



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 6
1201 ELM STREET, SUITE 500
DALLAS, TEXAS 75270-2102

December 8, 2021

TRANSMITTED VIA EMAIL

Michael E. McCauley, General Operations Manager
Arena Offshore, LP
2103 Research Forest Drive, Suite 200
The Woodlands, Texas 77380
mmccauley@arenaoffshore.com

Re: Administrative Order, Docket Number: CWA-06-2022-1711
NPDES Permit: GMG290269

Dear Mr. McCauley:

Enclosed is an Administrative Order (AO) issued by the United States Environmental Protection Agency, Region 6 (EPA) to Arena Offshore, LP (Arena) for violations of the Clean Water Act, 33 U.S.C. §§ 1251-1387. This AO requires Arena to comply with the provisions set forth in the attached AO for violations identified during a review of effluent Discharge Monitoring Reports from October 1, 2019 to October 15, 2021. EPA requests that you immediately confirm receipt of this e-mail and the attached AO by a response e-mail to woods.kayla@epa.gov.

This AO does not assess a monetary penalty; however, it does require compliance with applicable federal regulations. The first compliance deadline is within thirty days of receipt of this AO. EPA is committed to ensuring compliance with the requirements of the National Pollutant Discharge Elimination System (NPDES) program, and my staff will assist you in any way possible. Please reference AO Docket Number CWA-06-2021-1711 and NPDES Permit Number GMG290269 in your response.

EPA acknowledges that the COVID-19 pandemic may impact your business and operations. If this is the case, please contact us regarding any specific issues you need to discuss. If you need additional time to respond to this AO or if you have any questions relating to this AO, please contact Ms. Kayla Woods of my staff, at (214) 665-6482.

Sincerely,

Cheryl T. Seager, Director
Enforcement and
Compliance Assurance Division

ec: T.J. Broussard, Regional Environmental Officer
t.j.broussard@bsee.gov



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

In the Matter of: Arena Offshore, LP

Docket No.: CWA-06-2022-1711 NPDES No.: GMG290269

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 of EPA delegated the authority to issue this Order to the Regional Administrator of EPA Region 6, who further delegated this authority to the Director of the Enforcement and Compliance Assurance Division.

FINDINGS

1. Arena Offshore, LP (Respondent) is a "person," as that term is defined at Section 502(5) of the Act, 33 U.S.C. § 1362(5), and 40 C.F.R. § 122.2.
2. At all times relevant to this Order, Respondent owned or operated offshore oil and gas production and/or exploration facilities located in the Central and Western Portions of the Gulf of Mexico in the Outer Continental Shelf (facilities), and is, therefore, an "owner or operator" within the meaning of 40 C.F.R. § 122.2. The mailing address for Respondent is 2103 Research Forest Drive, Suite 200, The Woodlands, Texas, 77380.
3. At all relevant times, the facilities are considered "point sources" of "discharges" of "pollutants" to the receiving waters of the Gulf of Mexico, which is considered a "water of the United States" within the meaning of Section 502(12) and (14) of the Act, 33 U.S.C. § 1362(12), (14), and 40 C.F.R. § 122.2.
4. Because Respondent owns or operates facilities that act as point sources of discharges of pollutants to a water of the United States, Respondent and the facilities are subject to the Act and the National Pollutant Discharge Elimination System (NPDES) program.
5. Under Section 301 of the Act, 33 U.S.C. § 1311, it is unlawful for any person to discharge any pollutant from a point source to waters of the United States, except with the authorization of, and in compliance with, a NPDES permit issued pursuant to Section 402 of the Act, 33 U.S.C. § 1342.
6. Section 402(a) of the Act, 33 U.S.C. § 1342(a), provides that the Administrator of EPA may issue permits under the NPDES program for the discharge of pollutants from point sources to waters of the United States. Any such discharge is subject to specific terms and conditions prescribed in the applicable permit.
7. Pursuant to Section 402(a) of the Act, 33 U.S.C. § 1342(a), EPA issued the "Final NPDES General Permit for New and Existing Sources and New Dischargers in the Offshore Subcategory of the Oil and Gas Extraction Category for the Western Portion of the Outer Continental Shelf of the Gulf of Mexico" (GMG290000) (permit), which was reissued and took effect in its current form on October 1, 2017, 77 Fed. Reg. 61605. The permit authorizes discharges from new sources, existing sources, and new dischargers in the Offshore Subcategory of the Oil and Gas Extraction Point Source Category (40 C.F.R. Part 435, Subpart A) by operators of lease blocks located in Federal Waters of the Central and Western Portions of the Gulf of Mexico. The permit does not authorize discharges from facilities located in, or discharging to, the territorial seas of Louisiana or Texas or from facilities defined as "coastal," "onshore," or "stripper" (40 C.F.R. Part 435, Subparts C, D, and E). The permit does, however, authorize the discharge of produced water to the Central and Western portions of Federal Waters of the Gulf of Mexico from wells located in lease blocks, and is available on the Internet at https://www.epa.gov/sites/production/files/2017-09/documents/2017_final_gp_for_fr_091817.pdf
8. Part I.B of the permit places certain limitations on the quality and quantity of effluent discharges by Respondent. Effluent limitations, prohibitions, and monitoring requirements are listed in Table 1 of Appendix F.
9. Part I of the permit requires Respondent to sample and test its effluent and monitor compliance with permit conditions according to specific procedures in order to determine the facilities' compliance or noncompliance with the permit and applicable regulations. Part II.D of the permit requires Respondent to file with EPA certified Discharge Monitoring Reports (DMRs) of the results of monitoring, and Noncompliance Reports when appropriate.

10. A DMR file review was conducted by EPA for the monitoring period of October 1, 2019 to October 15, 2021. The certified DMRs filed by Respondent with EPA show discharges of pollutants from the facilities that exceed the permitted effluent limitations as specified in Part I.B.1. through 12 of the permit.

11. Permit violations included multiple exceedances of the effluent limitations of produced water and deck drainage established in Part I.B of the permit, such as oil and grease tests and free oil. The DMRs showed multiple violations which are specified in Attachment A, which is incorporated herein by reference, for permitted features (0048-DD, 0049-DD, 0059-DD, 0126-DD, 0132-PR, 0148-DD, 0186-DD, 0195-PR, 0201-DD and 0201-PR).

12. Each instance in which Respondent discharged pollutants to waters of the United States in amounts exceeding the effluent limitations contained in the permit, is a violation of the permit and Section 301 of the Act, 33 U.S.C. § 1311.

SECTION 309(a)(3) COMPLIANCE ORDER

13. Based on the foregoing Findings and pursuant to the authority of Section 309(a)(3) of the Act, EPA hereby orders Respondent to take the following action:

A. Within thirty (30) days of the effective date of this Order, Respondent shall take such steps as necessary to comply with the effluent limitation provisions of the permit.

B. Within thirty (30) days of the effective date of this Order, Respondent must certify compliance with the terms and conditions of the permit for violations in Attachment A.

C. Within thirty (30) days of the effective date of this Order, Respondent shall provide EPA with a list of all mechanical, management and operational deficiencies and a narrative describing the specific actions taken to correct all violations cited in this Order.

D. In the event Respondent believes complete correction of the violations cited herein is not possible within thirty (30) days of the effective date of this Order, Respondent shall submit a comprehensive written plan for the mitigation of the cited violations within the shortest possible time. Such plan shall describe in detail the specific corrective actions to be taken and why such actions are sufficient to correct the violations. The plan shall include a detailed schedule for the mitigation of the violations within the shortest possible time, as well as measures to prevent these similar violations from reoccurring. Any approved compliance schedule will be incorporated and reissued in a future administrative order.

E. If you have questions or comment on this matter, please contact Kayla Woods of my staff, at (214) 665-6482.

F. Any information or correspondence submitted by Respondent to EPA under this Order shall be addressed or emailed to the following:

Ms. Kayla Woods
Water Enforcement Branch (ECDWE)
EPA, Region 6
1201 Elm Street, Suite 500
Dallas, TX 75270
woods.kayla@epa.gov

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, which states the scope of such review.

Issuance of this Section 309(a)(3) Compliance Order shall not be deemed an election by EPA to forego any administrative or judicial, civil or criminal action to seek penalties, fines, or any other relief appropriate under the Act for the violations cited herein, or other violations that become known. EPA reserves the right to seek any remedy available under the law that it deems appropriate. Failure to comply with this Section 309(a)(3) Compliance Order or the Act can result in further administrative action, or a civil judicial action initiated by the United States Department of Justice.

This Order does not constitute a waiver or modification of the terms or conditions of Respondent's NPDES permit which remain in full force and effect.

Compliance with the terms and conditions of this Order does not relieve Respondent of its obligations to comply with any applicable federal, state, or local law or regulation.

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

December 8, 2021

Date

Cheryl T. Seager, Director
Enforcement and
Compliance Assurance Division

Docket Number: CWA-06-2022-1711

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ATTACHMENT A

NPDES ID(s): GMG290269
State: GM
Major/Minor Indicator: Minor
Violation Date: 10/01/2019 - 10/15/2021
Violation Type(s): Effluent Violation

Environmental Protection Agency
Integrated Compliance Information System (ICIS)
Effluent Violations Report
GMG290269

Created Date: 09/15/2010
Refresh Date: 10/15/2021
Report Version 1.5, Modified: 1/4/2017

Permittee Name:	ARENA OFFSHORE, LP	Primary SIC Code:	1311	Permit Issued:	10/01/2017
Permittee Address:	2103 RESEARCH FOREST DRIVE, SUITE 200 THE WOODLANDS, TX 77380	Primary SIC Desc:	Crude Petroleum And Natural Gas	Permit Effective:	10/01/2017
		Primary NAICS Code:		Permit Expired:	09/30/2022
		Primary NAICS Desc:		Permit Status:	Effective
Major/Minor Indicator:	Minor	Cognizant Official:	MICHAEL E. McCAULEY, CEO		
Compliance Track. Status:	On	Cognizant Offcl. Ph.:	281-210-3114		
DMR Non Receipt Flag:	On	Receiving Body:			
RNC Tracking Flag:	On				

Facility Information

Facility Name:	ARENA OFFSHORE, LP	County:	Montgomery	FRS ID:	110038060273
Facility Location:	2103 RESEARCH FOREST DRIVE, SUITE 200 THE WOODLANDS, TX 77380	Region:	06	Federal Facility Ownership:	
		State-Region:		Type of Ownership:	

ICIS Effluent Violations

Violation Code	Monitoring Period End Date	Monitoring Period	Limit Set	Lease Area/Block	Parameter	Mon. Loc.	Value Type/ Stat. Base	Reported Value/Units	Limit Value/ Units
E90	06/30/2021	From 04/01/2021 to 06/30/2021	0126-DD	South Timbalier-151	82597 - Deck drainage, free oil	1	C3 QTRTOTAL	3 d	<= d
E90	06/30/2021	From 04/01/2021 to 06/30/2021	0195-PR	Eugene Island-238	82599 - Produced water, oil and grease	1	C3 DAILY MX	48.4 mg/l	<=42 mg/l
E90	03/31/2021	From 01/01/2021 to 03/31/2021	0048-DD	Eugene Island, South Addition-314	82597 - Deck drainage, free oil	1	C3 QTRTOTAL	1 d	<= d
E90	03/31/2021	From 01/01/2021 to 03/31/2021	0049-DD	Eugene Island, South Addition-314	82597 - Deck drainage, free oil	1	C3 QTRTOTAL	1 d	<= d
E90	03/31/2021	From 01/01/2021 to 03/31/2021	0148-DD	South Timbalier-151	82597 - Deck drainage, free oil	1	C3 QTRTOTAL	1 d	<= d
E90	03/31/2021	From 01/01/2021 to 03/31/2021	0186-DD	South Timbalier-52	82597 - Deck drainage, free oil	1	C3 QTRTOTAL	1 d	<= d
E90	03/31/2021	From 01/01/2021 to 03/31/2021	0201-DD	Eugene Island-252	82597 - Deck drainage, free oil	1	C3 QTRTOTAL	1 d	<= d
E90	12/31/2020	From 10/01/2020 to 12/31/2020	0059-DD	Eugene Island-182	82597 - Deck drainage, free oil	1	C3 QTRTOTAL	4 d	<= d

DMR Non-Receipt Violations: Asterisks around a NODI Code (e.g. **X**) indicate the NODI code will not automatically resolve RNC.
Schedule Violations: Schedule Type P - Permit, A - Administrative, J - Judicial

ATTACHMENT A

NPDES ID(s): GMG290269
State: GM
Major/Minor Indicator: Minor
Violation Date: 10/01/2019 - 10/15/2021
Violation Type(s): Effluent Violation

Environmental Protection Agency
Integrated Compliance Information System (ICIS)
Effluent Violations Report
GMG290269

Created Date: 09/15/2010
Refresh Date: 10/15/2021
Report Version 1.5, Modified: 1/4/2017

ICIS Effluent Violations

Violation Code	Monitoring Period End Date	Monitoring Period	Limit Set	Lease Area/Block	Parameter	Mon. Loc.	Value Type/ Stat. Base	Reported Value/Units	Limit Value/ Units
E90	09/30/2020	From 07/01/2020 to 09/30/2020	0201-PR	Eugene Island-252	82599 - Produced water, oil and grease	1	C3 DAILY MX	92.3 mg/l	<=42 mg/l
E90	03/31/2020	From 01/01/2020 to 03/31/2020	0132-PR	Eugene Island, South Addition-341	82599 - Produced water, oil and grease	1	C3 DAILY MX	48.1 mg/l	<=42 mg/l