-51	9/16/2008	8/23/12	32.255109	-93.286762	32.237081	-93.342908	Emergent	1.066	n/a	n/a	n/a	NW 12
			32.241799	-93.326818	32.246390	-93.327155	Forested	0.228				
W-52	10/20/2009*	8/23/12	32.254983	-93.291917	32.254207	-93.291483	n/a	n/a	n/a	n/a	n/a	NPR
W-53	7/22/2008	8/23/12	32.254364	-93.290743	32.254030	-93.290784	Forested	0.053	n/a	n/a	n/a	NW 12
W-55	2/13/2009	8/21/12	32.253862	-93.302497	32.251995	-93.298326	n/a	n/a	n/a	n/a	n/a	NPR
W-56	10/23/2008	8/23/12	32.249441	-93.305760	32.237402	-93.307493	Emergent	0.265	n/a	n/a	n/a	NW 12
							Forested	0.325				
W-58	10/16/2008	8/28/12	32.239430	-93.333292	32.237422	-93.333222	n/a	n/a	n/a	n/a	n/a	NPR
W-59	06/22/09	8/21/12	32.236586	-93.347760	32.237184	-93.342950	Forested	0.003	n/a	n/a	n/a	NW 12

* For these facilities, the construction start date could not be determined, and the construction end date is provided.