

Region 6 - Enforcement & Compliance Assurance Division
INSPECTION REPORT

Inspection Date(s):	11/08/2024	
Media Program:	Water (CWA)	
Regulatory Program(s)	Water (CWA) Brine Program (Oil & Gas inspection)	
Company Name:	SMI Operating Company, LLC	
Facility Name:	E Gregory #5 Tank Battery	
Facility Physical Location:	In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.247317, -92.536617.	
(city, state, zip code)	El Dorado, AR, 71730	
Mailing address:	190 Vestal Loop	
(city, state, zip code)	Strong, AR 71765	
County/Parish:	Union County	
Facility Phone Number	870-951-0136	
Facility Contact:	Jacob Agerton	Owner / Operator
	agertonjay@icloud.com	
FRS Number:	N/A	
Identification/Permit Number:	ARU002262	
Media Identifier Number:	N/A	
NAICS:	211111	
SIC:	1311	
Personnel participating in inspection:		
Kerri McCabe (lead)	EPA / Region 6 ECDW	Inspector / Enforcement Officer
EPA Lead Inspector Signature/Date		
	Kerri McCabe	Date
Supervisor Signature/Date		
	Jeanne Eckhart	Date

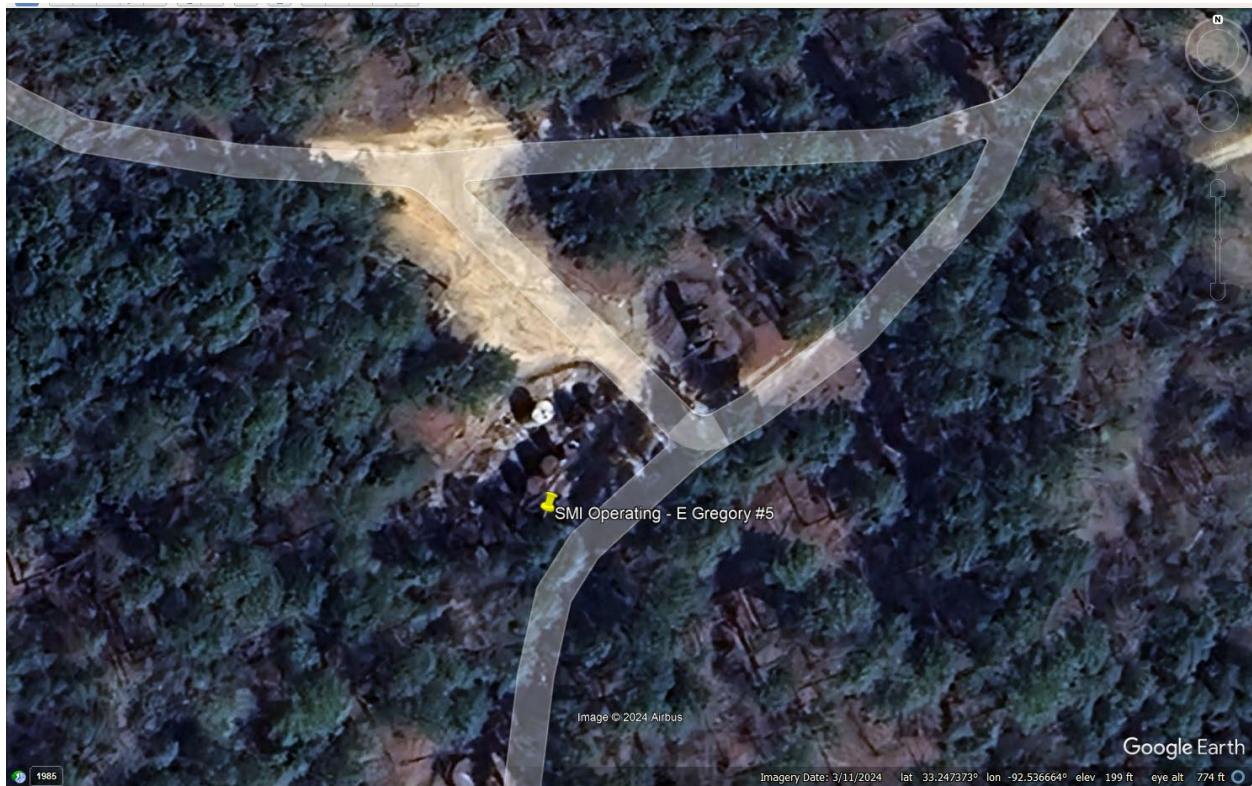
Section I – INTRODUCTION

PURPOSE OF THE INSPECTION

EPA Region 6 inspector Kerri McCabe (lead) arrived at the SMI Operating Company, LLC / E Gregory #5 Tank Battery, located from Highway 63 E, then Armer Rd, left onto an oil lease road at 33.247317, -92.536617; at 1230 on 11/08/2024 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 SMI Operating Company, LLC / E Gregory #5 Tank Battery, which contained six (6) storage/separation tanks for crude oil and saltwater and one (1) oil production well (out of service). Signage on one of the tanks inside secondary containment was marked with “Pacific-Atlantic Oil Company.” Communication with Mr. Glen Owen, Inspector Supervisor with AOGC, on 11/12/2024 confirmed that the facility had been sold to SMI Operating Company, LLC.



Map 1. Aerial imagery (Google Earth dated 03/11/2024) of the SMI Operating Company, LLC / E Gregory #5 Tank Battery.

Section II - OBSERVATIONS

I observed the SMI Operating Company, LLC / E Gregory #5 Tank Battery facility and associated secondary containment, storage tanks, treaters/separators, and production well; see Appendix 1 (Photographs Log), see Photos No. 1 and No. 2. For additional GPS location and photo metadata, see Appendix 1.

I observed loose oil and active leaks inside the secondary containment, see Photos No. 3 through No. 6.

I observed an open hatch for one storage tank, see Photos No. 7 and No. 8.

I observed active leaks and pools of saltwater inside the secondary containment with flow indicators directed towards the drainpipes, see Photos No. 9 through No. 12.

I observed evidence of releases of crude oil and saltwater from two drainpipes for the secondary containment, see Photos No. 13 through No. 18. Both drainpipes were closed with either a shutoff valve or a cap during the inspection.

I observed the loading lines and catchment buckets outside secondary containment, see Photos No. 19 and No. 20.

Section III – AREAS OF CONCERN

No closing conference was held due to no personnel with SMI Operating Company, LLC being present during the inspection. Mr. Jacob Agerton, contact on file with AOGC, was contacted via email on 11/12/2024 regarding the inspections of related facilities owned/operated by SMI Operating Company, LLC. Areas of concern at the time of the inspection include the following:

- No updated signage at the facility,
- Open hatch on one of the tanks,
- Active leaks of crude oil and loose oil inside secondary containment,
- Active leaks and pools of saltwater inside secondary containment,
- Releases of residual crude oil and saltwater from the drainpipes for secondary containment, and
- A missing cap for one of the drainpipes for secondary containment.

Section IV – FOLLOW UP

Inspector will conduct follow-up phone calls and emails 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 – 20 photos taken 11/08/2024.

Appendix 1

Photograph Log 20 Photos



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 1

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.247317, -92.536617.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0326

Orientation: N

Date of Photo: 11/08/2024

Time of Photo: 1255

Latitude: 33.247467

Longitude: -92.536950

Photographer: Kerri McCabe

Description: Looking N, this photo shows a production well associated with the facility.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 2

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.247317, -92.536617.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0327

Orientation: WSW

Date of Photo: 11/08/2024

Time of Photo: 1256

Latitude: 33.247317

Longitude: -92.536617

Photographer: Kerri McCabe

Description: Looking WSW, this photo shows an overview of the facility.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 3

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.247317, -92.536617.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0328

Orientation: SSW

Date of Photo: 11/08/2024

Time of Photo: 1256

Latitude: 33.247317

Longitude: -92.536633

Photographer: Kerri McCabe

Description: Looking SSW, this photo shows the front of the tank battery at the loading lines.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 4

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.247317, -92.536617.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0329

Orientation: S

Date of Photo: 11/08/2024

Time of Photo: 1257

Latitude: 33.247355

Longitude: -92.536679

Photographer: Kerri McCabe

Description: Looking S, this photo shows loose oil inside secondary containment.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 5

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.247317, -92.536617.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0330

Orientation: NE

Date of Photo: 11/08/2024

Time of Photo: 1257

Latitude: 33.247333

Longitude: -92.536867

Photographer: Kerri McCabe

Description: Looking NE, this photo shows loose oil inside secondary containment.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 6

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.247317, -92.536617.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0331

Orientation: SE

Date of Photo: 11/08/2024

Time of Photo: 1257

Latitude: 33.247300

Longitude: -92.536850

Photographer: Kerri McCabe

Description: Looking SE, this photo shows loose oil and pooled saltwater inside the secondary containment.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 7

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.247317, -92.536617.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0332

Orientation: ESE

Date of Photo: 11/08/2024

Time of Photo: 1257

Latitude: 33.247309

Longitude: -92.536850

Photographer: Kerri McCabe

Description: Looking ESE, this photo shows loose oil and pooled saltwater inside secondary containment and one (1) tank with an open hatch.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 8

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.247317, -92.536617.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0333

Orientation: ESE

Date of Photo: 11/08/2024

Time of Photo: 1258

Latitude: 33.247306

Longitude: -92.536850

Photographer: Kerri McCabe

Description: Looking ESE, this photo shows a closeup of the tank with an open hatch and pipe inside secondary containment.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 9

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.247317, -92.536617.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0334

Orientation: E

Date of Photo: 11/08/2024

Time of Photo: 1258

Latitude: 33.247267

Longitude: -92.536883

Photographer: Kerri McCabe

Description: Looking E, this photo shows saltwater pooled below a tank inside secondary containment; there was a gap under the tank bottom.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 10

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.247317, -92.536617.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0335

Orientation: SE

Date of Photo: 11/08/2024

Time of Photo: 1258

Latitude: 33.247267

Longitude: -92.536883

Photographer: Kerri McCabe

Description: Looking SE, this photo shows high-level marks and flow indicators for crude oil and saltwater inside secondary containment that was directed toward the drainpipe.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 11

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.247317, -92.536617.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0336

Orientation: ESE

Date of Photo: 11/08/2024

Time of Photo: 1258

Latitude: 33.247260

Longitude: -92.536883

Photographer: Kerri McCabe

Description: Looking ESE, this photo shows a closeup of the drainpipe with loose oil and pooled saltwater noted in the area.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 12

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.247317, -92.536617.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0337

Orientation: ESE

Date of Photo: 11/08/2024

Time of Photo: 1258

Latitude: 33.247259

Longitude: -92.536874

Photographer: Kerri McCabe

Description: Looking ESE, this photo shows an additional view of the drainpipe for secondary containment.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 13

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.247317, -92.536617.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0338

Orientation: WSW

Date of Photo: 11/08/2024

Time of Photo: 1258

Latitude: 33.247219

Longitude: -92.536930

Photographer: Kerri McCabe

Description: Looking WSW, this photo shows residual loose oil and pooled saltwater with flow indicators downstream of the drainpipe for secondary containment.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 14

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.247317, -92.536617.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0339

Orientation: E

Date of Photo: 11/08/2024

Time of Photo: 1258

Latitude: 33.247198

Longitude: -92.536924

Photographer: Kerri McCabe

Description: Looking E, this photo shows one of the drainpipes for secondary containment with a closed valve but no cap with residual loose oil and pooled saltwater downstream of the pipe.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 15

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.247317, -92.536617.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0340

Orientation: NE

Date of Photo: 11/08/2024

Time of Photo: 1259

Latitude: 33.247150

Longitude: -92.537017

Photographer: Kerri McCabe

Description: Looking NE, this photo shows one of the drainpipes for secondary containment with a closed valve but no cap (upstream view).



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 16

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.247317, -92.536617.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0341

Orientation: WNW

Date of Photo: 11/08/2024

Time of Photo: 1259

Latitude: 33.247167

Longitude: -92.537000

Photographer: Kerri McCabe

Description: Looking WNW, this photo shows residual loose oil and flow indicators downstream of the drainpipe for secondary containment.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 17

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.247317, -92.536617.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0342

Orientation: E

Date of Photo: 11/08/2024

Time of Photo: 1259

Latitude: 33.247182

Longitude: -92.536938

Photographer: Kerri McCabe

Description: Looking E, this photo shows another drainpipe with a cap for the secondary containment with residual loose oil and flow indicators downstream of the pipe.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 18

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.247317, -92.536617.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0343

Orientation: E

Date of Photo: 11/08/2024

Time of Photo: 1259

Latitude: 33.247100

Longitude: -92.536800

Photographer: Kerri McCabe

Description: Looking E, this photo shows a closeup of the drainpipe from Photo No. 17.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 19

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.247317, -92.536617.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0344

Orientation: NE

Date of Photo: 11/08/2024

Time of Photo: 1259

Latitude: 33.247100

Longitude: -92.536814

Photographer: Kerri McCabe

Description: Looking NE, this photo shows loose oil inside secondary containment (front view).



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 20

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.247317, -92.536617.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0345

Orientation: NE

Date of Photo: 11/08/2024

Time of Photo: 1300

Latitude: 33.247133

Longitude: -92.536783

Photographer: Kerri McCabe

Description: Looking NE, this photo shows catchment buckets at the loading lines from crude oil storage.