



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8

2014 MAY -1 AM 8:43

1595 WYNKOOP STREET
DENVER, CO 80202-1129
Phone 800-227-8917
<http://www.epa.gov/region08>

EPA REGION VIII
HEARING OFFICE

DOCKET NO.: CAA-08-2014-0001

IN THE MATTER OF:

AXIA ENERGY, LLC.
VARIOUS WELLSITES
UINTAH COUNTY, UT

RESPONDENT

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)

FINAL ORDER

Pursuant to 40 C.F.R. §22.13(b) and 22.18(b)(2) of EPA's Consolidated Rules of Practice, the Consent Agreement resolving this matter is hereby approved and incorporated by reference into this Final Order. The Respondent is hereby **ORDERED** to comply with all of the terms of the Consent Agreement, effective immediately upon receipt by Respondent of this Consent Agreement and Final Order.

SO ORDERED THIS 1st DAY OF May, 2014.

Elyana R. Sutin
Regional Judicial Officer

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 8

2014 APR 28 PM 3:01

Docket No. CAA-08- 2014-0001

ETA REGION VIII
HEARING CLERK

<u>IN THE MATTER OF:</u>)	
)	
AXIA ENERGY, LLC)	COMBINED COMPLAINT
VARIOUS WELLSITES)	AND CONSENT AGREEMENT
UINTAH COUNTY, UT)	
)	
Respondent.)	
)	

Complainant, United States Environmental Protection Agency, Region 8 (the EPA or Complainant), and Respondent, Axia Energy, LLC (Axia or Respondent) (together, the Parties), hereby consent and agree as follows:

I. PRELIMINARY MATTERS

1. This Combined Complaint and Consent Agreement (Agreement) is entered into by the Parties to settle alleged violations of the federal Clean Air Act (Act), 42 U.S.C. §§ 7401-7671, specifically 40 C.F.R. part 60, Standards of Performance for New Stationary Sources, subpart JJJJ; and 40 C.F.R. part 49, subpart C.
2. This matter is subject to the *Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, and the Revocation, Termination or Suspension of Permits* (Consolidated Rules), 40 C.F.R. part 22. This Agreement contains all terms of the settlement agreed to by the parties. It is entered into by the Parties for the purpose of simultaneously commencing and concluding this matter, as authorized by 40 C.F.R. §22.13(b), and executed pursuant to 40 C.F.R. §22.18(b)(2) and (3) of the Consolidated Rules. It supersedes any prior agreements or understandings, whether written or oral, between the parties with respect to these alleged violations.
3. The EPA and the United States Department of Justice have jointly determined that this matter is appropriate for an administrative penalty assessment, as authorized by section 113(d)(1) of the Act, 42 U.S.C. §7413(d)(1). Accordingly, the EPA has jurisdiction over this matter pursuant to section 113(d)(1)(B) of the Act.
4. Respondent admits the jurisdictional allegations in this Agreement, but neither admits nor denies the specific factual allegations or legal conclusions made by Complainant herein.
5. Complainant asserts that settlement of this matter is in the public interest, and Complainant and Respondent agree that entry of a final order approving this Agreement without further litigation and without adjudication of any issue of fact or law is the

most appropriate means of resolving this matter. Respondent waives its rights to contest the allegations in the Complaint and to appeal the final order issued by the Regional Judicial Officer approving this Consent Agreement.

6. This Agreement, upon incorporation into a final order, applies to and is binding upon the EPA and upon Respondent, and Respondent's officers, directors, employees, agents, successors, and assigns. Any change in ownership or corporate status of Respondent including, but not limited to, any transfer of assets or real or personal property shall not alter Respondent's responsibilities under this Agreement.
7. Respondent is a Delaware limited liability company (LLC), with its principal place of business located in Denver, Colorado. Respondent is, therefore, a "person" as defined in §7602(e) of the Act.
8. Respondent owned and operated the well sites in Attachment A (the Facilities) located in Uintah County, UT, substantially on Indian Country lands near the current Uintah & Ouray Reservation at the time of the specified violations.

II. ALLEGED VIOLATIONS

9. Complainant alleges, based on information provided to the EPA by the Respondent in a January 16, 2014 letter, that for the engines listed in Attachment A, Table 1, Respondent violated 40 C.F.R. part 60, subpart JJJJ, by failing to complete an initial performance test, including notification and reporting.
10. Complainant alleges, based on information provided to the EPA by the Respondent in a January 16, 2014 letter, that for the stationary sources in Attachment A, Table 2, Respondent violated 40 C.F.R. part 49, subpart C, by failing to complete and submit a registration within 90 days of first production.

III. TERMS OF SETTLEMENT

11. All the violations alleged in paragraphs 9 and 10 above have been corrected. Based on the information provided by Respondent in letters dated January 16, 2014, January 31, 2014, March 10, 2014, and April 7, 2014, the EPA is waiving assessment of the gravity portion of the penalty that would otherwise be due, pursuant to the EPA self-audit policy. Therefore, the penalty amount below is for the economic benefit portion of the penalty only.
12. The EPA analyzed the facts and circumstances in this matter based on the statutory factors described in section 113(d)(1)(B) of the Act. The EPA determined that an appropriate civil penalty to resolve this matter is \$670. Respondent agrees that the penalty shall never be claimed as a federal or other tax deduction or credit.
13. Respondent consents to the issuance of a Final Order and consents for the purposes of settlement but without any admission of liability or wrongdoing to the payment of the civil penalty in the amount of six hundred and seventy dollars (\$670) in the manner described below in this paragraph:

- a. Payment is due within 30 calendar days from the date written on the Final Order, to be issued by the Regional Judicial Officer that adopts this Complaint and Settlement Agreement. If the due date falls on a weekend or legal federal holiday, then the due date becomes the next business day. The date the payment is made is considered to be the date processed by the Bank described below. Payments received by 11:00 AM EST are processed on the same day, those received after 11:00 AM are processed on the next business day.
- b. The payment shall be made by making a wire transfer as provided below or remitting a cashier's or certified check, including the name and docket number of this case, for the amount, payable to "Treasurer, United States of America," to:

CHECK PAYMENT:

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

OVERNIGHT MAIL:

US Bank
1005 Convention Plaza
Mail Station SL-MO-C2GL
St. Louis, MO 63101
Contact: Natalie Pearson 314-418-4087

WIRE TRANSFER:

Wire transfers should be directed to the Federal Reserve Bank of New York
Federal Reserve Bank of New York
ABA = 021030004
Account = 68010727
SWIFT address = FRNYUS33
33 Liberty Street
New York, NY 10045
Field Tag 4200 of the Fedwire message should read AD 68010727
Environmental Protection Agency"

ACH (also known as REX or remittance express)

Automated Clearinghouse (ACH) for receiving US currency
PNC Bank
808 17th Street, NW
Washington, DC 20074
Contact B Jesse White 301-887-6548
ABA = 051036706
Transaction Code 22 – checking
Environmental Protection Agency
Account 310006
CTX Format

ON LINE PAYMENT:

There is now an On Line Payment Option, available through the Dept. of Treasury.

This payment option can be accessed from the information below:
WWW.PAY.GOV

Enter sfo 1.1 in the search field. Open form and complete required fields.
A copy of the check, or wire transfer, shall be sent simultaneously to:

Alexis North (8ENF-AT)
U.S. EPA Region 8
Technical Enforcement Program
1595 Wynkoop St.
Denver, CO 80202-1129

and

Tina Artemis
Regional Hearing Clerk (8RC)
U.S. EPA Region 8
1595 Wynkoop St.
Denver, CO 80202-1129

- c. Payment of the penalty in this manner does not relieve Respondent of its obligations to comply with the requirements of the CAA and regulations.
14. Failure by Respondent to comply with any of the terms of this Agreement shall constitute a breach of the Agreement and may result in referral of the matter to the United States Department of Justice for enforcement of this Agreement and for such other relief as may be appropriate.
15. Nothing in this Agreement shall be construed as a waiver by the EPA or any other federal entity of its authority to seek costs or any appropriate penalty associated with any collection action instituted as a result of Respondent's failure to perform pursuant to the terms of this Agreement.

IV. GENERAL PROVISIONS

16. Each undersigned representative of a Party to this Agreement certifies that he or she is fully authorized by the Party represented to bind the Party to the terms and conditions of this Agreement and to execute and legally bind that Party to this Agreement.

17. The Parties agree to submit this Agreement to the Regional Judicial Officer, with a request that it be incorporated into a final order.
18. This Agreement, upon incorporation into a final order by the Regional Judicial Officer and full satisfaction by the Parties, shall be a complete, full and final settlement of the United States' civil penalty claims against Respondent for the specific violations alleged in this Agreement.
19. By signing this Consent Agreement, Respondent certifies that the information it has supplied concerning this matter was at the time of submission, and is, truthful, accurate, and complete for each such submission, response, and statement. Respondent realizes that there are significant penalties for submitting false or misleading information, including the possibility of fines and imprisonment for knowing submission of such information, under 18 U.S.C. § 1001.
20. The EPA reserves the right to revoke this Consent Agreement and accompanying settlement penalty if and to the extent the EPA finds, after signing this Consent Agreement, that any information provided by Respondent was materially false or inaccurate at the time such information was provided to the EPA, and the EPA reserves the right to assess and collect any and all civil penalties for any violation described herein.
21. The substantive terms, conditions, and compliance requirements of this Agreement may not be modified or amended except upon the written agreement of the Parties, and approval of a Regional Judicial Officer.
22. Each Party shall bear its own costs and attorneys' fees in connection with all issues associated with this Agreement.
23. Respondent remains obligated to comply with all requirements of the Act and its implementing regulations.

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Signature Page

COMPLAINT AND SETTLEMENT AGREEMENT

**UNITED STATES ENVIRONMENTAL
PROTECTION AGENCY REGION 8,
Complainant.**

Date: 04/24/14

By: Eddie A. Sierra
Eddie A. Sierra
Acting Assistant Regional Administrator
Office of Enforcement, Compliance and
Environmental Justice

**Axia Energy, LLC,
Respondent**

Date: 4/10/14

By: D G Blanchard
Daniel G. Blanchard, President

ATTACHMENT A

Table 1

13 WELLS WITH GAS ENGINES NOT TESTED, ETC. WITHIN THE MANDATORY 180 DAYS FOLLOWING FIRST PRODUCTION PER USEPA — NSPS SUBPART JJJJ	Lat	Long
THREE RIVERS #16-41-820	40.128092	-109.666264
THREE RIVERS #32-35-720	40.160194	-109.694394
THREE RIVERS #2-11-820	40.157342	-109.642875
THREE RIVERS #2-15-820	40.146108	-109.41775
THREE RIVERS #36-11-720	40.172014	-109.624033
THREE RIVERS #36-23-720	40.166975	-109.623575
THREE RIVERS #2-33-820	40.152136	-109.633833
THREE RIVERS #2-51-820	40.157742	-109.632158
THREE RIVERS FED #34-15-720	40.159689	-109.66355
THREE RIVERS #32-41-720	40.172192	-109.684494
THREE RIVERS FED #3-32-820	40.1533	-109.656386
THREE RIVERS FED #5-56-820	40.146775	-109.684689
THREE RIVERS FED #8-53-820	40.138539	-109.687119

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ATTACHMENT A (cont.)

Table 2

18 WELLS WHERE EMISSION REGISTRATION/APPLICATION WAS SUBMITTED LATER THAN 90 DAYS FOLLOWING FIRST PRODUCTION	Lat	Long
THREE RIVERS #2-51-820	40.157742	-109.632158
THREE RIVERS #16-41-820	40.128092	-109.666264
THREE RIVERS #16-42-820	40.124469	109.666175
THREE RIVERS #36-11-820	40.172014	-109.624033
THREE RIVERS #34-31-720	40.171742	-109.652528
THREE RIVERS #2-11-820	40.157342	-109.642875
THREE RIVERS #32-35-720	40.160194	-109.694394
THREE RIVERS #32-15-720	40.160506	-109.699022
THREE RIVERS #32-41-720*	40.172192	-109.684494
THREE RIVERS #36-23-720	40.166975	-109.623575
THREE RIVERS #2-15-820	40.146108	-109.41775
THREE RIVERS #2-33-820	40.152136	-109.633833
THREE RIVERS FED #34-15-720	40.159689	-109.66355
THREE RIVERS FED #3-32-820	40.1533	-109.656386
THREE RIVERS FED #8-53-820	40.138539	-109.687119
THREE RIVERS #32-33-720	40.163336	-109.695617
THREE RIVERS FED #5-56-820	40.146775	-109.684689
THREE RIVERS #32-25-720	40.160394	-109.699017

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that the original and one true and correct copy of the foregoing COMBINED COMPLAINT AND CONSENT AGREEMENT were served upon each of the following on Monday, April 28, 2014 as indicated below:

to

John Jacus
Davis Graham & Stubbs
1550 17th Street, Suite 500
Denver, CO 80202

and

Tina Artemis
Region 8 Hearing Clerk
U.S. Environmental Protection Agency, Region 8
1595 Wynkoop Street
Denver, Colorado 80202-1129
By Hand Delivery – Original and one copy

and

Hon. Elyana R. Sutin
Regional Judicial Officer
U.S. Environmental Protection Agency, Region 8
1595 Wynkoop Street
Denver, Colorado 80202-1129
By Hand Delivery – one copy

Date: Monday, April 28, 2014

By: 
Dayle Aldinger

CERTIFICATE OF SERVICE

The undersigned certifies that the original of the attached **COMBINED COMPLAINT/CONSENT AGREEMENT** in the matter of **AXIA ENERGY, LLC.**; **DOCKET NO.: CAA-08-2014-0001** was filed with the Regional Hearing Clerk on April 28, 2014; the **FINAL ORDER** was filed with the Regional Hearing Clerk on May 1, 2014.

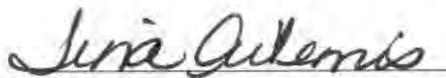
Further, the undersigned certifies that a true and correct copy of the documents were delivered to, David Rochlin, Senior Enforcement Attorney, U. S. EPA – Region 8, 1595 Wynkoop Street, Denver, CO 80202-1129. True and correct copies of the aforementioned documents were resent and placed in the United States mail certified/return receipt on May 1, 2014 to:

John Jacus
Davis, Graham & Stubbs
1550 17th Street, Suite 500
Denver, CO 80202

And emailed to:

Kim White
U. S. Environmental Protection Agency
Cincinnati Finance Center
26 W. Martin Luther King Drive (MS-0002)
Cincinnati, Ohio 45268

May 1, 2014



Tina Artemis
Paralegal/Regional Hearing Clerk

