

EPA ENFORCEMENT ACCOUNTS RECEIVABLE CONTROL NUMBER FORM

This form was originated by: Nina Rivera 7/11/11
Name of Contact person *Date*

in the ORC Reg 3 at 215-814-2667
Office *Phone number*

Non-SF Jud. Order/Consent Decree. DOJ COLLECTS Administrative Order/Consent Agreement FMD COLLECTS PAYMENT
 SF Jud. Order/Consent Decree. FMD COLLECTS

This is an original debt This is a modification

Name of Company making payment: Titusville Oil & Gas Associates, Inc.

The Total Dollar Amount of Receivable: \$10,000
(If in installments, attach schedule of amounts and respective due dates)

The Case Docket Number SDWA-03-2011-0170

The Site-Specific Superfund Acct. Number n/a

The Designated Regional/HQ Program Office WPD

TO BE FILLED OUT BY LOCAL FINANCIAL MANAGEMENT OFFICE:

The IFMS Accounts Receivable Control Number _____

If you have any questions call: _____
Name of Contact *Date*

in the Financial Management Office, phone number: _____

JUDICIAL ORDERS: Copies of this form with an attached copy of the front page of the final judicial order should be mailed to:

- | | |
|--|---|
| 1. Rosemarie Pacheco
Environmental Enforcement Section
Lands Division, Room 130044
1425 New York Avenue, N.W.
Washington, D.C. 20005 | 2. Originating Office (ORC)
3. Designated Program Office |
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ADMINISTRATIVE ORDERS: Copies of this form with an attached copy of the front page of the administrative order should be sent to:

- | | |
|--|------------------------------|
| 1. Originating Office
3. Regional Hearing Clerk | 2. Designated Program Office |
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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III

IN THE MATTER OF:) Docket No. SDWA-03-2011-0170
)
) CONSENT AGREEMENT
Titusville Oil & Gas Associates, Inc.)
16899 Jerusalem Corners Road) Proceedings under Section 1423(c) of the Safe
Pleasantville, PA 16341-1705) Drinking Water Act, 42 U.S.C. § 300h-2(c)

CONSENT AGREEMENT

I. PRELIMINARY STATEMENT

1. The Director of the Water Protection Division, United States Environmental Protection Agency, Region III ("Complainant") and Titusville Oil & Gas Associates, Inc. ("Respondent") enter into this Consent Agreement, pursuant to Section 1423(c) of the Safe Drinking Water Act ("SDWA"), 42 U.S.C. § 300h-2(c) and the *Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, Issuance of Compliance or Corrective Action Orders, and the Revocation, Termination or Suspension of Permits*, 40 C.F.R. Part 22. Subpart 1 of 40 C.F.R. Part 22 applies to this action. This Consent Agreement and the ensuing Final Order (jointly "CAFO") commence and conclude this action pursuant to 40 C.F.R. § 22.13(b), and 2.22.18(b)(2)-(3).

II. STATUTORY AUTHORITY

3. The following FINDINGS are made and the attached ORDER is issued under the authority vested in the Administrator of the United States Environmental Protection Agency ("EPA") by Section 1423(c) of the SDWA, 42 U.S.C. § 300h-2(c). The Administrator has delegated the authority to take these actions to the Regional Administrator for EPA, Region III, who in turn has delegated them to the Water Protection Division Director of EPA, Region III ("Director").

III. JURISDICTIONAL ALLEGATIONS AND FINDINGS OF FACT

4. Section 1422(c) of the SDWA, 42 U.S.C. § 300h-1(c), requires EPA to administer the Underground Injection Control ("UIC") program in states which do not have an approved state program. The Commonwealth of Pennsylvania has not acquired primacy over the UIC program. Therefore, on June 25, 1985, EPA Region III began direct implementation of the UIC program in Pennsylvania.

5. Pursuant to the regulations implementing the SDWA, 40 C.F.R. §§ 144.11 and 144.31, any underground injection, unless authorized by rule or by permit, is prohibited.

6. Titusville Oil & Gas Associates, Inc. ("Respondent") is a corporation and, as such, is a "person" within the meaning of Section 1401(12) of the SDWA, 42 U.S.C. § 300f(12).
7. Respondent owns and operates an oil production facility known as the Project TOGAI-6, Seaton JDB Lease ("Seaton Lease"), in Allegheny Township, Venango County, Pennsylvania.
8. 4R Oil and Gas Enterprises, Incorporated ("R Oil"), is a Pennsylvania corporation that owns at least two abandoned wells on the Wilson Lease, which is adjacent to the Seaton Lease in Allegheny Township, Venango County, Pennsylvania. These wells are identified by the Pennsylvania Department of Environmental Protection ("PADEP") and herein as Well No. 32 and Well No. 56. The wells are regulated under Section 103 of the Pennsylvania Oil and Gas Act, 58 P.S. § 601.103.
9. PADEP conducted inspections of the facilities in the Seaton Lease and the Wilson Lease on September 15, 2010. While inspecting the oil production facility in the Seaton Lease on September 15, PADEP observed plastic tubing connected to the discharge end of a pump in the tank battery. The tubing line ran over 4,000 feet and into the Wilson Lease. In the Wilson Lease the tube was split into two lines with shut-off valves. One line was directed to a pit near Well No. 56. The other line ran towards Well No. 32 and ended about two feet from that well. The pit near Well No. 56 was found to contain brine and/or production fluids.
10. On September 24, 2010, PADEP issued to Respondent an Administrative Order citing Respondent for violating the Clean Streams Law, the Oil and Gas Act, and the Pennsylvania Solid Waste Management Act. Among other things, the Order required Respondent to provide information on the brine it disposed of on the Wilson Lease.
11. In its October 6, 2010 response, Respondent indicated that it disposed of approximately 4-6 barrels of brine into Well No. 32 on the Wilson Lease on September 7, 2010, and that it disposed of 50 barrels of brine into Well No. 56 on September 8, 2010.
12. Injection of brine or any other fluids into Well No. 32 or Well No. 56 is not and has not been authorized or permitted under the UIC Program.

IV. CONCLUSIONS OF LAW

13. Based on the Findings of Fact and Jurisdictional Allegations set forth in Section III, above, Complainant concludes that Respondent has violated the SDWA and the UIC regulations at 40 C.F.R. §§ 144.11 and 144.31 on the unauthorized injection of brine.

V. CONSENT AGREEMENT

14. For the purpose of this action, Respondent admits the Jurisdictional Allegations set forth in Section III above, and waives any defenses it may have as to jurisdiction and venue. Respondent neither admits nor deny the specific factual allegations in Section III. Respondent agrees not to contest EPA jurisdiction to issue this CAFO and to enforce the terms of this CAFO.

15. Respondent hereby expressly waives its right to a hearing on any issue of fact or law in this matter pursuant to Section 1423(c) of the SDWA, 42 U.S.C. § 300h-2(c), and consents to the issuance of this CAFO without adjudication. Respondent consents to the assessment of the penalty in Paragraph 19.

16. Each party to this action shall pay its own costs and attorney fees.

17. The parties agree that settlement of this matter without further litigation is in the public interest and that entry of a CAFO is the most appropriate means of resolving this matter.

18. The provisions of this CAFO shall be binding upon the Complainant and the Respondent, its principals, officers, directors, successors and assignees.

19. Based on the foregoing and having taken into account the statutory factors enumerated in Section 1423(c)(4)(B) of the SDWA, 42 U.S.C. § 300h-2(c)(4)(B), EPA Region III and Respondent hereby agree that Respondent will pay a civil penalty of ten thousand dollars (\$10,000).

20. Within thirty (30) days of the effective date of this Order, Respondent shall pay the civil penalty of ten thousand dollars (\$10,000) in the following manner:

A. All payments by Respondent shall reference Respondent's name and address, and the Docket Number of this action, SDWA 03-2011-0170;

B. All checks shall be made payable to "United States Treasury";

C. All payments made by check and sent by regular mail shall be addressed to:

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

Contact: Bryson Lehman 513-487-2123

D. All payments made by check and sent by overnight delivery service shall be addressed for delivery to:

U.S. Bank
Government Lockbox 979077
U.S. EPA, Fines & Penalties
1005 Convention Plaza
Mail Station SL-MO-C2-GL
St. Louis, MO 63101

Contact: 314-418-1028

E. All payments made by check in any currency drawn on banks with no USA branches shall be addressed for delivery to:

Cincinnati Finance
US EPA, MS-NWD
26 W. M.L. King Drive
Cincinnati, OH 45268-0001

F. All payments made by electronic wire transfer shall be directed to:

Federal Reserve Bank of New York
ABA = 021030004
Account No. = 68010727
SWIFT address = FRNYUS33
33 Liberty Street
New York, NY 10045

Field Tag 4200 of the Fedwire message should read:
"D 68010727 Environmental Protection Agency"

G. All electronic payments made through the Automated Clearinghouse (ACH), also known as Remittance Express (REX), shall be directed to:

US Treasury REX / Cashlink ACH Receiver
ABA = 051036706
Account No.: 310006, Environmental Protection Agency
CTX Format Transaction Code 22 - Checking

Physical location of U.S. Treasury facility:
5700 Rivertech Court
Riverdale, MD 20737
Contact: Jesse White 301-887-6548 or REX, 1-866-234-5681

H. On-Line Payment Option:

WWW.PAY.GOV/PAYGOV

Enter sfo 1.1 in the search field. Open and complete the form.

I. Additional payment guidance is available at:

http://www.epa.gov/ocfo/finservices/make_a_payment.htm

J. A copy of Respondent's check or a copy of Respondent's electronic fund transfer shall be sent simultaneously to the following:

U.S. Environmental Protection Agency
Regional Hearing Clerk (3RC00)
1650 Arch Street
Philadelphia, Pennsylvania 19103-2029;

Mr. Roger Reinhart
Ground Water & Enforcement Branch
U.S. Environmental Protection Agency
Region III (Mail Code 3WP22)
1650 Arch Street
Philadelphia, PA 19103-2029;

and

Nina Rivera
Senior Assistant Regional Counsel
U.S. Environmental Protection Agency
Region III (Mail Code 3RC20)
1650 Arch Street
Philadelphia, PA 19103-2029

21. Failure to pay any portion of the penalty assessed by this CAFO as directed subjects the Respondent to a collection action under Section 1423(c)(7) of the SDWA, 42 U.S.C. § 300h-2(c)(7). The validity, amount and appropriateness of the penalty are not subject to review in a collection proceeding. 15 U.S.C. § 2615(a)(4)(A). Pursuant to 31 U.S.C. § 3717, EPA is entitled to assess interest on unpaid penalties, and a charge to cover the cost of processing and handling a delinquent claim. Interest will begin to accrue on this civil penalty if the Respondent has not paid it within fifteen days of the date due. Interest will be assessed at the rate of the United States Treasury tax and loan rate. 40 C.F.R. § 13.11. In addition, EPA will assess nonpayment penalties, as authorized by law. EPA also will assess a \$15.00 administrative handling charge for administrative costs for the first thirty (30) day period after the payment is due and an additional \$15.00 for each subsequent thirty (30) days the penalty remains due.

22. The penalty specified in Paragraph 19 above, shall represent civil penalties assessed by EPA and shall not be deductible for purposes of Federal taxes.

VI. GENERAL PROVISIONS

23. This Order does not constitute a waiver, suspension, or modification of the terms and conditions of the SDWA, the UIC regulations, or any permit issued thereunder.

24. This CAFO does not relieve Respondent of its ongoing obligation to comply with all applicable provisions of federal, state or local law, nor should it be construed to be a ruling on, or determination of, any issue related to any federal, state or local permit

25. This CAFO resolves only the civil claims for the specific violations alleged above, and compliance with this CAFO constitutes full and final satisfaction of those civil claims. EPA reserves the right to commence action against any person, including Respondent, in response to any condition which EPA determines may present an imminent and substantial endangerment to the public health, public welfare, or the environment. In addition, this settlement is subject to all limitations on the scope of resolution and to the reservation of rights set forth in Section 22.18(c) of the Consolidated Rules.

26. EPA shall have the right to institute a new and separate action to recover additional civil penalties if EPA obtains evidence that the information and/or representations of Respondent made in connection with this settlement are false, or, in any material respect, inaccurate. This right shall be in addition to all other rights and causes of action, civil or criminal, the EPA may have under law or equity in such event.

27. The undersigned representative of Respondent certifies that he is fully authorized by the party represented to enter into the terms and conditions of this Consent Agreement and to execute and legally bind that party to it.

28. This CAFO may be executed in any number of counterpart originals, each of which shall be deemed to constitute an original agreement, and all of which shall constitute one agreement. The execution of one counterpart by any party shall have the same force and effect as if that party had signed all other counterparts.

29. All of the terms and conditions of this Consent Agreement together comprise one agreement, and each of the terms and conditions is in consideration of all of the other terms and conditions. In the event that this CAFO, or one or more of its terms and conditions, is held invalid, or is not executed by all of the signatories in identical form, or is not approved in such identical form by the Regional Administrator or his designee, then the entire CAFO shall be null and void.

FOR COMPLAINANT:

By: 
for Jon Capacasa
Director, Water Protection Division
U.S. EPA Region III

Date: 7/19/11

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

IN THE MATTER OF:)	Docket No. SDWA-03-2011-0170
)	
)	
Titusville Oil & Gas Associates, Inc.)	
16899 Jerusalem Corners Road)	Proceedings under Section 1423(c) of the Safe
Pleasantville, PA 16341-1705)	Drinking Water Act, 42 U.S.C. § 300h-2(c)

FINAL ORDER

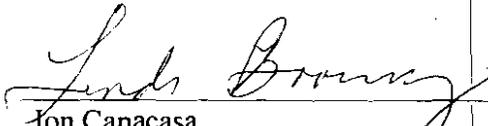
Complainant, the Director of the Water Protection Division, U.S. Environmental Protection Agency - Region III, and Respondent, Titusville Oil & Gas Associates, Inc., have executed a document entitled "Consent Agreement" which I hereby ratify as a Consent Agreement in accordance with the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits, 40 C.F.R. Part 22 ("Consolidated Rules of Practice"). The terms of the foregoing Consent Agreement are accepted by the undersigned and incorporated into this Final Order as if fully set forth at length herein.

NOW, THEREFORE, PURSUANT TO Section 1423 of the Safe Drinking Water Act, as amended, 42 U.S.C. § 1423 ("SDWA"), and the Consolidated Rules of Practice, and having determined that the penalty agreed to in the Consent Agreement is based on a consideration of the factors set forth in Section 1423(c)(4)(B) of the SDWA, IT IS HEREBY ORDERED that Respondent pay a penalty of ten thousand dollars (\$10,000) and comply with the terms and conditions of the Consent Agreement.

The foregoing Consent Agreement and this Final Order shall be issued after the close of the forty -days public comment period described at 42 U.S.C. § 1423(c)(3)(B) and 40 C.F.R. § 22.45(b) and upon filing with Regional Hearing Clerk. It will become effective thirty (30) days after issuance, 42 U.S.C. § 300h-2(c)(3)(D).

7/19/11

Date



for Jon Capacasa
Director, Water Protection Division
U.S. EPA Region III

CERTIFICATE OF SERVICE

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

By first class, certified mail, return receipt requested:

Titusville Oil & Gas Associates, Inc.
16899 Jerusalem Corners Road
Pleasantville, PA 16341-1705

Matthew Wolford
638 West Sixth Street
Erie, PA 16507

Date:

7/19/11



Nina Rivera
Sr. Asst. Regional Counsel
US EPA Region III