

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 5**

<b>In the Matter Of:</b>	)	<b>Docket No. SDWA-05-2023-0004</b>
	)	
<b>Riverside Energy Michigan, LLC</b>	)	<b>Proceeding under Section 1423(c) of the</b>
<b>Traverse City, Michigan,</b>	)	<b>Safe Drinking Water Act,</b>
	)	<b>42 U.S.C. § 300h-2(c)</b>
<b>Respondent.</b>	)	
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**Consent Agreement and Final Order**

**Preliminary Statement**

1. This is an administrative action commenced and concluded under Section 1423(c)(2) of the Safe Drinking Water Act (SDWA), 42 U.S.C. § 300h-2(c)(2), and Sections 22.1(a)(9), 22.13(b), 22.18(b)(2) and (3), and 22.45 of the *Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits* (Consolidated Rules), as codified at 40 C.F.R. Part 22.

2. Complainant is the Director of the Enforcement and Compliance Assurance Division, U.S. Environmental Protection Agency (EPA), Region 5.

3. Respondent is Riverside Energy Michigan LLC (Riverside), a limited liability company doing business in Michigan.

4. Where the parties agree to settle one or more causes of action before the filing of a complaint, an administrative action may be commenced and concluded simultaneously by the issuance of a consent agreement and final order (CAFO). 40 C.F.R. § 22.13(b).

5. The parties agree that settling this action without the filing of a complaint or the adjudication of any issue of fact or law is in their interest and in the public interest.

6. Respondent consents to the assessment of the civil penalty specified in this CAFO and to the terms of this CAFO.

### **Jurisdiction and Waiver of Right to Hearing**

7. Respondent admits the jurisdictional allegations in this CAFO and neither admits nor denies the factual allegations in this CAFO.

8. Respondent waives its rights to notice of EPA's proposal to issue this CAFO and to request a hearing as provided at 40 C.F.R. § 22.15(c) and Section 1423(c)(3) of the SDWA, 42 U.S.C. § 300h-2(c)(3); any right to contest the allegations in this CAFO; and its right to appeal this CAFO.

### **Statutory and Regulatory Background**

9. Section 1421 of SDWA, 42 U.S.C. § 300h, requires that the Administrator of EPA promulgate regulations, which shall include permitting requirements as well as inspection, monitoring, recordkeeping, and reporting requirements, for state underground injection control (UIC) programs to prevent underground injection which endangers drinking water sources.

10. Section 1421(d)(1) of the SDWA, 42 U.S.C. § 300h(d)(1), defines "underground injection" as the subsurface emplacement of fluids by well injection and excludes the underground injection of natural gas for purposes of storage and the underground injection of fluids or propping agents (other than diesel fuels) pursuant to hydraulic fracturing operations related to oil, gas, or geothermal production activities.

11. Section 1421(d)(2) of the SDWA, 42 U.S.C. § 300h(d)(2), provides that underground injection endangers drinking water sources if such injection may result in the presence in underground water which supplies or can reasonably be expected to supply any public water system of any contaminant, and if the presence of such contaminant may result in such system not complying with any national primary drinking water regulation or may otherwise adversely affect the health of persons.

12. Pursuant to Section 1422(b) of the SDWA, 42 U.S.C. § 300h-1(b), designated states shall apply to obtain primary enforcement responsibility of their UIC programs (a concept called “primacy”).

13. Section 1422(c) of the SDWA, 42 U.S.C. § 300h-1(c), provides that the Administrator for EPA shall by regulation prescribe UIC programs applicable to those states that have not obtained primacy for their UIC programs or do not have primacy for all types of wells.

14. Pursuant to Sections 1421 and 1422 of the SDWA, 42 U.S.C. §§ 300h and 300h-1, respectively, EPA has promulgated UIC regulations at 40 C.F.R. Parts 124 and 144 through 148.

15. The SDWA and its regulations prohibit all underground injections unless authorized by a permit or a rule. 42 U.S.C. § 300h(b)(1)(A); 40 C.F.R. § 144.11.

16. EPA promulgated the UIC program for the State of Michigan, consisting of 40 C.F.R. Parts 124, 144, 146, 148, and additional requirements set forth in 40 C.F.R. Part 147, Subpart X, effective June 25, 1984. 40 C.F.R. § 147.1151 (2021).

17. On July 28, 2022, EPA approved the State of Michigan’s application for primacy to administer the UIC program for Class II wells in the state. 87 Fed. Reg. 45,251 (July 28, 2022).

18. Pursuant to a Memorandum of Understanding (MOU) between the State of Michigan and EPA, EPA retains direct enforcement and permitting authority for certain Class II wells. *See* UIC Program MOU between the State of Michigan and the Environmental Protection Agency (Oct. 13, 2020). On August 26, 2022, EPA notified Respondent, via a letter titled “US Environmental Protection Agency Retains Direct Enforcement Authority of Your Class II Permits,” that EPA retains direct enforcement authority for the injection well Permits referenced

in this CAFO.

19. Pursuant to 40 C.F.R. § 144.1(g), the UIC programs regulate underground injection by six classes of wells and all owners or operators of these injection wells must be authorized either by permit or rule. Class II wells inject fluids (1) which are brought to the surface in connection with natural gas storage operations, or conventional oil or natural gas production and may be commingled with waste waters from gas plants which are an integral part of production operations, unless those waters are classified as a hazardous waste at the time of injection; (2) for enhanced recovery of oil or natural gas; and (3) for storage of hydrocarbons which are liquid at standard temperature and pressure. 40 C.F.R. § 144.6(b).

20. In accordance with 40 C.F.R. § 144.51(a) any UIC permittee must comply with all conditions of its permit which include the requirements set forth in 40 C.F.R. §§ 144.11-144.19. Any permit noncompliance constitutes a violation of the SDWA, except that the permittee need not comply with the provisions of its permit to the extent and for the duration such noncompliance is authorized in an emergency permit under 40 C.F.R. § 144.34.

21. Section 1423(a) of the SDWA, 42 U.S.C. § 300h-2(a), authorizes EPA to assess a civil penalty to any person found to be in violation of any requirement of an applicable UIC program and order compliance with such requirement or regulation pursuant to Section 1423(c) of the SDWA, 42 U.S.C. § 300h-2(c).

22. Under Section 1423(c)(2) of the SDWA, 42 U.S.C. § 300h-2(c)(2), and 40 C.F.R. Part 19, EPA may assess a civil penalty of not more than \$13,508 for each day of violation, up to a maximum administrative penalty of \$337,725 for SDWA violations occurring after November 2, 2015, where penalties are assessed on or after January 6, 2023; and/or issue an order requiring compliance.

**Factual Allegations and Alleged Violations**

23. Respondent is a limited liability company, and as such, Respondent is a “person” as that term is defined at Section 1401(12) of the SDWA, 42 U.S.C. § 300f(12), and 40 C.F.R. § 144.3.

24. Respondent’s offices are located at 10691 East Carter Road, Suite 201 in Traverse City, Michigan.

25. EPA issued the below permits (collectively, the “Permits”) to Respondent to operate underground injection wells (the “Wells”), located in Otsego, Charlevoix, and Antrim Counties, Michigan:

Well Name	EPA Permit Number	Effective Date of Original Permit	Effective Date of Current Version of Permit
Jaroneski D1-12	MI-009-2D-0074	November 19, 1999	May 4, 2018
Kerly A2-11	MI-009-2D-0078	June 27, 1994	April 29, 2019
Beckington D1-25 SWD	MI-029-2D-0008	January 12, 1998	May 11, 2018
Guerin & Matthew D2-13 SWD	MI-029-2D-0009	August 21, 2000	September 26, 2017
St. Albert C4-5 SWD	MI-119-2D-0022	May 30, 1991	April 3, 2017
St. Loud A2-6 SWD	MI-119-2D-0042	August 11, 1992	September 25, 2018
Dewyse A4-29 SWD	MI-119-2D-0043	October 22, 1992	September 10, 2018
Montmorency Rd Com B1-27 SWD	MI-119-2D-0053	January 25, 1993	November 28, 2011
Miller C3-23 SWD	MI-119-2D-0055	November 4, 1992	December 5, 2011
Presson D2-14 SWD	MI-119-2D-0060	February 1, 1993	January 5, 2012
Bicknell B4-19 SWD	MI-119-2D-0074	October 12, 1993	September 10, 2018
Melling 1-22 SWD	MI-137-2D-0318	September 5, 2002	December 15, 2011
Burdo B1-17 SWD	MI-137-2D-0273	August 27, 1992	September 5, 2018
State Elmira 13-5 SWD	MI-137-2D-0276	December 28, 1992	November 28, 2011
Dobrzelewski D2-20 SWD	MI-137-2D-0277	October 19, 1992	September 5, 2018
Fleming A2-2 SWD	MI-137-2D-0304	January 6, 1997	May 4, 2018
St. Livingston A1-6 SWD	MI-137-2D-0306	February 18, 1997	January 5, 2012
Grant C4-30 SWD	MI-137-2D-0309	June 18, 1997	May 4, 2018
Ames C4-14 SWD	MI-137-2D-0310	May 21, 1997	September 5, 2018
Chaffee D1-17 SWD	MI-137-2D-0312	January 28, 1999	September 5, 2018
Frid B1-9 SWD	MI-137-2D-0315	January 22, 2002	May 4, 2018
Provins 6-23 SWD	MI-137-2D-0330	July 20, 2005	April 3, 2017

26. The Permits authorize the underground injection of salt water from production wells owned or operated by Respondent into the Wells, subject to the terms and conditions set

forth in the Permits.

27. The Wells authorized by the Permits are injection wells. 40 C.F.R. § 144.3.

28. Salt water is a “fluid” because it is a material or substance that flows or moves whether in a semisolid, liquid, sludge, gas, or any other form or state. 40 C.F.R. § 144.3.

29. The subsurface emplacement of salt water through the Wells is “well injection.” 40 C.F.R. § 144.3.

30. 40 C.F.R. § 144.3

31.

32. At all times relevant to this CAFO, Respondent owned an injection well and operated a well injection in the State of Michigan and was thus subject to the UIC program requirements set forth at 40 C.F.R. Parts 124, 144, 146, 147 Subpart X, and 148.

33. At all times relevant to this CAFO, Respondent did not apply for and obtain any emergency permits pursuant 40 C.F.R. § 144.34.

34. On September 13, 2017, pursuant to Section 1445(b) of the SDWA, 42 U.S.C. § 300j-4(b), and 40 C.F.R. § 144.51(i) as reflected in Part I of the Permits, EPA inspected the Wells.

35. On October 4, 2018 and July 15, 2019, EPA issued inspection reports for the September 13, 2017 inspection.

36. On November 12, 2018, Riverside submitted a letter to EPA responding to the October 4, 2018 EPA inspection report (First Inspection Response).

37. On August 30, 2019, Riverside submitted a letter to EPA responding to the July 15, 2019 EPA inspection report (Second Inspection Response).

38. On January 27, 2021, EPA issued a request for information (Information Request) to Respondent pursuant to Section 1445(a) of the SDWA, 42 U.S.C. § 300j-4(a); 40 C.F.R. §§ 144.17 and 144.51(h); and Part I of the Permits, to gather and submit to EPA information related to the Permits and operations and maintenance of the Wells.

39. On April 30, 2021, EPA received Respondent's response to its Information Request (Information Request Response).

40. On June 16, 2022, EPA issued a Notice of Violation (NOV) to Respondent alleging certain potential violations of the SDWA regulations and the SDWA.

41. On July 8, 2022, EPA received Respondent's written response to the NOV.

42. On November 18, 2022, EPA and Respondent held an NOV conference to discuss the potential violations.

43. On December 7, 2022, EPA received a written follow up to the NOV Conference from Respondent (NOV Conference Response).

44. Under Part I of the Permits and 40 C.F.R. § 144.51(a), Respondent is required to comply with all conditions of the Permits and any noncompliance constitutes a violation of the SDWA.

**COUNT 1: Failure to Record Operator Name in Monitoring Records**

45. Part I(E)(8)(c)(ii) of the Permits requires that, “[r]ecords of monitoring information shall include . . . [t]he individual(s) who performed the sampling or measurements.”

46. In Question 9 of the Information Request, EPA asked Riverside to “[p]rovide copies of all records (e.g., daily sheets, notes, raw data, etc.) Riverside relied on to generate Monthly Reports submitted to EPA for the Permits. These include all records of the dates,

times, techniques or methods, results, and the names of the individuals who performed measurements of injection pressure, annulus pressure, cumulative volume, and flow rate.”

47. Respondent’s Information Request Response contained records for the Wells which failed to include the operator name as required by the Permits. Time periods for each well for which the records do not include the operator name include:

<u>Permit No.</u>	<u>Well Name</u>	<u>Duration</u>
MI-137-2D-0310	Ames C4-14 SWD	9/1/2017-11/30/2018
MI-029-2D-0008	Beckington D1-25 SWD	9/1/2017-12/2/2018
MI-119-2D-0074	Bicknell B4-19 SWD	9/1/2017-11/30/2018
MI-137-2D-0273	Burdo B1-17 SWD	9/1/2017-9/18/2018
MI-137-2D-0312	Chaffee D1-17 SWD	9/1/2017-11/30/2018
MI-119-2D-0043	DeWyse A4-29 SWD	9/1/2017-11/30/2018
MI-137-2D-0277	Dobrzelewski D2-20 SWD	9/1/2017-9/10/2018
MI-137-2D-0304	Fleming A2-2 SWD	9/1/2017-11/30/2018
MI-137-2D-0315	Frid B1-9 SWD	9/1/2017-11/30/2018
MI-137-2D-0309	Grant C4-30 SWD	9/1/2017-11/30/2018; 1/21/2020-11/8/2020; 11/10/2020-12/8/2020; 12/10/2020-1/1/2021
MI-029-2D-0009	Guerin & Matthew D2-13 SWD	9/1/2017-11/30/2018
MI-009-2D-0074	Jaroneski D1-12	9/1/2017-11/30/2018
MI-009-2D-0078	Kerly A2-11	9/1/2017-9/14/2018
MI-137-2D-0318	Melling 1-22 SWD	9/1/2017-11/30/2018
MI-119-2D-0055	Miller C3-23 SWD	9/1/2017-12/6/2018
MI-119-2D-0053	Montmorency Co Rd Comm B1-27 SWD	9/1/2017-11/30/2018
MI-119-2D-0060	Presson D2-14 SWD	9/1/2017-11/30/2018
MI-137-2D-0330	Provins 6-23 SWD	9/1/2017-11/30/2018
MI-119-2D-0022	St. Albert C4-5 SWD	9/1/2017-11/30/2018
MI-137-2D-0276	State Elmira 13-5 SWD	9/1/2017-9/11/2018
MI-137-2D-0306	St. Livingston A1-6 SWD	9/1/2017-11/30/2018
MI-119-2D-0042	St. Loud A2-6 SWD	9/1/2017-11/30/2018

48. In Respondent’s NOV Conference Response, Respondent described how they implemented new procedures and three software applications in 2018 to ensure that the operator name will be included on future records.

49. Failing to record the names of “individual(s) who performed the sampling or measurements” is a violation of Part I(E)(8)(c)(ii) of the Permits and 40 C.F.R.



§ 144.51(j)(3)(ii), which subjects Respondent to issuance of an administrative order pursuant to Section 1423(c)(2) of the SDWA, 42 U.S.C. § 300h-2(c)(2).

**COUNT 2: Failure to Monitor Annulus Pressure**

50. Part II(B)(2)(d) of the Permits states: “Injection pressure, annulus pressure, flow rate and cumulative volume shall be recorded at least weekly and shall be reported monthly as specified in Part III(A) of this permit.”

51. In Respondent’s First Inspection Response, Riverside indicated that annulus pressure was not measured or checked and recorded weekly from September 1, 2017 to August 31, 2018 for the following wells; Beckington D1-25 SWD (EPA Permit MI-029-2D-0008); St. Livingston A1-6 SWD (EPA Permit MI-137-2D-0306); and Kerly A2-11 (EPA Permit MI-009-2D-0078).

52. In Respondent’s NOV Conference Response, Respondent described new procedures implemented in 2018 and new quality control measures to ensure that annulus pressure will be recorded.

53. Failure to monitor annulus pressure is a violation of Part II(B)(2)(d) of the Permits and 40 C.F.R. §§ 144.51(q)(1) and 146.8(b)(1), which subjects Respondent to issuance of an administrative order pursuant to Section 1423(c)(2) of the SDWA, 42 U.S.C. § 300h-2(c)(2).

**COUNT 3: Failure to Accurately Monitor Annulus Pressure**

54. Part II(B)(2)(a) of the Permits states, “[s]amples and measurements taken for the purpose of monitoring . . . shall be representative of the monitored activity.”

55. During the EPA inspection, EPA observed that Respondent’s operators either bled off the annulus before measuring the pressure or did not take an annulus pressure measurement, and Respondent’s operators explained their practice of bleeding the annulus pressure prior to taking a measurement of the well annulus pressure.

56. In the Inspection Response, Respondent stated that, “[t]he consistent measurement of casing (annulus) pressures with portable gauges during weekly well inspections by operators was implemented shortly after the audit in September 2017.”

57. In the Information Request Response, records of annulus pressure for the Wells, showed 0 pounds per square inch gauge (psig) for each monitoring event at each well from the time when Riverside started reporting annulus pressure until after the September 13, 2017, inspection.

58. Dates and wells for which annulus pressure was recorded as 0 psig include the following:

Permit No.	Well Name	Duration
MI-137-2D-0310	Ames C4-14 SWD	9/1/2017-10/12/2017
MI-119-2D-0074	Bicknell B4-19 SWD	9/1/2017-9/30/2017
MI-137-2D-0273	Burdo B1-17 SWD	9/1/2017-10/7/2017
MI-137-2D-0312	Chaffee D1-17 SWD	9/1/2017-10/6/2017
MI-119-2D-0043	DeWyse A4-29 SWD	9/1/2017-9/21/2017
MI-137-2D-0277	Dobrzelewski D2-20 SWD	9/1/2017-10/7/2017
MI-137-2D-0304	Fleming A2-2 SWD	9/1/2017-9/30/2017
MI-137-2D-0315	Frid B1-9 SWD	9/1/2017-10/7/2017
MI-137-2D-0309	Grant C4-30 SWD	9/1/2017-10/7/2017
MI-029-2D-0009	Guerin & Matthew D2-13 SWD	9/1/2017-10/6/2017
MI-009-2D-0074	Jaroneski D1-12	9/1/2017-9/30/2017
MI-137-2D-0318	Melling 1-22 SWD	9/1/2017-10/6/2017
MI-119-2D-0055	Miller C3-23 SWD	9/1/2017-9/30/2017
MI-119-2D-0053	Montmorency Co Rd Comm B1-27 SWD	9/1/2017-9/30/2017
MI-119-2D-0060	Presson D2-14 SWD	9/1/2017-9/30/2017
MI-137-2D-0330	Provins 6-23 SWD	9/1/2017-10/12/2017
MI-119-2D-0022	St. Albert C4-5 SWD	9/1/2017-9/21/2017
MI-137-2D-0276	State Elmira 13-5 SWD	9/1/2017-9/30/2017
MI-119-2D-0042	St. Loud A2-6 SWD	9/1/2017-9/21/2017

59. Failure to accurately monitor annulus pressure is a violation of Part II(B)(2)(a) of the Permits and 40 C.F.R. § 144.51(j)(1), which subjects Respondent to issuance of an administrative order pursuant to Section 1423(c)(2) of the SDWA, 42 U.S.C. § 300h-2(c)(2).

**COUNT 4: Failure to Submit Accurate Reports**

60. Part II(B)(2)(d) of the Permits states: “Injection pressure, annulus pressure, flow rate and cumulative volume shall be recorded at least weekly and shall be reported monthly as specified in Part III(A) of this permit.”

61. Part II(B)(3)(a) of the Permits states: “Monitoring results obtained during each week shall be recorded on a form which has been signed and certified according to 40 CFR §144.32 . . . [The monthly] report shall include the weekly measurements of injection pressure, annulus pressure, flow rate and cumulative volume as required in Parts II(B)(2)(d) and III(A) of this permit.”

62. Part III(A) of the Permits specifies that the requirement for monitoring injection pressure is to measure maximum injection pressure.

63. In Respondent’s First Inspection Response and Information Request Response, Respondent provided EPA with certain Monthly Reports and copies of all original monitoring records (e.g., daily sheets, notes, raw data, etc.) Riverside relied on to generate Monthly Reports.

64. Certain weekly measurements reported for annulus pressure and injection pressure in the September 2018 Monthly Reports were inconsistent with the original monitoring records for wells Chaffee D1-17 SWD (EPA Permit MI-137-2D-0312), Frid B1-9 SWD (EPA Permit MI-137-2D-0315), and St. Livingston A1-6 SWD (EPA Permit MI-137-2D-0306). Certain weekly measurements reported for annulus pressure and injection pressure in the May 2018 Monthly Report were inconsistent with the original monitoring records for Ames C4-14 SWD (EPA Permit MI-137-2D-0310). Reported values included the monthly minimum, monthly maximum, and monthly and weekly averages of annulus pressure and injection pressure but did not include Respondent’s actual measurements for each week in the Monthly Reports.

65. Failure to report actual measurements for each week included in a Monthly Report is a violation of Part II(B)(3)(a) of the Permits and 40 C.F.R. § 144.51(l)(4), which subjects Respondent to issuance of an administrative order pursuant to Section 1423(c)(2) of the SDWA, 42 U.S.C. § 300h-2(c)(2).

#### **COUNT 5: Unauthorized Injection**

66. Part I(E)(18) of the State Elmira 13-5 SWD Permit (EPA MI-137-2D-0276) (Restriction on Injected Substances) states: “[N]o fluids other than those from sources noted in the administrative record for this permit and approved by the Director shall be injected.”

67. The cover page of the Permit states: “The purpose of the injection is limited to non-commercial disposal of salt water from production wells owned or operated by Riverside Energy Michigan, LLC.”

68. In the Information Request Response, Riverside indicated that State Elmira 13-5 SWD (EPA Permit MI-137-2D-0276) injected fluids from the Peggy Fleming Unit production well.

69. From March 1, 2016, through August 30, 2019, the Peggy Fleming Unit production well was owned and operated by a company other than Respondent.

70. In September 2019, Respondent became the permitted owner and operator of the Peggy Fleming Unit production well.

71. Respondent’s injection of fluids into the State Elmira 13-5 SWD from a source other than a production well owned or operated by Respondent is a violation of Part I(E)(18) of the Permit and 40 C.F.R. § 144.11, which subjects Respondent to issuance of an administrative order pursuant to Section 1423(c)(2) of the SDWA, 42 U.S.C. § 300h-2(c)(2).

#### **CIVIL PENALTY**

72. Based upon the facts alleged in this CAFO; the factors listed in Section 1423(c)(4)(B) of the SDWA, 42 U.S.C. § 300h-2(c)(4)(B); EPA’s *UIC Program Judicial and*

*Administrative Order Settlement Penalty Policy* (Sept. 1993) (the “UIC Penalty Policy”); and Respondent’s good faith and cooperation in resolving this matter, EPA has determined that an appropriate civil penalty to settle this action is \$40,092.

73. Within 30 days after the effective date of this CAFO, Respondent must pay a \$40,092 civil penalty by ACH electronic funds transfer, payable to “Treasurer, United States of America,” and sent to:

US Treasury REX/Cashlink ACH Receiver  
ABA: 051036706  
Account Number: 310006, Environmental Protection Agency  
CTX Format Transaction Code 22-checking

In the comment area of the electronic funds transfer, state Respondent’s name and the docket number of this CAFO.

74. When Respondent pays the penalty or any portion thereof, Respondent must send a notice of payment that states Respondent’s name and the docket number of this CAFO to EPA electronically. Electronic submissions must be sent to the following addresses: [adamiec.james@epa.gov](mailto:adamiec.james@epa.gov), [R5WECA@epa.gov](mailto:R5WECA@epa.gov), and [mittermaier.adam@epa.gov](mailto:mittermaier.adam@epa.gov). If electronic submittal is not possible, the submissions must be made by certified mail (return receipt requested) and mailed to the following addresses:

James Adamiec (ECW-15J)  
Water Enforcement and Compliance Assurance Branch  
Enforcement and Compliance Assurance Division  
U.S. Environmental Protection Agency, Region 5  
77 West Jackson Boulevard  
Chicago, Illinois 60604

Adam Mittermaier (C-14J)  
Office of Regional Counsel  
U.S. Environmental Protection Agency, Region 5  
77 W. Jackson Boulevard

Chicago, Illinois 60604

Regional Hearing Clerk (E-19J)  
U.S. Environmental Protection Agency, Region 5  
77 W. Jackson Boulevard  
Chicago, Illinois 60604

75. This civil penalty is not deductible for federal tax purposes.

76. Pursuant to 31 U.S.C. § 3717 and 40 C.F.R. § 13.11, Respondent must pay the following on any amount overdue under this CAFO: interest accrued on any overdue amount from the date payment was due at a rate established by the Secretary of the Treasury pursuant to 26 U.S.C. § 6621(a)(2); the United States' enforcement expenses, including but not limited to attorneys' fees and costs incurred by the United States for collection proceedings; a handling charge fee each month that any portion of the penalty is more than 30 days past due; and up to 6% per year penalty on any principal amount 90 days past due.

77. If Respondent does not pay timely the civil penalty, EPA may request the United States Department of Justice bring an action to collect any unpaid portion of the penalty with interest, handling charges, nonpayment penalties, and the United States' enforcement expenses for the collection action under Section 1423(c)(7) of the SDWA, 42 U.S.C. § 300h-2(c)(7). The validity, amount, and appropriateness of the civil penalty are not reviewable in a collection action.

78. This CAFO only resolves Respondent's liability for federal civil penalties for the violations alleged in this CAFO.

79. Respondent certifies that it is complying with the SDWA, its implementing regulations, and the Permits.

80. This CAFO constitutes a "previous violation" as that term is used in EPA's UIC Penalty Policy and to determine Respondent's "history of such violations" under Section 1423(c)(4)(B) of the SDWA, 42 U.S.C. § 300h-2(c)(4)(B).

81. Each party agrees to bear its own costs and attorneys' fees in this action.

82. Except as provided in Paragraph 78, above, compliance with this CAFO will not be a defense to any actions subsequently commenced pursuant to federal law administered by EPA.

### **Compliance Requirements**

83. As explained in EPA's letters to Respondent dated August 26, 2022 and October, 17, 2022, EPA has retained direct enforcement authority for certain of Respondent's Class II injection wells (collectively, the "Retained Wells"), including the Wells. The full list of Retained Wells is included as Appendix A to this CAFO.

84. Pursuant to Section 1423(c)(2) of the SDWA, 42 U.S.C. § 300h-2(c)(2), Respondent shall comply with the following for all the Retained Wells from the effective date of this CAFO:

- (i) Measure, sample, analyze, record, and retain all monitoring information in accordance with the Permits and 40 C.F.R. § 144.51(j), including the date, exact place, and time of sampling or measurements; the individual(s) who performed the sampling or measurements; the methods used; the results; and all calibration records from the date of the sample, measurement, or report;
- (ii) Within 90 days of the effective date of this CAFO, submit to EPA for review and approval, and upon approval, implement a standard operating procedure ("SOP") for use in providing adequate direction to all staff or contractors in monitoring, recording, and reporting practices required by the Permits. The SOP must address procedures for measuring and reporting injection pressure, annulus pressure, flow rate, and cumulative volume with calibrated gauges and flow meters or totalizers. The SOP must include a description of software applications used to capture, store, and report well pressure values and injection volumes, and must specify that pressure should not be bled off prior to taking measurements;
- (iii) Starting with the first full calendar month following the effective date of this CAFO and continuing as long as EPA retains primacy for the Retained Wells, implement a monthly report format that includes the following for injection and annulus pressure:
  - a. Maximum and average injection pressure measurement for each week;
  - b. Minimum and average annulus pressure measurement for each week;

- c. Total number of injection pressure measurements taken during the month; and
- d. Total number of annulus pressure measurements taken during the month.

85. To the extent possible, Respondent must electronically submit all reports, notifications, documentation, submissions, and other correspondence required to be submitted by Paragraph 84 to EPA. If electronic submittal is not possible, the submissions must be made by certified mail (return receipt requested) to the enforcement officer whose name and address is identified in Paragraph 74, above.

86. Respondent must provide all electronic documents submitted pursuant to Paragraph 84 in unsecured, accessible, searchable format as a Portable Document Format (PDF) or electronic spreadsheet. Respondent must create a document index that clearly identifies any single electronic document that has been separated into multiple electronic files (because of size limitation or otherwise) and each component file that comprises the full document.

87. Reports, notifications, documentation, and submissions must be signed by a duly authorized representative of Respondent and shall include the following statement consistent with 40 C.F.R. § 144.32(d):

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

88. Respondent may not withhold information based on a claim that it is confidential. However, pursuant to 40 C.F.R. Part 2, Subpart B, Respondent may assert a claim of business confidentiality regarding any portion of the information submitted as required by Paragraph 84, as provided in 40 C.F.R. § 2.203, by placing on (or attaching to) the information,



at the time it is submitted to EPA, a cover sheet, stamped or typed legend, or other suitable form of notice employing language such as trade secret, proprietary, or company confidential. Allegedly confidential portions of otherwise non-confidential documents should be clearly identified by Respondent, and may be submitted separately to facilitate identification and handling by EPA. If Respondent desires confidential treatment only until a certain date or until the occurrence of a certain event, the notice should so state. The failure to furnish a confidentiality claim with your response may result in the information being made available to the public without further notice to you. EPA's confidential business information (CBI) regulations are at 40 C.F.R. Part 2, Subpart B.

89. Respondent should segregate any personnel, medical, and similar files from their responses and include that information on a separate sheet(s) marked as "Personal Privacy Information." Disclosure of such information to the general public may constitute an invasion of privacy.

90. If Respondent finds at any time after submitting information that any portion of that information is false or incorrect, the signatory must notify EPA immediately. Knowingly submitting false information to EPA may subject Respondent to criminal prosecution under Section 1423(b) of the SDWA, 42 U.S.C. § 300h-2(b), as well as 18 U.S.C. §§ 1001 and 1341.

91. Submissions required by Paragraph 84 shall be deemed submitted on the date they are sent electronically or on the date postmarked if sent by U.S. mail.

92. The information required to be submitted pursuant to Paragraph 84 is not subject to the approval requirements of the Paperwork Reduction Act of 1995, 44 U.S.C. § 3501 *et seq.* because it seeks the collection of information by an agency from specific individuals or entities as part of an administrative action.

93. For purposes of the identification requirement in Section 162(f)(2)(A)(ii) of the Internal Revenue Code, 26 U.S.C. § 162(f)(2)(A)(ii), and 26 C.F.R. § 1.162-21(b)(2),

performance of Paragraph 84 and the amount paid pursuant to Paragraph 73 are restitution, remediation, or required to come into compliance with the law.

94. EPA may use any information submitted in accordance with Paragraph 84 in support of an administrative, civil, or criminal action against Respondent.

95. EPA may terminate this Order at any time by written notice to Respondent.

96. Absent the notice described in Paragraph 95, Respondent may request in writing that EPA terminate this Compliance Order. With this request for termination, Respondent must submit to the EPA enforcement officer a written final report and certification of completion describing all actions taken to comply with all requirements of the compliance program in Paragraph 84. Respondent must include the certification language required under Paragraph 87. In response to the request for termination and written final report, EPA may require additional information, actions, or evidence from Respondent to show completion of the compliance requirements; EPA may pursue appropriate administrative or judicial action to require compliance with this Order; or EPA may accept the request for termination. This Order shall terminate on the date that EPA notifies Respondent in writing that EPA agrees with Respondent's request for termination.

### **General Provisions**

97. The parties consent to service of this CAFO by e-mail at the following valid e-mail addresses: [mittermaier.adam@epa.gov](mailto:mittermaier.adam@epa.gov) (for Complainant) and [jschramski@riversideem.com](mailto:jschramski@riversideem.com) (for Respondent). Respondent understands that the CAFO will become publicly available upon proposal for public comment and upon filing.

98. Violation of this CAFO shall be deemed a violation of the SDWA for purposes of Section 1423(b) of the SDWA, 42 U.S.C. § 300h-2(b).

99. This CAFO does not affect the rights of EPA or the United States to pursue appropriate injunctive or other equitable relief or criminal sanctions for any violation of law.

100. This CAFO does not affect Respondent's responsibility to comply with the SDWA and other applicable federal, state, or local laws and permits.

101. The terms of this CAFO bind Respondent and its successors and assigns.

102. Each person signing this CAFO certifies that he or she has the authority to sign for the party whom he or she represents and to bind that party to the terms of this CAFO.

103. This CAFO constitutes the entire agreement between the parties.

104. Pursuant to 40 C.F.R. § 22.18(b)(3), this Consent Agreement does not dispose of this proceeding without execution of the Final Order. The Final Order will not be issued until after completion of the requirements of Section 1423(c)(3) of the SDWA, 42 U.S.C. § 300h-2(c), and 40 C.F.R. § 22.45(b), which require, among other things, public notice and a reasonable opportunity to comment on any proposed penalty order. Further, under 40 C.F.R. § 22.45, this Consent Agreement may be withdrawn before execution of the Final Order.

105. Absent the filing of an appeal for judicial review in accordance with Section 1423(c)(6) of the SDWA, 42 U.S.C. § 300h-2(c)(6), or 40 C.F.R. § 22.45(c)(4)(viii), this CAFO shall become effective 30 days after the date of issuance, which is the date that the Final Order contained in this CAFO is signed by the Regional Judicial Officer or Regional Administrator.

**Consent Agreement and Final Order  
In the Matter of: Riverside Energy Michigan, LLC  
Docket Number: SDWA-05-2023-0004**

**Riverside Energy Michigan, LLC, Respondent**

May 15, 2023  
\_\_\_\_\_  
Date

*James Schramski*  
\_\_\_\_\_  
James Schramski  
Vice President, Operations

**United States Environmental Protection Agency, Complainant**

\_\_\_\_\_  
Date

MICHAEL HARRIS  Digitally signed by MICHAEL HARRIS  
Date: 2023.05.22 15:15:16 -05'00'  
\_\_\_\_\_  
Michael D. Harris  
Director  
Enforcement and Compliance Assurance Division  
Region 5, U.S. Environmental Protection Agency

**Consent Agreement and Final Order  
In the Matter of: Riverside Energy Michigan, LLC  
Docket Number: SDWA-05-2023-0004**

**Final Order**

This Consent Agreement and Final Order, as agreed to by the parties, shall become effective 30 days after issuance, unless an appeal for judicial review is filed in accordance with Section 1423(c)(6) of the SDWA, 42 U.S.C. § 300h-2(c)(6), or 40 C.F.R. § 22.45(c)(4)(viii). When final and effective, this Final Order concludes this proceeding pursuant to 40 C.F.R. §§ 22.18, 22.31, and 22.45. IT IS SO ORDERED.

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Ann Coyle  
Regional Judicial Officer  
Region 5  
U.S. Environmental Protection Agency

### Appendix A: List of Retained Wells

<b>Permittee</b>	<b>EPA Permit Number</b>	<b>State Permit Number</b>
Riverside Energy Michigan	MI-001-2D-0033	57911
Riverside Energy Michigan	MI-007-2D-0002	MIS49427
Riverside Energy Michigan	MI-007-2D-0004	MIS49733
Riverside Energy Michigan	MI-007-2D-0009	MIS50390
Riverside Energy Michigan	MI-007-2D-0010	MIS49689
Riverside Energy Michigan	MI-007-2D-0011	MIS49690
Riverside Energy Michigan	MI-007-2D-0018	MIS50869
Riverside Energy Michigan	MI-007-2D-0019	MIS50698
Riverside Energy Michigan	MI-007-2D-0025	MIS50926
Riverside Energy Michigan	MI-007-2D-0026	MIS50980
Riverside Energy Michigan	MI-007-2D-0027	MIS51405
Riverside Energy Michigan	MI-007-2D-0035	MIS51402
Riverside Energy Michigan	MI-007-2D-0041	MIS51403
Riverside Energy Michigan	MI-007-2D-0045	MIS51525
Riverside Energy Michigan	MI-009-2D-0002	MIS41005
Riverside Energy Michigan	MI-009-2D-0009	MIS43160
Riverside Energy Michigan	MI-009-2D-0014	MIS43845
Riverside Energy Michigan	MI-009-2D-0087	MIS48327
Riverside Energy Michigan	MI-009-2D-0089	MIS48330
Riverside Energy Michigan	MI-009-2D-0092	MIS48958
Riverside Energy Michigan	MI-009-2D-0099	MIS48814
Riverside Energy Michigan	MI-009-2D-0106	MIS48833
Riverside Energy Michigan	MI-009-2D-0121	MIS50379
Riverside Energy Michigan	MI-009-2D-0131	MIS49907
Riverside Energy Michigan	MI-009-2D-0137	MIS51118
Riverside Energy Michigan	MI-009-2D-0139	MIS51808
Riverside Energy Michigan	MI-009-2D-0140	MIS51801
Riverside Energy Michigan	MI-009-2D-0151	MIS53196
Riverside Energy Michigan	MI-009-2D-0152	MIS53192
Riverside Energy Michigan	MI-009-2D-0156	MIS53900
Riverside Energy Michigan	MI-009-2D-0159	MIS54904
Riverside Energy Michigan	MI-009-2D-0160	MIS54125
Riverside Energy Michigan	MI-009-2D-0167	MIS54951
Riverside Energy Michigan	MI-009-2D-0169	MIS55022
Riverside Energy Michigan	MI-009-2D-0174	MIS56376
Riverside Energy Michigan	MI-009-2D-0176	MIS56381
Riverside Energy Michigan	MI-009-2D-0177	56673
Riverside Energy Michigan	MI-009-2D-0182	57519
Riverside Energy Michigan	MI-009-2D-0184	57714
Riverside Energy Michigan	MI-009-2D-0187	MIS57713

<b>Permittee</b>	<b>EPA Permit Number</b>	<b>State Permit Number</b>
Riverside Energy Michigan	MI-009-2D-0191	MIS58470
Riverside Energy Michigan	MI-009-2D-0198	59070
Riverside Energy Michigan	MI-009-2D-0203	MIS59134
Riverside Energy Michigan	MI-009-2D-0204	MIS59187
Riverside Energy Michigan	MI-009-2D-0206	MIS59323
Riverside Energy Michigan	MI-009-2D-0209	59870
Riverside Energy Michigan	MI-009-2D-0210	59856
Riverside Energy Michigan	MI-009-2D-0211	59854
Riverside Energy Michigan	MI-009-2D-0212	MIS60381
Riverside Energy Michigan	MI-009-2D-0214	MIS60446
Riverside Energy Michigan	MI-009-2D-0216	MIS60514
Riverside Energy Michigan	MI-029-2D-0009	MIS53479
Riverside Energy Michigan	MI-029-2D-0014	57783
Riverside Energy Michigan	MI-079-2D-0038	MIS52948
Riverside Energy Michigan	MI-079-2D-0045	MIS55235
Riverside Energy Michigan	MI-101-2D-0034	MIS48960
Riverside Energy Michigan	MI-101-2D-0049	MIS50403
Riverside Energy Michigan	MI-101-2D-0054	MIS49060
Riverside Energy Michigan	MI-101-2D-0078	57685
Riverside Energy Michigan	MI-119-2D-0005	MIS45992
Riverside Energy Michigan	MI-119-2D-0022	MIS45843
Riverside Energy Michigan	MI-119-2D-0042	MIS46782
Riverside Energy Michigan	MI-119-2D-0043	MIS45967
Riverside Energy Michigan	MI-119-2D-0053	MIS46364
Riverside Energy Michigan	MI-119-2D-0055	MIS46613
Riverside Energy Michigan	MI-119-2D-0060	MIS47091
Riverside Energy Michigan	MI-119-2D-0071	MIS48897
Riverside Energy Michigan	MI-119-2D-0072	MIS47654
Riverside Energy Michigan	MI-119-2D-0074	MIS47800
Riverside Energy Michigan	MI-119-2D-0075	MIS47807
Riverside Energy Michigan	MI-119-2D-0083	MIS48034
Riverside Energy Michigan	MI-119-2D-0087	MIS48526
Riverside Energy Michigan	MI-119-2D-0093	MIS48611
Riverside Energy Michigan	MI-119-2D-0096	MIS48890
Riverside Energy Michigan	MI-119-2D-0103	MIS50327
Riverside Energy Michigan	MI-119-2D-0107	MIS50334
Riverside Energy Michigan	MI-119-2D-0111	MIS50417
Riverside Energy Michigan	MI-119-2D-0112	MIS50587
Riverside Energy Michigan	MI-119-2D-0113	MIS50928
Riverside Energy Michigan	MI-119-2D-0115	MIS51602
Riverside Energy Michigan	MI-119-2D-0116	MIS51406
Riverside Energy Michigan	MI-119-2D-0123	MIS51848

<b>Permittee</b>	<b>EPA Permit Number</b>	<b>State Permit Number</b>
Riverside Energy Michigan	MI-119-2D-0127	MIS52069
Riverside Energy Michigan	MI-135-2D-0016	MIS48426
Riverside Energy Michigan	MI-137-2D-0022	MIS40999
Riverside Energy Michigan	MI-137-2D-0043	MIS41270
Riverside Energy Michigan	MI-137-2D-0048	MIS41514
Riverside Energy Michigan	MI-137-2D-0049	MIS41513
Riverside Energy Michigan	MI-137-2D-0057	MIS41828
Riverside Energy Michigan	MI-137-2D-0279	MIS46107
Riverside Energy Michigan	MI-137-2D-0297	MIS49929
Riverside Energy Michigan	MI-137-2D-0302	MIS51356
Riverside Energy Michigan	MI-137-2D-0304	MIS50911
Riverside Energy Michigan	MI-009-2D-0074	MIS50237
Riverside Energy Michigan	MI-029-2D-0008	MIS52443
Riverside Energy Michigan	MI-137-2D-0276	MIS45945
Riverside Energy Michigan	MI-137-2D-0277	MIS45964
Riverside Energy Michigan	MI-137-2D-0306	MIS51490
Riverside Energy Michigan	MI-137-2D-0310	MIS51843
Riverside Energy Michigan	MI-137-2D-0312	MIS53306
Riverside Energy Michigan	MI-137-2D-0315	MIS53944
Riverside Energy Michigan	MI-137-2D-0330	MIS56768