



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 8

1595 WYNKOOP STREET

DENVER, CO 80202-1129

Phone 800-227-8917

http://www.epa.gov/region08

2009 JUL 14 AM 10:17


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DOCKET NO.: SDWA-08-2009-0045

IN THE MATTER OF:)	
)	
EL PASO PRODUCTION OIL)	FINAL ORDER
& GAS COMPANY)	
)	
RESPONDENT)	

Pursuant to 40 C.F.R. §22.18, 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 14th DAY OF July, 2009.



 Elyana R. Sutin
 Regional Judicial Officer

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 8

2009 JUL 14 AM 10:17

Docket No.: SDWA-08-2009-0045

EPA REGION VIII
HEARING OFFICE

In the Matter of:)
)
El Paso Production Oil)
and Gas Company) **CONSENT AGREEMENT**
)
Respondent.)

Complainant, United States Environmental Protection Agency, Region 8 (EPA), and Respondent, El Paso E&P Company, L.P., formerly known as El Paso Production Oil and Gas Company (Respondent), by their undersigned representatives, hereby consent and agree as follows.

BACKGROUND

1. On May 4, 2009, EPA issued a Penalty Complaint and Notice of Opportunity for Hearing (Complaint) to Respondent for certain violations of the Public Health Service Act, also known as the Safe Drinking Water Act (SDWA), 42 U.S.C. § 300h et seq., and the underground injection control (UIC) regulations promulgated thereunder.
2. Respondent admits the jurisdictional allegations of the Complaint and neither admits nor denies the specific factual allegations of the Complaint.
3. Respondent waives its right to a hearing before any tribunal, to contest any issue of law or fact set forth in the Complaint or this Consent Agreement.
4. This Consent Agreement, upon incorporation into a final order, applies to and is binding upon EPA and upon Respondent and Respondent's successors or assigns. Any

change in the 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. This Consent Agreement settles all the violations alleged in the Complaint and contains all terms of the settlement agreed to by the parties.

5. Respondent consents and agrees to pay a civil penalty in the amount of twenty thousand dollars (\$20,000.00), in the manner described below in this paragraph:

- a. Payment is due within 30 calendar days from the date written on the Final Order, issued by the Regional Judicial Officer, that adopts this Consent Agreement. If the due date falls on a weekend or legal federal holiday, the due date is the next business day. The date the payment is made is considered to be the date of the deposit ticket issued by the bank or finance center described below. Payments must be received by 11:00 a.m. Eastern Standard Time to be considered as received that day.
- b. The payment shall be made by remitting a cashier's or certified check, including the name and docket number of this case, for this amount, payable to "Treasurer, United States of America," to:

REGULAR MAIL:

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

WIRE TRANSFERS:

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 " D 68010727 Environmental Protection Agency "

OVERNIGHT MAIL:

U.S. Bank

1005 Convention Plaza

Mail Station SL-MO-C2GL

St. Louis, MO 63101

Contact: Natalie Pearson

314-418-4087

A copy of the check shall be sent simultaneously to:

Nathan Wiser

Technical Enforcement Program (8ENF-UFO)

U.S. EPA Region 8

1595 Wynkoop Street

Denver, CO 80202-1129

and to:

Tina Artemis

Regional Hearing Clerk (8RC)

U.S. EPA Region 8

1595 Wynkoop Street

Denver, CO 80202-1129

- c. In the event payment is not received by the specified due date, interest accrues from the date of the final order, not the due date, at a rate established by the Secretary of the Treasury pursuant to 31 U.S.C. § 3717, and will continue to accrue until payment in full is received. (i.e., on the 1st late day, 30 days of interest accrues).
 - d. In addition, a handling charge of fifteen dollars (\$15) shall be assessed on the 31st day from the date of the final order, and each subsequent thirty day period that the debt, or any portion thereof, remains unpaid. In addition, a six percent (6%) per annum penalty shall be assessed on any unpaid principal amount if payment is not received within 90 days of the due date (i.e., the 121st day from the date the final order is signed). Payments are first applied to handling charges, 6% penalty interest, late interest, and any balance is then applied to the outstanding principal amount.
 - e. Respondent agrees that the penalty shall never be claimed as a federal or other tax deduction or credit.
6. EPA finds this penalty amount is reasonable, taking into consideration the statutory factors in § 1423(c)(4)(B) of the SDWA, 42 U.S.C. § 300h-2(c)(4)(B), with the facts and circumstances of the case.
7. Nothing in this Consent Agreement shall relieve Respondent of the duty to comply with the SDWA and its implementing regulations.

8. Failure by Respondent to comply with any of the terms of this Consent Agreement shall constitute a breach of the Consent 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.
9. Nothing in this Consent 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.
10. The undersigned representative of Respondent certifies that he/she is fully authorized to enter into the terms and conditions of this Consent Agreement and to bind Respondent to the terms and conditions of this Consent Agreement.
11. The parties agree to submit this Consent Agreement to the Regional Judicial Officer, with a request that it be incorporated into a final order.
12. Each party shall bear its own costs and attorneys fees in connection with this matter.

13. This Consent Agreement, upon incorporation into a final order by the Regional Judicial Officer and full satisfaction by the parties, shall be a complete and full civil settlement of the specific violations alleged in the Complaint.

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

Date: JUL 01 2009

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

Date: JUN 29 2009

By: James H. Eppers
James H. Eppers
Enforcement Attorney

EL PASO PRODUCTION OIL AND GAS COMPANY

Date: 2009-06-24

By: John H. Benton
John H. Benton
Vice President, Western U.S.
El Paso E&P Company, L.P.

CERTIFICATE OF SERVICE

The undersigned certifies that the original of the attached **CONSENT AGREEMENT/FINAL ORDER** in the matter of **EL PASO PRODUCTION OIL AND GAS CO.; DOCKET NO.: SDWA-08-2009-0045** was filed with the Regional Hearing Clerk on July 14, 2009.

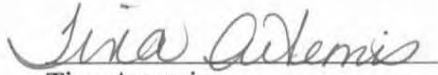
Further, the undersigned certifies that a true and correct copy of the documents were delivered to James H. Eppers, Senior Enforcement Attorney, U. S. EPA – Region 8, 1595 Wynkoop Street, Denver, CO 80202-1129. True and correct copies of the aforementioned documents were placed in the United States mail certified/return receipt requested and e-mailed on July 14, 2009, to:

Janet McQuaid, Senior Counsel
El Paso Energy Service Co.
1001 Louisiana Street
P. O. Box 2511
Houston, TX 77002
Janet.mcquaid@elpaso.com

E-mailed to:

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

July 14, 2009


Tina Artemis
Paralegal/Regional Hearing Clerk

