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COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF ENVIRONMENTAL PROTECTION

IN THE MATTER OF:

EQT Production Company : The Clean Streams Law  
625 Liberty Avenue : The 2012 Oil and Gas Act  
Pittsburgh, PA 15222 :

CONSENT ASSESSMENT OF CIVIL PENALTY

This Consent Assessment of Civil Penalty ("CACP") is entered into this 18<sup>th</sup> day of April 2019, by and between the Commonwealth of Pennsylvania, Department of Environmental Protection ("Department") and EQT Production Company ("EQT").

The Department has found and determined the following:

A. The Department is the agency with the duty and authority to administer and enforce The Clean Streams Law, Act of June 22, 1937, P.L. 1987, *as amended*, 35 P.S. §§ 691.1-691.1001 ("Clean Streams Law"); Chapter 32 of Title 58 of the Pennsylvania Consolidated Statutes, 58 Pa. C.S. §§ 3201 – 3274 ("2012 Oil and Gas Act"); 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.

B. EQT, a Pennsylvania corporation, is engaged in various oil and gas exploration and production activities in Pennsylvania. EQT's business address is 625 Liberty Avenue, Pittsburgh, PA 15222.

C. EQT owns and operates the Prentice Well Site ("Well Site"), located in Forward Township, Allegheny County.

D. EQT is the permittee of the Erosion and Sediment Control General Permit authorization for earth disturbance associated with the Well Site, number ESX12-003-0007 (“Prentice ESCGP”). The Prentice ESCGP includes limits on the earth disturbance that may occur in constructing the Well Site (“Prentice LOD”).

E. On February 23, 2018, sediment laden water from unstabilized portions of the Well Site, as well as an unpermitted access road to the NIAP S006 meter station (“Access Road”) overtopped numerous Erosion and Sedimentation Control Best Management Practices (“E & S BMPs”) beyond the Prentice LOD, and flowed into roadside ditches and an unnamed tributary to Kelly Run, waters of the Commonwealth.

F. On February 23, 2018, numerous E & S BMPs were found to be inoperable or ineffective. EQT did not notify the Department of these inoperable or ineffective E & S BMPs, contrary to condition 8.e. of the Prentice ESCGP.

G. On March 20, 2018, E & S BMPs were still not properly implemented and/or maintained at the Well Site.

H. Sediment is an “industrial waste” as that term is defined in Section 1 of the Clean Streams Law, 35 P.S. § 691.1, 25 Pa. Code § 102.1.

I. EQT’s failure to comply with 25 Pa. Code Chapter 102 violated 25 Pa. Code §78a.53.

J. EQT’s failure to maintain the E & S BMPs and to notify the Department of inoperative or ineffective E & S BMPs, is contrary to the terms and conditions of the Prentice ESCGP, and violated 25 Pa. Code § 102.5(m)(4).

K. EQT’s failure to implement effective E & S BMPs to minimize accelerated erosion and sedimentation violated 25 Pa. Code §§ 102.4(b)(1) and 102.11(a)(1).

L. EQT's discharge of industrial waste to waters of the Commonwealth in a manner not authorized by the rules and regulations of the Department violated Sections 301 and 307 of The Clean Streams Law, 35 P.S. §§ 691.301, 691.307

M. EQT's failure to implement and maintain temporary stabilization of a well site violated 25 Pa. Code § 102.22(b).

N. As of March 20, 2018, the Well Site was temporarily stabilized, as of May 10, 2018, all E & S BMPs were installed, maintained, and functioning properly, and as May 29, 2018, the Department approved a modification to the Prentice ESCGP to properly permit the previously unpermitted Access Road, thus correcting the conditions in Paragraphs E, F, and G.

O. The violations described in Paragraphs I through M, above, constitute unlawful conduct under Section 611 of The Clean Streams Law, 35 P.S. § 691.611, and Section 3259 of the 2012 Oil and Gas Act, 58 Pa. C.S. § 3259.

P. The violations described in Paragraphs I through M, above, subject EQT 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 EQT 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 NINETY-NINE THOUSAND SEVENTY-FIVE DOLLARS (\$199,075.00), which EQT hereby agrees to pay.

2. Civil Penalty Settlement. Upon signing this CACP, EQT shall pay the civil penalty assessed in Paragraph 1, above. This payment is in settlement of the Department's claim for civil penalties for the violations set forth in Paragraphs I through M, above, covering the dates set forth herein. 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. EQT agrees that the findings in Paragraphs A through N, and P, above, are true and correct and, in any matter or proceeding involving EQT and the Department, EQT 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. EQT 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.

IN WITNESS WHEREOF, the parties have caused this CACP to be executed by their duly authorized representatives. The undersigned representatives of EQT certify, under penalty of law, as provided by 18 Pa. C. S. § 4904, that they are authorized to execute this CACP on behalf of EQT; that EQT consents to the entry of this CACP as an ASSESSMENT of the Department; that EQT hereby knowingly waives any right to a hearing under the statutes referenced in this CACP; and that EQT 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 EQT's attorney certifies only that the agreement has been signed after consulting with counsel.

FOR EQT PRODUCTION COMPANY:

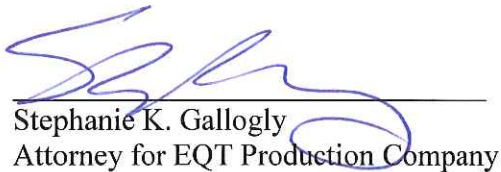
FOR THE COMMONWEALTH OF PENNSYLVANIA, DEPARTMENT OF ENVIRONMENTAL PROTECTION:



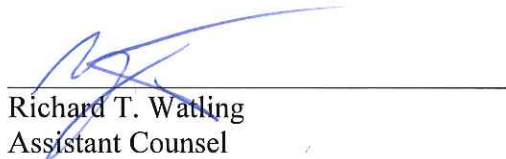
Name  
President or Vice President



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



Stephanie K. Gallogly  
Attorney for EQT Production Company



Richard T. Watling  
Assistant Counsel