



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8

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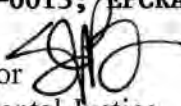
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MEMORANDUM

SUBJECT: Consent Agreement - In the Matter of Halcón Resources Corporation, et al.,
Docket Nos. **CAA-08-2015-0010; CWA-08-2015-0013; EPCRA-08-2015-0003**

FROM: Suzanne J. Bohan, Assistant Regional Administrator 
Office of Enforcement, Compliance and Environmental Justice

TO: Honorable Elyana R. Sutin, Regional Judicial Officer

With this memorandum, the Office of Enforcement, Compliance and Environmental Justice (ECEJ) is transmitting a combined complaint and consent agreement (CCCA) in the above-referenced matter. We request that you issue a final order approving it.

The EPA has taken this action under the authority of section 113(d) of the Clean Air Act (CAA), 42 U.S.C. § 7413(d), section 311(b)(6)(B)(i) of the Clean Water Act (CWA), 33 U.S.C. § 1321(b)(6)(B)(i), and section 325 of the Emergency Planning and Community Right-to-Know Act (EPCRA), 42 U.S.C. § 11045.

This action arises from a voluntary self-audit that the respondents (Halcón Resources Corporation, HRC Operating, LLC, Halcón Williston I, LLC, Halcón Williston II, LLC, and HRC Energy, LLC, collectively, Halcón) conducted pursuant to an audit agreement with the EPA and two EPA self-audit policies. Those policies are entitled Incentives for Self-Policing: Discovery, Disclosure, Correction and Prevention of Violations (Audit Policy), 65 Fed. Reg. 19,618-19,627 (April 11, 2000) and Interim Approach to Applying the Audit Policy to New Owners (Interim Approach), 73 Fed. Reg. 44,991-45,006 (August 1, 2008).

In 2013 and 2014, pursuant to its agreement with the EPA, Halcón self-disclosed violations of various regulations, including:

- Federal Implementation Plan for Oil and Natural Gas Production Facilities, Fort Berthold Indian Reservation, the Federal Minor New Source Review Program regulations, the Prevention of Significant Deterioration of Air Quality regulations, the Standards of Performance for Stationary Spark Ignition Internal Combustion Engines, and the Federal Operating Permit Program regulations, all promulgated pursuant to the Clean Air Act (CAA),



- the State of North Dakota's Control of Organic Compounds Emissions and Control of Emissions from Oil and Gas Well Production Facilities regulations,
- the EPA's Oil Pollution Regulations at 40 C.F.R. part 112, promulgated pursuant to the Clean Water Act (CWA), and
- 40 C.F.R. § 370.10, promulgated pursuant to EPCRA.

The violations occurred at oil and gas wells and underground injection control wells Halcón had recently acquired in North Dakota, some of which are on the Fort Berthold Indian Reservation. Halcón also notified the EPA of corrective actions taken for these violations.

The EPA has determined that based on the Audit Policy and Interim Approach, it is appropriate to assess a penalty of \$42,942, which includes \$28,653 for economic benefit attributable to the CAA violations, \$14,289 for the economic benefit attributable to the CWA violations, and \$0 for the EPCRA violations. In making this determination, ECEJ consulted with the Special Litigation & Projects Division of the Office of Enforcement and Compliance Assurance at EPA Headquarters. Halcón has agreed to pay the \$42,942 penalty.

The EPA has not issued a public notice of this action, because none is required under the applicable statutes. However, the EPA conferred with the North Dakota Department of Health regarding these violations. The EPA also notified the Mandan, Hidatsa and Arikara Nations of this matter and sought their input but received no response.

Halcón is represented by Ashley Phillips, Attorney, Thompson and Knight, 98 San Jacinto Boulevard, Suite 1900, Austin, Texas, 78701. Her telephone number 512-469-6135 and email address are ashley.phillips@tklaw.com.

The EPA attorney for this matter is Peggy Livingston, Enforcement Attorney, at 303-312-6858.

cc: Ashley Phillips

Attachment (consent agreement)