

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

JUN C 8 2013

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

Stephanie Gallogly
Attorney - Environmental and Regulatory
EQT Corporation
EQT Plaza
625 Liberty Avenue
Suite 1700
Pittsburgh, Pennsylvania 15222

RE: EQT Gathering, LLC - Line Fork Creek (KY) Release CWA Class II Consent Agreement and Final Order (CAFO) Docket No. CWA-04-2013-5126(b)

Dear Ms. Gallogly:

Enclosed please find the Consent Agreement and Final Order (CAFO) in the above-referenced matter pertaining to EQT Gathering, LLC, a subsidiary or similar affiliate of EQT Corporation. Following review and signature by the appropriate official for EQT Gathering, LLC, please promptly return the signed **original** to my attention for signature by the U.S. Environmental Protection Agency Region 4's duly delegated official. As a proposed Class II settlement under Section 311(b)(6)(B)(ii) of the Clean Water Act, 33 U.S.C. § 1321(b)(6)(B)(ii), and under the authority provided by 40 C.F.R. §§ 22.13(b) and 22.18(b)(2), EPA shall provide public notice of the proposed consent agreement for a period of no less than 40 days before issuance of such an order assessing a civil penalty.

Subject to receipt of comments and once all signatures are obtained, EPA will file the executed CAFO with the Regional Hearing Clerk and mail you a copy. The CAFO becomes effective on the date it is filed with the Regional Hearing Clerk, and the penalty due date is calculated from that effective date.

If you have any questions, please do not hesitate to contact me at (404) 562-9677.

Sincerely,

Gregory D. Luetscher

Associate Regional Counsel

Office of Environmental Accountability

Enclosure

IN THE MATTER OF CWA SECTION 311 CLASS IE CONSENT AGREEMENT AND EQT Gathering, LLC 625 Liberty Avenue, Suite 1700 Pittsburgh, Pennsylvania Respondent Docket No. CWA-04-2013-5126(b)

LEGAL AUTHORITY

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)(ii) of the Clean Water Act ("Act"), 33 U.S.C. § 1321(b)(6)(B)(ii), as amended by the Oil Pollution Act of 1990, 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 4, who has in turn delegated these authorities to the Director, RCRA Division, pursuant to EPA Region 4 Clean Water Act Delegation 2-52-A ("Complainant").

CONSENT AGREEMENT

Complainant and Respondent have conferred for the purpose of settlement pursuant to 40 C.F.R. § 22.18 and desire to settle this action. Accordingly, before any testimony has been taken upon the pleadings and without any admission of violation or adjudication of any issue of fact or law and in accordance with 40 C.F.R. § 22.13(b), Complainant and Respondent have agreed to the execution of this Consent Agreement and Final Order (CAFO), and Respondent hereby agrees to comply with the terms of this CAFO. For purposes of this CAFO and settlement of this action, Respondent admits to the jurisdictional statements contained herein.

Stipulations

The parties, in their own capacity or by their attorneys or other authorized representatives, hereby stipulate:

- 1. Respondent, EQT Gathering, LLC, is a company organized under the laws of the State of Delaware and registered to do business in the Commonwealth of Kentucky. Respondent is a person within the meaning of Section 311(a)(7) of the CWA, 33 U.S.C. § 1321(a)(7).
- 2. The Respondent is the "owner" and/or "operator" within the meaning of Section 311(a)(6) of the CWA, 33 U.S.C. § 1321(a)(6), of a natural gas compressor station that operates a 3,000-gallon above ground storage tank located in Letcher County, Kentucky ("the facility"), which is an "onshore facility" within the meaning of Section 311(a)(10) of the CWA, 33 U.S.C. § 1321(a)(10).
- 3. Line Fork Creek and the North Fork of the Kentucky River are navigable waters as defined in Section 502(7) of the CWA, 33 U.S.C. § 1362(7), and 40 C.F.R. § 110.1 and are therefore subject to the jurisdiction of Section 311 of the CWA.
- 4. Section 311(b)(3) of the CWA, 33 U.S.C. § 1321(b)(3), prohibits the discharge of oil 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.
- 5. Pursuant to Section 311(b)(4) of the CWA, 33 U.S.C. § 1321(b)(4), the determination of quantities of oil that may be harmful and thereby prohibited under Section 311(b)(3), 33 U.S.C. § 1321(b)(3), is defined at 40 C.F.R. § 110.3 to include discharges of oil that (1) violate applicable water quality standards or (2) 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.

Allegations

Complainant alleges, and Respondent neither admits nor denies, that:

- 6. On or about June 7, 2011, Respondent discharged approximately 800 gallons of oil as defined in Section 311(a)(1) of the CWA, 33 U.S.C. § 1321(a)(1), from its facility into or upon Line Fork Creek, a tributary of the North Fork of the Kentucky River, and/or its adjoining shoreline.
- 7. Respondent's June 7, 2011, discharge of oil from its facility caused a sheen upon or discoloration of the surface of Line Fork Creek, a tributary of the North Fork of the Kentucky River, and/or its adjoining shoreline and, therefore, was in a quantity that has been determined may be harmful under 40 C.F.R. § 110.3, in violation of Section 311(b)(3) of the CWA.

Waiver of Rights

8. Solely for the purpose of this Consent Agreement, Respondent waives the right to contest the allegations contained herein, to a hearing under Section 311(b)(6)(B)(ii) of the CWA, 33 U.S.C. § 1321(b)(6)(B)(ii), to appeal any Final Order in this matter under Section 311(b)(6)(G)(ii) of the CWA, 33 U.S.C. § 1321(b)(6)(G)(ii), and consents to the issuance of a Final Order without further adjudication. Respondent waives any right it may have pursuant to 40 C.F.R. § 22.8 to be present during any discussions with, or to be served with and reply to, any memorandum or communication addressed to EPA officials where the purpose of such discussion, memorandum or communication is to persuade such official to accept and issue this Consent Agreement or the Final Order.

Penalty

9. Complainant proposes, and Respondent consents to, the assessment of a civil penalty of Nineteen Thousand Eight Hundred Dollars (\$19,800).

Payment Terms

10. No later than 30 days after the effective date of the Final Order, Respondent shall pay the penalty by means of a corporate cashier's or certified check, by electronic funds transfer (EFT), or on-line. If paying by check, Respondent shall submit a corporate cashier's or certified check, payable to "Environmental Protection Agency," and bearing the notation "OSLTF – 311". Respondent shall note the title and docket number of this case.

If the Respondent sends payment by the U.S. Postal Service, the payment shall be sent to:

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

If the Respondent sends payment by an overnight commercial delivery service such as DHL, FedEx or UPS, the payment shall be sent to:

U.S. Bank Government Lockbox 979077 U.S. EPA Fines & Penalties 1005 Convention Plaza SL-MO-C2-GL St. Louis, Missouri 63101 314-418-1028

If the Respondent sends payment by wire transfer, the wire transfer 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, New York 10045

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

Respondent may also elect the On Line Payment Option, available through the Department of Treasury. This payment option can be accessed at www.pay.gov. Enter "sfo 1.1" in the search field and then open the form and complete the required fields.

11. Respondent shall submit copies of the check (or, in the case of a wire transfer or on-line payment, a copy of the wire transfer or on-line confirmation) to the following people:

Patricia Bullock Regional Hearing Clerk U.S. EPA, Region 4 Sam Nunn Atlanta Federal Center 61 Forsyth Street, SW Atlanta, Georgia 30303-8960

and to:

Doug C. McCurry, Chief
North Enforcement and Compliance Section
RCRA and OPA Enforcement and Compliance Branch
RCRA Division
U.S. EPA, Region 4
Sam Nunn Atlanta Federal Center
61 Forsyth Street, SW
Atlanta, Georgia 30303-8960

- 12. Penalties paid pursuant to this CAFO are not deductible for federal purposes under 26 U.S.C. § 162(f).
- 13. Respondent's failure 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

- 14. Complainant reserves the right, pursuant to 40 C.F.R. § 22.45(c)(4)(iii), to withdraw from this Consent Agreement and proposed Final Order within 15 days of receipt of a Commenter's petition requesting, pursuant to 40 C.F.R. § 22.45(c)(4)(ii), that the Regional Administrator set aside the Consent Agreement and proposed Final Order on the basis that material evidence was not considered.
- 15. The Final Order shall be binding upon Respondent and Respondent's officers, directors, agents, and successors or assigns.
- 16. The Final Order does not constitute a waiver, suspension or modification of the requirements of Section 311 of the CWA, 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.
- 17. Compliance with this CAFO resolves Respondent's liability for federal civil penalties for the violations and facts stipulated to and alleged herein.
- 18. The undersigned representative of Respondent hereby certifies that he or she is fully authorized to enter into and execute this Consent Agreement and to legally bind Respondent to the terms and conditions of this Consent Agreement and the attached Final Order.
- 19. A copy of any documents that Respondent files in this action shall be sent to the following attorney who represents EPA in this matter and who is authorized to receive service for EPA in the proceeding:

Gregory D. Luetscher
Associate Regional Counsel
Office of Environmental Accountability
U.S. EPA - Region 4
Sam Nunn Atlanta Federal Center,
61 Forsyth Street, SW
Atlanta, Georgia 30303-8960
404-562-9677
Luetscher.greg@epa.gov

20. A copy of any documents that Complainant files in this action shall be sent to the following individual who represents the Respondent in this matter and who is to receive service for the Respondent in this proceeding:

Stephanie Gallogly
Attorney - Environmental and Regulatory
EQT Corporation
EQT Plaza
625 Liberty Avenue
Suite 1700
Pittsburgh, Pennsylvania 15222
(412) 553-5916
SGallogly@eqt.com

Effective Date

21. This Consent Agreement and Final Order is effective upon the filing of the Final Order with the Regional Hearing Clerk.

THIS SPACE INTENTIONALLY LEFT BLANK

CONSENTED AND AGREED TO:

For EQT GATHERING, LLC

(Signature)

Name: CHRIS

(Please type or print)

Title:

(Please type or print)

For U.S. ENVIRONMENTAL PROTECTION AGENCY

G. Alan Farmer

Director

RCRA Division

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION 4

| IN THE MATTER OF |) | CWA SECTION 311 CLASS II |
|--------------------------------|---|--------------------------------|
| |) | CONSENT AGREEMENT AND |
| EQT Corporation |) | FINAL ORDER |
| 625 Liberty Avenue, Suite 1700 |) | UNDER 40 C.F.R. § 22.13(b) |
| Pittsburgh, Pennsylvania |) | |
| |) | |
| Respondent |) | Docket No. CWA-04-2013-5126(b) |
| |) | |

FINAL ORDER

Pursuant to Section 311(b)(6) of the Clean Water Act, 33 U.S.C. § 1321(b)(6), and the delegated authority of the undersigned, 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, and the Stipulations by the parties and Allegations by the Complainant are adopted as Findings in this Final Order.

EQT Corporation, the Respondent, is ordered to comply with the terms of the Consent Agreement, Docket No. CWA-04-2013-5126(b).

Date: 5 - 30 - 2013

Signature:

Gwendolyn Keyes Fleming Regional Administrator I hereby certify that I have this day served a true and correct copy of the rolegoing Consent Agreement and Final Order, in the matter of *EQT Gathering*, *LLC*, *Docket No. CWA-04-2013-5126(b)*, on the parties listed below in the manner indicated:

Gregory D. Luetscher Associate Regional Counsel Office of Environmental Accountability U.S. Environmental Protection Agency, Region 4 61 Forsyth Street SW Atlanta, Georgia 30303 (Via EPA's internal mail)

Quantindra Smith RCRA & OPA Enforcement and Compliance Branch U.S. Environmental Protection Agency, Region 4 61 Forsyth Street SW Atlanta, Georgia 30303 (Via EPA's internal mail)

Stephanie Gallogly
Attorney - Environmental and Regulatory
EQT Corporation
EQT Plaza
625 Liberty Avenue
Suite 1700
Pittsburgh, Pennsylvania 15222

Dated this 6 day of June, 2013.

Patricia Bullock

Regional Hearing Clerk

U.S. EPA – Region 4

Sam Nunn Atlanta Federal Center

61 Forsyth Street, SW

Atlanta, Georgia 30303-8960