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U.S. EPA, REGION IX  
REGIONAL HEARING CLERK

1 NANCY J. MARVEL  
Regional Counsel

2  
3 RICHARD T. CAMPBELL  
Assistant Regional Counsel  
4 U.S. Environmental Protection Agency, Region IX  
75 Hawthorne Street  
5 San Francisco, CA 94105  
(415) 972-3870  
6

7 UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
8 REGION IX  
9

10	IN THE MATTER OF:	)	DOCKET NO. UIC-09-2008-0003
11	Mountain States Petroleum Company,	)	
12	Apache County, Arizona	)	
13	Respondent.	)	<b>CONSENT AGREEMENT</b>
14		)	<b>AND</b>
15	UIC Class II Well (Navajo #10)	)	<b>PROPOSED FINAL ORDER</b>
16	Proceedings under Section 1423(c) of the Safe	)	
17	Drinking Water Act, 42 U.S.C. § 300h-2(c)	)	

17 **CONSENT AGREEMENT**

18 **Introduction**

19 1. The authority to enter into this Consent Agreement is vested in the Administrator of the  
20 United States Environmental Protection Agency ("EPA") by Sections 1423(c) and 1445(a) of the  
21 Safe Drinking Water Act ("SDWA"), 42 U.S.C. § 300h-2(c), 300j-4(a). The Administrator has  
22 delegated these authorities to the Regional Administrator of EPA Region IX. The Regional  
23 Administrator in turn has delegated these authorities to the Director of the Water Division for  
24 EPA Region IX (the "Complainant").  
25

**In re: Mountain States Petroleum Company  
Consent Agreement and Proposed Final Order  
USEPA Docket No. UIC 09-2008-0003**





1 10. Neither assessment nor payment of a civil administrative penalty pursuant to this  
2 CA/FO shall affect Respondent's continuing obligation to comply with the SDWA's UIC  
3 Program.

4 11. If Respondent's penalty payment is not received on or before the due date, interest shall  
5 accrue on any overdue amount from the first date after the due date through the date of payment,  
6 at the interest rate established by the Secretary of the Treasury under 31 U.S.C. § 3717. In  
7 addition, a late payment handling charge of fifteen dollars (\$15.00) will be assessed for each  
8 thirty-(30) day period (or any portion thereof) following the due date in which the balance  
9 remains unpaid. Payment of any interest and late handling charges shall be made in accordance  
10 with paragraph 8 above.

11 12. Pursuant to Section 1423(c)(7) of the SDWA, 42 U.S.C. § 300h-2(c)(7), if Respondent  
12 fails to pay by the due date the administrative civil penalty assessed in paragraph 7 above of this  
13 CA/FO, EPA shall bring a civil action in an appropriate district court to recover the amount  
14 assessed (plus costs, attorneys' fees, and interest). In such action, the validity, amount, and  
15 appropriateness of such penalty shall not be subject to review, in accordance with 42 U.S.C. §  
16 300h-2(c)(7).

17 13. Respondent shall not deduct the civil penalty, or any interest, late penalty payment  
18 and/or administrative handling fees, from its federal, state or local income tax.

19 **Reservation of Rights**

20 14. This CA/FO shall not affect the right of the EPA to pursue appropriate injunctive or  
21 other equitable relief or criminal sanctions for any violations of law.

22 15. This CA/FO, inclusive of all exhibits, appendices, and attachments, is the entire  
23 agreement between the Parties to resolve EPA's civil penalty claim against Respondent for the  
24 specific SDWA violations alleged in the attached Complaint. Full payment of the penalty  
25 assessed in paragraph 7 above shall only resolve Respondent's liability for Federal civil penalties

1 for the violations and facts alleged in the Complaint in accordance with 40 C.F.R § 22.18(c).  
2 This CA/FO shall not be construed as a covenant not to sue, release, waiver or limitation of any  
3 rights, remedies, powers or authorities, civil or criminal, which EPA has under the SDWA, or  
4 any other statutory, regulatory or common law enforcement authority of the United States.

5 16. Compliance by Respondent with the terms of this CA/FO shall not relieve Respondent  
6 of its obligations to comply with the SDWA, the SDWA UIC Program, or any other applicable  
7 local, State, Tribal, or federal laws and regulations.

8 17. The entry of this CA/FO and Respondent's consent to comply shall not limit or  
9 otherwise preclude EPA from taking additional enforcement actions should EPA determine that  
10 such actions are warranted except as it relates to Respondent's liability for federal civil penalties  
11 for the specific alleged violations and facts as set forth in the attached Complaint.

12 18. This CA/FO is not intended to be nor shall it be construed as a permit. This CA/FO  
13 does not relieve Respondent of any obligation to obtain and comply with any local, State, Tribal,  
14 or federal permits.

15 **Parties Bound**

16 19. The provisions of this CA/FO shall apply to and be binding upon Respondent, its  
17 officers, directors, agents, successors, and assigns, until such time as the civil penalty assessed in  
18 paragraph 7 has been paid. Payment in accordance with paragraphs 7 and 8 of this CA/FO shall  
19 terminate and constitute full settlement of the violations alleged herein.

20 20. The undersigned representative of each of the Parties certifies that he or she is fully  
21 authorized to execute and legally bind that party to this CA/FO.

22 **Other Claims**

23 21. This CA/FO shall in no way affect the right of EPA or the United States against any  
24 third party not a party to this CA/FO or the right of any third party against Respondent.

1 22. EPA reserves any and all legal and equitable remedies available to enforce this CA/FO,  
2 as well as the right to seek recovery of any costs and attorneys' fees incurred by EPA in any  
3 actions against Respondent for non-compliance with this CA/FO. Violation of this CA/FO shall  
4 be deemed a violation of the SDWA, and may result in additional enforcement action pursuant to  
5 SDWA § 1423(b), 42 U.S.C. § 300h-2(b) and/or SDWA § 1423(c)(7), 42 U.S.C. § 300h-2(c)(7).

6 23. Except as stated in paragraph 12, the Parties shall each bear their own costs and  
7 attorneys fees incurred in this proceeding.

8 24. The headings in this CA/FO are for convenience of reference only and shall not affect  
9 interpretation of this CA/FO

10 **Effective Date**

11 25. The effective date of the CA/FO shall be thirty (30) days from the date that the attached  
12 proposed Final Order is signed by the Regional Judicial Officer for EPA Region IX.

13  
14 FOR THE CONSENTING PARTIES:

15 For Mountain States Petroleum Company:

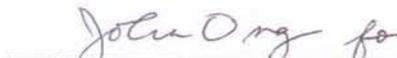
16  
17 Date: 7-31-08



18 Dennis G. McLaughlin III, President

19 For the United States Environmental Protection Agency, Region IX:

20  
21 Date: 8/7/08



22 Alexis Strauss, Director  
23 Water Division  
24  
25

1 NANCY J. MARVEL  
Regional Counsel

2  
3 RICHARD T. CAMPBELL  
Assistant Regional Counsel  
4 U.S. Environmental Protection Agency, Region IX  
75 Hawthorne Street  
5 San Francisco, CA 94105  
(415) 972-3870

6  
7 UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION IX

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9  
10 IN THE MATTER OF: ) DOCKET NO. UIC-09-2008-0003  
11 Mountain States Petroleum Company, )  
Apache County, Arizona )  
12 Respondent. ) [PROPOSED]  
13 ) FINAL ORDER  
14 )  
15 UIC Class II Well (Navajo #10) )  
Proceedings under Section 1423(c) of the Safe )  
Drinking Water Act, 42 U.S.C. § 300h-2(c) )

16  
17 The United States Environmental Protection Agency, Region IX (“EPA” or  
18 “Complainant”), and Mountain States Petroleum Company (“Respondent”), having entered into  
19 the foregoing Consent Agreement, and EPA having previously duly publicly noticed the  
20 Complaint regarding the matters alleged therein, IT IS HEREBY ORDERED THAT:

- 21 1. The foregoing Consent Agreement and this Final Order be entered; and  
22 2. Respondent shall pay an administrative civil penalty of forty-two thousand five-hundred  
23 dollars (\$42,500.00) in accordance with the terms set forth in the Consent Agreement.

24 This Final Order shall become effective thirty (30) days from the date that it is signed.  
25

1 This Final Order constitutes full adjudication of the Administrative Complaint and  
2 Proposed Assessment of Administrative Civil Penalty filed by EPA in this matter on April 23,  
3 2008.

4   
5

6 Steven Jawgiel  
7 Regional Judicial Officer  
8 U.S. Environmental Protection Agency  
9 Region 9

DATE: 08/14/08

ATTACHMENT A

In the Matter of Mountain States Petroleum Company

EPA Docket No. UIC-09-2008-0003

Administrative Complaint and  
Proposed Assessment of Administrative Civil Penalty

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1 State's current mailing address is 3001 Knox Street, Suite 403, Dallas, Texas 75205, and the  
2 address of its registered agent, CT Corporation System, is 123 East Marcy Street, Santa Fe, New  
3 Mexico 87501. Mountain States is a wholly-owned subsidiary of Apollo Resources  
4 International, Inc., a corporation organized under the laws of the State of Utah.

5 **FINDINGS**

6 2. Pursuant to Section 1422(c) of the SDWA, 42 U.S.C. §300h-1(c), 40 C.F.R. Part 147  
7 Subpart HHH §§ 147.3000-3016 (Lands of the Navajo), EPA administers the Underground  
8 Injection Control ("UIC") program for Class II wells within the Navajo Nation. This UIC  
9 program consists of the program requirements of 40 C.F.R. Parts 124, 144, 146, 147 (Subpart  
10 HHH), and 148. The effective date of the UIC program for the Navajo Nation is November 25,  
11 1988.

12 3. Respondent is a "person" within the meaning of Section 1401(12) of the SDWA,  
13 42 U.S.C. § 300f(12).

14 4. At all times relevant to this action, Respondent owned and/or operated the following  
15 UIC Class II injection well:

<u>UIC ID No.</u>	<u>Well</u>	<u>Status</u>
AZ-446	Navajo #10 (aka DBK #10)	Inactive

16  
17  
18 Navajo #10 is a Class II enhanced recovery injection well as defined by 40 C.F.R. §§ 144.3,  
19 144.6(b), 146.3, and 146.5(b), located in the Chuska Mountains of Apache County, Arizona, in  
20 the Dineh-Bi-Keyeh (aka "DBK") oil and gas field. The Dineh-Bi-Keyeh oil and gas field is  
21 also located on Indian Land, specifically, on land within the boundaries of the Navajo Nation.

22 5. The injection well subject to this action was in existence as a Class II enhanced recovery  
23 injection well on November 25, 1988 (the effective date of the UIC program in the Navajo  
24 Nation) and is, therefore, rule-authorized pursuant to 40 C.F.R. § 144.22(a).  
25

1 6. Sometime in May 2005 (but no later than May 31, 2007), Respondent ceased operation  
2 of Navajo #10 after earth-movement at the well site rendered Navajo #10 inoperable as a Class II  
3 injection well.

4 7. On August 31, 2007, Respondent sold Navajo #10 to Nacogdoches Oil and Gas, LLC  
5 (“Nacogdoches”). Nacogdoches is a corporation organized under the laws of the State of Kansas  
6 according to the records on the Kansas Secretary of State’s website,  
7 <http://www.accesskansas.org/srv-corporations>.

8 **COUNT 1:**

9 8. 40 C.F.R. § 144.28(c)(2)(iv) requires that, after a cessation of operation of two (2) years,  
10 the owner or operator of a rule-authorized well shall plug and abandon the well in accordance  
11 with an EPA-approved plugging and abandonment plan unless the owner or operator provides  
12 notice to EPA and describes actions or procedures, satisfactory to EPA, that the owner or  
13 operator will take to ensure that the well will not endanger underground sources of drinking  
14 water (“USDWs”) during the period of temporary abandonment.

15 9. Beginning sometime in May 2007 (but no later than May 31, 2007) more than two (2)  
16 years had passed since Respondent had ceased operation of Navajo #10, and Respondent had not  
17 plugged and abandoned Navajo #10, or demonstrated to EPA’s satisfaction that, if the  
18 abandonment was temporary, Navajo #10 would not endanger USDWs during the period of  
19 temporary abandonment.

20 10. From sometime in May 2007 (but no later than May 31, 2007) until Respondent’s sale  
21 of Navajo #10 to Nacogdoches on August 30, 2007, Respondent was in violation of 40 C.F.R. §  
22 144.28(c)(2)(iv) for failing to plug and abandon Navajo #10 in accordance with an EPA-  
23 approved plugging and abandonment plan or, if the abandonment was temporary, describe  
24 actions or procedures satisfactory to EPA that Navajo #10 would not endanger USDWs during  
25 the period of temporary abandonment.

1 **COUNT 2:**

2 11. 40 C.F.R. § 144.28(l) requires that the transferor of a Class II well authorized by rule  
3 shall notify EPA of a transfer of ownership or operational control of the well at least thirty (30)  
4 days in advance of the proposed transfer. The notice shall include a written agreement between  
5 the transferor and the transferee containing a specific date for transfer of ownership or  
6 operational control of the well; and a specific date when the financial responsibility  
7 demonstration required by UIC rules will be met by the transferee.

8 12. On August 31, 2007, Respondent sold Navajo #10 to Nacogdoches.

9 13. On March 13, 2008, Respondent informed EPA of its transfer of ownership of Navajo  
10 #10 to Nacogdoches on August 31, 2007.

11 14. Respondent violated 40 C.F.R. § 144.28(l) by failing to notify EPA of the transfer of  
12 ownership or operational control of Navajo #10 to Nacogdoches at least thirty (30) days in  
13 advance of the August 31, 2007 transfer of ownership and/or operational control.

14 15. These violations are subject to an enforcement action under Section 1423 of the SDWA,  
15 42 U.S.C. § 300h-2, which authorizes EPA to initiate civil and/or criminal enforcement actions  
16 in court, as well as to issue administrative orders that mandate compliance with the SDWA and  
17 its regulations and/or assess civil penalties for violations.

18 **PROPOSED ASSESSMENT OF**  
19 **ADMINISTRATIVE CIVIL PENALTY**

20 16. Section 1423(c)(2) of the SDWA, 42 U.S.C. § 300h-2(c)(2), and 40 C.F.R. § 19.4, EPA  
21 authorizes the administrative assessment of civil penalties in an amount not to exceed \$6,500 for  
22 each day of violation for any past or current violation of the SDWA UIC Program, up to a  
23 maximum administrative penalty of \$157,500, in any case relating to any underground injection  
24 for the secondary or tertiary recovery of oil or natural gas.

25 17. Based on the foregoing findings of violation, EPA finds it appropriate to assess  
Respondent a civil penalty of up to \$157,500 pursuant to Section 1423(c)(2) of the SDWA, 42

**In re: Mountain States Petroleum Company**  
**Administrative Complaint and**  
**Proposed Assessment of Administrative Civil Penalty**

1 U.S.C. § 300h-2(c)(2), and 40 C.F.R. §19.4, for Respondent's failure to comply with the UIC  
2 regulations at 40 C.F.R. Part 144 as alleged in paragraphs 1 through 14 above. In assessing a  
3 penalty for such violations, EPA appropriately took into account, in accordance with Section  
4 1423(c)(4)(B) of the SDWA, 42 U.S.C. § 300h-2(c)(4)(B), the following factors: (1) the  
5 seriousness of the violations; (2) the economic benefit resulting from the violations; (3) the  
6 history of such violations; (4) any good faith efforts to comply with the applicable requirements;  
7 (5) the economic impact of the penalty on the violator; and (6) such other matters as justice may  
8 require.

9 Brief Explanation of the Severity of  
10 Respondent's Violation of 40 C.F.R. §144.28(c)(2)(iv):

11 As to the severity of the violation of 40 C.F.R. § 144.28(c)(2)(iv), the SDWA assures the  
12 safety of the country's drinking water sources by preventing direct contamination of identified  
13 water supplies and minimizing the risk that any potential drinking water sources be  
14 contaminated. The UIC regulations assure that these sources are not rendered unfit by  
15 underground injection of contaminants. In determining the severity of the violation, it is  
16 appropriate to consider both the potential for actual harm resulting from the violation and the  
17 extent of deviation from the UIC regulations. The most serious violations are those that threaten  
18 human health or the environment or that violate crucial provisions of the UIC program.

19 The SDWA explicitly places on injection well owners or operators the burden of proving  
20 that their wells will not endanger USDWs, and thus requires that well owners or operators  
21 establish and maintain mechanical integrity to ensure that there is no significant leak in a well's  
22 casing, tubing or packer, or significant fluid movement into an USDW through vertical channels  
23 adjacent to the injection well bore. See 40 C.F.R. § 146.8(a). A well that is in use will readily  
24 evidence a lack of mechanical integrity by gaining pressure in the casing/tubing annulus or  
25 losing pressure in the tubing during injection. An unused well may never show any visible

1 evidence of a lack of mechanical integrity, and may result in the contamination of an USDW.  
2 An underground injection well that is deep enough to penetrate an USDW acts as a potential  
3 conduit for contamination of the water source, and may pose a serious threat to human health or  
4 the environment. For this reason, the underlying UIC regulations require that whenever a well is  
5 unused for a period of two years, it must either be tested for mechanical integrity or plugged.  
6 Respondent's well was unused, untested, severely damaged, and unplugged for over two years.  
7 This amounts to a serious deviation from the UIC regulatory requirements, in addition to posing  
8 a significant risk of contamination of an USDW.

9 Brief Explanation of  
10 the Severity of Respondent's Violation of 40 C.F.R. §144.28(l):

11 One purpose in requiring the transferor of a Class II well to give EPA notice of a transfer of  
12 ownership thirty (30) days in advance of the proposed transfer is to ensure that financial  
13 responsibility be maintained during a transfer of ownership. Thus, 40 C.F.R. § 144.28(l) requires  
14 that the notice include a written agreement between the transferor and transferee containing a  
15 specific date when the financial responsibility demonstration to EPA will be met by the  
16 transferee. This requirement is important because the EPA must rely solely on the financial  
17 responsibility demonstration of owners and operators of injection wells to assure that these wells  
18 are not improperly abandoned or otherwise left in a manner that will endanger USDWs. Thus, in  
19 the case of transfers, it is paramount for EPA to have in place a mechanism that will ensure that  
20 there is no interruption in the financial responsibility for a well. For these reasons, we consider  
21 Respondent's failure to notify EPA prior to the transfer of ownership of the Navajo #10 well in  
22 accordance with 40 C.F.R. § 144.28(l) to be a significant violation of the UIC regulatory scheme.

23 18. If Respondent does not contest the findings and assessments set forth above,  
24 Respondent may make payment of a \$157,500 penalty ten (10) days after the close of the public  
25 comment period that is provided for in 40 C.F.R. § 22.45 in accordance with any of the

1 acceptable methods of payment listed in **Attachment 2**, "EPA Region 9 Collection Information,"  
2 which is incorporated by reference as part of this Complaint.

3 19. Concurrent with payment of any penalty made pursuant to paragraph 18 above,  
4 Respondent shall provide written notice of payment, referencing the title and docket number of  
5 this case, via certified mail to each of the following:

6 Dave Basinger		Danielle Carr
7 Ground Water Office		Regional Hearing Clerk
8 U.S. EPA Region IX	and	U.S. EPA Region IX
75 Hawthorne Street (WTR-9)		75 Hawthorne Street (ORC-1)
San Francisco, CA 94105		San Francisco, CA 94105

9 20. Neither assessment nor payment of a civil administrative penalty pursuant to this  
10 Complaint shall affect Respondent's continuing obligation to comply with the SDWA's UIC  
11 Program, and with any separate compliance Order issued under Section 1423(c) of the SDWA,  
12 42 U.S.C. § 300h-2(c), for the violations alleged herein.

### 13 **ANSWER AND NOTICE OF OPPORTUNITY TO REQUEST A HEARING**

14 21. In accordance with Section 1423(c)(3)(A) of the SDWA, 42 U.S.C. § 300h-2(c)(3)(A),  
15 Respondent may request, within thirty (30) days of receipt of this Complaint, a hearing to contest  
16 any material fact contained in the Complaint or to contest the appropriateness of the proposed  
17 penalty set forth therein. If a hearing is requested, Subpart I of the Part 22 rules governs and sets  
18 forth the procedures for such hearing.

19 22. If Respondent requests a hearing, members of the public, to whom EPA is obligated to  
20 give notice of this proposed action, will have a right under Section 1423(c)(3)(C) of the SDWA,  
21 42 U.S.C. § 300h-2(c)(3)(C), and 40 C.F.R. § 22.45 to be heard and to present evidence on the  
22 appropriateness of the penalty assessment.

23 23. Respondent must, pursuant to Section 1423(c)(3)(A) of the SDWA, 42 U.S.C. § 300h-  
24 2(c)(3)(A), send any request for a hearing to:  
25

**In re: Mountain States Petroleum Company  
Administrative Complaint and  
Proposed Assessment of Administrative Civil Penalty**

1 Danielle Carr  
2 Regional Hearing Clerk  
3 U.S. EPA Region IX  
4 75 Hawthorne Street (mail code: ORC-1)  
5 San Francisco, CA 94105

6 **ANSWERING THE COMPLAINT**

7 24. If Respondent intends to contest any material fact upon which the Complaint is  
8 based, or to contend that the proposed penalty is inappropriate or that Respondent is entitled to  
9 judgment as a matter of law, Respondent must file with the Regional Hearing Clerk of EPA  
10 Region IX both an original and one copy of a written Answer. 40 C.F.R. § 22.15(a). Such  
11 Answer must be filed within thirty (30) days after service of this Complaint. *Id.* The address of  
12 the Regional Hearing Clerk is provided in paragraph 23 above. Respondent must also serve a  
13 *copy* of the Answer, in accordance with 40 C.F.R. § 22.15(a), to:

14 Richard Campbell  
15 Office of Regional Counsel  
16 U.S. EPA Region IX  
17 75 Hawthorne Street (mail code: ORC-2)  
18 San Francisco, CA 94105

19 25. Respondent's Answer must clearly and directly admit, deny, or explain each of the  
20 factual allegations contained in the Complaint with regard to which Respondent has any  
21 knowledge. 40 C.F.R. § 22.15(b). Where Respondent has no knowledge of a particular factual  
22 allegation and so states in its Answer, the allegation is deemed denied. 40 C.F.R. § 22.15(b).  
23 Respondent's failure in its Answer to admit, deny, or explain any material factual allegation  
24 contained in the Complaint constitutes an admission of the allegation. 40 C.F.R. § 22.15(d).

25 26. The Answer must also state: (1) the circumstances or arguments that are alleged to  
constitute the grounds of any defense, (2) the facts that Respondent disputes (and thus intends to  
place at issue in the proceeding), (3) the basis for opposing the proposed relief, and (4) whether  
Respondent requests a hearing. 40 C.F.R. § 22.15(b).

**In re: Mountain States Petroleum Company  
Administrative Complaint and  
Proposed Assessment of Administrative Civil Penalty**

1 **FAILURE TO ANSWER THE COMPLAINT**

2 27. Respondent must file a written Answer with the Regional Hearing Clerk at the address  
3 above within thirty (30) days of receipt of this Complaint to avoid entry of a Default Order  
4 against you pursuant to 40 C.F.R. § 22.17 for a civil administrative penalty of up to \$157,500 as  
5 proposed in this Complaint.

6 28. Any penalty assessed in the Default Order will become due and payable by Respondent  
7 without further proceedings thirty (30) days after the Default Order becomes final pursuant to 40  
8 C.F.R. § 22.27(c). If necessary, EPA may then seek to enforce such Final Order of Default  
9 against Respondent, and to collect the assessed penalty amount, which may be up to \$157,500, in  
10 federal court.

11 **INFORMAL SETTLEMENT CONFERENCE**

12 29. Whether or not Respondent requests a formal hearing, Respondent may request an  
13 informal settlement conference to discuss the facts of this case, the proposed penalty, and  
14 settlement. 40 C.F.R. § 22.18(b). To request such a settlement conference, please contact:

15 Richard Campbell  
16 Office of Regional Counsel  
17 U.S. EPA Region IX  
18 75 Hawthorne Street (mail code: ORC-2)  
19 San Francisco, CA 94105  
20 phone: (415) 972-3870

21 30. The parties may engage in settlement discussions regardless of whether Respondent  
22 requests a hearing. 40 C.F.R. § 22.18(b)(1). A request for an informal settlement conference  
23 constitutes neither an admission nor a denial of any of the matters alleged herein. EPA does not  
24 deem a request for an informal settlement conference as a request for a hearing. 40 C.F.R. §  
25 22.15(c).

31. Settlement discussions do not affect Respondent's obligation to file a timely Answer to  
the Complaint pursuant to 40 C.F.R. § 22.15. *See also* 40 C.F.R. § 22.18(b)(1). EPA will not  
modify its proposed penalty simply because an informal settlement conference is held.

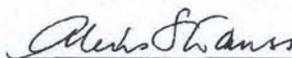
**In re: Mountain States Petroleum Company  
Administrative Complaint and  
Proposed Assessment of Administrative Civil Penalty**

1 32. The terms and conditions of any settlement that may be reached as a result of a  
2 settlement conference will be recorded in a written Consent Agreement signed by all parties. 40  
3 C.F.R. § 22.18(b)(2). In order to conclude the proceeding, EPA will execute a Final Order  
4 ratifying the parties' Consent Agreement. 40 C.F.R. § 22.18(b)(3). In accepting the Consent  
5 Agreement, Respondent waives any right to contest the allegations herein and waives any right  
6 to appeal the Final Order accompanying the Consent Agreement. 40 C.F.R. § 22.18(b)(2).

7 **EFFECTIVE DATE**

8 33. This proceeding is initiated by the filing of this Complaint with the Regional Hearing  
9 Clerk. For calculation of time frames provided herein, the "Effective Date" of this Complaint is  
10 the date of service. Service is complete when the return mail receipt is signed by the Respondent  
11 or a duly authorized representative of the Respondent, in accordance with the provisions of 40  
12 C.F.R. §§ 22.5(b) and 22.7(c).

13  
14 Date: April 23, 2008

  
\_\_\_\_\_  
Alexis Strauss, Director  
Water Division  
U.S. Environmental Protection Agency, Region IX

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**In re: Mountain States Petroleum Company  
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**CERTIFICATE OF SERVICE**

I hereby certify that the original of the foregoing Administrative Complaint and Proposed Assessment of Administrative Civil Penalty was filed with the Regional Hearing Clerk, Region 9, and that a copy was sent, certified mail, return receipt requested, to:

Mr. Dennis G. McLaughlin III  
Chief Executive Officer  
Mountain States Petroleum Company  
3001 Knox Street, Suite 403  
Dallas, Texas 75205

AND

CT Corporation System  
Registered Agent for Mountain States Petroleum Company  
123 East Marcy Street  
Santa Fe, New Mexico 87501

4/23/08  
Date

*J. Polentino*  
Name

RECEPTIONIST  
Title

**In re: Mountain States Petroleum Company  
Administrative Complaint and  
Proposed Assessment of Administrative Civil Penalty**

1 ATTACHMENT B

2 In the Matter of Mountain States Petroleum Company

3 EPA Docket No. UIC-09-2008-0003

4  
5 EPA REGION 9 COLLECTION INFORMATION:

6 ELECTRONIC FUNDS TRANSFERS

7 Federal Reserve Bank of New York  
8 ABA = 021030004  
9 Account = 68010727  
10 SWIFT address = FRNYUS33  
11 33 Liberty Street  
12 New York, NY 10045  
13 Field Tag 4200 of the Fedwire message should read:  
14 "D 68010727 Environmental Protection Agency "

15 CHECK PAYMENTS

16 If payment is made by check, the check should be made payable to the  
17 "Treasurer, United States of America"

18 U.S. Environmental Protection Agency  
19 Fines and Penalties  
20 Cincinnati Finance Center  
21 P.O. Box 979077  
22 St. Louis, MO 63197-9000

23 OVERNIGHT MAIL:

24 U.S. Bank  
25 1005 Convention Plaza  
Mail Station SL-MO-C2GL  
St. Louis, MO 63101

Contact: Natalie Pearson  
314-418-4087

1 **CERTIFICATE OF SERVICE**

2 I hereby certify that a copy of the foregoing Consent Agreement and Final Order was sent, first  
3 class mail to:  
4

5 Mr. Dennis G. McLaughlin III  
6 Chief Executive Officer  
7 Mountain States Petroleum Company  
8 3001 Knox Street, Suite 403  
9 Dallas, Texas 75205

10 AND

11 CT Corporation System  
12 Registered Agent for Mountain States Petroleum Company  
13 123 East Marcy Street  
14 Santa Fe, New Mexico 87501

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23  
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25  
Date

8/19/2008

Danielle E. Carr

Danielle Carr  
Regional Hearing Clerk  
EPA Region 9