

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 8

Docket No.: CAA-08-2011-0018

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FILED  
EPA REGION VIII  
HEARING CLERK

In the Matter of: )  
KODIAK OIL & GAS (USA) INC. ) **JOINT MOTION TO AMEND**  
Respondent. ) **ADMINISTRATIVE COMPLAINT**  
) **AND CONSENT AGREEMENT**  
)  
)

COMES NOW Kodiak Oil & Gas (USA) Inc. ("Kodiak" or "Respondent") and the United States Environmental Protection Agency, Region 8 ("EPA" or "Complainant") and files this Joint Motion to Amend the Administrative Complaint and Consent Agreement.

1. On August 29, 2011, the Court approved an Administrative Complaint and Consent Agreement ("Agreement") in this matter (see August 29, 2011 Order Granting Filing of An Electronic Consent Agreement Final Order).

2. Pursuant to the terms of Paragraph F.13 of the Agreement, the purpose of this Joint Motion is to request that the Court approve a revised and amended Appendix A to the Agreement ("Revised Appendix A") and approve a revision to Paragraph E. 1 of the Agreement to reflect the revised and amended Appendix A.

3. Kodiak and EPA jointly seek to substitute a Revised Appendix A for the original Appendix A to reflect the following changes:

- a. the deletion of an incorrectly included emission source in Table A-1; and
- b. the substitution of one well listed in Table A-3 for a different well.

4. To reflect the deletion of the incorrectly included emission source in Table A-1, Kodiak and EPA seek to revise Paragraph E.1 of the Agreement as set forth in Exhibit 1 to this Motion, in order to reduce the penalty amount to reflect the net deletion of one emission source. As proposed, revised Paragraph E.1 would read in its entirety as

follows:

"1. Pursuant to an analysis of the facts and circumstances of this case with the statutory factors described in section 113(d)(1)(B) of the CAA, 43 U.S.C. §7413(d)(1)(B), EPA has determined that an appropriate civil penalty to settle this action is the amount of \$3,000 per emission source listed in Appendix A for a total of Fifty-Four Thousand Dollars (\$54,000)."

**PRAYER**

For the above-mentioned reasons, Kodiak and EPA respectfully request that the Court approve substitution of Revised Appendix A into the Agreement and approve the revision of Paragraph E.1 of the Agreement as set forth on Exhibit 1.

**UNITED STATES ENVIRONMENTAL  
PROTECTION AGENCY REGION 8**

Complainant.

Date: 10/25/11



for Andrew M. Gaydosh  
Assistant Regional Administrator  
Office of Enforcement, Compliance and  
Environmental Justice

**KODIAK OIL & GAS (USA) INC.**

Respondent.

Date: 10/25/2011



Cathleen M. Osborn  
Counsel for Kodiak Oil & Gas (USA) Inc.

## APPENDIX A

### EMISSION SOURCE INVENTORY

Table A-1 Existing Emission Sources (commenced construction by August 30, 2011)

Source Name	Latitude and Longitude	Section, Township, Range	Well site completion date	Casinghead gas controlled or captured	Casinghead gas control device	Tanks/Tank Battery control device	Tanks/Tank Battery control device install date
Moccasin Creek 16-34 Facility	47.5891055 -101.4945916	Sec. 34 T148N R93W	4/24/2009	Controlled	Ground Pit Flares	Ground Pit Flares	4/24/2009
Two Shields Butte 16-8 Facility	47.73344722 -101.527730	Sec. 8 T149N R92W	6/7/2009	Controlled Captured <sup>(1)</sup>	Ground Pit Flares <sup>(1)</sup>	Ground Pit Flares	6/7/2009
Two Shields Butte 14-33 Facility	47.67556111 -102.462063	Sec. 33 T149N R92W	8/9/2009	Controlled Captured <sup>(1)</sup>	Ground Pit Flares <sup>(1)</sup>	Ground Pit Flares	8/9/2009
Charging Eagle 1-22 Facility	47.544002 -102.376399	Sec. 22 T147N R92W	10/9/2009	Controlled	Ground Pit Flares	Ground Pit Flares	10/9/2009
Moccasin Creek 16-3 Facility	47.57461666 -101.4960833	Sec. 3 T147N R93W	2/13/2010	Controlled	Ground Pit Flares	Ground Pit Flares	2/13/2010
Moccasin Creek 13-34 Facility	47.590189 -102.523329	Sec. 34 T148N R93W	6/5/2010	Controlled	Ground Pit Flares	Ground Pit Flares	6/5/2010
Two Shields Butte 14-21 Facility	47.70326 -102.46107	Sec. 21 T149N R92W	12/11/2010	Controlled Captured <sup>(2)</sup>	Ground Pit Flares <sup>(2)</sup>	Ground Pit Flares	12/11/2010
Two Shields Butte / Skunk Creek 2-24 Facility	47.7166 -102.519778	Sec. 24 T149N R92W	Anticipate 8/26/11	Captured <sup>(3)</sup>	Ground Pit Flares <sup>(3)</sup>	Ground Pit Flares	Anticipate 8/26/11

(1) Gas became captured with pipeline installation 1/2/11, gas is controlled with ground pit flare during treater or pipeline malfunctions

(2) Gas became captured with pipeline installation 4/8/11, gas is controlled with ground pit flare during treater or pipeline malfunctions

(3) The wells at this facility are waiting on completion, gas pipeline currently installed for capture of casinghead gas, ground pit flare will be used for control during treater or pipeline malfunctions

Table A-2 New Emission Sources (commencing construction between August 31, 2011 and December 31, 2011)

Source Identification	Section, Township, Range	Expected Commence Construction Date
Skunk Creek 12-10 Facility	Sec. 10, T148N-R93W	9.4.2011
Skunk Creek 2-8 Facility	Sec. 8, T148N-R93W	11.01.2011
Charging Eagle 15-22 Facility	Sec. 22, T147N-R92W	10.01.2011
Charging Eagle 15-14 Facility	Sec. 14, T147N-R92W	12.01.2011

Table A-3 New Emission Sources (commencing construction between January 1, 2012 and March 31, 2012)

Source Identification	Section, Township, Range	Expected Commence Construction Date
Skunk Creek 9-2 Facility	Sec. 2, T148N-R93W	3.01.2012
Moccasin Creek 16-26 Facility	Sec. 26, T148N-R93W	3.01.2012
Two Shields Butte 5-7 Facility	Sec. 7, T149N-R92W	3.01.2012
Two Shields Butte 3-24	Sec. 24, T149N-R93W	3.01.2012
Skunk Creek 16-2	Sec. 2, T148 N-R93W	3.01.2012

Table A-4 New Emission Sources (commencing construction between April 1, 2012 and June 30, 2012)

Source Identification	Section, Township, Range	Expected Commence Construction Date
Skunk Creek 13-18 Facility		08.01.2012
Moccasin Creek 16-26 Facility	Sec. 26, T148N-R93W	8.01.2012

## EXHIBIT 1

Revised Paragraph E.1 would read in its entirety as follows:

"1. Pursuant to an analysis of the facts and circumstances of this case with the statutory factors described in section 113(d)(1)(B) of the CAA, 43 U.S.C. §7413(d)(1)(B), EPA has determined that an appropriate civil penalty to settle this action is the amount of \$3,000 per emission source listed in Appendix A for a total of Fifty-Four Thousand Dollars (\$54,000)".

### CERTIFICATE OF SERVICE

The undersigned certifies that the original of the attached Joint Motion to Amend Administrative Complaint and Consent Agreement in the matter of Kodiak Oil & Gas (USA) Inc.; Docket No.: CAA-08-2011-0018, was filed with the Regional-Hearing Clerk on October 31, 2011.

Further, the undersigned certifies that a true and correct copy of the document was e-mailed to Cynthia Reynolds, Director, Air & Toxics Technical Enforcement Program, and David Rochlin, Enforcement Attorney, U.S. EPA -Region 8, 1595 Wynkoop Street, Denver, CO 80202-119 .

Date: October 31, 2011

  
Cathleen M. Osborn  
Counsel for Kodiak Oil & Gas (USA) Inc.