



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8

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

2011 DEC 15 AM 8:07


FILED
EPA REGION VIII
HEARINGS CLERK

DOCKET NO.: SDWA-08-2011-0078

IN THE MATTER OF:)
)
PETROGLYPH OPERATING CO, INC.) FINAL ORDER
)
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 15th DAY OF December, 2011.



Elyana R. Sutin
Regional Judicial Officer

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 8

2011 DEC 15 AM 8:07

Docket No.: SDWA-08-2011-0078

FILED
EPA REGION VIII
PROPERTY CLERK

In the Matter of:)
)
Petroglyph Operating Company, Inc.)
) **CONSENT AGREEMENT**
)
 Respondent.)

Complainant, United States Environmental Protection Agency, Region 8 (EPA), and Respondent Petroglyph Operating Company, Inc. (Petroglyph), by their undersigned representatives, hereby consent and agree as follows.

BACKGROUND

1. On September 27, 2011, EPA issued a Proposed Penalty Complaint and Notice of Opportunity for Hearing (Complaint) to Petroglyph 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.* EPA alleged that Petroglyph violated its Underground Injection Control permits by operating several of its Class II injection wells at pressures greater than the permitted maximum allowable injection pressure. The wells are located in Duchesne County, Utah within the exterior boundary of the Uintah and Ouray Indian Reservation.
2. Petroglyph admits the jurisdictional allegations of the Complaint and neither admits nor denies the specific factual allegations of the Complaint.

3. Petroglyph waives its right to a hearing before any tribunal and 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 Petroglyph, its successors or assigns. Any change in the ownership or corporate status of Petroglyph, including, but not limited to, any transfer of assets or real or personal property, shall not alter Petroglyph'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. Petroglyph consents and agrees to pay a civil penalty in the amount of **one hundred two thousand dollars (\$102,000.00)**, 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, then the due date becomes 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:

**US CHECKS BY REGULAR
US POSTAL SERVICE 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 "

**FEDERAL EXPRESS, AIRBORNE,
OR OTHER COMMERCIAL CARRIERS:**

U.S. Bank
1005 Convention Plaza
Mail Station SL-MO-C2GL
St. Louis, MO 63101

ON LINE PAYMENT:

WWW.PAY.GOV

Enter sfo 1.1 in the search field

Open form and complete required fields.

A copy of the check shall be sent simultaneously to:

Sarah Roberts
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 payment 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 to the accrual of interest specified in subsection (c) of this paragraph, a handling charge of fifteen dollars (\$15.00) shall be assessed on the 31st day from the date of the Final Order, and each subsequent 30-day period that the penalty, 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 ninety (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, and

late interest. The remainder is then applied to the outstanding principal amount.


- e. Petroglyph 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 Petroglyph of the duty to comply with the SDWA and its implementing regulations.
8. Failure by Petroglyph 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 in federal district court.
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 Petroglyph's failure to perform pursuant to the terms of this Consent Agreement.
10. The undersigned representative of Petroglyph certifies that he is fully authorized to enter into and bind Petroglyph 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**

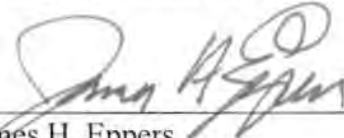
DEC 19 2011

Date: 12/2/11

By: 
for A. Michael Gaydosh
Assistant Regional Administrator
Office of Enforcement, Compliance
and Environmental Justice

DEC 6 2011

Date: _____

By: 
James H. Eppers
Enforcement Attorney
Office of Enforcement, Compliance
and Environmental Justice

PETROGLYPH OPERATING COMPANY, INC.

Date: 12/2/11

By: 
Paul R. Powell
Chief Operating Officer

CERTIFICATE OF SERVICE

The undersigned certifies that the original of the attached **CONSENT AGREEMENT/FINAL ORDER** in the matter of **PETROGLYPH OPERATING COMPANY, INC., DOCKET NO.: SDWA-08-2011-0078** was filed with the Regional Hearing Clerk on December 15, 2011.

Further, the undersigned certifies that a true and correct copy of the documents were delivered to, Jim 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 on December 15, 2011, to:

Kenneth A. Wonstolen
Beatty & Wozniak, P. C.
216 Sixteenth Street, Suite 1100
Denver, CO 80202
E-mail: kwonstolen@bwenergy.com

E-mailed to:

Honorable Elyana R. Sutin
Regional Judicial Officer
U. S. EPA Region 8 (8RC)
1595 Wynkoop Street
Denver, CO 80202-2466

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

December 15, 2011



Tina Artemis
Paralegal/Regional Hearing Clerk

