



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS, TEXAS 75202-2733

AR 2 1 2018

CERTIFIED MAIL-RETURN RECEIPT REQUESTED: 7014 0150 0000 2454 2865

James D. Sinclair, Owner
Sinclair Operating Company, LLC
1056 Crain City Road
El Dorado, AR 71730

Re: Cease and Desist Administrative Order; Docket Number: CWA-06-2018-1768
Facility Number: ARU001223

Dear Mr. Sinclair:

Enclosed is an Administrative Order (AO) issued to Sinclair Operating Company, LLC, for violation of the Clean Water Act (CWA) (33 U.S.C. § 1251 *et seq.*). The violation was identified during a February 8, 2018 inspection, conducted by the Environmental Protection Agency, Region 6 (EPA), of your oil and gas production facility known as the Bo Gregory Tank Battery, located in the Southwest Quarter of Section 10, Township 17 South, Range 14 West, Union County, Arkansas. The violation alleged is for the unauthorized discharge of a pollutant, specifically produced wastewater, to a water of the United States.

Effective upon receipt of this AO, you shall immediately cease and desist all discharges of pollutants into the tributary of Mill Creek and comply with all provisions set forth in the enclosed AO. This AO also requires submission of information to confirm compliance with the AO and to prevent future discharges of pollutants.

EPA is committed to ensuring compliance with the requirements of the CWA and my staff will assist you in any way possible. If you have any questions, please contact Dr. Jack Arias, of my staff, at (214) 665-6434.

Sincerely,

A handwritten signature in black ink, appearing to read "Cheryl", followed by a long horizontal line.

Cheryl T. Seager
Director
Compliance Assurance and
Enforcement Division

Enclosure

Re: Sinclair Operating Company, LLC
Administrative Order

cc: Mr. Gary Looney
Assistant Director
State of Arkansas Oil and Gas Commission
El Dorado Regional Office
2215 W. Hillsboro St.
El Dorado, AR 71730

cc: Ms. Ellen Carpenter, Manager
ADEQ Water Division
5301 Northshore Drive
North Little Rock, AR 72118-5317

U.S. ENVIRONMENTAL PROTECTION AGENCY - REGION 6
FINDINGS OF VIOLATION AND COMPLIANCE ORDER

In the Matter of Sinclair Operating Company, LLC (Respondent)
Docket Number: CWA-06-2018-1768, Facility Number: ARU001223

STATUTORY AUTHORITY

The following findings are made, and Order issued, under the authority vested in the Administrator of the United States Environmental Protection Agency ("EPA"), by Section 309(a) of the Clean Water Act ("the Act"), 33 U.S.C. § 1319(a). The Administrator delegated the authority to issue this Order to the Regional Administrator of EPA Region 6, who delegated such authority to the Director of the Compliance Assurance and Enforcement Division.

FINDINGS

1. Sinclair Operating Company, LLC ("Respondent") is a "person," as defined by Section 502(5) of the Act, 33 U.S.C. § 1362(5).

2. At all times relevant to the violation alleged herein ("relevant time period"), Respondent owned and operated an oil field disposal and production facility known as the Bo Gregory Tank Battery, located in the Southwest Quarter of Section 10, Township 17 South, Range 14 West, Union County, Arkansas ("facility"), designated as Facility Number ARU001223.

3. Pumps, pipes, hoses, flow lines, vents, disposal storage tanks, and associated devices located at the facility acted as "point sources," as defined by Section 502(14) of the Act, 33 U.S.C. § 1362(14).

4. At all times relevant, the facility acted as a "point source" of a "discharge" of "pollutant[s]", specifically oil field brine and produced wastewater generated from oil production activities, to a tributary of Mill Creek which is considered a "water of the United States."

5. At no time during the relevant time period did Respondent have National Pollutant Discharge Elimination System permit coverage under the Act which authorized the discharge of a pollutant from the facility to waters of the United States.

6. On February 8, 2018, EPA observed that oil field brine and produced wastewater had been discharged from the facility. The inspector determined that the water located at the discharge point of entry into the tributary of Mill Creek (Latitude 33.252558 N and Longitude -92.538237 W) was contaminated from brine discharges and measured 41,495 parts-per-million Total Dissolved Solids ("TDS").

7. During the relevant time period, it was unlawful under Section 301(a) of the Act, 33 U.S.C. § 1311(a), for any person to discharge a pollutant from a point source to a water of the United States without a permit issued under Section 402 of the Act, 33 U.S.C. § 1342.

SECTION 309(a)(3) COMPLIANCE ORDER

8. Based on these findings and pursuant to the authority of Section 309(a)(3) of the Act, 33 U.S.C. § 1319(a)(3), EPA orders Respondent to take the following actions immediately upon receipt of this Order:

a. Any continued discharge of pollutants is unauthorized and must cease immediately;

b. Remove all pollutants from the flow paths located between the point of discharge and the point of entry into the tributary of Mill Creek; and

c. Remove sufficient amounts of pollutants from the tributary of Mill Creek, which were discharged from the facility on or about February 8, 2018, so that the TDS in the tributary downstream of the discharge is at or below background TDS levels.¹

d. Within thirty (30) days of the effective date of this Order, Respondent shall provide a written certification including photographs, in-stream salinity, conductivity, and total dissolved solids measurements, manifests, work orders, and/or receipts to document how discharges and the removal of pollutants have been properly addressed. Please verify in the certification that the company name, mailing address and name of the authorized signatory for the company are correct.

e. Within thirty (30) days of the effective date of this Order, Respondent shall develop and submit to EPA a Pollution Prevention Plan to prevent similar occurrences.

All correspondence should be addressed to:

Dr. Jack Arias (6EN-WR)
U.S. EPA, Region 6
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733

GENERAL PROVISIONS

Respondent may seek federal judicial review of the Order pursuant to Chapter 7 of the Administrative Procedure Act, 5 U.S.C. §§ 701-706.

Issuance of this Section 309(a)(3) Compliance Order shall not be deemed an election by EPA to waive any administrative, judicial, civil, or criminal action to seek penalties, fines, or other relief under the Act for the violation alleged herein or other violations which may become known to EPA. EPA reserves the right to seek any remedy available under the law which it deems appropriate.

Failure to comply with this Section 309(a)(3) Compliance Order or the Act may result in the initiation of an administrative penalty action by EPA or a civil judicial penalty action by the U.S. Department of Justice.

Compliance with this Order does not relieve Respondent of its obligation to comply with all applicable federal, state, and local laws.

The effective date of this Order is the date it is received by Respondent.

3/21/18

Date



Cheryl T. Seager
Director
Compliance Assurance and
Enforcement Division

¹ Compliance with this paragraph of the Order will be achieved after completing the required removal actions and once the total dissolved solids (TDS) measured values, sampled by using an approved method, such as a calibrated conductivity meter, at a point upstream of the point of entry and at a point downstream of the point of entry are relatively similar demonstrating that the stream is no longer affected by the pollutant.