

**BEFORE THE
OHIO ENVIRONMENTAL PROTECTION AGENCY**

In the Matter of:

Ohio EPA DEC 31 '18
Entered Directors Journal

**XTO Energy Inc.
22777 Springwoods Village Parkway
Spring, Texas 77389**

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**Director's Final Findings
and Orders**

I certify this to be a true and accurate copy of the
official documents as filed in the records of the Ohio
Environmental Protection Agency.

By: *[Signature]* Date: 12-31-18

PREAMBLE

It is agreed by the parties hereto as follows:

I. JURISDICTION

These Director's Final Findings and Orders ("Orders") are issued to XTO Energy Inc. ("Respondent") pursuant to the authority vested in the Director of the Ohio Environmental Protection Agency ("Ohio EPA") under Ohio Revised Code ("ORC") §§ 3704.03, 6111.03 and 3745.01.

II. PARTIES BOUND

These Orders shall apply to and be binding upon Respondent and successors in interest liable under Ohio law. No change in ownership of Respondent or any of the facilities (as hereinafter defined) shall in any way alter Respondent's obligations under these Orders.

III. DEFINITIONS

Unless otherwise stated, all terms used in these Orders shall have the same meaning as defined in ORC Chapters 3704, 6111 and 3745 and the rules promulgated thereunder.

IV. FINDINGS

The Director of Ohio EPA ("Director") makes the following findings:

1. Respondent, with a headquarters office located at 22777 Spring Woods Village Parkway, Spring, Texas, owns and operates the following midstream gas and oil processing facilities in Ohio. All of these facilities are classified as non-Title V.

#	Facility	ID	City/ County	PTIO
1	XTO Energy Inc.– Albright	0607135002	Shadyside/ Belmont	P0118071
2	XTO Energy Inc.– Heller	0607005021	Smith Township/ Belmont	P0118203
3	XTO Energy Inc.– Kaldor	0607005005	Mead Township/ Belmont	P0118203
4	XTO Energy Inc - Kaseta A&B	0607015014	Smith Township/ Belmont	P0117731
5	XTO Energy Inc – Wassmann	0607025010	Bellaire/ Belmont	P0118793
6	XTO Energy Inc – West	0607115009	Powhatan Point/ Belmont	P0118070
7	XTO Energy Inc.– Wright	0607025005	Bellaire/ Belmont	P0118060
8	XTO Energy Inc – Kember A&B	0607005004	Bellaire/ Belmont	P0113456
9	XTO Energy Inc.– Reitz	0607025007	Bellaire/ Belmont	P0118207
10	XTO Energy Inc.– Kurth	0607125007	Saint Clairsville/ Belmont	P0118792
11	XTO Energy Inc.– Pavich	0607005022	Wayne Township/ Belmont	P0118260
12	XTO Energy Inc.– Cook	0607005006	Richland Township/ Belmont	P0113456
13	XTO Energy Inc.– Schnegg B&C	0607115008	Powhatan Point / Belmont	P0117991

2. ORC § 3704.05(C) prohibits any person who is a holder of a permit issued by the Director pursuant to ORC § 3704.03 from violating any of its terms and conditions.

3. ORC § 3704.05(G) prohibits any person from violating any order, rule, or determination of the Director that was issued, adopted, or made under ORC Chapter 3704.

4. Ohio Administrative Code (“OAC”) rule 3745-15-07 (A) states, “[t]he emission or escape into the open air from any source or sources whatsoever, of smoke, ashes, dust, dirt, grime, acids, fumes, gases, vapors, or any other substances or combinations of substances, in such manner or in such amounts as to endanger the health, safety or welfare of the public, or cause unreasonable injury or damage to property, is hereby found and declared to be a public nuisance. It shall be unlawful for any person to cause, permit or maintain any such public nuisance.

5. From February 15, 2017 to March 7, 2018, Respondent emitted uncontrolled emissions to the atmosphere and failed to maintain and operate facility #13 (Schnegg B&C) in a manner using good air pollution control practices to minimize emissions. The unknown impacts from these uncontrolled emissions necessitated the evacuations of citizens from homes and the surrounding area. These emissions ceased with Respondent’s shut in of the well on March 7, 2018. The evacuation order was reduced on February 19, 2018 and lifted in its entirety on March 7, 2018.

6. The Director has determined that Respondent caused, permitted, or maintained a public nuisance in the neighborhood surrounding the facility, in violation of OAC Rule 3745-15-07 and ORC § 3704.05(G).

7. In a Notice of Violation ("NOV") letter dated March 9, 2018, Ohio EPA notified Respondent of these violations.

8. The PTIO for each of facilities #1 to #13, requires Respondent to develop and implement a leak detection and repair ("LDAR") program that meets several requirements for ancillary equipment at each facility. One of the requirements is to complete the initial monitoring within 90 days of startup and quarterly thereafter for the first year. Specific information shall be recorded during each leak inspection and the records shall be maintained for at least 5 years. For each inspection that occurred during the year, Respondent shall submit specific information about the LDAR inspections with the annual permit evaluation report ("PER").

9. From at least May 15, 2016 until May 5, 2017, Respondent failed to complete and properly report quarterly LDAR inspections for EU F001 (ancillary equipment) at facilities #3 and #12, in violation of the terms and conditions of the PTIO for each facility and ORC § 3704.05(C). Respondent maintains that the LDAR inspections were completed and recorded by Respondent, although not submitted to Ohio EPA until May 7, 2018

10. Respondent failed to submit the required information related to LDAR inspections for EU F001 at each of facilities #1 to #13 in the 2017 PER, in violation of the terms and conditions of the PTIO for each facility and ORC § 3704.05(C). Respondent maintains that the LDAR inspections were completed and recorded by Respondent, but not submitted to Ohio EPA until May 7, 2018, except where the requirement was not applicable, as was the case with facility #1.

11. The PTIO for each of the facilities #1 to #13 requires Respondent to develop and implement a site-specific work practice plan ("WPP") designed to minimize or eliminate fugitive dust from EU F002 (unpaved roadways and parking areas) and submit the plan to Ohio EPA within 30 days of the issuance of the permit.

12. In violation of the terms and conditions of the PTIO and ORC § 3704.05(C), Respondent failed to submit the WPP for EU F002 by the due date for several facilities as shown in the following table. The table also shows the dates the WPP for each facility was received (if any).

#	Facility	PTIO	Date PTIO was issued	Date WPP was Due	Date WPP received
1	XTO Energy Inc.– Albright	P0118071	01/06/15	02/06/15	05/07/18
4	XTO Energy Inc - Kaseta A&B	P0117731	12/23/14	01/23/15	05/07/18
5	XTO Energy Inc – Wassmann	P0118793	05/19/15	06/19/15	05/07/18
6	XTO Energy Inc – West	P0118070	01/06/15	02/06/15	05/07/18
7	XTO Energy Inc.– Wright	P0118060	01/06/15	02/06/15	05/07/18
8	XTO Energy Inc – Kember A&B	P0113456	07/29/13	08/29/13	05/07/18
9	XTO Energy Inc.– Reitz	P0118207	01/12/15	02/12/15	05/07/18
10	XTO Energy Inc.– Kurth	P0118792	05/26/15	06/26/15	05/07/18
11	XTO Energy Inc.– Pavich	P0118260	01/12/15	02/15/15	05/07/18
12	XTO Energy Inc.– Cook	P0113456	07/29/13	08/29/13	05/07/18
13	XTO Energy Inc.– Schneegg B&C	P0117991	12/18/14	1/18/15	05/07/18

13. Ohio EPA, Southeast District Office (“SEDO”) sent NOV letters to Respondent for the reporting violations at facilities #1 to #13 on March 6, 2018 and March 9, 2018.

14. Respondent's Response to the NOV letters was received on May 7, 2018, the response included a list of the LDAR inspections and a copy of the WPP to be used at facilities #1 to 13. All WPPs were submitted to Ohio EPA by Respondent by May 7, 2018.

15. Pursuant to ORC § 6111.04, no person shall place or discharge, or cause to be placed or discharged, in any waters of the state any sewage, sludge, sludge materials, industrial waste, or other wastes without a valid unexpired permit, and no person shall place or discharge, or cause to be placed or discharged, in any waters of the state any sewage, sludge, sludge materials, industrial waste, or other wastes in excess of the permissive discharges specified under an existing permit.

16. Ohio Administrative Code (“OAC”) Rule 3745-38-02 provides that no person may discharge any pollutant or cause, permit, or allow a discharge of any pollutant from a point source without either applying for and obtaining an Ohio National Pollutant Discharge Elimination System (“NPDES”) individual permit in accordance with requirements of OAC Chapter 3745-33, complying with the indirect discharge permit program pursuant to OAC Chapter 3745-36 or obtaining authorization to discharge under an Ohio NPDES general permit in accordance with requirements of OAC Chapter 3745-38.

17. From February 15, 2017 to March 7, 2018, Respondent discharged brine, a pollutant, and other chemicals to Cats Run a tributary to Captina Creek. Both Cats Run and Captina Creek are considered “waters of the state” as defined by ORC § 6111.01(H). Respondent obtained coverage under Ohio EPA’s National Pollutant Discharge Elimination System General Permit Authorization for Storm Water Discharges Associated with Construction Activity No. OHC00004. The Director issued an approval for coverage under the permit on October 1, 2014.

18. Ohio EPA sent an NOV letter to Respondent for the violations listed in finding #17 on May 7, 2018.

19. Respondent's response to the NOV letter was received on May 21, 2018, which addressed the four action items that were listed in the NOV.

20. The Director has given consideration to, and based his determination on, evidence relating to the technical feasibility and economic reasonableness of complying with the following Orders and their relation to benefits to the people of the State to be derived from such compliance.

V. ORDER

The Director hereby issues the following Orders:

1. Respondent shall pay the amount of seventy-five thousand dollars (\$75,000.00) in settlement of Ohio EPA’s claims for civil penalties, which may be assessed pursuant to ORC Chapter 3704. Within thirty (30) days after the effective date of these Orders, payment to Ohio EPA shall be made by check made payable to “Treasurer, State of Ohio” for \$75,000.00 to Carol Butler, or her successor, together with a letter identifying the Respondent, to:

Ohio EPA
Office of Fiscal Administration
P.O. Box 1049
Columbus, Ohio 43216-1049

2. Respondent shall pay the amount of seventy-five thousand dollars (\$75,000.00) in settlement of Ohio EPA's claims for civil penalties, which may be assessed pursuant to ORC Chapter 6111. Within thirty (30) days after the effective date of these Orders, payment to Ohio EPA shall be made to Ohio EPA's Surface Water Improvement Fund in accordance with ORC Section 6111.0382 to aid in the rehabilitation of Mentor Marsh. Payment shall be made by check made payable to "Treasurer, State of Ohio" for \$75,000.00 to Carol Butler, or her successor, together with a letter identifying the Respondent, to:

Ohio EPA
Office of Fiscal Administration
P.O. Box 1049
Columbus, Ohio 43216-1049

VI. TERMINATION

Respondent's obligations under these Orders shall terminate upon Ohio EPA's receipt of the payments required by Section V of these Orders.

VII. OTHER CLAIMS

Nothing in these Orders shall constitute or be construed as a release from any claim, cause of action or demand in law or equity against any person, firm, partnership or corporation, not a party to these Orders, for any liability arising from, or related to, operations by Respondent.

VIII. OTHER APPLICABLE LAWS

All actions required to be taken pursuant to these Orders shall be undertaken in accordance with the requirements of all applicable local, state and federal laws and regulations. These Orders do not waive or compromise the applicability and enforcement of any other statutes or regulations applicable to Respondent.

IX. MODIFICATIONS

These Orders may be modified by agreement of the parties hereto. Modifications shall be in writing and shall be effective on the date entered in the journal of the Director of Ohio EPA.

X. RESERVATION OF RIGHTS

Ohio EPA and Respondent each reserve all rights, privileges and causes of action, except as specifically waived in Section XI of these Orders.

XI. WAIVER

In order to resolve disputed claims, without admission of fact, violation or liability, and in lieu of further enforcement action by Ohio EPA for only the violations specifically cited in these Orders or known by Ohio EPA up through the entry of these Orders, Respondent consents to the issuance of these Orders and agrees to comply with these Orders. Compliance with these Orders shall be a full accord and satisfaction for Respondent's liability for the violations specifically cited herein or known by Ohio EPA up through the entry of these Orders.

Respondent hereby waives the right to appeal the issuance, terms and conditions, and service of these Orders and Respondent hereby waives any and all rights Respondent may have to seek administrative or judicial review of these Orders either in law or equity.

Notwithstanding the preceding, Ohio EPA and Respondent agree that if these Orders are appealed by any other party to the Environmental Review Appeals Commission, or any court, Respondent retains the right to intervene and participate in such appeal. In such an event, Respondent shall continue to comply with these Orders notwithstanding such appeal and intervention unless these Orders are stayed, vacated or modified.

XII. EFFECTIVE DATE

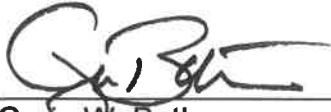
The effective date of these Orders is the date these Orders are entered into the Ohio EPA Director's journal.

XIII. SIGNATORY AUTHORITY

Each undersigned representative of a party to these Orders certifies that he or she is fully authorized to enter into these Orders and to legally bind such party to these Orders.

IT IS SO ORDERED AND AGREED:

Ohio Environmental Protection Agency



Craig W. Butler
Director

12/31/18

Date

IT IS SO AGREED:

XTO Energy Inc.



Signature

12/28/18

Date

MICHAEL R JOHNSON

Printed or Typed Name

VP, CENTRAL DIVISION

Title