

**COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION**

IN THE MATTER OF:

Olympus Energy, LLC	:	The 2012 Oil and Gas Act
501 Technology Drive, Suite 1200	:	The Clean Streams Law
Canonsburg, PA 15317	:	
	:	

CONSENT ASSESSMENT OF CIVIL PENALTY

This Consent Assessment of Civil Penalty ("CACP") is entered into this 25th day of May 2021, by and between the Commonwealth of Pennsylvania, Department of Environmental Protection ("Department") and Huntley & Huntley Energy Exploration, LLC, n/k/a/ Olympus Energy, LLC ("Olympus Energy").

The Department has found and determined the following:

- A. The Department is the agency with the duty and authority to administer and enforce Chapter 32 of Title 58 of the Pennsylvania Consolidated Statutes, 58 Pa. C.S. §§ 3201 – 3274 ("2012 Oil and Gas Act"); The Clean Streams Law, Act of June 22, 1937, P.L. 1987, *as amended*, 35 P.S. §§ 691.1-691.1001 ("The Clean Streams Law"); Section 1917-A of the Administrative Code of 1929, Act of April 9, 1929, P.L. 177, *as amended*, 71 P.S. § 510-17 ("Administrative Code"); and the rules and regulations promulgated thereunder ("Regulations").
- B. Olympus Energy, a Delaware limited liability company, is engaged in various oil and gas exploration and production activities in Pennsylvania. Olympus Energy's business address is 501 Technology Drive, Suite 1200, Canonsburg, PA 15317.

C. Olympus Energy is the “owner” and “operator” of the Plutus Well Pad and Ceto Tank Pad (the “Site”), located in Elizabeth Township, Allegheny County, as those terms are defined in Section 3203 of the 2012 Oil and Gas Act, 58 Pa.C.S. § 3203, and the “landowner”, as that term is defined in Section 316 of the Clean Streams Law, 35 P.S. § 691.316.

D. Olympus Energy is the permittee of the Erosion and Sediment Control General Permit authorization for earth disturbance associated with oil and gas exploration, production, processing, or treatment operations or transmission facilities, number ESX-17-003-0010 (“Plutus ESCGP-2”) associated with the Site. The Plutus ESCGP-2 includes limits on the earth disturbance that may occur in constructing and maintaining the Site (“LOD”).

E. On March 22, 2019, during construction of the Site, sediment laden water flowed downgradient of past Erosion and Sedimentation Control Best Management Practice (“E&S BMP”), outside the LOD, and in an unnamed tributary to the Youghiogheny River (“UNT”). In addition, from that date and as set forth below, there were numerous Erosion and Sedimentation Control Best Management Practices (“E&S BMPs”) improperly implemented and/or maintained to minimize the potential for accelerated erosion and sedimentation. Specifically, sections of compost filter sock (“CFS”) were installed improperly, not containing 16-gauge wire as set forth in the Plutus ESCGP-2. In addition, a level spreader, infiltration berm, drop structure were not constructed in accordance with the details and plans contained within the Plutus ESCGP-2. Also, the site identification sign did not contain all the required information as it was lacking well permit numbers.

F. On April 1, 2019, the rock construction entrance (“RCE”) was not maintained, causing sediment to be tracked onto the public roadway, outside of the LOD. On April 10, 15 and 17, 2019, the conditions remained the same.

G. On April 15, May 7, and September 6, 2019, several areas of the Site were not temporarily stabilized, and several areas of the Site exhibited accelerated erosion and sedimentation.

H. On May 21, 2019, sediment from the Site was deposited outside the LOD after stormwater runoff damaged a section of CFS.

I. On July 8, 2019, sediment laden water originating from a stilling basin on the Site overtopped one E&S BMP, traveled outside the LOD, and into the UNT.

J. Olympus notified the Department of the facts set forth in Paragraphs H and I, above, as required by condition 8.e. of the Plutus ESCGP-2 and 25 Pa. Code § 91.33(a).

K. On September 6, 2019, several tanks located on the Site did not contain a sign identifying their contents.

L. Sediment laden water from earth disturbance activities is an “industrial waste” and tributaries are “waters of the Commonwealth” as those terms are defined in Section 1 of the Clean Streams Law, 35 P.S. § 691.1, 25 Pa. Code § 102.1.

M. On the date and at the location set forth in Paragraphs E through J, Olympus Energy:

1. Violated 25 Pa. Code §§ 78a.53, 102.4(b)(1), and 102.11(a)(1) by failing to implement and maintain E & S BMPs to minimize the potential for accelerated erosion and sedimentation;
2. Violated 25 Pa. Code §§ 78a.53 and 102.5(m)(4) by failing to comply with the terms and conditions of the Plutus ESCGP-2;
3. Violated 25 Pa. Code §§ 78a.53 and 102.22(b)(1) by failing to implement and maintain temporary stabilization of the Site;

4. Violated 25 Pa. Code § 78a.56(a)(8) by failing to display a sign on the tank identifying the contents and an appropriate warning of the contents such as flammable, corrosive, or a similar warning;
5. Violated Section 3211(g) of the 2012 Oil and Gas Act, 58 Pa. C.S. § 3211(g), by failing to post the well permit number at the well site during construction of the access road and site preparation; and,
6. Discharged industrial waste to waters of the Commonwealth in a manner not authorized by the rules and regulations of the Department, in violation of Sections 301 and 307 of The Clean Streams Law, 35 P.S. §§ 691.301, 691.307.

N. As of April 1, 2019, the sediment laden discharge was ceased and the stormwater channels were constructed with rock outlets; as of April 5, 2019, the CFS was properly installed; as of May 22, 2019, the sediment was removed and the damaged section of the CFS was replaced; as of September 6, 2019, the RCE had been maintained properly and repairs were made to the stilling basin; as of March 16, 2020, a modification to the Plutus ESCGP-2 was issued and as of June 16, 2020 all work related to the modification, including installation of the level spreader and other BMP's and stabilization of the Site had been completed, thus correcting the conditions described in Paragraphs E through K, above.

O. The violations described in Paragraph M, above, constitute unlawful conduct under Sections 401, 402(b), and 611 of The Clean Streams Law, 35 P.S. §§ 691.402(b), 691.611, and Section 3259 of the 2012 Oil and Gas Act, 58 Pa.C.S. § 3259; a nuisance under Sections 307(c) and 402(b) of The Clean Streams Law, 35 P.S. §§ 691.307(c), 691.402(b); and,

subjects Olympus Energy to a claim for civil penalties under Section 605 of the Clean Streams Law, 35 P.S. § 691.605, and Section 3256 of the 2012 Oil and Gas Act, 58 Pa. C.S. § 3256.

ASSESSMENT

After full and complete negotiation of all matters set forth in this CACP and upon mutual exchange of the covenants herein, the parties desiring to avoid litigation and intending to be legally bound, it is hereby ASSESSED by the Department and AGREED to by Olympus Energy as follows:

1. Assessment. In resolution of the Department’s claim for civil penalties, which the Department is authorized to pursue under Section 605 of the Clean Streams Law, 35 P.S. § 691.605, and Section 3256 of the 2012 Oil and Gas Act, 58 Pa. C.S. § 3256, the Department hereby assesses a civil penalty of ONE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$175,000.00), which Olympus Energy hereby agrees to pay.

2. Civil Penalty Settlement. Olympus Energy consents to the assessment of the civil penalty assessed in Paragraph 1, which shall be paid in full upon signing this CACP. This payment is in settlement of the Department’s claim for civil penalties for the violations set forth in Paragraph M, above, covering the dates set forth therein. The payment shall be by corporate check or the like made payable to the “Commonwealth of Pennsylvania” and sent to the Department of Environmental Protection, Oil and Gas Management, 400 Waterfront Drive, Pittsburgh, PA 15222-4745.

3. Findings.
a. Olympus Energy agrees that the findings in Paragraphs A through N, except M, above, are true and correct and, in any matter or proceeding involving Olympus

Energy and the Department, Olympus Energy shall not challenge the accuracy or validity of these findings.

b. The parties do not authorize any other persons to use the findings in this CACP in any matter or proceeding.

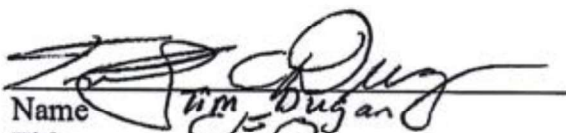
4. Reservation of Rights. The Department reserves all other rights with respect to any matter addressed by this CACP, including the right to require abatement of any conditions resulting from the events described in the findings. Olympus Energy reserves the right to challenge any action which the Department may take, but waives the right to challenge the content or validity of this CACP.

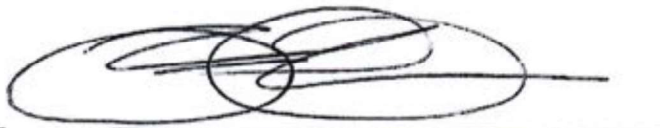
(The remainder of this page is blank.)

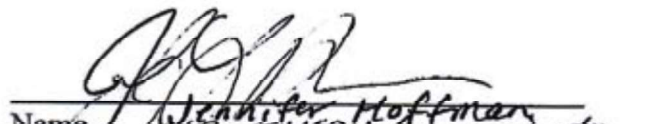
IN WITNESS WHEREOF, the parties have caused this CACP to be executed by their duly authorized representatives. The undersigned representatives of Olympus Energy certify, under penalty of law, as provided by 18 Pa. C. S. § 4904, that they are authorized to execute this CACP on behalf of Olympus Energy; that Olympus Energy consents to the entry of this CACP as an ASSESSMENT of the Department; that Olympus Energy hereby knowingly waives any right to a hearing under the statutes referenced in this CACP; and that Olympus Energy knowingly waives its right to appeal this CACP, which rights may be available under Section 4 of the Environmental Hearing Board Act, Act of July 13, 1988, P.L. 530, No. 1988-94, 35 P.S. § 7514; the Administrative Agency Law, 2 Pa. C.S. §103(a) and Chapters 5A and 7A; or any other provision of law. Signature by Olympus Energy's attorney certifies only that the agreement has been signed after consulting with counsel.

FOR OLYMPUS ENERGY, LLC

FOR THE COMMONWEALTH OF PENNSYLVANIA, DEPARTMENT OF ENVIRONMENTAL PROTECTION:


Name Jim Dugan
Title _____


Name Daniel F. Counahan
Title District Oil and Gas Manager
Southwest District Oil and Gas Operations


Name Jennifer Hoffman
Title VP-CHSR + COMMUNICATIONS


Name Rick Wadding
Title Assistant Counsel
Southwest Regional Office

Waived
Name _____
Attorney for Olympus Energy, LLC