



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8

1595 WYNKOOP STREET
DENVER, CO 80202-1129

Phone 800-227-8917

<http://www.epa.gov/region08>

September 14, 2020

1:56 PM

Received by

EPA Region VIII

Hearing Clerk

DOCKET NO.: CAA-08-2020-0011

IN THE MATTER OF:

PDC ENERGY, INC.

RESPONDENT

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FINAL ORDER

Pursuant to 40 C.F.R. § 22.13(b) and §§ 22.18(b)(2) and (3) of EPA’s Consolidated Rules of Practice, the Expedited Settlement 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 Expedited Settlement Agreement, effective immediately upon filing this Expedited Settlement Agreement and Final Order.

SO ORDERED THIS 14TH DAY OF SEPTEMBER, 2020.

KATHERIN
HALL

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KATHERIN HALL
Date: 2020.09.14
13:42:10 -06'00'

Katherin E. Hall
Regional Judicial Officer

**UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 8**

September 14, 2020

1:56 PM

Received by

EPA Region VIII

Hearing Clerk

IN THE MATTER OF:)

PDC Energy, Inc.)
1775 Sherman Street, Suite 3000)
Denver, Colorado 80203)

Respondent.)

Docket No.: CAA-08-2020-0011

**EXPEDITED SETTLEMENT AGREEMENT
(CONSENT AGREEMENT and FINAL
ORDER)**

AUTHORITY

1. This Expedited Settlement Agreement (also known as a Consent Agreement and Final Order, hereafter ESA), intended to simultaneously commence and conclude this matter, is being entered into by the United States Environmental Protection Agency (EPA), Region 8, by its duly delegated official, the division director of the Enforcement and Compliance Assurance Division, and PDC Energy, Inc. (Respondent). This matter is authorized by 40 C.F.R. §§ 22.13(b) and 22.18(b)(2) and (3).
2. The EPA and Respondent agree that the EPA has jurisdiction over this matter pursuant to section 113(a)(3) and (d) of the Clean Air Act (the Act), 42 U.S.C. §§ 7413(a)(3) and (d).
3. The EPA and the U.S. Department of Justice have determined, pursuant to section 113(d)(1) of the Act, 42 U.S.C. § 7413(d)(1), that the EPA may pursue this type of case through administrative enforcement.

RESPONDENT

4. The Respondent is a “person” under section 302(e) of the Act. 42 U.S.C. § 7602(e).
5. The Respondent is a Colorado incorporated company that is authorized to do business in the state of Colorado.
6. SRC Energy, Inc. (“SRC”) was the operator of the Troudt Pad at the time of EPA’s compliance inspection. On January 14, 2020, SRC merged with and into Respondent, with Respondent being the surviving entity.
7. Respondent is the owner or operator of Troudt Pad, an oil and gas production facility, a stationary source, located at 15372 Weld County Road 66, Greeley, Colorado 80631 (facility).

ALLEGED VIOLATIONS

8. On September 24, 2019, an authorized representative of the EPA conducted a compliance inspection of Respondent’s facility to determine compliance with the Risk Management Plan (RMP)

regulations promulgated at 40 C.F.R. part 68 under section 112(r)(7) of the Act. Based on the September 24, 2019, inspection, the EPA has determined that Respondent violated those regulations as stated in paragraphs 9 through 15.

9. Respondent failed to properly calculate maximum intended inventory of equipment in which the regulated substances are stored or processed as required by 40 C.F.R. § 68.48(a)(2).
10. Respondent failed to prepare written operating procedures for emergency shutdowns as required by 40 C.F.R. § 68.52(b)(4).
11. Respondent failed to prepare written operating procedures for startup following an emergency shutdown as required by 40 C.F.R. § 68.52(b)(6).
12. Respondent failed to prepare written consequences of deviations and steps required to correct or avoid deviations as required by 40 C.F.R. § 68.52(b)(7).
13. Respondent failed to prepare written equipment inspection procedures as required by 40 C.F.R. § 68.52(b)(8).
14. Respondent failed to complete the RMP properly by including the correct amount of regulated substance as required by 40 C.F.R. § 68.160(b)(7).
15. Respondent failed to update emergency contact information within one month of any change in the emergency contact information as required by 40 C.F.R. § 68.195(b).

SETTLEMENT

16. In consideration of the factors contained in section 113(d)(1) of the Act and the entire record, the parties enter into this ESA in order to settle the violations referenced above for the total penalty amount of \$5,700.00.
17. This settlement is subject to the following terms and conditions with respect to the violations referenced above:
 - a. Respondent, by signing below, waives any objections that it may have regarding jurisdiction, neither admits nor denies the specific factual allegations contained in this ESA, and consents to the assessment of the penalty as stated above.
 - b. Respondent waives its rights to a hearing afforded by section 113(d)(2)(A) of the Act, 42 U.S.C. § 7413(d)(2)(A), and to appeal this ESA.
 - c. Each party to this action shall bear its own costs and attorney fees, if any.
 - d. Respondent waives any and all available rights to judicial or administrative review or other remedies that the Respondent may have with respect to any issue of fact or law or any terms and conditions set forth in this ESA, including any right of judicial review under the Administrative Procedure Act, 5 U.S.C. §§ 701-706.

18. By signing this ESA Respondent certifies that (1) the alleged violations listed in paragraphs 9 through 15 have been corrected, and (2) Respondent is submitting payment of the civil penalty as described below.

Within 20 days of receipt of this ESA, Respondent must send a cashier's check or certified check (payable to "Treasurer, United States of America") in the amount of \$5,700.00 in payment of the full penalty amount to the following address:

U.S. Environmental Protection Agency
Fines and Penalties
Cincinnati Finance Center
P.O. Box 979077
St. Louis, MO 63197-9000

**The following Payment Tracking Number for this ESA must be included on the check:
ESA-R8-CAA-2020-002**

The signed ESA and a copy of the check must be sent by certified mail to

Dan Webster, Mail Code: 8ENF-AT-P
US EPA Region 8
1595 Wynkoop Street
Denver, Colorado 80202-1129

19. Respondent agrees that the penalty specified in this ESA shall not be deductible for purposes of state or federal taxes.
20. Once the Respondent receives a copy of the Final Order and pays in full the penalty assessment described above, the EPA agrees not to take any further civil administrative penalty action against Respondent for the violations alleged in this ESA.
21. This ESA does not pertain to any matters other than those expressly specified herein. The EPA reserves, and this ESA is without prejudice to, all rights against Respondent with respect to all other matters, including, but not limited to, the following:
- a. claims based on a failure by Respondent to meet a requirement of this ESA including any claims for costs that are caused by the Respondent's failure to comply with this Agreement;
 - b. claims based on criminal liability; and
 - c. claims based on any other violations of the Act or federal or state law.
22. If the signed original ESA with an attached copy of the check is not returned to the EPA Region 8 office at the above address in correct form by Respondent within 20 days of the date of Respondent's receipt of this ESA, the proposed ESA is withdrawn, without prejudice to EPA's ability to file an enforcement action for the violations identified in this ESA.
23. This ESA, upon incorporation into the Final Order, applies to and is binding upon the EPA and Respondent and Respondent's successors and assigns. Any change in ownership or corporate status of Respondent, including, but not limited to, any transfer of assets or real or personal property, shall

not alter Respondent's responsibilities under this ESA. This ESA contains all terms of the settlement agreed to by parties.

- 24. Nothing in this ESA shall relieve Respondent of the duty to comply with the Act and its implementing regulations.
- 25. The undersigned representative of Respondent certifies that he/she is fully authorized to enter into the terms and conditions of this ESA and to bind Respondent to the terms and conditions of this ESA.
- 26. The parties consent to service of this ESA and Final Order by e-mail at the following valid e-mail addresses: weiner.marc@epa.gov (for Complainant), and Jason.Thron@pdce.com (for Respondent).
- 27. The parties agree to submit this ESA to the regional judicial officer with a request that it be incorporated into a final order.

For Respondent, PDC Energy, Inc.:



Date: September 2, 2020

 Name (Print) Scott Canonico
 Title (Print) VP - EHS

For Complainant, United States Environmental Protection Agency, Region 8:

SUZANNE BOHAN Digitally signed by SUZANNE BOHAN
 Date: 2020.09.03 11:29:31 -06'00'

Date: _____

 Suzanne J. Bohan, Director
 Enforcement and Compliance Assurance Division

CERTIFICATE OF SERVICE

The undersigned certifies that the attached **EXPEDITED SETTLEMENT AGREEMENT** and the **FINAL ORDER** in the matter of **PDC ENERGY, INC.; DOCKET NO.: CAA-08-2020-0011** was filed with the Regional Hearing Clerk on September 14, 2020.

Further, the undersigned certifies that a true and correct copy of the documents were emailed to, Marc Weiner, Enforcement Attorney, and sent via certified receipt email on September 14, 2020, to:

Respondent

Scott Canonico, Vice President
PDC Energy
Scott.Canonico@pdce.com

EPA Financial Center

Jessica Chalifoux
U. S. Environmental Protection Agency
Cincinnati Finance Center
Chalifoux.Jessica@epa.gov

September 14, 2020

MELISSA
HANIEWICZ

Digitally signed by
MELISSA HANIEWICZ
Date: 2020.09.14
14:48:33 -06'00'

Melissa Haniewicz
Regional Hearing Clerk