COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

IN THE MATTER OF:

Williams Field Services Company, LLC Springville Gathering Line, Permit Number ESX11-131-0013, and Susquehanna County Pipeline Zone 3 Permit Number ESX10-115-0014 Susquehanna County Luzerne County Wyoming County	: : : : : : : :	Violations of The Clean Streams Law, 35 P.S. § 691.1 *et seq.* and the Erosion and Sediment Control Regulations, 25 Pa. Code 102.1 *et seq.*

CONSENT ASSESSMENT OF CIVIL PENALTY

This Consent Assessment of Civil Penalty (hereinafter "CACP") is entered into this 5th day of April, 2013, by and between the Commonwealth of Pennsylvania, Department of Environmental Protection (hereinafter "Department"), and Williams Field Services Company, LLC.

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"), the Erosion and Sediment Control Regulations, 25 Pa. Code § 102.1 *et seq.* ("E & S Regulations") and 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").

B. Williams Field Services Company, LLC (hereinafter "Williams") is a Delaware Limited Liability Company authorized to do business in Pennsylvania which maintains a business address of 1605 Coroapolis Heights Road, Moon Township, PA 15108.

C. Williams owned and operated Springville Gathering Pipeline (hereinafter "Pipeline") located in Springville Township. Susquehanna County, Pennsylvania, and Dallas Township, and Franklin Township, Luzerne County, Pennsylvania, and Eaton Township, Lemon Township, Northmoreland Township, Nicholson Township, and Tunkhannock Township, Wyoming County, Pennsylvania. The earth disturbance for the Pipeline was to be performed under the requirements of Permit Number ESX11-131-0013 (hereinafter "ESX11-131-0013") issued by the Department under Section 102.5(c) of the E & S Regulations, 25 Pa. Code § 102.5(c).

D. Williams owned and operated the Susquehanna County Pipeline (hereinafter "Zone 3 Pipeline") located in Springville Township and Dimock Township Susquehanna

County, Pennsylvania. The earth disturbance for this site was to be performed under the requirements of Permit ESX10-115-0014 (hereinafter "ESX10-115-0014") issued by the Department under Section 102.5(c) of the E & S Regulations, 25 Pa. Code § 102.5(c).

E. Condition 18, Standard Permit Conditions, of ESX11-131-0013, and ESX10-115-0014 states "The permittee(s) must comply with all terms and conditions of this permit. Any permit non-compliance constitutes a violation of The Clean Streams Law, Oil and Gas Act, 25 PA Code Chapters 78, 91, 93, and 102, and is grounds for enforcement action or permit suspension; revocation, modification, and reissuance, or denial of a permit. The permittee(s) may be subject to criminal and/or civil penalties for violations of the terms and conditions of this permit...."

F. Portions of the Pipeline and Zone 3 Pipeline are within the watershed of the Susquehanna River. The Susquehanna River is designated a Warm Water Fishery (hereinafter "WWF") watershed at 25 Pa. Code § 93.9i.

G. Portions of the Pipeline and Zone 3 Pipeline are located in the watershed of Mill Creek. Mill Creek and its tributaries are designated Cold Water Fishery (hereinafter "CWF") at 25 Pa. Code §§ 93.9i and 93.9j.

H. Portions of the Pipeline and Zone 3 Pipeline are within the watersheds of the following waterways that are designated a CWF/ Migratory Fishery (hereinafter MF") at 25 Pa. Code §§ 93.9i and 93.9j: Meshoppen Creek, Fall Brook, Horton Creek, and Oxbow Creek.

I. Section 1 of the Clean Streams Law, 35 P.S. § 691.1, defines, in relevant part, a "[p]erson" to "... include any natural person, partnership, association or corporation ...."

J. Williams is a "person" as defined by Section 1 of the Clean Streams Law, 35 P.S. § 691.1.

K. Section 102.1 of the Department's E & S Regulations, 25 Pa. Code § 102.1, defines "BMPs - [b]est management practices" to be "[a]ctivities, facilities, measures, or procedures used to minimize accelerated erosion and sedimentation to protect, maintain, reclaim and restore the quality of waters and the existing and designated uses of waters within this Commonwealth before, during and after earth disturbance activities."

L. Section 102.1 of the Department's E & S Regulations, 25 Pa. Code § 102.1, defines an "[e]rosion and [s]ediment [c]ontrol [p]lan" as, "[a] site-specific plan consisting of both drawings and a narrative that identifies BMPs to minimize accelerated erosion and sedimentation before, during and after earth disturbance activities."

M. Sections 102.4(b)(5)(iii) and (ix) of the Department's E & S Regulations, 25 Pa. Code §§ 102.4(b)(5)(iii) and (ix), state: " (b) For earth disturbance activities other than agricultural plowing or tilling, the following erosion and sediment control requirements apply: (5) The Erosion and Sediment Control Plan must contain drawings and narrative which describe the following: (iii) The characteristics of the earth disturbance activity, including the past,

present and proposed land uses and the proposed alteration to the project site... (ix) Plan drawings."

Mill Creek, Susquehanna River Horizontal Directional Drilling ("HDD"), and Multiple Sites

N. On August 24, 2011, Department personnel inspected the Pipeline from Creamery Road in Northmoreland Township, Wyoming County to the area of the Bore Site Mill Creek Horizontal Directional Drilling (hereinafter "Mill Creek HDD Site") in Northmoreland Township, Wyoming County, and observed:

1) There was no temporary stabilization along the Right of Way (hereinafter "ROW") of the Pipeline. The Department did not note any activity with the exception of travel on the ROW and the incorporation of drill cuttings into the soil. At the time of inspection, the Department was not able to determine if the activity had been authorized by the Department;
2) The Department also noted in the vicinity of the driller's shed a release of fluid on to the ground with no containment. The foreman had this issue brought to his attention at the time of inspection, and he explained that it was hydraulic fluid. The Department had not received any notification of the release, and no clean-up measures were being undertaken during the inspection. The Department recommended clean-up of the spill as soon as possible;
3) There was no Erosion and Sedimentation Control Plan (hereinafter "E & S Plan") or weekly/post-storm inspection reports available during the inspection;
4) It was also noted by the Department that this project area is within the watershed for the receiving waters of Mill Creek, a CWF; and
5) The Department found Williams in violation of the following;
    a. failure to implement and maintain the E&S Best Management Practices (hereinafter "BMPs") required to minimize and prevent accelerated erosion and sedimentation in violation of Section 102.4(b)(1) of the Department's E & S Regulations, 25 Pa. Code § 102.4(b)(1);
    b. failure to provide an E&S Plan for review at the time of the inspection in violation of Section 102.4(b)(8) of the Department's E & S Regulations, 25 Pa. Code §102.4(b)(8); and
    c. creating a danger of pollution to Waters of the Commonwealth in violation of Section 402 of the Clean Streams Law, 35 P.S. § 691.402.

O. On August 31, 2011, Department personnel inspected the Mill Creek HDD Site and observed:

1) Drill cuttings remained alongside the ROW but were no longer being actively incorporated into the soil;
2) A new hydraulic spill was discovered in the vicinity of the generator near the drilling rig shed. The fluid was off containment and on the ground. A crew did respond to the spill prior to the Department leaving the site. The Department was informed that all spills were being addressed and a log was

being kept of all that had occurred throughout the project. (The log was provided to the Department on September 1, 2011.);

3) The Department inspected the E & S Plan which was now being kept on site;
4) There was no temporary stabilization being utilized in any of the areas disturbed, including the ROW, and soil piles;
5) Two lanes of travel had been utilized on the ROW and one trench had been excavated. The Department was informed that the use of straw as a temporary stabilization impairs the filter fence and that it was not deemed necessary to employ temporary stabilization on the site;
6) It was also noted by the Department that this project area is within the watershed for the receiving waters of Mill Creek, a CWF; and
7) The Department found Williams in violation of the following;
    a. 25 Pa. Code §102.22(b), for failure to follow 25 Pa. Code §102.22(b)(1), which states "Upon temporary cessation of an earth disturbance activity or any stage or phase of an activity where a cessation of earth disturbance activities will exceed 4 days, the site shall be immediately seeded, mulched, or otherwise protected from accelerated erosion and sedimentation pending future earth disturbance activities";
    b. creating a danger of pollution to waters of the Commonwealth in violation of Section 402 of the Clean Streams Law, 35 P.S. § 691.402.

P. On September 1, 2011, Department personnel inspected the Erosion and Sedimentation controls that were in place at the Susquehanna River HDD Site in Tunkhannock Township, Wyoming County (hereinafter "Susquehanna River HDD Site") in anticipation of severe weather that was then predicted, and observed:

1) There was no active earth disturbance activity occurring during the inspection;
2) The trench for the Pipeline had been excavated and the actual pipe was awaiting installation;
3) No measures were taken for temporary stability along the ROW and there was no installation of any BMPs (e.g., water bars or slope breakers) to divert or break the flow of water along the ROW, or within the excavated trench in the form of "trench plugs";
4) The Department contracted Williams the same day and reported the issues that the Department noted at the site;
5) Williams contacted the Department the next day, September 2, 2011, and advised that as per the construction sequence, "trench plugs" were not required;
6) The Department reminded Williams that as per Chapter 102.22(b) of the E & S Regulations, 25 Pa. Code §102.22(b) Temporary Stabilization is required; and
7) It was also noted by the Department that this project area is within the watershed for the receiving waters of Susquehanna River, a WWF; and
8) The Department found Williams in violation of the following;
    a. 25 Pa. Code §102.22(b), for failure to follow 25 Pa. Code §102.22(b)(1), which states "Upon temporary cessation of an earth disturbance activity or any stage or phase of an activity where a cessation of earth disturbance activities will exceed 4 days, the site

shall be immediately seeded, mulched, or otherwise protected from accelerated erosion and sedimentation pending future earth disturbance activities".

Q. On September 7, 2011, Department personnel responded to a complaint regarding the Susquehanna River HDD Site and observed:

1) It was raining at the time of inspection and there was no activity at the site;
2) Sediment-laden water was discharging from the site where the filter fence installed as a BMP had failed;
3) There were no BMPs installed to provide for temporary stabilization of the top soil piles;
4) There were also no BMPs installed to divert the flow of surface water running along the ROW, route of travel, or within the trench. Surface water was overflowing from the trench;
5) Evidence of increased erosion and sedimentation was noted throughout the site;
6) Williams personnel informed the Department that all measures that had been installed at the site had been "blown out" due to the weather;
7) As of September 12, 2011, the site had been inundated with water from the flooding of the Susquehanna River.;
8) It was noted that this project area is within the watershed for the receiving waters of Susquehanna River, a WWF; and
9) The Department found Williams in violation of the following;
    a. 35 P.S. § 691.401, for allowing sediment (pollution as defined in The Clean Streams Law at 35 P.S. § 691.1) to enter a water of the Commonwealth.
    b. 35 P.S. § 691.402, for creating a danger of pollution (sedimentation), of waters of the Commonwealth;

R. On September 13, 2011, Department personnel inspected the Pipeline at the Avery Station Road Site in Lemon Township, Wyoming County (hereinafter "Avery Station Road HDD Site") and observed:

1) No activity was taking place at the time of inspection;
2) The pipe trench had been excavated, however, insufficient temporary stabilization had been employed;
3) No earth disturbance activity had occurred on this site in the previous 12 days;
4) The Department noted that the receiving waters for the inspection locations are Oxbow Creek, a CWF/MF; and
5) The Department found Williams in violation of the following;
    a. 25 Pa. Code §102.22(b), for failure to follow 25 Pa. Code §102.22(b)(1), which states "Upon temporary cessation of an earth disturbance activity or any stage or phase of an activity where a cessation of earth disturbance activities will exceed 4 days, the site shall be immediately seeded, mulched, or otherwise protected from accelerated erosion and sedimentation pending future earth disturbance activities".

S. On September 22, 2011, Department personnel inspected the Pipeline at the Schlesser Road Site in Lemon Township, Wyoming County (hereinafter "Schlesser Road Site") and observed:

1) There was no activity at the site at the time of inspection;
2) Lack of sufficient temporary stabilization immediately upon entering the site. Soil stockpiles lacked sufficient temporary stabilization;
3) The receiving waters for the inspection locations are Horton Creek, a CWF/MF; and
4) The Department found Williams in violation of the following;
    a. 25 Pa. Code §102.22(b), for failure to follow 25 Pa. Code §102.22(b)(1), which states "Upon temporary cessation of an earth disturbance activity or any stage or phase of an activity where a cessation of earth disturbance activities will exceed 4 days, the site shall be immediately seeded, mulched, or otherwise protected from accelerated erosion and sedimentation pending future earth disturbance activities";
    b. Failure to implement and maintain the E&S BMPs required to minimize prevent accelerated erosion and sedimentation in violation of Section 102.4(b)(1) of the Department's E & S Regulations, 25 Pa. Code § 102.4(b)(1).

T. On October 6, 2011, the Department issued Williams a Notice of Violation for violations noted at the Susquehanna River HDD Site, as follows:

1) failure implement and maintain the E&S BMPs required to minimize prevent accelerated erosion and sedimentation in violation of Section 102.4(b)(1) of the Department's E & S Regulations, 25 Pa. Code § 102.4(b)(1);
2) Failure to implement temporary stabilization measures in areas where cessation of earth disturbance activities exceed 4 days in violation of the Department's E & S Regulations at 25 Pa. Code §102.22(b)(1); and
3) Failure to implement the design and standard conditions of the approved Erosion and Sediment Control General Permit-1 issued for the Site ("ESCGP-1").

U. On October 7, 2011, Department personnel conducted two inspections of the Pipeline and observed:

1) The first area of the Pipeline that the Department inspected was at Keelersburg Road in Tunkhannock Township, Wyoming County to monitor the conditions and the modifications to the Erosion and Sediment Controls. At this Site, there was no activity taking place, and no temporary stabilization had yet been employed;
2) The second area of the Pipeline that the Department inspected was the Susquehanna River HDD site:
    a. There was HDD activity occurring on the Site during the inspection. There was no activity being conducted that was associated with the Pipeline;
    b. No temporary stabilization had been employed to the slope;

c. A trench had been excavated across the site horizontally along the length of State Route 92. The trench discharged through filtering medium into the field on the north side of the site. The Department was informed that the trench was installed to alleviate the overflow of storm water that cannot adequately discharge from the site;
d. Williams informed the Department that the installation of the trench was necessary for public safety. The Department was not informed, nor did it approve of the implementation of the trench;
e. The Department determined that the Site, overall, lacked temporary stabilization. This violation had been consistently noted in previous inspections and had not been resolved as of the date of the inspection;
f. Temporary water bars had not been installed along the slope as indicated in the Plan. This was another recurring and unresolved violation at the Site;
g. It was also noted by the Department that this project area is within the watershed for the receiving waters of Susquehanna River and its tributaries; and
h. The Department found Williams in violation of the following;

25 Pa. Code §102.22(b), for failure to follow 25 Pa Code §102.22(b)(1), which states "Upon temporary cessation of an earth disturbance activity or any stage or phase of an activity where a cessation of earth disturbance activities will exceed 4 days, the site shall be immediately seeded, mulched, or otherwise protected from accelerated erosion and sedimentation pending future earth disturbance activities";

V. On October 27, 2011, the Department issued Williams a Notice of Violation for reoccurring violations at the Susquehanna River HDD Site for:

25 Pa. Code §102.22(b)(1), which states "Upon temporary cessation of an earth disturbance activity or any stage or phase of an activity where a cessation of earth disturbance activities will exceed 4 days, the site shall be immediately seeded, mulched, or otherwise protected from accelerated erosion and sedimentation pending future earth disturbance activities."

Whitelock Creek

W. On November 30, 2011, the Department inspected Stations 1473+69 to approximately 1475+00 of the Pipeline, and observed the following:

1) Sediment was being discharged through the filter fence that had been installed along Schoonover Hill Road at the access point of the ROW;
2) Along the slope three temporary water bars had been installed;
3) Water flowing out of an excavated trench was conveyed across the ROW to an outlet on the southside of the ROW, overflowed or by passed the installed E & S controls at the outlet, and discharged to an Unnamed Tributary to Whitelock Creek; similar discharges were occurring at each outlet point of the temporary water bars;
4) Installed controls had been inadequately installed and not maintained;
5) The entire site had no temporary stabilization applied;

6) Although a 53' filter strip was indicated in the site plans, no such filter strip was observed; and
7) Three unused filter bags filled with sediment, but not discharging, were observed outside of the LOD.

X. On December 1, 2011, the Department issued Williams a Notice of Violation for violations noted in the preceding paragraph at the Susquehanna River HDD Site, as follows:

1) failure implement and maintain the E&S BMPs required to minimize prevent accelerated erosion and sedimentation in violation of Section 102.4(b)(1) of the Department's E & S Regulations, 25 Pa. Code § 102.4(b)(1); and
2) discharge of pollution to waters of the Commonwealth in the form of sediment to an Unnamed Tributary to Whitelock Creek, in violation of Section 401 of the Clean Streams Law, 35 P.S. § 691.401.

Y. On December 5, 2011, the Department personnel performed a follow-up inspection at the Whitelock Creek bore and flume site, and observed the following:

The structures installed to control sediment-laden water discharged from the bore trench had been inundated with sediment and the filter bags had not been installed properly. Water discharged from those structures lost little, if any, sediment before entering Whitelock Creek.

Z. On December 12, 2011, the Department issued Williams a Notice of Violation for violations noted in the preceding paragraph, as follows:

1) failure implement and maintain the E&S BMPs required to minimize prevent accelerated erosion and sedimentation in violation of Section 102.4(b)(1) of the Department's E & S Regulations, 25 Pa. Code § 102.4(b)(1);
2) failure to properly implement and maintain E&S control BMPs in violation 25 Pa. Code § 102.11; and
3) discharge of pollution to waters of the Commonwealth in the form of sediment to an Unnamed Tributary to Whitelock Creek, in violation of Section 401 of the Clean Streams Law, 35 P.S. § 691.401.

Horton Creek Site

AA. On November 8, 2011, while en route to inspect the Pipeline ROW, Department staff noted sediment-laden water flowing in Horton Creek while traveling along Schlesser Road in Lemon Township, Wyoming County. The Department then continued traveling to the Pipeline ROW and inspected where the ROW crosses Horton Creek. Here the Department staff noted sediment-laden water flowing though Horton Creek. The Department staff then continued traveling and inspected Horton Creek further upstream, where it crosses State Route 1008, near Schlesser Corners. Here it was observed that the water was running clear. Department staff then started conducting an inspection of the ROW on foot. The Department staff observed:

1) Welding and placement of pipe into the ground was occurring along the ROW during the inspection. It was noted that there was no temporary stabilization throughout the ROW and the installed E & S control BMPs were in disrepair. In several of the low-lying areas, sediment and water had inundated the installed filter fence nearly to the point of bursting.

2) Water had been pumped from the excavated trench into filter bags. The Department staff noted that the first filter bag that was inspected had a hole approximately 4 inches wide. There was evidence that sediment was escaping the bag, bypassing a damaged filter fence and entering Horton Creek. Sediment-laden water was once again noted in Horton Creek.
3) The second filter bag that the Department staff inspected had been employed to filter the water from the trench. The bag's integrity appeared intact. The filter fence, however, was in disrepair at several points in the vicinity of the crossing of Horton Creek.
4) The receiving waters for the inspection locations include Horton Creek, a CWF/MF; and
5) The Department staff found Williams in violation of the following:
    a. 25 Pa. Code §102.4(b)(1), for failure to prevent accelerated erosion;
    b. 25 Pa. Code 102.22(b) , for failure to temporarily stabilize the ROW within 4 days of cessation of earth disturbance activities; and
    c. 35 P.S. § 691.401, for discharge of pollution to waters of the Commonwealth.

BB. On November 15, 2011, the Department issued to Williams a Notice of Violation for:

1) Failure to implement and maintain the E&S BMPs required to minimize or prevent accelerated erosion and sedimentation, in violation of Section Sections 102.4(b)(1) of the Department's E & S Regulations, 25 Pa. Code § 102.4(b)(1);
2) Failure to temporarily stabilize the majority of the disturbed area of the project from accelerated erosion within 4 days of cessation of earth disturbance activities in violation of Section 102.22(b) of the Department's E & S Regulations, 25 Pa. Code § 102.22(b); and
3) Discharge of pollution to waters of the Commonwealth in the form of sediment to Horton Creek, in violation of Section 401 of the Clean Streams Law, 35 P.S. § 691.401.

Springville Gathering Line & Susquehanna Pipeline Zone 3

CC. On October 14, 2011, Department personnel inspected Station 87+08, also known as the Phillips Road Stream Crossing (S1ASU005) of the Pipeline, and observed:

1) Sediment laden water was flowing through a breach in the area noted as the topsoil stockpile. The Department staff requested that this water be filtered prior to its being allowed to leave the project site, and that there be a method used to prevent erosion and sedimentation channelization;
2) A filter bag was noted to have ruptured and was discharging unfiltered water to bare soil within the Pipeline ROW. The unfiltered water was then traveling off location. The Department noted another filter bag that was situated on poorly vegetated earth. The ESCGP-1 specifically states, in Paragraph Number 9, that "bags shall be located in a well-vegetated (grassy) area, and discharge onto stable, erosion resistant areas. Where this is not possible, a geotextile underlayment and flow path shall be provided.";

3) It was noted that the topsoil stockpile had been temporarily stabilized, however, the subsoil stockpile had not;
4) The Department requested that all future dewatering efforts follow the E & S Plan; and
5) The Department found Williams in violation of the following;
    a. Failure to implement and maintain E & S BMPs to minimize the potential for accelerated erosion and sedimentation in accordance with 25 Pa. Code §102.4(b)(1).
    b. 25 Pa. Code §102.22(b)(1), which states "Upon temporary cessation of an earth disturbance activity or any stage or phase of an activity where a cessation of earth disturbance activities will exceed 4 days, the site shall be immediately seeded, mulched, or otherwise protected from accelerated erosion and sedimentation pending future earth disturbance activities".
6) The receiving waters for the inspection location include an Unnamed Tributary ("UNT") to Meshoppen Creek, a CWF/MF.

DD. On October 20, 2011, Department personnel inspected the Pipeline in response to a complaint that Pipeline activity was causing sedimentation in a pond downslope of the ROW. The Department inspected Stations 190+00 to 228+00 and observed:

1) At the time of inspection the E & S Plan was not on Site;
2) The Department staff also noted the poor conditions of the access road and that excavation material was being transferred onto State Route 2001;
3) During the inspection, it was noted that the silt fence on this location had been damaged, and was not being maintained as required by the E & S Plan. In the E & S Plan, in Paragraph Number 2, it is specifically stated that the silt fence will be maintained when sediment has accumulated to one-half of the height of the above ground fence. The detail also provided a drawing demonstrating how fence sections should be joined, with said proper installation not being followed in the field installation.
4) The Department staff noted areas where silt fence had apparent breakthroughs. In these areas Williams installed hay bales down gradient as a backing. According to the Plan, when silt fence had been undermined or over topped it was to immediately be replaced with a rock filter outlet.
5) The Department staff also noted two rows of soil stockpiles were on site. The row that was designated as topsoil had been partially vegetated and the Department requested that it be reseeded and mulched. The Department once again determined that it did not appear as though any attempt had been made to temporarily stabilize the other stockpile. The Department advised Williams again that this is a violation of 25 Pa. Code §102.22(b)(1).
6) The Department staff also met with Williams and was provided with a copy of the E & S Plan.
7) Williams explained that the water bars are removed during the day and the tie-in crew reinstalls them at the end of their work shift.
8) During the inspection, it was noted that the pond that is downslope of the ROW appeared to be impacted by sediment. Further investigation revealed that a culvert was installed through the ROW to dewater the Pipeline trench. This culvert discharged to a hay bale structure that had a filter bag placed over

the structure. A geotextile flow path was made downslope that terminated at a row of hay bales. Visual evidence of a flow path to the pond was documented during the inspection.

9) The Department staff also noted that a row of hay bales had also been situated adjacent to the ROW. Sediment had traveled out of the project site in this area. The Department staff requested that this area be reworked, the sediment was to be removed and reworked into the project, and a more suitable method of sediment control was to be immediately deployed;
10) The receiving waters for the inspection locations include a UNT to Meshoppen Creek, a CWF/MF; and
11) The Department staff found Williams in violation of the following;
    c. 25 Pa. Code §102.22(b)(1), which states "Upon temporary cessation of an earth disturbance activity or any stage or phase of an activity where a cessation of earth disturbance activities will exceed 4 days, the site shall be immediately seeded, mulched, or otherwise protected from accelerated erosion and sedimentation pending future earth disturbance activities".

EE. On October 28, 2011, Department staff was on site to conduct an inspection of a portion of the Zone 3 Pipeline (access from Cabot Oil and Gas Greenwood Well Pad) and observed:

1) The Department staff requested a copy of the respective E&S Plan and was informed that there was no E&S Plan on site although the Department was ultimately provided with a copy of the E&S Plan during this inspection;
2) Material from the ROW was being tracked onto the Greenwood Well Pad. This area should have been maintained as a construction entrance per the plan;
3) The silt fence had not been properly joined and appeared to be installed off contour. The Department staff requested that Williams reinstall the silt fence to reflect the detail in the plan.
4) Areas along the silt fence had materials that appeared to be from the ROW on the undisturbed side of the fence. The Department requested that Williams manually remove this material and rework it into the project.
5) Some of the silt fence had sediment accumulated to greater than ½ the height of the silt fence. The Department staff requested that Williams maintain the controls per the plan specifications and the Department's E&S BMP Manual.
6) The Department staff noted that filter sock had been added to the area around the construction access as protection to the perimeter ditch. The Department staff referred Williams to its plan (Detail Sheet 5) for installation. The Department staff also requested that the operator provide documentation, within 5 business days, certifying that the filter media used in this control was approved.
7) The Department staff also noted that straw bales were installed on the ROW. The Department reminded Williams that the installation of straw bales was not reflective of its plan.
8) The Department staff noted that the Site did not appear to be temporarily stabilized per the Department's regulations. Two stockpiles were noted on the Site. One had been covered with hay, and the other did not appear to have any

form of temporary stabilization. The Department recommended that within 5 business days, that Williams submit to the Department documentation detailing the method used on the project for temporary stabilization.

9) It was also noted by the Department that this project is within the watershed for the receiving waters of an unnamed tributary to Meshoppen Creek, a CWF/MF; and
10) The Department staff found Williams in violation of the following;
    a. Failure to have inspection reports and monitoring records available to review by the Department during earth disturbance activities in accordance with 25 Pa. Code §102.4(b)(8).
    b. 25 Pa. Code §102.22(b)(1), which states "Upon temporary cessation of an earth disturbance activity or any stage or phase of an activity where a cessation of earth disturbance activities will exceed 4 days, the site shall be immediately seeded, mulched, or otherwise protected from accelerated erosion and sedimentation pending future earth disturbance activities".

FF. On November 9, 2011, Department staff was on site to perform a follow-up inspection of a portion of the Zone 3 Pipeline, notably the access from Cabot Oil and Gas, Greenwood Pad and observed:

1) Material from the ROW was still being tracked onto the Greenwood well pad. According to the Plan, this area should have been maintained as a construction entrance;
2) The silt fence had not been properly joined since the October 28, 2011 inspection and appeared to be installed off contour. The Department staff requested that the silt fence be reinstalled to reflect the detail in the Plan;
3) The Department staff documented that the Site had not been temporarily stabilized per the Department's regulations. Two stockpiles were once again noted on Site. One pile had been covered in hay, and the other did not appear to have any form of temporary stabilization;
4) The Department staff requested that Williams immediately deploy an approved method of temporary stabilization;
5) The receiving waters for the inspection locations for this inspection include UNT to Meshoppen Creek, a CWF/MF; and
6) The Department staff found Williams in violation of the following;
    a. Failure to implement and maintain E&S BMPs to minimize the potential for accelerated erosion and sedimentation in accordance with 25 Pa. Code §102.4(b)(1).
    b. 25 Pa. Code §102.22(b)(1), which states "Upon temporary cessation of an earth disturbance activity or any stage or phase of an activity where a cessation of earth disturbance activities will exceed 4 days, the site shall be immediately seeded, mulched, or otherwise protected from accelerated erosion and sedimentation pending future earth disturbance activities".

GG. On November 17, 2011, the Department issued Williams a Notice of Violation for:

1) failure to implement erosion and sediment control BMPs to minimize the potential for accelerated erosion and sedimentation in violation of Section 102.22(b)(1) of the Department's rules and regulations, 25 Pa. Code §102.22(b)(1); and
2) failure to comply with approved ESCGP-1 for this project in violation of Section 611 of the Clean Streams Law, 35 P.S. § 691.611;

Dallas Township, Luzerne County Sites

HH. On November 4, 2011, Department staff conducted an inspection on the Pipeline. The Department inspected four areas between approximate stations: 1750+00 and 1755+00, 1715+00 and 1735+00, 1679+00 and 1685+00, 1630+00 and 1663+00 and observed:

1) At the first location, between Stations 1750+00 and 1755+00, crews had not built a permitted access and were using an unpermitted access to the Pipeline ROW. The Department staff also noted that there was no temporary stabilization of the ROW since the previous inspection on October 19, 2011;
2) At the second location, between Stations 1715+00 and 1735+00, the Department staff found that there was no temporary stabilization of the ROW since a previous inspection of the ROW on October 19, 2011. The Department staff also requested any further information about any wetlands or wetland delineations in the area of Station 1715+00. The Department staff noted stakes marking a wetland crossing in this area, but none of the plan maps showed any wetlands ;
3) At the third location, between Stations 1679+00 and 1685+00, the Department staff found that the ROW was not temporarily stabilized and also found that the silt fence was off contour and without the proper joints, and that no maintenance had occurred on a damaged portion of the silt fence which led to sediment being deposited outside of the Limit of Disturbance (hereinafter "LOD"). It was also noted that the topsoil pile in this area had not been properly stabilized;
4) At the last location, between Stations 1630+00 and 1663+00, the Department staff noted that there was a break in the silt fence that was not authorized in the E & S Plan, near Station 1616+00. Improper silt fence joint was noted throughout this section. It was also found that the bore exit was moved to near Station 1638+00 from the permitted location near Station 1633+00;
5) The Department staff recommended that the operator and contractors consult the Department's Erosion and Sedimentation Control Manual for the proper BMPs for implementing E&S controls including installing and maintaining silt fence, filter bags, and topsoil piles; and
6) The Department found Williams in violation of the following;
    a. 25 Pa. Code §102.4(b)(1), for failure to prevent accelerated erosion.
    b. 25 Pa. Code §102.11, for failure to properly implement and maintain E&S control BMPs;
    c. 25 Pa Code §102.22(b), for failure to temporarily stabilize all soils within 4 days of the cessation of earth disturbance activities;
    d. 25 Pa Code §102.5, for the failure to obtain an ESCGP-1 for an additional access road; and

e. 35 P.S. §691.402, for creating a danger of pollution of the waters of the Commonwealth due to improper installation of BMPs and failure to properly maintain BMPs which allow sediment to exit the permitted LOD below the topsoil pile in the proximity of stream crossing S1DLU005.

7) The receiving waters for the inspection locations in the November 4, 2011, include UNT to Fall Brook and Fall Brook itself, both CWF/MF.

The Department staff requested that wetland delineation information, including field data sheets and delineation surveys for wetlands within or adjacent to the ROW in the vicinity of Stations 1710+00 to 1730+00 be submitted to the Department.

II. On December 1, 2011, the Department issued Williams a Notice of Violation for:

1) Failure to prevent accelerated erosion in violation of Section 102.4(b)(1) of the Department's E & S Regulations, 25 Pa. Code §102.4(b)(1);
2) Failure to obtain an ESCGP-1 for additional earth disturbance of an additional access in violation of Section 102.5 of the Department's E & S Regulations, 25 Pa. Code §102.5;
3) Failure to properly implement and maintain E & S controls per BMP and manufacturer specifications in violation of Section 102.11 of the Department's E & S Regulations, 25 Pa. Code §102.11;
4) Failure to temporarily stabilize the ROW within 4 days of cessation of disturbance in violation of Section 102.22(b) of the Department's E & S Regulations, 25 Pa. Code §102.22(b); and
5) Creating a danger of pollution to Waters of the Commonwealth in violation of Section 402 of the Clean Streams Law, 35 P.S. § 691.402.

JJ. On December 30, 2011, Department staff conducted an inspection on the Pipeline. The Department inspected the area between approximate stations 1745+00 to 1755+00, including the approved access that intersects with Lower Demunds Road at N 41 21' 2.2" and W 75 55' 57.45," and observed the following:

1) A significant amount of sediment had been tracked onto Lower Demunds Road from the pipeline access;
2) Sediment filter fence had been installed incorrectly in an area southeast of station 1750+00;
3) The Rock Construction Entrance had not been maintained; and
4) Sediment had been deposited outside of the LOD.

KK. On January 4, 2012, the Department issued Williams a Notice of Violation for a violation noted in the preceding paragraph, as follows:

Failure to properly implement and maintain E & S controls per BMP and manufacturer specifications in violation of Section 102.11 of the Department's E & S Regulations, 25 Pa. Code §102.11.

Oxbow Creek Site

LL. On December 15, 2011, Department staff conducted an inspection on the Pipeline along Avery Station Road in Lemon Township, Wyoming County to observe the open-cutting operation of Oxbow Creek. The flume appeared to functioning as designed, however sediment-

laden water was observed flowing in Oxbow Creek along Avery station Road. The Department staff investigated the source of the sediment-laden water and found:

1) The source of the sediment to be an area of the pipeline ROW upstream from Avery Station Road and Oxbow Creek along the South side of Stonier Road.
2) Filter fence had been inundated with sediment and water flowing over the top. Hay bales had been installed; however the water was coursing around them and channeling into the stream, flowing through the culvert, and entering the tributary Horton Creek on the North side of Stonier Road;
3) The Department inspected the stream crossing that had been installed along the ROW. It was noted that sections of filter fence had collapsed, but there did not appear to be a significant impact;
4) The Department again noted that the primary source of the sediment was resulting from the earth disturbance caused by the pipeline construction; and
5) The Department found Williams in violation of the following;
    a. 25 Pa. Code §102.4(b)(1), for failure to prevent accelerated erosion; and
    b. 35 P.S. § 691.401, for pollutional discharge to waters of the Commonwealth.
6) The receiving waters for the inspection locations on December 15, 2011, include Horton Creek and Oxbow Creek, CWF/MF.

MM. On December 20, 2011, the Department issued Williams a Notice of Violation for:

1) Failure to prevent accelerated erosion in violation of Section 102.4(b)(1) of the Department's E & S Regulations, 25 Pa. Code §102.4(b)(1);
2) Pollutional discharge to waters of the Commonwealth in the form of sediment to Horton Creek and Oxbow Creek, in violation of Section 401 of the Clean Streams Law, 35 P.S. § 691.401.

NN. Section 401 of the Clean Streams Law, 35 P.S. § 691.401, states, in relevant part, "[i]t shall be unlawful for any person or municipality to put or place into any of the waters of the Commonwealth, or allow or permit to be discharged from property owned or occupied by such person into any waters of the Commonwealth, any substance of any kind or character resulting in pollution as herein defined."

OO. Section 402 of the Clean Streams Law, 35 P.S. § 691.402(a), states, in relevant part, that "[w]henever the Department finds that any activity, not otherwise requiring a permit under this act, including but not limited to the impounding, handling, storage, transportation, processing or disposing of materials or substances, creates a danger of pollution of the waters of the Commonwealth or that regulation of the activity is necessary to avoid such pollution, the Department may, by rule or regulation, require that such activity be conducted only pursuant to a permit issued by the Department or may otherwise establish the conditions under which such activity shall be conducted, or the Department may issue an order to a person or municipality regulating a particular activity."

PP. Section 611 of the Clean Streams Law, 35 P.S. § 691.611, states in relevant part, that "It shall be unlawful to fail to comply with any rule or regulation of the department or to fail to comply with any order or permit or license of the department, to violate any of the provisions

of this act or rules and regulations adopted hereunder, or any order or permit or license of the department, to cause air or water pollution, or to hinder, obstruct, prevent or interfere with the department or its personnel in the performance of any duty hereunder or to violate the provisions of 18 Pa. C.S. section 4903 (relating to false swearing) or 4904 (relating to unsworn falsification to authorities). Any person or municipality engaging in such conduct shall be subject to the provisions of sections 601, 602, and 605. "

QQ. Section 102.5 of the Department's E & S Regulations, 25 Pa. Code 102.5, states, in relevant part, that "A person proposing or conducting an earth disturbance activity approved under a Department permit issued under a chapter other than Chapter 92 (relating to National Pollutant Discharge Elimination System permitting, monitoring and compliance) or this chapter, which includes requirements to comply with Chapter 92 and this chapter, need not obtain an additional Erosion and Sediment Control Permit or NPDES Permit for Stormwater Discharges Associated with Construction Activities."

RR. Section 102.4(b)(1) of the Department's E & S Regulations, 25 Pa. Code § 102.4(b)(1) states, in relevant part, "[e]rosion and sediment control requirements. (b) For earth disturbance activities other than agricultural plowing or tilling, the following erosion and sediment control requirements apply; (1) The implementation and maintenance of erosion and sediment control BMPs are required to minimize the potential for accelerated erosion and sedimentation, ..."

SS. Section 102.4(b)(8) of the Department's E & S Regulations, 25 Pa. Code § 102.4(b)(8) states, in relevant part, "upon complaint or site inspection, the Department or county conservation district may require that the [E & S] Plan be submitted for review and approval to ensure compliance with this chapter."

TT. Section 102.11 of the Department's E & S Regulations, 25 Pa. Code § 102.11, states, in relevant part, that "A person conducting or proposing to conduct an earth disturbance activity shall:

(1) Design, implement and maintain E&S BMPs to minimize the potential for accelerated erosion and sedimentation to protect, maintain, reclaim and restore water quality and existing and designated uses. Various E&S BMPs and their design standards are listed in the Erosion and Sedimentation Pollution Control Program Manual (Manual), Commonwealth of Pennsylvania, Department of Environmental Protection, No. 363-2134-008 (April 2000), as amended and updated....."

UU. Section 102.22(b) of the Department's E & S Regulations, 25 Pa. Code § 102.22(b), states, in relevant part, that

"(1) Upon temporary cessation of an earth disturbance activity or any stage or phase of an activity where a cessation of earth disturbance activities will exceed 4 days, the site shall be immediately seeded, mulched, or otherwise protected from accelerated erosion and sedimentation pending future earth disturbance activities.

(2) For an earth disturbance activity or any stage or phase of an activity to be considered temporarily stabilized, the disturbed areas shall be covered with one of the following;

(i) A minimum uniform coverage of mulch and seed, with a density capable of resisting accelerated erosion and sedimentation.

(ii) An acceptable BMP which temporarily minimizes accelerated erosion and sedimentation. "

VV. The unpermitted discharge of polluting substances into the waters of the Commonwealth along the Pipeline, as described in paragraphs Q, W, Y, AA, BB, LL, and MM constitutes violations of Section 401 of The Clean Streams Law, 35 P.S. § 691.401.

WW. The unauthorized potential for discharge of polluting substances into the waters of the Commonwealth along the Pipeline, as described in paragraphs N, O, Q, HH and II constitutes violations of Section 402 of The Clean Streams Law, 35 P.S. § 691.402.

XX. The failure to comply with the permit for this project along the Pipeline, as described in Paragraph GG constitutes violations of Section 611 of the Clean Streams Law, 35 P.S. § 691.611.

YY. The failure to obtain a permit for additional earth disturbance of an additional access, as described in Paragraphs HH and II constitutes a violation of Section 102.5(e) of the Department's E & S Regulations at 25 Pa. Code § 102.5(e).

ZZ. The failure to implement and maintain erosion and sedimentation control best management practices (BMPs) to minimize the potential for accelerated erosion and sedimentation to waters of the Commonwealth, as described in paragraphs N, S, T, W to CC, inclusive, FF, and HH to MM, inclusive constitutes violations of Section 102.4(b)(1) of the Department's E & S Regulations 25 Pa. Code §102.4(b)(1).

AAA. The failure to implement and maintain E&S controls, as described in Paragraphs HH and II constitute violations of Section 102.11 of the Department's E & S Regulations at 25 Pa. Code §102.11.

BBB. The failure to temporarily stabilize the ROW within 4 days of cessation of earth disturbance activities, as described in Paragraphs O, P, and R to II, inclusive, constitute violations of Section 102.22 of the Department's Rules and Regulations 25 Pa Code §102.22.

CCC. The violations described in Paragraphs NN through UU, inclusive, above, constitute unlawful conduct under Section 611 of The Clean Streams Law, 35 P.S. § 691. 611; and, subject Williams to a claim for civil penalties under Section 605 of The Clean Streams Law, 35 P.S. § 691.605.

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 Williams as follows:

1. **Assessment.** In resolution of the Department's claim for civil penalties, which the Department is authorized to pursue under Section 611 of The Clean Streams Law, 35 P.S. § 691.611; the Department hereby assesses a civil penalty of One Hundred and Sixty Nine Thousand, Six Hundred Forty Seven Dollars and Ninety Two Cents ($169,647.92), which Williams hereby agrees to pay.

2. **Civil Penalty Settlement.** Upon signing this CACP, Williams shall pay the civil penalty assessed in Paragraph 1. This payment is in settlement of the Department's claim for civil penalties for the violations set forth in Paragraphs NN through UU, inclusive, above, for the time period set forth in Paragraphs N through MM, inclusive, above. The payment shall be made by corporate check or the like, made payable to the "Commonwealth of Pennsylvania", and forwarded to the East Region Oil and Gas Management, Pennsylvania Department of Environmental Protection, 208 West Third Street, Suite 101, Williamsport, Pennsylvania 17701-6448.

3. **Findings.**

(a) Williams agrees that the findings in Paragraphs A through UU are true and correct and, in any matter or proceeding involving Williams and the Department, Williams 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. Williams 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.

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IN WITNESS WHEREOF, the parties have caused this CACP to be executed by their duly authorized representatives. The undersigned representatives of Williams certify, under penalty of law, as provided by 18 Pa. C.S. § 4904, that they are authorized to execute this CACP on behalf of Williams; that Williams consents to the entry of this CACP as an ASSESSMENT of the Department; that Williams hereby knowingly waives any right to a hearing under the statutes referenced in this CACP; and that Williams knowingly waives its right to appeal this CACP, which rights may be available under Section 4 of the Environmental Hearing Board Act, the 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 Williams's attorney certifies only that the agreement has been signed after consulting with counsel.

FOR WILLIAMS FIELD SERVICES COMPANY, LLC:

Signature (Date)

Clayton A. Roesler

Name (Typed or Printed)

Director Land, GIS, Permits

Title

4/8/13

Signature (Date)

Ryan Savage

Name (Typed or Printed)

VP+GM PA/NY

Title

4/8/13

Signature (Date)

Raj Basi

Name (Typed or Printed):
Attorney for Williams Field Services Company, LLC

FOR THE COMMONWEALTH OF PENNSYLVANIA, DEPARTMENT OF ENVIRONMENTAL PROTECTION:

4/11/13

Jennifer W. Means (Date)
Environmental Program Manager
Eastern District Oil & Gas

David M. Chuprinski (Date)
Assistant Counsel 4-15-13
Northcentral Region