COLORADO
Department of Public
Health & Environment

Dedicated to protecting and improving the health and environment of the people of Colorado

April 28, 2016

Tiffany Pollock
Vice President - Land
WPX Energy Rocky Mountain, LLC
% Terra Energy Partners, LLC
4828 Loop Central, Suite 900
Houston, TX 77081

Certified Mail Number: 7014 2870 0000 7699 5306

RE: Compliance Order on Consent, Number SC-160428-1

Dear Ms. Pollock:

Enclosed for WPX Energy Rocky Mountain, LLC's records, you will find WPX Energy Rocky Mountain, LLC's copy, with original signatures, of the recently executed Compliance Order on Consent. Please remember that this agreement is subject to a thirty-day public comment period (paragraph 27). Following initiation, if the Division receives any comments during this period we will contact your office to discuss. Also, please be advised that the first page of the Compliance Order on Consent was changed to place the assigned Order Number on the final document.

If you have questions, please do not hesitate to contact me at 303.692.6498 or by electronic mail at andrea.beebout@state.co.us.

Sincerely,

Andrea Beebout, Enforcement Specialist
Clean Water Enforcement Unit
WATER QUALITY CONTROL DIVISION

Enclosure(s): Compliance Order on Consent Number SC-160428-1

cc: Enforcement File

ec: Michael Boeglin, EPA Region VIII
Joshua Williams, Garfield County Public Health Service
Aimee Konowal, Watershed Section, CDPHE
Michael Beck, Grants and Loans Unit, CDPHE
Doug Camrud, Engineering Section, CDPHE
Heather Drissel, Field Services Section, CDPHE
Lillian Gonzalez, Permits Section, CDPHE
Tania Watson, Data Management, CDPHE
Nathan Moore, Clean Water Compliance Unit, CDPHE
Megan Shirley, Clean Water Compliance Unit, CPHE
Matt Lepore, COGCC
Kent Kuster, COGCC

COLORADO

Department of Public Health & Environment

WATER QUALITY CONTROL DIVISION

COMPLIANCE ORDER ON CONSENT **NUMBER: SC-160428-1**

IN THE MATTER OF: **WPX ENERGY ROCKY MOUNTAIN, LLC**
CDPS PERMIT NO. COR030000
CERTIFICATION NO. COR038544
GARFIELD COUNTY, COLORADO

The Colorado Department of Public Health and Environment ("Department"), through the Water Quality Control Division ("Division"), issues this Compliance Order on Consent ("Consent Order"), pursuant to the Division's authority under §§25-8-602 and 605, C.R.S. of the Colorado Water Quality Control Act ("the Act") §§25-8-101 to 803, C.R.S., and its implementing regulations, with the express consent of WPX ENERGY ROCKY MOUNTAIN, LLC ("WPX"). The Division and WPX may be referred to collectively as "the Parties."

STATEMENT OF PURPOSE

1. The mutual objectives of the Parties in entering into this Consent Order are to resolve, without litigation, the civil penalties associated with the alleged violations cited herein and in the Notice of Violation / Cease and Desist Order, Number: SO-150615-1 (NOV/CDO), that the Division issued to WPX on June 15, 2015.

DIVISION'S FINDINGS OF FACT AND DETERMINATION OF VIOLATIONS

2. Based upon the Division's investigation into and review of the compliance issues identified herein, and in accordance with §§25-8-602 and 605, C.R.S., the Division has made the following determinations regarding WPX and WPX's compliance with the Act and a permit issued pursuant to the Act.

3. At all times relevant to the violations cited herein, WPX was a Delaware limited liability company in good standing and registered to conduct business in the State of Colorado.

4. On January 19, 2012, WPX changed its legal entity name with the Colorado Secretary of State from Williams Production RMT Company to WPX Energy Rocky Mountain, LLC.

5. WPX is a "person" as defined under the Water Quality Control Act, §25-8-103(13), C.R.S. and its implementing permit regulation, 5 CCR 1002-61, §61.2(73).

6. On approximately July 1, 2005, WPX initiated construction activities within the Grand Valley Field with a planned disturbance area of 86 acres of land at or near 39.494 N and -108.110 W in Garfield County, Colorado (the "Project").

7. Construction activities at the Project include ground disturbing activities associated with oil and natural gas exploration and development.

8. WPX's construction activities at the Project are covered under Colorado Discharge Permit System General Permit, Number COR030000, for Stormwater Discharges Associated with Construction Activity (the "Permit"). The current version of the Permit became effective July 1, 2007 and is currently Administratively Continued until Permit reissuance.

9. On July 5, 2005, the Division provided WPX with Certification Number COR038544 (the "Certification") authorizing WPX to discharge stormwater from the construction activities associated with the Project to state waters, under the terms and conditions of the Permit. The Certification became effective July 5, 2005, and was reissued under the current version of the Permit effective July 1, 2007. The Certification remains in effect until Permit reissuance or until WPX inactivates permit coverage.

10. On January 28, 2015, a representative from the Division (the "Inspector") conducted an on-site inspection of the Project pursuant to the Division's authority under §25-8-306, C.R.S., to determine WPX's compliance with the Water Quality Control Act and the Permit. During the inspection, the Inspector interviewed Project representatives, reviewed the Project's stormwater management system records, and performed a physical inspection of the Project.

Deficient and/or Incomplete Stormwater Management Plan

11. Pursuant to Part I.B. of the Permit, WPX is required to prepare and maintain a Stormwater Management Plan ("SWMP") in accordance with good engineering, hydrologic, and pollution control practices. The SWMP shall identify all potential sources of pollution that may reasonably be expected to affect the quality of stormwater discharges associated with construction activity from the Project. In addition, the SWMP shall describe the Best Management Practices ("BMPs") that will be used to reduce the pollutants in stormwater discharges associated with construction activity at the Project.

12. Pursuant to Part I.C. of the Permit, the SWMP shall include, at minimum, the following items:

    a. Site Description – The SWMP shall clearly describe the construction activity, including:

        i. The nature of the construction activity at the site.
        ii. The proposed sequence for major activities.
        iii. Estimates of the total area of the site, and the area and location expected to be disturbed by clearing, excavation, grading, or other construction activities.
        iv. A summary of any existing data used in the development of the site construction plans or SWMP that describe the soil or existing potential for soil erosion.
        v. A description of the existing vegetation at the site and an estimate of the percent vegetative ground cover.
        vi. The locations and description of all potential pollution sources, including ground surface disturbing activities, vehicle refueling, storage of fertilizers or chemicals, etc.

vii. The locations and description of any anticipated allowable sources of non-stormwater discharge at the site, such as uncontaminated springs, landscape irrigation return flow, construction dewatering, and concrete washout.

viii. The name of the receiving water(s) and the size, type and location of all outfall(s). If the stormwater discharge is to a municipal separate storm sewer system, the name of the system, the location of the storm sewer discharge, and the ultimate receiving water(s).

b. Site Map – The SWMP shall include a legible site map(s), showing the entire site, identifying:

i. Construction site boundaries.
ii. All areas of ground surface disturbance.
iii. Areas of cut and fill.
iv. Areas used for storage of building materials, equipment, soil, or waste.
v. Locations of dedicated asphalt or concrete batch plants.
vi. Locations of all structural BMPs.
vii. Locations of non-structural BMPs as applicable.
viii. Locations of springs, streams, wetlands, and other surface waters.

c. Stormwater Management Controls – The SWMP must include a description of all stormwater management controls that will be implemented as part of the construction activity to control pollutants in stormwater discharges, including:

i. SWMP Administrator – The SWMP shall identify a specific individual(s), position or title responsible for developing, implementing, maintaining, and revising the SWMP.
ii. Identification of Potential Pollutant Sources – The SWMP shall identify and describe those sources determined to have the potential to contribute pollutants to stormwater discharges.
iii. BMPs for Stormwater Pollution Prevention – The SWMP shall identify and describe appropriate BMPs that will be implemented at the Project to reduce the potential of pollution sources to contribute pollutants to stormwater discharges. The SWMP shall clearly describe the installation and implementation specifications for each BMP identified in the SWMP.

(1) Structural Practices for Erosion and Sediment Control – The SWMP shall clearly describe and locate all structural practices implemented at the site to minimize erosion and sediment transport. Practices may include, but are not limited to: straw bales, wattles/sediment control logs, silt fences, earth dikes, drainage swales, sediment traps, subsurface drains, pipe slope drains, inlet protection, outlet protection, gabions, and temporary or permanent sediment basins.
(2) Non-Structural Practices for Erosion and Sediment Control – The SWMP shall clearly describe and locate, as applicable, all non-structural practices implemented at the site to minimize erosion and sediment transport. Description must include interim and permanent stabilization practices and site specific scheduling for implementation of the practices. Non-structural practices may include, but are not limited to: temporary vegetation, permanent vegetation, mulching, geotextiles, sod stabilization, slop roughening, vegetative buffer strips, protection of trees, and preservation of mature vegetation.

(3) Phased BMP Implementation – The SWMP shall clearly describe the relationship between the phases of construction, and the implementation and maintenance of both structural and non-structural stormwater management controls. The SWMP must identify the stormwater management controls to be implemented during the project phases, which can include, but are not limited to, clearing and grubbing; road construction; utility and infrastructure installation; vertical construction; final grading; and final stabilization.

(4) Materials Handling and Spill Prevention – The SWMP shall clearly describe and locate all practices implemented at the site to minimize impacts from procedures or significant materials that could contribute pollutants to runoff. Such procedures or significant materials could include: exposed storage of building materials; paints and solvents; fertilizers or chemicals; waste material; and equipment maintenance or fueling procedures.

(5) Dedicated Concrete or Asphalt Batch Plants – The SWMP shall clearly describe and locate all practices implemented at the site to control stormwater pollution from dedicated concrete batch plants or dedicated asphalt batch plants.

(6) Vehicle Tracking Control – The SWMP shall clearly describe and locate all practices implemented at the site to control potential sediment discharges from vehicle tracking.

(7) Waste Management and Disposal, Including Concrete Washout – The SWMP shall clearly describe and locate the practices implemented at the site to control stormwater pollution from all construction site wastes, including concrete washout activities.

(8) Groundwater and Stormwater Dewatering – The SWMP shall clearly describe and locate the practices implemented at the site to control stormwater pollution from the dewatering of groundwater or stormwater from excavations, wells, etc.

d. Final Stabilization and Long-Term Stormwater Management – The SWMP shall clearly describe the practices used to achieve final stabilization of all disturbed areas at the site, and any planned practices to control pollutants in stormwater discharges that will occur after construction operations have been completed at the site.

e. Inspection and Maintenance – The SWMP shall clearly describe the inspection and maintenance procedures implemented at the site to maintain all erosion and sediment control practices, and other protective practices identified in the SWMP, in good and effective operating condition.

13. During the January 28, 2015 inspection, the Inspector reviewed the Project's SWMP and identified the following deficiencies, as described in paragraphs 13 (a-b) below:

a. The SWMP site map did not identify all areas of ground surface disturbance within the project boundary. Additionally, the SWMP site map did not identify the location of all building materials, specifically, equipment and pipe storage, observed by the inspector in the field.

b. The SWMP did not adequately describe all installation and implementation specifications for each BMP identified in the SWMP. Specifically:

i. The specification for temporary berms (RC-8) did not provide a site specific design capacity, such as the required height and length of the berms for management of pollutants from the contributing disturbance.
ii. The specification for diversion ditches (RC-10) did not provide site specific design criteria to account for the additional pollutant sources introduced by utilizing an un-compacted, un-stabilized diversion ditch, such as those the Inspector observed in the field.
iii. The specification for toe trenches (RC-14) did not provide a site specific design capacity such as the required trench depth and length of the trench for management of pollutants based on the contributing disturbance area.
iv. The specification for sediment basins (SC-3) did not provide a site specific design capacity required to manage pollutants from the contributing drainage area and runoff. For example, the Urban Storm Drainage Criteria Manual indicates sediment basins shall include a storage volume of 3600 cubic feet per one acre of drainage area.
v. The specification for sediment traps (SC-6) did not provide a site specific design capacity required to manage pollutants from the contributing drainage area and runoff. For example, the Urban Storm Drainage Criteria Manual indicates sediment traps shall only be used to capture drainage from disturbed areas less than one acre and shall be used in conjunction with additional sediment controls.

14. The Division has determined that WPX failed to prepare and maintain a complete and accurate SWMP for the Project.

15. WPX's failure to maintain a complete and accurate SWMP for the Project constitutes violations of Parts I.B. and I.C. of the Permit.

Failure to Install, Maintain, or Properly Select Best Management Practices

16. Pursuant to Part I.B.3. of the Permit, WPX must implement the provisions of the Project's SWMP as written and updated, from commencement of construction activity until final stabilization is complete.

17. Pursuant to Part I.D.2. of the Permit, WPX must select, install, implement, and maintain appropriate BMPs, following good engineering, hydrologic and pollution control practices. BMPs implemented at the site must be adequately designed to provide control for all potential pollutant sources associated with construction activity at the Project.

18. Pursuant to Part I.D.7. of the Permit, all erosion and sediment control practices and other protective measures identified in the SWMP must be maintained in effective operating condition. BMPs that are not adequately maintained in accordance with good engineering, hydrologic, and pollution control practices, including removal of collected sediment outside the acceptable tolerances of the BMPs, are considered to be no longer operating effectively and must be addressed.

19. During the January 28, 2015 inspection, the Inspector identified the following deficiencies related to BMP selection, design, installation, implementation, and maintenance at the Project, as described in Paragraphs 19 (a-i) below:

a. Control measures installed at the GM 21-12 site were not implemented and maintained according to good pollution control practices. Specifically:

   i. Tracking was observed on the public county road from the well pad egress point. Street sweeping was observed, but was inadequate for the amount of accumulated sediment present. Specifications in the Project SWMP identified that additional vehicle tracking controls such as stabilized access roads with base coarse or gravel or tracking pads may be used as necessary to prevent tracking of mud and sediment, however, those controls were not in place. As a result of this deficiency, sediment was transported to paved road surfaces. No additional control measures were implemented down gradient of the well pad egress and stormwater runoff flowed generally south to Parachute Creek.
   ii. Temporary earthen berms along the northeast and southwest of the well pad were not compacted and had evidence of erosion and/or deterioration. This deficiency impaired the ability of the temporary earthen berms to divert onsite surface runoff. In addition, this deficiency resulted in an additional, highly erosive pollutant source and/or a capacity reduction of the control measure. Additional inadequate control measures were implemented down gradient of the deficient earthen berms (refer to paragraph 17aiii) and stormwater runoff flowed generally south to Parachute Creek.
   iii. Vegetative buffers along the south and southwest side of the site were observed in use as control measures for concentrated flows without adequate up-gradient control measures (refer to paragraph 17aii). In accordance with commonly accepted industry standards, vegetative buffers should be used in combination with additional perimeter control measures. No additional control measures were implemented down gradient of the vegetative buffers and stormwater runoff flowed generally south to Parachute Creek.

b. Control measures installed at the Riley Gulch Frac Pad ("Riley Gulch") site were not implemented and maintained according to good pollution control practices. Specifically:

   i. Temporary earthen berms along the south and east sides of the of the frac pad were not directed towards a stabilized outlet, well-vegetated area, or to sediment trapping devices, despite specifications in the Project SWMP requiring temporary berms to be routed towards a well-vegetated area or the installation of a sediment trap or filter control at the outlet. As a result of this deficiency, there was no mechanism to reduce sediment concentrations in the diverted stormwater. No additional control measures were implemented down gradient of the earthen berms and stormwater runoff flowed generally north to Parachute Creek.
   ii. A culvert cross-drain structure in the northwest corner of the site was damaged and not installed according to the design specifications in the Project's SWMP. Specifically, the culvert did not have any inlet protections to dissipate velocity and capture sediment or outlet protections to reduce the velocity of stormwater and prevent scouring and erosion. Straw bales previously serving as outlet protection had been pulled out and were in a pile west of the culvert. As a result of these deficiencies, the culvert was filled with sediment and debris and would likely fail during a rain event, leading to additional pollutant contributions. No additional control measures were implemented down gradient of the culvert cross-drain and stormwater runoff flowed from the culvert generally west to Parachute Creek.

c. Control measures installed at the MV 7-4 site were not implemented and maintained according to good pollution control practices. Specifically:

i. Temporary earthen berms along the northwest side of the well pad were not compacted and had evidence of erosion/deterioration. This deficiency impaired the ability of the temporary earthen berms to divert onsite surface runoff. In addition, this deficiency resulted in an additional, highly erosive pollutant source and/or further reduction of the capacity of the control measure. Additional inadequate control measures were implemented down gradient of the earthen berms (refer to paragraphs 17cii, 17ciii, and 17civ) and stormwater runoff flowed north to adjacent tributaries.

ii. Diversion ditches along the northwest and east side of the well pad were not compacted or stabilized, creating additional pollutant loading to the down gradient control measures. Diversion ditches along the roadways of MV 7-4 were not cleared of brush and accumulated sediment, despite specifications in the Project SWMP requiring all trees, brush, stumps, obstructions, and other objectionable material to be removed and disposed of so as not to interfere with the proper functioning of the diversion ditch. According to Project SWMP specifications, diversion ditches should be used with caution on soils subject to slippage, however Project site details for MV 7-4 indicate soil types with erosion potentials ranging from moderate to very severe. Additional inadequate control measures were implemented down gradient of the diversion ditches (refer to paragraphs 17ciii and 17civ) and stormwater runoff flowed north to adjacent tributaries.

iii. Sediment traps on the northwest and northeast sides of the well pad were not implemented according to good engineering, hydrologic and pollution control practices. Specifically, the northwest sediment trap was not properly aligned with the temporary earthen berm and diversion ditch flow paths. As a result, stormwater flows were not being effectively directed to a stabilized outlet, as required by Project SWMP specifications. Additionally, despite Project SWMP specifications indicating that sediment traps do not remove fine particles such as silts and clays, and Project SWMP site details for MV 7-4 indicating a soil type of Nihill channery loam, sediment traps were the only sediment removing control measure in place at MV 7-4. Additional inadequate control measures were implemented down gradient of the sediment traps (refer to paragraph 17civ) and stormwater runoff flowed north to adjacent tributaries.

iv. Straw bale barriers on the northwest and northeast side of the well pad were in need of maintenance due to sediment accumulation over one half of the straw bale height. Project SWMP specifications indicated that sediment deposits must be removed from the straw bale once the debris has reached one half of the height of the bale. This deficiency impaired the ability of the control measures to intercept stormwater flows from the up-gradient disturbed areas, and, therefore, minimize the transportation of sediment. No additional control measures were implemented down gradient of the deficient straw bale barriers and stormwater runoff flowed north to adjacent tributaries.

d. Control measures installed at the GM 32-4 site were not implemented and maintained according to good pollution control practices. Specifically:

i. Temporary earthen berms along the northeast and southeast side of the well pad were not compacted and had evidence of erosion/deterioration. This deficiency impaired the ability of the temporary earthen berms to divert onsite surface runoff. In addition, this deficiency resulted in an additional, highly erosive pollutant source and/or further reduction of the capacity of the control measure. Additional

inadequate control measures were implemented down gradient of the earthen berms (refer to paragraphs 17dii and 17diii) and stormwater runoff flowed generally northeast to adjacent tributaries.

ii. A sediment trap control measure on the north side of the well pad was not designed according to specifications in the Project SWMP. Specifically, the spillway was not lined with coarse angular aggregate/riprap, or local adequately sized rock to provide filtering/detention capability and to prevent erosion of the spillway. Additional inadequate control measures were implemented down gradient of the sediment trap (refer to Paragraph 17diii) and stormwater runoff flowed generally northeast to adjacent tributaries.

iii. Straw bale barriers on the east side of the well pad, both north and south of the haul road into the site, were in need of maintenance due to sediment build-up accumulating on and over the control measure, despite design specifications in the Project SWMP requiring sediment deposits to be removed when the level of deposition reaches approximately one-half of the height of the barrier. No additional control measures were implemented down gradient of the straw bale barriers and stormwater runoff flowed generally southeast to adjacent tributaries.

iv. A culvert cross-drain structure located on the east side of the site under the main haul road was damaged and not installed according to the design specifications in the Project's SWMP. Specifically, the culvert did not have any outlet protections to reduce the velocity of stormwater and prevent scouring and the outlet was blocked by debris. As a result of these deficiencies, the culvert would likely fail during a rain event, leading to additional pollutant contributions. No additional control measures were implemented down gradient of the culvert and stormwater runoff flowed from the culvert generally southeast to adjacent tributaries.

v. A slope drain control measure implemented to manage stormwater runoff from disturbed areas on the northeast and southeast sides of the well pad was not installed according to design specifications in the Project SWMP. Specifically, stormwater accumulating on the GM 32-4 well pad drained directly to the slope drain without additional control measures to divert flows. As a result, there was a potential for stormwater contaminated with petroleum products to discharge offsite. There were no up gradient or down gradient controls to remove dissolved petroleum products or other chemicals stored on the well pad. Stormwater runoff flowed from the slope drain generally southeast to adjacent tributaries, eventually discharging to Parachute Creek.

e. Control measures installed at the GM 41-4 site were not implemented and maintained according to good pollution control practices. Specifically:

i. Temporary earthen berms along the northwest side of the well pad were not compacted and had evidence of erosion/deterioration. This deficiency impaired the ability of the temporary earthen berms to divert onsite runoff. In addition, this deficiency resulted in an additional, highly erosive pollutant source and/or further reduction of the capacity of the control measure. Additional inadequate control measures were implemented down gradient of the earthen berms (refer to paragraphs 17eii and 17eiii) and stormwater runoff flowed generally northeast to adjacent tributaries.

ii. Diversion ditches around the west and south sides of the support pad were in need of maintenance due to sediment accumulation within the control measure despite specifications in the Project SWMP indicating that diversion ditches should be cleared of accumulated sediment and repaired in order to maintain capacity.

Additional inadequate control measures were implemented down gradient of this control measure (refer to paragraph 17eiii) and stormwater flowed generally northeast to adjacent tributaries.

iii. A sediment trap on the eastern corner of the well pad was not sized according to any documented, engineered design criteria based on the contributing acreage and was in need of maintenance for proper compaction of the banks. Despite Project SWMP specifications indicating that sediment traps do not remove fine particles such as silts and clays, along with Project SWMP site details for GM 41-4 indicating a soil type of Vale silt loam, the sediment trap was the only sediment control measure in place at GM 41-4. No additional control measures were implemented down gradient of the sediment trap and stormwater leaving the sediment trap flowed generally northeast to adjacent tributaries.

f. Control measures installed at the Starkey Cuttings site were not implemented and maintained according to good pollution control practices. Specifically:

i. A series of check dams in place within a drainage ditch along the west side of the site were not consistently installed according to Project SWMP specifications. Specifically, the center of the check dams were not consistently at an elevation lower than the edges and the check dams did not align so that the bottom of the first check was at the same height as the top of the subsequent check damn. In addition, the check dams were in need of maintenance to remove accumulated sediment and debris. As a result, the check dams were vulnerable to washout and undermining. Additional inadequate control measures were implemented down gradient of the check dam series (refer to paragraph 17fii) and stormwater flowed generally north to adjacent tributaries and eventually to Parachute Creek.

ii. Sediment traps in place on the northwest, northeast, and east sides of the well pad were not installed according to Project SWMP specifications. Specifically, two of the sediment traps did not have spillways lined with coarse angular aggregate/riprap, a small section of pipe, or a level spreader as required by the Project SWMP. As a result, the spillway was subject to erosion. Additionally, despite Project SWMP specifications indicating that sediment traps do not remove fine particles such as silts and clays, along with Project SWMP site details for Starkey Cuttings indicating a soil type of Silas loam, the sediment trap was the only sediment control measure in place at Starkey Cuttings. No additional control measures were implemented down gradient of the sediment traps and stormwater leaving the Starkey Cuttings site flowed generally southeast to adjacent tributaries.

iii. A brush barrier observed downgradient of a soil stockpile on the south side of the Starkey Cuttings site was not selected and implemented according to good pollution control practices. Sediment from the stockpile was transported downgradient to the brush barrier. However, brush barriers are not recognized in the industry for use as standalone sediment trapping measures. Stormwater runoff from the stockpile flowed generally northeast to adjacent tributaries and ultimately to Parachute Creek.

g. Control measures installed at the GM 323-28 site were not implemented and maintained according to good pollution control practices. Specifically:

i. Drums containing materials were spilled over onto the ground and were not being stored according to Project SWMP Specifications. Specifically, the drums containing dry materials were not kept off the ground within secondary containment and

covered to avoid contact with precipitation, stormwater, and wind. In addition, the Project SWMP required all spills to be cleaned up immediately. As a result, there was a potential for the spilled material to come in contact with stormwater and be transported offsite. Additional inadequate control measures were implemented down gradient of this location and stormwater flowed generally south to Parachute Creek.

ii. A sediment trap control measure observed on the southern corner of the well pad was not large enough to manage stormwater runoff from the disturbed areas, defined in Project SWMP site details as 3 acres. Installation and implementation specifications for the capacity of sediment traps were not included in the Project SWMP. The Environmental Protection Agency's Stormwater Best Management Practices design criteria include capacity specifications for sediment traps of 1,800 ft^3 of storage per disturbed acre. The sediment trap was observed to not meet the above design criteria. No additional control measures were implemented down gradient of the sediment trap and stormwater from this area of the GM 323-28 flowed generally south to Parachute Creek.

h. Control measures at the GM 11-28 site were not implemented and maintained according to good pollution control practices. Specifically:

i. Temporary earthen berms along the southwest side of the well pad serving as secondary containment for a variety of chemicals and materials were in need of maintenance. The berms were not compacted and were not of adequate height to contain the stored materials in the event of a spill. As a result, there was a potential for the chemicals and materials to come in contact with stormwater and be transported off site. Additional inadequate controls were implemented down gradient of this location (refer to paragraph 17hii) stormwater from this area of the site flowed generally southwest to adjacent tributaries.

ii. The straw bales were not installed according to good pollution control practices and were in need of significant maintenance. The contributing drainage area of disturbance consisted of a large, steep fill slope, which exceeded the treatment capacity of the control measure, as evidenced by sediment overtopping the bales. The Environmental Protection Agency recommends that alternative sediment control measures be used in place of straw bales due to their historical ineffectiveness. No additional control measures were implemented down gradient of the straw bales. As a result of this deficiency, sediment was observed bypassing the control measure and eroding offsite to Garfield County Road 215. Surface runoff from this location flows generally southwest to the ditch along Garfield County Road 215.

i. Control measures at the SG 43-28 site were not implemented and maintained according to good pollution control practices. Specifically:

i. Temporary earthen berms along the northeast and southwest sides of the well pad were installed along the natural drainage channel and were in need of maintenance. Specifically, the earthen berms were not adequately compacted and were contributing additional erosive pollutant source to the natural drainage way as evidenced by erosion rills within the berms and soil sloughing. In addition, the earthen berms directed flow into the natural drainage way, despite Project SWMP specifications stating berms should to be directed towards a stabilized outlet or sediment trapping device prior to discharging. Additional inadequate control measures were implemented down gradient of this location (refer to paragraph 17i,i

and ii) and surface runoff from this location flowed generally southeast to adjacent tributaries.

ii. A sediment trap control measure located on the southern corner of the well pad was installed within the natural drainage way. Project SWMP specifications indicate that sediment traps should not be constructed in ephemeral draws where the BMP will trap natural run-off along with construction site stormwater. In addition, the sediment trap was vulnerable to undercutting and washout and, therefore, had the potential to introduce more sediment to runoff within the natural drainage way. No additional control measures were implemented down gradient the sediment trap and surface runoff flowed generally southeast to adjacent tributaries.

20. The Division has determined that WPX failed to implement and/or maintain functional BMPs for all potential pollutant sources at the Project, following good engineering, hydrologic, and pollution control practices.

21. WPX's failure to implement and/or maintain functional BMPs to protect stormwater quality during construction activities at the Project constitutes violations of Part I.B.3., Part I.D.2., and Part I.D.7. of the Permit.

ORDER AND AGREEMENT

22. Based on the foregoing factual and legal determinations, pursuant to its authority under §§25-8-602 and 605, C.R.S., and in satisfaction of the civil penalties associated with the alleged violations cited herein and in the NOV/CDO, the Division orders WPX to comply with all provisions of this Consent Order, including all requirements set forth below.

23. WPX agrees to the terms and conditions of this Consent Order. WPX agrees that this Consent Order constitutes a notice of alleged violation and an order issued pursuant to §§25-8-602 and 605, C.R.S. , and is an enforceable requirement of the Act. WPX also agrees not to challenge directly or collaterally, in any judicial or administrative proceeding brought by the Division or by WPX against the Division:

    a. The issuance of this Consent Order;
    b. The factual and legal determinations made by the Division herein; and
    c. The Division's authority to bring, or the court's jurisdiction to hear, any action to enforce the terms of this Consent Order under the Act.

24. Notwithstanding the above, WPX does not admit to any of the factual or legal determinations made by the Division herein, and any action undertaken by WPX pursuant to this Consent Order shall not constitute evidence of fault and liability by WPX with respect to the conditions of the Project. WPX expressly reserves its rights to deny any of the Division's factual or legal determinations or defend itself in any other third party proceeding relating to the information identified in this Consent Order.

CIVIL PENALTY

25. Based upon the factors set forth in §25-8-608(1), C.R.S., and consistent with Departmental policies for violations of the Act, WPX shall pay Ninety Nine Thousand Seven Hundred and Eleven Dollars ($99,711.00) in civil penalties. The Division intends to petition the Executive Director, or

his designee, to impose the Ninety Nine Thousand Seven Hundred and Eleven Dollar ($99,711.00) civil penalty for the above violations and WPX agrees to make the payment within thirty (30) calendar days of issuance of an Order for Civil Penalty by the Executive Director or his designee. Method of payment shall be by certified or cashier's check drawn to the order of the "Colorado Department of Public Health and Environment", and delivered to:

Andrea Beebout
Colorado Department of Public Health and Environment
Water Quality Control Division
Mail Code: WQCD-CWE-B2
4300 Cherry Creek Drive South
Denver, Colorado 80246-1530

SCOPE AND EFFECT OF CONSENT ORDER

26. The Parties agree and acknowledge that this Consent Order constitutes a full and final settlement of the civil penalties associated with the violations cited herein and in the NOV/CDO.

27. This Consent Order is subject to the Division's "Public Notification on Administrative Enforcement Actions Policy," which includes a thirty day public comment period. The Division and WPX each reserve the right to withdraw consent to this Consent Order if comments received during the thirty day period result in any proposed modification to the Consent Order.

28. This Consent Order constitutes a final agency order or action upon the date when the Executive Director or his designee imposes the civil penalty following the public comment period. Any violation of the provisions of this Consent Order by WPX, including any false certifications, shall be a violation of a final order or action of the Division for the purpose of §25-8-608, C.R.S., and may result in the assessment of civil penalties of up to ten thousand dollars per day for each day during which such violation occurs.

29. Notwithstanding paragraph 24 above, the violations described in this Consent Order will constitute part of WPX's compliance history.

LIMITATIONS, RELEASES AND RESERVATION OF RIGHTS AND LIABILITY

30. Upon the effective date of this Consent Order, and during its term, this Consent Order shall stand in lieu of any other enforcement action by the Division with respect to civil penalties for the specific instances of violations cited herein and in the NOV/CDO. The Division reserves the right to bring any action to enforce this Consent Order, including actions for penalties or the collection thereof, and/or injunctive relief.

31. This Consent Order does not grant any release of liability for any violations not specifically cited herein.

32. WPX reserves its rights and defenses regarding the Project other than proceedings to enforce this Consent Order.

33. Nothing in this Consent Order shall preclude the Division from imposing additional requirements necessary to protect human health or the environment and to effectuate the purposes of the

Consent Order. Nor shall anything in this Consent Order preclude the Division from imposing additional requirements in the event that additional information is discovered that indicates such requirements are necessary to protect human health or the environment.

34. WPX releases and covenants not to sue the State of Colorado or its employees, agents or representatives as to all common law or statutory claims or counterclaims or for any injuries or damages to persons or property resulting from acts or omissions of WPX, or those acting for or on behalf of WPX, including its officers, employees, agents, successors, representatives, contractors, consultants or attorneys in carrying out activities pursuant to this Consent Order. Nothing in this Consent Order shall constitute an express or implied waiver of immunity otherwise applicable to the State of Colorado, its employees, agents or representatives.

NOTICES

35. Unless otherwise specified, any report, notice or other communication required under the Consent Order shall be sent to:

For the Division:

Andrea Beebout
Colorado Department of Public Health and Environment
Water Quality Control Division
Mail Code: WQCD-CWE-B2
4300 Cherry Creek Drive South
Denver, Colorado 80246-1530
Telephone: 303-692-6498
E-mail: andrea.beebout@state.co.us

For WPX Energy Rocky Mountain, LLC

Tiffany Pollock
Vice President – Land
WPX Energy Rocky Mountain, LLC
% Terra Energy Partners, LLC
4828 Loop Central, Suite 900
Houston, TX 77081

cc: General Counsel (at address indicated above)

MODIFICATIONS

36. This Consent Order may be modified only upon mutual written agreement of the Parties.

NOTICE OF EFFECTIVE DATE

37. This Consent Order shall be fully effective, enforceable and constitute a final agency action upon the date when the Executive Director or his designee imposes the civil penalty following closure of the public comment period referenced in paragraph 27. If the penalty as described in this

Order is not imposed, or an alternate penalty is imposed, this Consent Order becomes null and void.

BINDING EFFECT AND AUTHORIZATION TO SIGN

38. This Consent Order is binding upon WPX and its corporate subsidiaries or parents, their officers, directors, employees, successors in interest, and assigns. The undersigned warrant that they are authorized to legally bind their respective principals to this Consent Order. In the event that a party does not sign this Consent Order within thirty (30) calendar days of the other party's signature, this Consent Order becomes null and void. This Consent Order may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Consent Order.

FOR WPX ENERGY ROCKY MOUNTAIN, LLC

Michael S. Land Date: April 19, 2016

Michael S. Land
CEO & President

FOR THE COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT:

Date: 4/28/16

Nicole Rowan, P.E.
Clean Water Program Manager
WATER QUALITY CONTROL DIVISION