



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Region 10

1200 Sixth Avenue, Suite 155, Seattle, Washington 98101

EXPEDITED SETTLEMENT AGREEMENT

Docket Number: CWA-10-2025-0017

Penalty Amount: \$563, Inspection Date: 6/12/2024

Spill Prevention Control and Countermeasure Regulations

FILED

May 2, 2025

12:15 P.M. PST

**U.S. EPA REGION 10
HEARING CLERK**

On June 12, 2024, an authorized representative of the United States Environmental Protection Agency (EPA) conducted an inspection of Respondent's facility known as Hilcorp Alaska, LLC Beaver Creek Field in the Kenai Peninsula Borough, Alaska to determine compliance with the Oil Pollution Prevention regulations promulgated at 40 CFR Part 112 under Section 311(j) of the Clean Water Act, as amended, (33 U.S.C. §1321(j)), (the "Act" or "CWA"). EPA determined that Respondent, as owner or operator of the facility, violated regulations implementing Section 311(j) of the Act by failing to comply with the Oil Pollution Prevention regulations as noted on the attached Spill Prevention Control and Countermeasure ("SPCC") Inspection Findings, Alleged Violations, and Proposed Penalty Form ("Violations Form") which is hereby incorporated by reference. By its signature below, EPA ratifies the inspection findings and alleged violations set forth in the Violations Form.

The parties enter into this Expedited Settlement Agreement ("Agreement") in order to settle the civil violations described in the Violations Form for a penalty of \$563. This Agreement constitutes a Consent Agreement and Final Order, which the parties are authorized to enter under the authority of Section 311(b)(6)(B)(i) of the Act, 33 U.S.C. § 1321(b)(6)(B)(i), and by 40 C.F.R. § 22.13(b).

This Agreement is subject to the following terms and conditions:

EPA finds the Respondent is subject to the Oil Pollution Prevention regulations and has violated the regulations as further described in the Violations Form. Respondent admits it is subject to the Oil Pollution Prevention regulations and that EPA has jurisdiction over Respondent and Respondent's conduct as described in the Violations Form. Respondent admits to the facts in the first paragraph of this Agreement and waives any objections it may have to EPA's jurisdiction. Respondent consents to the assessment of the penalty stated above.

Respondent further certifies, subject to civil and criminal penalties for making a false submission to the United States Government, that the violations identified in the Violations Form have been corrected and the facility is now in full compliance with the Oil Pollution Prevention regulations (or that the violations will be corrected and the facility brought into full compliance with the Oil Pollution Prevention regulations within an alternative time frame agreed to by EPA in writing).

Respondent certifies that, within thirty (30) days after the effective date of the Final Order, Respondent will submit electronic payment via www.pay.gov or submit a bank, cashiers, or certified check with case name and docket number noted, for

the amount specific above, payable to the U.S. Environmental Protection Agency and referencing "the Oil Spill Liability Trust Fund", via certified mail, to:

**Regional Hearing Clerk
U.S. EPA, Region 10
Fines and Penalties, Cincinnati Finance Center
In the Matter of: Hilcorp Alaska, LLC. Beaver
Creek Field
Docket No.: CWA-10-2025-0017
P.O. Box 979078
St. Louis, MO 63197-9000**

The payment made pursuant to this Agreement is a penalty within the meaning of Section 162(f) of the Internal Revenue Code, 26 U.S.C. §162(f), and, therefore, Respondent shall not claim it as a tax-deductible expenditure for purposes of federal, state or local law.

Upon signing and returning this Agreement to EPA, Respondent waives the opportunity for a hearing or appeal pursuant to Section 311 of the Act, and consents to EPA's approval of the Agreement without further notice. By signing this Agreement, Respondent waives any rights or defenses that Respondent has or may have for this matter to be resolved in federal court, including but not limited to any right to a jury trial, and waives any right to challenge the lawfulness of the final order accompanying the Agreement. Moreover, in entering into this Agreement, the Respondent agrees to bear its own costs and attorney's fees related to this Agreement.

This Agreement is binding on the parties signing below and is effective when the Final Order is executed filed with the Regional Hearing Clerk pursuant to 40 C.F.R. § 22.31(b). The parties consent to service of this Agreement and Final Order by e-mail at the following valid e-mail addresses: simmons.wesley@epa.gov (for Complainant), and _____ (for Respondent).

Once the Final Order is signed by the Regional Judicial Officer, the original Agreement will be filed with the Regional Hearing Clerk and a copy will be mailed or emailed to the U.S. EPA Cincinnati Finance Office. A copy of the Agreement will also be delivered to the Respondent.

If Respondent does not sign and return this Agreement as presented within 30 days of the date of its receipt, or within an extension timeframe approved by the EPA, the proposed Agreement is withdrawn without prejudice to EPA's ability to file any other enforcement action for the violations identified in the Violations Form.

After this Agreement becomes effective, EPA will take no further civil penalty action against Respondent for the alleged violations of the Oil Pollution Prevention regulations described in the Violations Form through the order date of this Agreement. However, EPA does not waive any rights to take any enforcement action for any other past, present, or future violations by Respondent of the Oil Pollution Prevention regulations or of any other federal statute or regulations.

Attachments:

1. Violations Form
2. Payment Instructions

APPROVED BY EPA:

_____ Date: _____

Edward J. Kowalski, Director
Enforcement and Compliance Assurance Division

APPROVED BY RESPONDENT:

Name
(print): Greg Arthur

Title
(print): Environmental Director

 _____ Date: 4/16/2025

Estimated cost for correcting the violation(s) is: \$ \$2,500

Having determined that this Agreement is authorized by law,
IT IS SO ORDERED:

_____ Date: _____

Richard Mednick
Regional Judicial Officer, Region 10