

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III

IN THE MATTER OF:

EQT Corporation
625 Liberty Avenue, Suite 1700
Pittsburgh, PA 15222

Respondent.

EQT Gathering, LLC
County Road 15/17
Mobley, WV 26437

and

EQT Production Company
County Road 19
Lawford, WV 26178

Facilities.

CLEAN WATER ACT SECTION 311 CLASS I
CONSENT AGREEMENT
AND FINAL ORDER
UNDER 40 CFR §§ 22.13(b) AND 22.18(b)(2)

Docket No. CWA-03-2014-0098

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LEGAL AUTHORITY

1. This Consent Agreement is proposed and entered into under the authority vested in the Administrator of the U.S. Environmental Protection Agency ("EPA") by Section 311(b)(6)(B)(i) of the Clean Water Act ("Act"), as amended 33 U.S.C. § 1321(b)(6)(B)(i), and under the authority provided by 40 C.F.R. §§ 22.13(b) and 22.18(b)(2). The Administrator has delegated these authorities to the Regional Administrator of EPA, Region III, who has in turn delegated them to the Director of the Region's Hazardous Site Cleanup Division ("Complainant").

CONSENT AGREEMENT

Factual Allegations and Conclusions of Law

2. For the purpose of this proceeding, and with the exception of Paragraph 21, below, EQT Corporation (“EQT” or “Respondent”) neither admits nor denies the following factual allegations and conclusions of law, but expressly waives its rights to contest said allegations.

3. Respondent is a corporation duly organized and existing under the laws of Pennsylvania, headquartered at 625 Liberty Avenue, Suite 1700, Pittsburgh, PA 15222. Respondent is a person within the meaning of Section 311(a)(7) of the Act, 33 U.S.C. § 1321(a)(7), and 40 C.F.R. § 112.2.

4. Respondent is the parent company of EQT Gathering, LLC (“EQT Gathering”) and EQT Production Company (“EQT Production”). EQT Gathering is a limited liability company duly organized and existing under the laws of Delaware with a place of business located at 625 Liberty Avenue, Suite 1700, Pittsburgh, PA 15222. EQT Production is a corporation duly organized and existing under the laws of Pennsylvania with a place of business located at 625 Liberty Avenue, Suite 1700, Pittsburgh, PA 15222.

5. EPA has reason to believe that EQT Gathering and EQT Production are controlled by Respondent.

6. EQT Gathering is the owner and operator of the EQT Mercury Dehydration Station, located near County Road 15/17, Mobley, Wetzel County, WV, where EQT Gathering separates natural gas pipeline condensate from natural gas and stores the condensate in a 8,820-gallon, aboveground steel condensate storage tank (the “EQT Gathering Facility”). The EQT Gathering Facility is an onshore facility within the meaning of Section 311(a)(10) of the Act, 33 U.S.C. § 1321(a)(10), and 40 C.F.R. § 112.2.

7. EQT Production is the owner and operator of EQT Well #655356, a natural gas well located near County Road 19, Lawford, Ritchie County, WV (the "EQT Production Facility"). The EQT Production Facility is an onshore facility within the meaning of Section 311(a)(10) of the Act, 33 U.S.C. § 1321(a)(10), and 40 C.F.R. § 112.2.

8. Section 311(b)(3) of the Act prohibits the discharge of oil or hazardous substances into or upon the navigable waters of the United States or adjoining shorelines in such quantities that have been determined may be harmful to the public health or welfare or environment of the United States.

9. For purposes of Section 311(b)(3) and (b)(4) of the Act, 33 U.S.C. § 1321(b)(3) and (b)(4), discharges of oil into or upon the navigable waters and adjoining shorelines of the United States in such quantities that have been determined may be harmful to the public health or welfare or environment of the United States are defined in 40 C.F.R. § 110.3 to include discharges of oil that violate applicable water quality standards or cause a film or a sheen upon or discoloration of the surface of the water or adjoining shorelines or cause a sludge or emulsion to be deposited beneath the surface of the water or upon the adjoining shorelines.

10. On or about May 25, 2013, approximately twenty (20) gallons of gas pipeline condensate were released from EQT Gathering's aboveground steel condensate storage tank at the EQT Gathering Facility (the "EQT Gathering Discharge").

11. The EQT Gathering Discharge entered the waters of Mobley Run, which is a navigable waterway of the United States as defined in Section 502(7) of the Act, 33 U.S.C. § 1362(7), and 40 C.F.R. § 110.1.

12. Mobley Run is a tributary to North Fork Fishing Creek, which further is a tributary to Fishing Creek, and which is, in turn, a tributary to the Ohio River, a navigable waterway of the

United States as defined in Section 502(7) of the Act, 33 U.S.C. § 1362(7), and 40 C.F.R. § 110.1.

13. The EQT Gathering Discharge caused a sheen upon or discoloration of the surface and adjoining shoreline of Mobley Run, and, therefore, was in a quantity that has been determined may be harmful under 40 C.F.R. § 110.3, which implements Section 311(b)(3) and (b)(4) of the Act, 33 U.S.C. § 1321(b)(3) and (b)(4).

14. The EQT Gathering Discharge into or upon Mobley Run and the adjoining shoreline, in a quantity that has been determined may be harmful under 40 C.F.R. § 110.3, on or about May 25, 2013, violated Section 311(b)(3) of the Act, 33 U.S.C. § 1321(b)(3).

15. On or about August 1, 2013, approximately fifty (50) gallons of degraded crude oil were released from the EQT Production Facility (the "EQT Production Discharge").

16. Approximately fifty (50) gallons of the EQT Production Discharge entered the waters of Spruce Creek, which is a navigable waterway of the United States as defined in Section 502(7) of the Act, 33 U.S.C. § 1362(7), and 40 C.F.R. § 110.1.

17. Spruce Creek is a tributary to the South Fork Hughes River, which further is a tributary to the Hughes River, and which is, in turn, a tributary to the Little Kanawha River, a navigable waterway of the United States as defined in Section 502(7) of the Act, 33 U.S.C. § 1362(7), and 40 C.F.R. § 110.1.

18. The EQT Production Discharge caused a sheen upon or discoloration of the surface and adjoining shoreline of Spruce Creek, and, therefore, was in a quantity that has been determined may be harmful under 40 C.F.R. § 110.3, which implements Section 311(b)(3) and (b)(4) of the Act, 33 U.S.C. § 1321(b)(3) and (b)(4).

19. The EQT Production Discharge into or upon Spruce Creek and the adjoining shoreline, in a quantity that has been determined may be harmful under 40 C.F.R. § 110.3, on or about August 1, 2013, violated Section 311(b)(3) of the Act, 33 U.S.C. § 1321(b)(3).

Waiver of Rights

For the purpose of this proceeding, Respondent:

20. Admits the jurisdictional allegations in this Consent Agreement and agrees not to contest EPA's jurisdiction with respect to the execution or enforcement of this Agreement.

21. Waives the right to a hearing under Section 311(b)(6)(B)(i) of the Act and to appeal any Final Order in this matter under Section 311(b)(6)(G)(i) of the Act, 33 U.S.C. § 1321(b)(6)(G)(i), and consents to the issuance of a Final Order without further adjudication.

Penalty

22. The Complainant proposes, and Respondent consents to, the assessment of a civil penalty of \$2,068.

Payment Terms

Based on the foregoing, the parties, in their own capacity or by their attorneys or authorized representatives, hereby agree that:

23. Within thirty days of the effective date of the Final Order, Respondent shall pay \$2,068 by means of a cashier's or certified check, or by electronic funds transfer (EFT). If paying by check, Respondent shall submit a cashier's or certified check, payable to "Environmental Protection Agency," and bearing the notation "OSLTF – 311." If Respondent sends payment by the U.S. Postal Service, the payment 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: Heather Russell, (513) 487-2044

If Respondent sends payment by a private delivery service, the payment shall be addressed to:

U.S. Bank
1005 Convention Plaza
Mail Station SL-MO-C2GL
St. Louis, MO 63101
Attn: Heather Russell, (513) 487-2044

If paying by EFT, Respondent shall transfer the payment to:

Federal Reserve Bank of New York
ABA 021030004
Account 68010727
Swift Address FRNYUS33
33 Liberty Street
New York, NY 10045

If paying by EFT, field tag 4200 of the Fedwire message shall read: (D 68010727

Environmental Protection Agency).

If paying through the Department of Treasury's Online Payment system, please access www.pay.gov, and enter sfo 1.1 in the search field. Open the form and complete the required fields to make the payment. Note that the type of payment is "civil penalty," the docket number "CWA-03-2014-0012" should be included in the "Court Order # or Bill #" field, and 3 should be included as the Region number.

24. If paying by check, Respondent shall note on the penalty payment check the title and docket number of this case. Respondent shall submit a copy of the check (or, in the case of an EFT transfer, a copy of the EFT confirmation) to the following person:

Lydia Guy
Regional Hearing Clerk (3RC00)
U.S. Environmental Protection Agency

Region III
1650 Arch Street
Philadelphia, PA 19103-2029

Respondent must also provide a copy of its check or EFT confirmation to the attorney representing EPA in this matter at the following address:

James F. Van Orden
Senior Assistant Regional Counsel (3RC42)
U.S. Environmental Protection Agency – Region III
1650 Arch Street
Philadelphia, PA 19103-2029
(215) 814-2693

25. Failure by Respondent to pay the penalty assessed by the Final Order in full by its due date may subject Respondent to a civil action to collect the assessed penalty, plus interest, attorney's fees, costs and an additional quarterly nonpayment penalty pursuant to Section 311(b)(6)(H) of the Act, 33 U.S.C. § 1321(b)(6)(H). In any such collection action, the validity, amount and appropriateness of the penalty agreed to herein shall not be subject to review.

General Provisions

26. The Final Order shall be binding upon Respondent and Respondent's officers, directors, agents, servants, employees, and successors or assigns.

27. The Final Order does not constitute a waiver, suspension or modification of the requirements of Section 311 of the Act, 33 U.S.C. § 1321, or any regulations promulgated thereunder, and does not affect the right of the Administrator or the United States to pursue any applicable injunctive or other equitable relief or criminal sanctions for any violation of law. Payment of the penalty pursuant to this Consent Agreement resolves only Respondent's liability for federal civil penalties for the violations of the Act alleged herein.

28. The undersigned officer of Respondent represents and warrants that he or she has the authority to bind EQT and its successors or assigns to this Consent Agreement.

29. Each party to this action shall bear its own costs and attorney's fees.

EQT CORPORATION

Date: 5/14/14

Diana M. Charletta
[Signature]

Diana Charletta
Name (print or type)

SVP operations
Title

EQT Corporation - Consul

Date: 5/14/14

Stephany
[Signature]

Stephanie Gallogly
Name (print or type)

Senior Staff Attorney -
Title

U.S. ENVIRONMENTAL PROTECTION AGENCY

MAY 16 2014

Date: _____


Cecil Rodrigues, Director
Hazardous Site Cleanup Division

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III

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625 Liberty Avenue, Suite 1700
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Docket No. CWA-03-2014-0098

FINAL ORDER

1. Pursuant to Section 311(b)(6) of the Clean Water Act, as amended, 33 U.S.C. § 1321(b)(6), and in accordance with the "Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits," codified at 40 C.F.R. Part 22, the foregoing Consent Agreement is hereby approved and incorporated by reference into this Final Order. Respondent is ordered to pay the \$2,068.00 penalty and otherwise comply with the terms of the Consent Agreement.

Effective Date

2. This Final Order shall become effective on the date it is filed with the Regional Hearing Clerk.

Date: 6-05-14



Heather Gray
Regional Judicial Officer



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
 REGION III
 1650 ARCH STREET
 PHILADELPHIA, PA 19103-2029
 UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
 REGION III**

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CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that on the date provided below, I hand-delivered and filed the original of Complainant's, the United States Environmental Protection Agency's, Administrative Order on Consent with the Regional Hearing Clerk, EPA Region III, 1650 Arch Street, Philadelphia, Pennsylvania 19103-2029, and that true and correct copies of the Administrative Order, along with its enclosures and/or attachments, were sent via certified mail, return receipt requested, to:

Ms. Stephanie K. Gallogly, Esq.
 Senior Attorney - Environmental
 EQT Corporation
 625 Liberty A venue, Suite 1700
 Pittsburgh, P A 15222

Date: June 13, 2014

James F. Van Orden
 Senior Assistant Regional Counsel