

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8**

IN THE MATTER OF:)
)
Ovintiv USA Inc.) **Docket No. SDWA-08-2025-0006**
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)
)
Respondent.) **COMBINED COMPLAINT AND**
) **CONSENT AGREEMENT**

I. INTRODUCTION

1. This Combined Complaint and Consent Agreement (Agreement) is entered into by the parties for the purpose of simultaneously commencing and concluding this matter and executed pursuant to sections 22.13(b) and 22.18(b)(2)-(3) of the *Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits* (Consolidated Rules of Practice), as codified at 40 C.F.R. part 22.
2. The United States Environmental Protection Agency, having determined that settlement of this action is in the public interest, and Ovintiv USA Inc. (Respondent) consent to the entry of this Agreement without adjudication of any issues of law or fact herein, and Respondent agrees to comply with the terms of this Agreement.

II. JURISDICTION

3. This Agreement is issued under the authority vested in the Administrator of the EPA by section 1423(c) of the Safe Drinking Water Act (SDWA). 42 U.S.C. § 300h-2(c). The undersigned EPA official has been duly authorized to institute this action.
4. This proceeding is subject to the Consolidated Rules of Practice, under which this proceeding may be resolved by a final order from a regional judicial officer ratifying this Agreement. The final order will simultaneously commence and conclude this proceeding. 40 C.F.R. § 22.13(b).

III. GOVERNING LAW

5. Pursuant to Part C of the SDWA, the EPA has promulgated regulations establishing minimum requirements for underground injection control (UIC) programs to prevent underground injection that endangers drinking water sources, codified at 40 C.F.R. part 144 (Part 144). See 42 U.S.C. §§ 300h – 300h-8.
6. The SDWA authorizes the EPA to administer the currently applicable federal UIC

program in areas over which an Indian Tribe exercises governmental jurisdiction until the Tribe assumes primary enforcement responsibility. 42 U.S.C. § 300h-1.

7. The SDWA authorizes the EPA to assess a civil penalty of not more than \$13,946 for each day of violation, up to a maximum administrative penalty of \$348,671, for violations occurring after November 2, 2015, where penalties are assessed on or after December 27, 2023, for any violation of the Act or Part 144. 42 U.S.C. § 300h-2(c)(2).
8. Part 144 prohibits all injection activities until the owner or operator is authorized to conduct the injection activities by rule or by permit. 40 C.F.R. § 144.31.
9. Part 144 requires UIC permittees to comply with all conditions of their permit and provides that any permit noncompliance constitutes a violation of the SDWA and is grounds for enforcement action, for permit termination, revocation and reissuance, or modification, or for denial of a permit renewal application. 40 C.F.R. § 144.51(a).

IV. STIPULATED FACTS

10. Respondent is a corporation and is therefore a “person” and subject to regulation under the SDWA.
11. Respondent is the owner or operator of the Tribal PN 16-34 injection well (Well).
12. The Well is a saltwater disposal well and is a class II injection well as defined in Part 144. 40 C.F.R. § 144.6.
13. The Well has latitude of 43.319213 and longitude of -108.646325 and is located within the exterior boundaries of the Wind River Indian Reservation.
14. The Eastern Shoshone and Northern Arapaho Tribes exercise governmental jurisdiction over the Wind River Indian Reservation but have not assumed primary enforcement responsibility for underground injection control under the SDWA.
15. On April 1, 1998, the EPA issued UIC Permit No. WY20831-04394 (Permit) which authorized Tom Brown Inc., the original permittee, to operate the Well as a class II saltwater disposal well.
16. On March 9, 2012, the EPA revised the Permit to reflect the change in ownership of the Well from Tom Brown Inc. to Encana Oil and Gas (USA), Inc.
17. On January 11, 2023, the EPA revised the Permit to reflect the change in ownership

of the Well from Encana Oil and Gas (USA), Inc., to the Respondent.

18. Respondent is the current permittee of the Permit.
19. The Permit, at section II(D)(4), requires Respondent to submit an annual report (Annual Monitoring Report) containing a summary of monitoring data for each calendar year to the EPA by February 15 of the following calendar year.
20. Respondent submitted its 2023 Annual Monitoring Report on March 19, 2024.

V. ALLEGED VIOLATION OF LAW

21. Part 144 requires an injection well permittee to comply with all conditions of its permit. 40 C.F.R. § 144.51(a). The Permit, at section II(D)(4), requires Respondent to submit its Annual Monitoring Report no later than February 15 of each year. Respondent failed to submit its Annual Monitoring Report by February 15, 2024. Accordingly, Respondent failed to comply with section II(D)(4) of the Permit and therefore violated 40 C.F.R. § 144.51(a).
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VI. TERMS OF CONSENT AGREEMENT

22. For the purpose of this proceeding, Respondent:
 - a. admits the jurisdictional allegations in this Agreement;
 - b. neither admits nor denies the specific factual allegations in this Agreement;
 - c. consents to the assessment of a civil penalty as stated below;
 - d. consents to the conditions specified in this Agreement and to any stated Permit Action;
 - e. waives any right to contest the allegations and any right to appeal the proposed final order accompanying this Agreement;
 - f. acknowledges this Agreement constitutes an enforcement action for purposes of considering Respondent's compliance history in any subsequent enforcement actions;
 - g. acknowledges that the EPA has provided an opportunity for a hearing and waives any right to a hearing in this proceeding;
 - h. waives any rights it may possess at law or in equity to challenge the authority of EPA to bring a civil action in a United States District Court to compel compliance with the Agreement or Order, or both, and to seek an

additional penalty for such noncompliance, and agrees that federal law shall govern in any such civil action.

23. Based on the allegations in sections IV and V above, and having considered the seriousness of the violation, the economic benefit resulting from the violation, the Respondent's history of such violations, Respondent's good-faith efforts to comply with the applicable requirements, the economic impact of the penalty on the violation, and other matters as justice may require, as required under the SDWA, the EPA has determined the civil administrative penalty amount agreed upon below is appropriate to settle this matter. 42 U.S.C. § 300h-2(c)(4)(B).
24. Penalty Payment. Respondent agrees to:
- a. pay an administrative civil penalty in the amount of \$4,278 no later than 30 calendar days after the effective date of this Agreement;
 - b. pay using any method provided on the following website:
<https://www.epa.gov/financial/makepayment>;
 - c. make each and every payment payable to the "Environmental Protection Agency" and include in each payment a reference to "Docket No. SDWA-08-2024-0041," and
 - d. within 24 hours of each payment, email proof of payment to Noah Stanton, EPA Region 8 Enforcement Attorney, at stanton.noah@epa.gov, and the Regional Hearing Clerk for EPA Region 8 at R8_Hearing_Clerk@epa.gov. "Proof of payment" means, as applicable, a copy of the check, confirmation of credit card or debit card payment confirmation of wire or automated clearinghouse transfer, and any other information required to demonstrate payment has been made according to EPA requirements, in the amount due, and identified with the name "Ovintiv USA Inc." and "Docket No. SDWA-08-2024-0041."
25. If Respondent fails to timely pay any portion of the penalty assessed under the Final Order approving this Agreement, the EPA may:
- a. request the Attorney General to bring a civil action in an appropriate district court to recover the amount assessed, plus interest at currently prevailing

- rates from the date of the Final Order, attorney's fees and costs for collection proceedings, and a 20% quarterly nonpayment penalty for each quarter during which failure to pay persists;
- b. refer the debt to a credit reporting agency or a collection agency under 40 C.F.R. §§ 13.13, 13.14, and 13.33;
 - c. collect the debt by administrative offset (i.e., the withholding of money payable by the United States to, or held by the United States for, a person to satisfy the debt the person owes the Government), which includes, but is not limited to, referral to the Internal Revenue Service for offset against income tax refunds, under 40 C.F.R. part 13, subparts C and H; and
 - d. suspend or revoke Respondent's licenses or other privileges or suspend or disqualify Respondent from doing business with the EPA or engaging in programs the EPA sponsors or funds under 40 C.F.R. § 13.17.
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26. Consistent with section 162(f)(1) of the Internal Revenue Code, 26 U.S.C. § 162(f)(1), Respondent will not deduct penalties paid under this Agreement for federal tax purposes.
27. Respondent agrees, by signing this Agreement, that all alleged violations have been corrected.
28. This Agreement applies to the Respondent, and the Respondent's officers, directors, employees, agents, trustees, authorized representatives, successors, and assigns. Respondent must give written notice and a copy of this Agreement to any successors-in-interest prior to transfer of any interest in the Facility. Any change in ownership or corporate control of the Well or Facility described in the Agreement by Respondent, including but not limited to any transfer of assets or real or personal property, shall not alter Respondent's responsibilities under this Agreement.
29. The undersigned representative of the Respondent certifies that he or she is fully authorized to enter into and bind the Respondent to this Agreement.
30. The parties consent to service of a final order by e-mail at the following valid e-mail addresses: Noah Stanton (stanton.noah@epa.gov) for EPA and Chelsea Carpenter (Chelsea.Carpenter@ovintiv.com) for Respondent.

31. Except as qualified by paragraph 25 above, each party shall bear its own costs and attorney fees in connection with this proceeding.

VII. EFFECT OF CONSENT AGREEMENT

32. In accordance with the Consolidated Rules of Practice, completion of the terms of this Agreement resolves only Respondent's liability for federal civil penalties for the violations alleged in Section V, above. 40 C.F.R. § 22.18(c).
33. The terms, conditions, and compliance requirements of this Agreement may not be modified or amended except upon the written agreement of both parties, and approval of the Environmental Appeals Board/ Regional Judicial Officer, or other delegatee.
34. Any violation of this Agreement, and subsequently issued final order approving this Agreement, may result in a civil judicial action for an injunction or civil penalties of up to \$69,733 per day of violation.
35. Nothing in this Agreement shall relieve Respondent of the duty to comply with all applicable provisions of the Act, any regulation, order, or permit issued pursuant to the Act, and any other federal, state, or local laws, nor shall it restrict the EPA's authority to seek compliance with any applicable laws or regulations, nor shall it be construed to be a ruling on, or determination of, any issue related to any federal, state, or local permit.
36. Nothing in this Agreement shall be construed to limit the power of the EPA to pursue injunctive or other equitable relief, or criminal sanctions, for any violations of law or to undertake any action against Respondent or any person in response to conditions that may present an imminent and substantial endangerment to the public health, welfare, or the environment.
37. If and to the extent the EPA finds, after signing this Agreement, that any information provided by Respondent was materially false or inaccurate at the time such information was provided to the EPA, the EPA reserves any and all of its legal and equitable rights.

VIII. PUBLIC NOTICE

38. The SDWA and Consolidate Rules of Practice require that, prior to submitting this

Agreement to the Regional Judicial Officer or Regional Administrator for approval, the EPA must provide public notice of this Agreement and a reasonable opportunity for public comment. 42 U.S.C. § 300h-2(c); 40 C.F.R. § 22.45(b). The EPA may withdraw its consent to this Agreement if comments received disclose material evidence that was not considered in entering the Agreement, but may not alter the terms of this Agreement without the written approval of Respondent. 40 C.F.R. § 22.45(c)(4).

IX. EFFECTIVE DATE

39. This Agreement becomes effective on the date a final order approving this Agreement is filed with the regional hearing clerk.

**UNITED STATES ENVIRONMENTAL
PROTECTION AGENCY, REGION 8**

Date: 10/3/24

By: SUZANNE BOHAN
Suzanne J. Bohan, Director
Enforcement and Compliance Assurance
Division,
Complainant

Digitally signed by
SUZANNE BOHAN
Date: 2024.10.03
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RESPONDENT:

Date: 10/01/2024

By: 

Name, Title: Chelsea Carpenter, US Regulatory Manager - Operations