

## Region 6 - Enforcement & Compliance Assurance Division

### INSPECTION REPORT

|                                        |                                                                                                                                                                                                             |                                  |
|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| Inspection Date(s):                    | 4/4/24                                                                                                                                                                                                      |                                  |
| Media Program:                         | Water (CWA)                                                                                                                                                                                                 |                                  |
| Regulatory Program(s)                  | Water (CWA) Brine Program (Oil & Gas inspection)                                                                                                                                                            |                                  |
| Company Name:                          | <b>ArklaTx Operating Co., Inc.</b>                                                                                                                                                                          |                                  |
| Facility Name:                         | <b>Elder CV Lease Tank Battery</b>                                                                                                                                                                          |                                  |
| Facility Physical Location:            | From Highway 7 North, thence Arkansas Highway 335, thence N Texas Rd, thence Hayes City Rd, thence Ouachita County Rd 68, thence Ouachita County Rd 511, off oil field lease road at 33.389652, -92.649391. |                                  |
| (city, state, zip code)                | Norphlet, AR 71759                                                                                                                                                                                          |                                  |
| Mailing address:                       | 706 Ouachita Road 72                                                                                                                                                                                        |                                  |
| (city, state, zip code)                | Smackover, AR 71762                                                                                                                                                                                         |                                  |
| County/Parish:                         | Ouachita County                                                                                                                                                                                             |                                  |
| Facility Phone Number                  | 870-725-3666                                                                                                                                                                                                |                                  |
| Facility Contact:                      | Larry L. Oswald (318-995-0502)                                                                                                                                                                              | Person Responsible for Operation |
|                                        | Rick V. Bauman (870-314-0807)                                                                                                                                                                               | Representative                   |
|                                        | <a href="mailto:rvbauman@yahoo.com">rvbauman@yahoo.com</a> (Rick V. Bauman)                                                                                                                                 |                                  |
| FRS Number:                            | N/A                                                                                                                                                                                                         |                                  |
| Identification/Permit Number:          | ARU002248                                                                                                                                                                                                   |                                  |
| Media Identifier Number:               | N/A                                                                                                                                                                                                         |                                  |
| NAICS:                                 | 211111                                                                                                                                                                                                      |                                  |
| SIC:                                   | 1311                                                                                                                                                                                                        |                                  |
| Personnel participating in inspection: |                                                                                                                                                                                                             |                                  |
| Kerri McCabe (lead)                    | EPA / Region 6 ECDW                                                                                                                                                                                         | Inspector / Enforcement Officer  |
|                                        |                                                                                                                                                                                                             |                                  |
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| EPA Lead Inspector<br>Signature/Date   |                                                                                                                                                                                                             |                                  |
|                                        | Kerri McCabe                                                                                                                                                                                                | Date                             |
| Supervisor<br>Signature/Date           |                                                                                                                                                                                                             |                                  |
|                                        | Jeanne Eckhart                                                                                                                                                                                              | Date                             |

## **Section I – INTRODUCTION**

### **PURPOSE OF THE INSPECTION**

EPA Region 6 Inspector Kerri McCabe (lead) arrived at the ArklaTx Operating Co., Inc. / Elder CV Lease Tank Battery, located from Highway 7 North, thence Arkansas Highway 335, thence N Texas Rd, thence Hayes City Rd, thence Ouachita County Rd 68, thence Ouachita County Rd 511, off oil field lease road at 33.389652, -92.649391.; at 1010 on 4/4/24 for an unannounced inspection. No facility representatives were present at the time of the inspection. The inspection was conducted by the authority of the Clean Water Act (CWA) to determine compliance with Environmental Protection Agency (EPA) regulations. There were no other federal, state, or local agency representatives present at the time of the inspection.

### **FACILITY DESCRIPTION**

EPA conducted an inspection on the ArklaTx Operating Co., Inc. / Elder CV Lease Tank Battery, which contains three (3) firewalls, one (1) oil-water separator, three (3) crude oil storage tanks, two (2) saltwater storage tanks, and one (1) saltwater disposal (SWD) well.

## **Section II - OBSERVATIONS**

I observed the facility sign, secondary containment, pipes and valves, and storage tanks located at the facility; see Appendix 1 (Photographs Log), Photo No. 1 through No. 2 and No. 6. For additional GPS location and photo metadata, see Appendix 1.

I observed loose oil inside the secondary containment for the crude oil storage firewall, see Photo No. 3 and No. 4.

I observed the sump pump used in the secondary containment for the crude oil storage firewall to route fluids back through the system, see Photo No. 5.

I observed a pipe at a saltwater storage tank with a closed valve with no cap with an active saltwater leak and salt crystals coating the opening of the pipe and forming on the ground, see Photo No. 7 and No. 8.

I observed the pump for the SWD well with an active leak of saltwater inside secondary containment, see Photo No. 9 and No. 10.

I observed the sump pump used in the secondary containment for the saltwater storage firewall to route fluids back through the system, see Photo No. 11.

I observed the transfer pipe through secondary containment for one of the saltwater storage firewalls without a catch bucket and the cap removed; residual saltwater was noted on the ground at the transfer pipe; see Photo No. 12 and No. 13.

I observed the SWD well located onsite to be connected and injecting from the system, see Photo No. 14.

### **Section III – AREAS OF CONCERN**

No closing conference was held due to no personnel with ArklaTx Operating Co., Inc. being present during the inspection. Areas of concern at the time of the inspection include the loose oil inside the secondary containment for crude oil storage, active leaks of saltwater at a pipe and a pump inside secondary containment for saltwater storage, a transfer pipe for saltwater without a catch bucket and a removed cap, and a residual spill of saltwater outside secondary containment.

### **Section IV – FOLLOW UP**

Inspector will conduct follow-up phone calls with the company representative(s) over the coming weeks and months to ensure areas of concern are properly addressed.

### **Section V – LIST OF APPENDICES**

Appendix 1 – Photograph Log – 14 photos taken 4/4/24.

## Appendix 1

### Photograph Log 14 Photos



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 1

Location: ArklaTx Operating Co., Inc. – Elder CV Lease Tank Battery from Ouachita County Rd 511 off oil field lease road at 33.389652, -92.649391.

City: Smackover

County/Parish: Ouachita

State: Arkansas



Photo File Name: P4020126

Orientation: SE

Date of Photo: 04/04/2024

Time of Photo: 1027

Latitude: 33.389678

Longitude: -92.649287

Photographer: Kerri McCabe

Description: Looking SE, this photo showed the signage at the facility.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 2

Location: ArklaTx Operating Co., Inc. – Elder CV Lease Tank Battery from Ouachita County Rd 511 off oil field lease road at 33.389652, -92.649391.

City: Smackover

County/Parish: Ouachita

State: Arkansas



**Photo File Name:** P4020127

**Orientation:** SE

**Date of Photo:** 04/04/2024

**Time of Photo:** 1027

**Latitude:** 33.389721

**Longitude:** -92.649199

**Photographer:** Kerri McCabe

**Description:** Looking SE, this photo showed an overview of the main tank battery; three (3) tank batteries onsite.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 3

|                                                                                                                                                    |                         |                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-----------------|
| Location: ArklaTx Operating Co., Inc. – Elder CV Lease Tank Battery from Ouachita County Rd 511 off oil field lease road at 33.389652, -92.649391. |                         |                 |
| City: Smackover                                                                                                                                    | County/Parish: Ouachita | State: Arkansas |



**Photo File Name:** P4020128

**Orientation:** SE

**Date of Photo:** 04/04/2024

**Time of Photo:** 1028

**Latitude:** 33.389644

**Longitude:** -92.649210

**Photographer:** Kerri McCabe

**Description:** Looking SE, this photo showed loose oil inside the secondary containment (at the front) for the main tank battery.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 4

Location: ArklaTx Operating Co., Inc. – Elder CV Lease Tank Battery from Ouachita County Rd 511 off oil field lease road at 33.389652, -92.649391.

City: Smackover

County/Parish: Ouachita

State: Arkansas



**Photo File Name:** P4020129

**Orientation:** SE

**Date of Photo:** 04/04/2024

**Time of Photo:** 1028

**Latitude:** 33.389568

**Longitude:** -92.649195

**Photographer:** Kerri McCabe

**Description:** Looking SE, this photo showed loose oil inside the secondary containment (at the back) for the main tank battery.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

## Photograph Log

Photo No. 5

Location: ArklaTx Operating Co., Inc. – Elder CV Lease Tank Battery from Ouachita County Rd 511 off oil field lease road at 33.389652, -92.649391.

City: Smackover

County/Parish: Ouachita

State: Arkansas



**Photo File Name:** P4020130

**Orientation:** NW

**Date of Photo:** 04/04/2024

**Time of Photo:** 1029

**Latitude:** 33.389545

**Longitude:** -92.649363

**Photographer:** Kerri McCabe

**Description:** Looking NW, this photo showed a sump pump installed inside the secondary containment for the main tank battery to route fluids back into the system.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 6

|                                                                                                                                                    |                         |                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-----------------|
| Location: ArklaTx Operating Co., Inc. – Elder CV Lease Tank Battery from Ouachita County Rd 511 off oil field lease road at 33.389652, -92.649391. |                         |                 |
| City: Smackover                                                                                                                                    | County/Parish: Ouachita | State: Arkansas |



**Photo File Name:** P4020132

**Orientation:** E-NE

**Date of Photo:** 04/04/2024

**Time of Photo:** 1030

**Latitude:** 33.389545

**Longitude:** -92.649363

**Photographer:** Kerri McCabe

**Description:** Looking E-NE, this photo showed an overview of the other two (2) tank batteries onsite.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 7

Location: ArklaTx Operating Co., Inc. – Elder CV Lease Tank Battery from Ouachita County Rd 511 off oil field lease road at 33.389652, -92.649391.

City: Smackover

County/Parish: Ouachita

State: Arkansas



**Photo File Name:** P4020134

**Orientation:** E-NE

**Date of Photo:** 04/04/2024

**Time of Photo:** 1032

**Latitude:** 33.389710

**Longitude:** -92.649636

**Photographer:** Kerri McCabe

**Description:** Looking E-NE, this photo showed an active leak from a storage tank pipe inside the secondary containment from the middle tank battery; I noted salt crystals around pipe and on the ground.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 8

|                                                                                                                                                    |                         |                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-----------------|
| Location: ArklaTx Operating Co., Inc. – Elder CV Lease Tank Battery from Ouachita County Rd 511 off oil field lease road at 33.389652, -92.649391. |                         |                 |
| City: Smackover                                                                                                                                    | County/Parish: Ouachita | State: Arkansas |



**Photo File Name:** P4020135

**Orientation:** N-NE

**Date of Photo:** 04/04/2024

**Time of Photo:** 1032

**Latitude:** 33.389710

**Longitude:** -92.649636

**Photographer:** Kerri McCabe

**Description:** Looking N-NE, this photo showed a closeup of the active leak from a storage tank pipe from Photo No. 7.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 9

Location: ArklaTx Operating Co., Inc. – Elder CV Lease Tank Battery from Ouachita County Rd 511 off oil field lease road at 33.389652, -92.649391.

City: Smackover

County/Parish: Ouachita

State: Arkansas



**Photo File Name:** P4020136

**Orientation:** W-SW

**Date of Photo:** 04/04/2024

**Time of Photo:** 1032

**Latitude:** 33.389767

**Longitude:** -92.649609

**Photographer:** Kerri McCabe

**Description:** Looking W-SW, this photo showed a pump connected to the storage tank inside secondary containment for the middle tank battery; pump line routed to the saltwater disposal (SWD) well.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 10

Location: ArklaTx Operating Co., Inc. – Elder CV Lease Tank Battery from Ouachita County Rd 511 off oil field lease road at 33.389652, -92.649391.

City: Smackover

County/Parish: Ouachita

State: Arkansas



Photo File Name: P4020138

Orientation: SE

Date of Photo: 04/04/2024

Time of Photo: 1033

Latitude: 33.389767

Longitude: -92.649609

Photographer: Kerri McCabe

Description: Looking SE, this photo showed an active leak at the pump in Photo No. 9.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 11

Location: ArklaTx Operating Co., Inc. – Elder CV Lease Tank Battery from Ouachita County Rd 511 off oil field lease road at 33.389652, -92.649391.

City: Smackover

County/Parish: Ouachita

State: Arkansas



**Photo File Name:** P4020137

**Orientation:** E-NE

**Date of Photo:** 04/04/2024

**Time of Photo:** 1033

**Latitude:** 33.389801

**Longitude:** -92.649688

**Photographer:** Kerri McCabe

**Description:** Looking E-NE, this photo showed a sump pump installed inside the secondary containment for the middle tank battery; I noted staining and salt crystals on the ground.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 12

Location: ArklaTx Operating Co., Inc. – Elder CV Lease Tank Battery from Ouachita County Rd 511 off oil field lease road at 33.389652, -92.649391.

City: Smackover

County/Parish: Ouachita

State: Arkansas



**Photo File Name:** P4020139

**Orientation:** E-SE

**Date of Photo:** 04/04/2024

**Time of Photo:** 1034

**Latitude:** 33.389717

**Longitude:** -92.649438

**Photographer:** Kerri McCabe

**Description:** Looking E-SE, this photo showed a transfer pipe connected to the storage tank in the middle tank battery without a cap on the pipe; I noted the valve was closed.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

## Photograph Log

Photo No. 13

|                                                                                                                                                    |                         |                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-----------------|
| Location: ArklaTx Operating Co., Inc. – Elder CV Lease Tank Battery from Ouachita County Rd 511 off oil field lease road at 33.389652, -92.649391. |                         |                 |
| City: Smackover                                                                                                                                    | County/Parish: Ouachita | State: Arkansas |



**Photo File Name:** P4020140

**Orientation:** S-SE

**Date of Photo:** 04/04/2024

**Time of Photo:** 1034

**Latitude:** 33.389717

**Longitude:** -92.649438

**Photographer:** Kerri McCabe

**Description:** Looking S-SE, this photo showed a recent release from the transfer pipe in Photo No. 12.; I noted flow indicators and damp sand (darker color).



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 14

Location: ArklaTx Operating Co., Inc. – Elder CV Lease Tank Battery from Ouachita County Rd 511 off oil field lease road at 33.389652, -92.649391.

City: Smackover

County/Parish: Ouachita

State: Arkansas



Photo File Name: P4020142

Orientation: W-NW

Date of Photo: 04/04/2024

Time of Photo: 1035

Latitude: 33.390074

Longitude: -92.649803

Photographer: Kerri McCabe

Description: Looking W-NW, this photo showed the Elder #15 SWD well utilized at the facility.