

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 8

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IN THE MATTER OF: )  
)  
Nova Energy, Inc. )  
401 E. 1<sup>st</sup> Street )  
Casper, WY 82601-2558, )  
)  
Respondent. )

Docket No. CWA-08-2010-0024  
**COMPLAINANT'S SETTLEMENT REPORT**

FILED  
EPA REGION VIII  
HEARING CLERK

The United States Environmental Protection Agency, Region 8 (EPA) by and through its undersigned counsel, hereby provides the following Complainant's Settlement Report updating the Honorable Elyana R. Sutin, Regional Judicial Officer, on the status of the parties' voluntary settlement efforts in the above-referenced matter. Respondent Nova Energy Inc. was consulted with regarding this Settlement Report and does not object to its filing.

1. EPA filed an Administrative Complaint and Opportunity to Request a Hearing against Nova Energy Inc. on August 31, 2010, under sections 309(g) and 311b(6)(B)(ii) of the Clean Water Act for alleged violations of the oil pollution prevention regulations set forth at 40 C.F.R. Part 112 at its Wood B-1 facility located in Crook County, Wyoming. The Complaint proposed a civil administrative penalty.

2. The parties have been working informally to resolve the matter outside of litigation.

3. As a precursor to settlement, Nova has been correcting the Spill Prevention, Control and Countermeasure (SPCC) plan and physical deficiencies at the facility alleged in the Complaint.

4. On January 20, 2011, Nova submitted financial information in support of an inability-to-pay claim. Upon review of the initial submittals and an informal discussion with

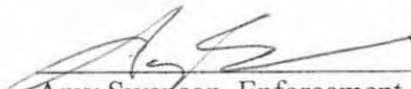
Nova representative John Scherlin on February 28, 2011, the parties have deemed it prudent prior to making a final determination on Nova's inability to pay claim to wait for receipt of Nova's 2010 income tax returns to assess the company's most recent fiscal year.

5. The parties plan to resume informal settlement discussions following EPA's receipt and review of the income tax returns in mid to late April 2011.

6. The parties will endeavor to file a fully executed Consent Agreement with the Regional Judicial Officer resolving this matter on or before June 1, 2011, or otherwise file a second status report at that time.

Respectfully submitted this 3<sup>rd</sup> day of March, 2011.

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

  
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Amy Swanson, Enforcement Attorney  
U.S. EPA, Region 8  
1595 Wynkoop Street (8ENF-L)  
Denver, CO 80202-1129  
Telephone: 303/312-6906

## CERTIFICATE OF SERVICE

The undersigned hereby certifies that the original and one copy of the COMPLAINTAN'S SETTLEMENT REPORT was hand-carried to the Regional Hearing Clerk, EPA Region 8, 1595 Wynkoop Street, Denver, Colorado, and that a true copy of the same was sent in the following manner to the addresses listed below:

Via hand-delivery to:

The Honorable Elyana R. Sutin, Regional Judicial Officer  
U.S. Environmental Protection Agency, Region 8 (8RC)  
1595 Wynkoop Street  
Denver, CO 80202-1129

Via regular mail and electronically to:

John Scherlin.  
Nova Energy Inc.  
400 E. 1<sup>st</sup> Street, Suite 301  
Casper, WY, 82601  
scherlin@bresnan.net

Date: March 3, 2011

By: Judith M. McTernan