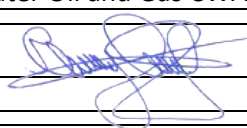


**Region 6 Compliance Assurance and Enforcement Division
INSPECTION REPORT**

Inspection Date(s):	02/12/2015		
Media:	CWA (Water)		
Regulatory Program(s)	NPDES - BRINE		
Company Name:	Lutex Oil, Ltd		
Facility Name:	Lutex Oil, Ltd		
Facility Physical Location:	Highway 183 (29.687336N, -97.643366W)		
(city, state, zip code)	Luling, TX 78648		
Mailing address:	P.O. Box 549		
(city, state, zip code)	Luling, TX 78648		
County/Parish:	Caldwell		
Facility Contact:	Mr. Lloyd L. Tiller		
FRS Number:	N/A		
Identification/Permit Number:	TXU011033		
Media Number:	N/A		
NAICS:			
SIC:			
Facility Representatives:	Mr. Lloyd L. Tiller		512-738-1427
EPA Inspectors:	Jack Arias	6EN-WR	214-665-8164
	Matthew Rudolph	6EN-WR	214-665-6434
State Inspector(s):			
Other Inspector(s):			
Metadata	Title:	Lutex Oil Ltd. Luling Caldwell Texas	
	Author:	US EPA Region 6 Compliance Assurance and Enforcement Division Dallas TX	
	Subject:	Inspection Report Clean Water Act (CWA) Brine Discharge	
	Keywords:	Brine Produced Water Oil and Gas CWA	
EPA Lead Inspector			5/5/15
Signature/Date			Date
	Jack A. Arias		
Supervisor			
Signature/Date			Date
	Willie Lane, Jr.		

Section I - INTRODUCTION

PURPOSE OF THE INSPECTION

The purpose of the inspection was to determine if the facility complied with Section 301 of the Clean Water Act (CWA), and to identify and document discharges to waters of the United States. The Inspection was conducted under the authority of Section 308 of the CWA.

FACILITY DESCRIPTION

The facility is known as the Lutex Oil Ltd. and is located north of Luling in Caldwell County, Texas (Photo 1). The facility is located on an oil and gas lease at Latitude 29.687336N and Longitude -97.643366W (photo 1). The lease consists of production wells, injection wells, vessels, flow lines, collection points, and other equipment used for the production of crude oil and natural gas. Production wells produce a mixture of produced water and crude oil (well fluids). Flow lines are used to transport well fluids to various locations on the lease. Collection points known as tank batteries consist of various tanks, vessels, and equipment used to separated and store the produced water and crude oil. At the facility there are 400-barrel tanks surrounded by soil containment walls. Produced water is typically high in salts, commonly known as oil field brine. The crude oil is sold for profit and the produced water and/or brine is transported to and disposed of in various injection wells.

Section II – OBSERVATIONS

When we arrived at this facility on February 12, 2015, I noticed that some battery tanks were surrounded with vegetation and the containing walls around the tanks were small and improperly constructed. We drove around the facility area and observed flow paths of fluids, flow lines on the ground, PVC and polypipe lines going into the pond and creek (photos 2, 6, 9, 11, 13, 17). We found that the Salt Branch creek flows through the facility (Photo 1 and 2). At Latitude: 29.687265N and Longitude: -97.639825W, we observed a rusted flow line going into Salt Branch Creek (photo 2). We measured the Total Dissolve Salt (TSS) and obtained a reading of 3,500 ppm TSS (photo 2). We did not observed aquatic life, and found dead vegetation and foam formations. Next to the road, there was an illegal dumping notice located 5 feet from Salt Branch Creek (photo 4). At Latitude: 29.687572N and Longitude: -97.641376W in Salt Branch Creek, we found a polypipe line going into the creek and observed foam formations floating on the water (photos 5 and 6). The Total Dissolve Salt (TSS) was 4,100 ppm. We did not observed aquatic life (photo 6). The polypipe is located approximately 70 feet from Cora Malone Lease, Well#12 RRC#02936 (photo 8). At Latitude: 29.687460N and Longitude:-97.642541W, we found a PVC pipe going into Salt Branch Creek (photos 11 and 13). We measured the Total Soluble Salts (TSS) and obtained a lecture of 9,000 ppm TSS (photo 12). This PVC Pipe is located approximately 114 feet south from the Lutex Oil Ltd. Cora Malone Lease, Well#3 RRC#02936 (photo 10). At Latitude: 29.687296N and Longitude: -97.643079W, we found foam formations and oil residues floating on Salt Branch Creek (photo 14). We measured the Total Soluble Salts and obtained a lecture of 10,500 ppm TSS (photo 15). This point is approximately 150 feet south of the Lutex Oil Ltd. Cora Malone Lease, Well#3 RRC#02936. At Latitude: 29.687336N and Longitude: -97.643366W, there was an indication of a pipeline placed in Salt Branch creek (photos 17 and 19). The pipe showed alternated holes that may allow discharge of produced water into the creek (photo 19). We measured the Total Soluble Salts and obtained a lecture of 11,200 ppm TSS (photo 18). This point is approximately 221 feet southeast of the Lutex Oil Ltd. M. Merriwether Lease, Well#4 RRC#01504 (photo

16). We collected background data. We went upstream 1,900 feet of Salt Branch Creek and measured Total Soluble Salts and obtained a lecture of 300 ppm TSS (photo 21). It was an indication of fresh water. We chose another point 547 feet north from salt branch creek and measured the Total Soluble Salts and obtained a lecture of 200 ppm TSS (photo 20).

Section III – AREAS OF CONCERN

Rusted pipes, PVC pipes, Poly pipes, perforated pipes, and high concentrations of fluids in Salt Branch creek are a concern at this facility. The containing wall and placing of flow lines are not being properly managed.

Section IV – FOLLOW UP

Discuss inspection report with management to determine follow up.

Section V – LIST OF APPENDICES

Appendix 1 – Photo Log – 16 photos taken 2/12/15

Appendix 2 – USGS topographical map

Appendix 1

Photograph Log



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 1

Location: Lutex Oil Ltd.		
City: Luling, TX	County/Parish: Caldwell	State: Texas



Photo File Name: Facility Map

Date of Photo: NA

Latitude: N 29.687336 (Red Point)

Longitude: W -97.643366 (Red point)

Time of Photo: NA

Author: Jack Arias

Description: Layout of Lutex Oil Ltd. Orange point indicates the highest salinity concentration of 11,200 parts-per-million (ppm) Total Soluble Salts (TSS) that was observed in Salt Creek. Blue points indicates back ground salinity for Salt Branch Creek in relation to the facility data (200 and 300 ppm TSS). Yellow indicates the TSS concentrations observed along Salt Branch Creek (between 3,500 to 10,500 ppm TSS).



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 2

Location: Lutex Oil Ltd.		
City: Luling, TX	County/Parish: Caldwell	State: Texas



Photo File Name: DSCF2544.JPG

Date of Photos: 2/12/2015

Time of Photos: 10:21 am

Latitude: N 29.687265

Longitude: W -97.639825

Orientation: Facing west

Map Datum: WGS-84

Photographer: Jack Arias

Description: We are standing on CR 128 and looking to the west at Salt Branch Creek. Overview of the Salt Branch Creek showing a rusted flow line in the creek. At this location we determined the Total Soluble Salt (TSS) of Salt Branch Creek to be 3,500 parts-per-million (ppm) TSS. I did not observe aquatic life and found dead vegetation.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 3

Location: Lutex Oil Ltd.		
City: Luling, TX	County/Parish: Caldwell	State: Texas



Photo File Name: DSCF2543.JPG

Date of Photos: 2/12/2015

Time of Photos: 10:21 am

Latitude: N 29.687265

Longitude: W -97.639825

Orientation: Facing west

Map Datum: WGS-84

Photographer: Jack Arias

Description: We are standing on CR 128 and looking to the west at Salt Branch Creek. At this location we determined the Total Soluble Salt (TSS) of Salt Branch Creek to be 3,500 parts-per-million (ppm) TSS.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 4

Location: Lutex Oil Ltd.		
City: Luling, TX	County/Parish: Caldwell	State: Texas



Photo File Name: DSCF2545.JPG

Date of Photo: 2/12/2015

Time of Photo: 10:23 am

Latitude: N 29.687246

Longitude: W -97.639762

Orientation: Facing Northeast

Map Datum: WGS-84

Photographer: Jack Arias

Description: Enlarged view of an illegal dumping notice located 5 feet from Salt Branch Creek.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 5

Location: Lutex Oil Ltd.		
City: Luling, TX	County/Parish: Caldwell	State: Texas



Photo File Name: DSCF2546.JPG

Date of Photos: 2/12/2015

Time of Photos: 10:28 am

Latitude: N 29.687345

Longitude: W -97.639970

Orientation: Facing east

Map Datum: WGS-84

Photographer: Jack Arias

Description: North side of the creek. Looking east with CR 128. An overview of Salt Branch Creek showing dead vegetation and foam formations. The Total Soluble Salts (TSS) reading was 3,500 ppm. I did not observe aquatic life.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 6

Location: Lutex Oil Ltd.		
City: Luling, TX	County/Parish: Caldwell	State: Texas



Photo File Name: DSCF2548.JPG

Date of Photo: 2/12/2015

Time of Photos: 10:34 am

Latitude: N 29.687572

Longitude: W -97.641376

Orientation: Facing east

Map Datum: WGS-84

Photographer: Jack Arias

Description: Overview of Salt Branch Creek showing a polypipe line going into the creek and foam and algae formations. The Total Soluble Salt (TSS) reading was 4,100 ppm. I did not observe aquatic life.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 7

Location: Lutex Oil Ltd.		
City: Luling, TX	County/Parish: Caldwell	State: Texas



Photo File Name: DSCF2547.JPG

Date of Photo: 2/12/2015

Time of Photos: 10:34 am

Latitude: N 29.687572

Longitude: W -97.641376

Orientation: Facing east

Map Datum: WGS-84

Photographer: Jack Arias

Description: The Total Dissolve Salt (TSS) reading was 4,100 ppm.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 8

Location: Lutex Oil Ltd.		
City: Luling, TX	County/Parish: Caldwell	State: Texas



Photo File Name: DSCF2549.JPG

Date of Photo: 2/12/2015

Time of Photos: 10:36 am

Latitude: N 29.687757

Longitude: W -97.641292

Orientation: Facing east

Map Datum: WGS-84

Photographer: Jack Arias

Description: Overview of the Lutex Oil Ltd. Cora Malone Lease, Well#12 RRC#02936. This well is approximately 70 feet north from Salt Branch Creek. It was operating at time of inspection.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 9

Location: Lutex Oil Ltd.		
City: Luling, TX	County/Parish: Caldwell	State: Texas



Photo File Name: DSCF2550.JPG

Date of Photo: 2/12/2015

Time of Photos: 10:38 am

Latitude: N 29.687572

Longitude: W -97.641376

Orientation: Facing south

Map Datum: WGS-84

Photographer: Jack Arias

Description: Overview of Salt branch creek showing a polypipe going into the creek (see photo 6). It is located approximately 70 feet south from Cora Malone Lease, Well#12 RRC#02936.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 10

Location: Lutex Oil Ltd.		
City: Luling, TX	County/Parish: Caldwell	State: Texas



Photo File Name: DSCF2551.JPG

Date of Photo: 2/12/2015

Time of Photos: 10:38 am

Latitude: N 29.687772

Longitude: W -97.642623

Orientation: Facing North

Map Datum: WGS-84

Photographer: Jack Arias

Description: Overview of the Lutex Oil Ltd. Cora Malone Lease, Well#3 RRC#02936. This well is approximately 120 feet north from Salt Branch Creek.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 11

Location: Lutex Oil Ltd.		
City: Luling, TX	County/Parish: Caldwell	State: Texas



Photo File Names: DSCF2552

Date of Photos: 2/12/2015

Time of Photos: 10:42 am; 10:44 am

Latitude: N 29.687460

Longitude: W -97.642541

Orientation: Facing east

Map Datum: WGS-84

Photographer: Jack Arias

Description: Part 1, overview of a PVC pipe going into the Salt branch Creek. I measured the Total Soluble Salts (TSS) and obtained a measurement of 9,000 ppm TSS. This PVC Pipe is going into corroded pipe and is located approximately 114 feet south from the Lutex Oil Ltd. Cora Malone Lease, Well#3 RRC#02936.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 12

Location: Lutex Oil Ltd.		
City: Luling, TX	County/Parish: Caldwell	State: Texas



Photo File Names: DSCF2554.JPG

Date of Photos: 2/12/2015

Time of Photos: 10:44 am

Latitude: N 29.687460

Longitude: W -97.642541

Orientation: Facing east

Map Datum: WGS-84

Photographer: Jack Arias

Description: Part 2, Total Soluble Salts (TSS) measurement was 9,000 ppm TSS.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 13

Location: Lutex Oil Ltd.		
City: Luling, TX	County/Parish: Caldwell	State: Texas



Photo File Name: DSCF2553.JPG

Date of Photos: 2/12/2015

Time of Photos: 10:42 am

Latitude: N 29.687460

Longitude: W -97.642541

Orientation: Facing east

Map Datum: WGS-84

Photographer: Jack Arias

Description: Part 3, overview of a PVC pipe going into the Salt branch Creek (see photo 11). I measured the Total Soluble Salts (TSS) and obtained a reading of 9,000 ppm TSS. This PVC Pipe is located approximately 114 feet south from the Lutex Oil Ltd. Cora Malone Lease, Well#3 RRC#02936.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 14

Location: Lutex Oil Ltd.		
City: Luling, TX	County/Parish: Caldwell	State: Texas



Photo File Name: DSCF2557.JPG

Date of Photo: 2/12/2015

Time of Photos: 10:52 am

Latitude: N 29.687296

Longitude: W -97.643079

Orientation: Facing south

Map Datum: WGS-84

Photographer: Jack Arias

Description: North side of banck looking south. Overview of foam formations and oil residues floating on Salt Branch Creek. I measured the Total Soluble Salts and obtained a reading of 10,500 ppm TSS. This point is approximately 150 feet south of the Lutex Oil Ltd. Cora Malone Lease, Well#3 RRC#02936.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 15

Location: Lutex Oil Ltd.		
City: Luling, TX	County/Parish: Caldwell	State: Texas



Photo File Name: DSCF2556.JPG

Date of Photo: 2/12/2015

Time of Photos: 10:52 am

Latitude: N 29.687296

Longitude: W -97.643079

Orientation: Facing south

Map Datum: WGS-84

Photographer: Jack Arias

Description: Total Soluble Salts obtained a reading of 10,500 ppm TSS. This point is approximately 150 feet south of the Lutex Oil Ltd. Cora Malone Lease, Well#3 RRC#02936



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 16

Location: Lutex Oil Ltd.		
City: Luling, TX	County/Parish: Caldwell	State: Texas



Photo File Name: DSCF2567.JPG

Date of Photo: Date of Photo: 2/12/2015

Time of Photos: 11:54 am

Latitude: N 29.687429

Longitude: W -97.644061

Orientation: Facing North

Map Datum: WGS-84

Photographer: Jack Arias

Description: Overview of the Lutex Oil Ltd. M. Merriwether Lease, Well#4 RRC#01504. This well is approximately 108 feet North from Salt Branch Creek.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 17

Location: Lutex Oil Ltd.		
City: Luling, TX	County/Parish: Caldwell	State: Texas



Photo File Name: DSCF2566.JPG

Date of Photos: 2/12/2015

Time of Photos: 11:51 am

Latitude: N 29.687336

Longitude: W -97.643366

Orientation: Facing south

Map Datum: WGS-84

Photographer: Jack Arias

Description: I observed a perforated pipe line placed under water in Salt Branch creek. (See photo 19) Pipe showed alternated holes that may allow discharge of produced water into the creek. We were unable to determine what the pipe was connected to. We determined and measured the Total Soluble Salts of 11,200 ppm TSS at this location. This location is approximately 221 feet southeast of the Lutex Oil Ltd. M. Merriwether Lease, Well#4 RRC#01504. This location is also where we observed the highest TSS reading in Salt Branch Creek.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 18

Location: Lutex Oil Ltd.		
City: Luling, TX	County/Parish: Caldwell	State: Texas



Photo File Name: DSCF2563.JPG

Date of Photos: 2/12/2015

Time of Photos: 11:46 am

Latitude: N 29.687336

Longitude: W -97.643366

Orientation: Facing south

Map Datum: WGS-84

Photographer: Jack Arias

Description: Total Soluble Salts was 11,200 ppm TSS. This location is approximately 221 feet southeast of the Lutex Oil Ltd. M. Merriwether Lease, Well#4 RRC#01504. This location is also where we observed the highest TSS reading in Salt Branch Creek.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 19

Location: Lutex Oil Ltd.		
City: Luling, TX	County/Parish: Caldwell	State: Texas



Photo File Name: DSCF2564.JPG

Date of Photo: Date of Photo: 2/12/2015

Time of Photo: 11:46 am

Latitude: N 29.687336

Longitude: W -97.643366

Orientation: Facing south

Map Datum: WGS-84

Photographer: Jack Arias

Description: Closeup of the perforated pipe from Photo 17. Most of the pipe was submerged under water.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 20

Location: Lutex Oil Ltd.		
City: Luling, TX	County/Parish: Caldwell	State: Texas

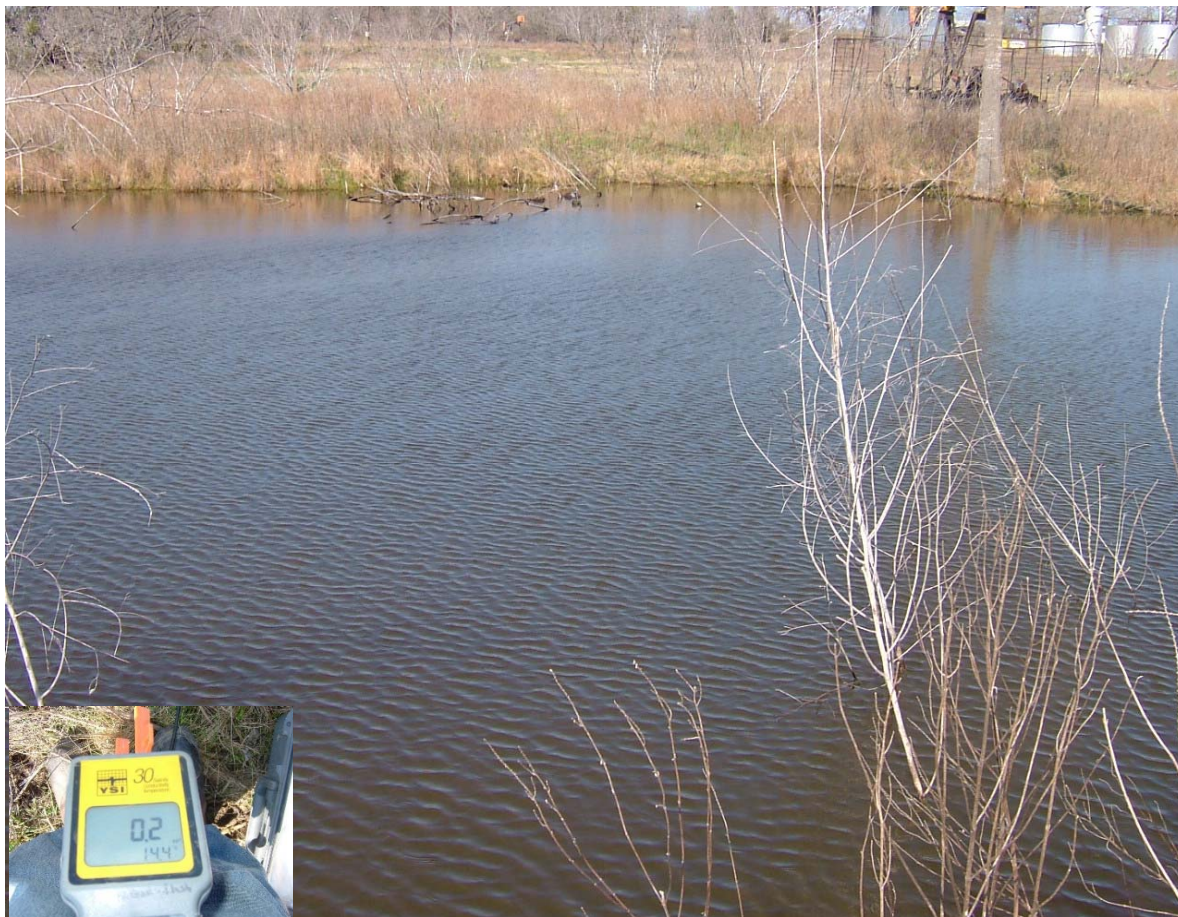


Photo File Name: DSCF2560.JPG; DSCF2559.JPG

Date of Photos: 2/12/2015

Time of photos: 11:13 am

Latitude: N 29.688856

Longitude: W -97.642918

Orientation: Facing west

Map Datum: WGS-84

Photographer: Jack Arias

Description: Background information. Indication of fresh water near Salt Branch creek. This is a pond located approximately 550 feet north and up-gradient of Salt Branch Creek. We determined the salinity in this pond to be 200 ppm TSS.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 21

Location: Lutex Oil Ltd.		
City: Luling, TX	County/Parish: Caldwell	State: Texas



Photo File Names: DSCF2562.JPG; DSCF2561.JPG

Date of Photos: 2/12/2015

Time of Photos: 11:32 am

Latitude: N 29.687075

Longitude: W -97.648460

Orientation: Facing east

Map Datum: WGS-84

Photographer: Jack Arias

Description: This photo is of Salt Branch Creek approximately 1,645 feet (a third of a mile) upstream of where we observed the highest salinity concentration of 11,200 ppm TSS. At this location we determined the salinity (Total Soluble Salts) of Salt Branch to be 300 ppm TSS.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 22

Location: Lutex Oil Ltd.		
City: Luling, TX	County/Parish: Caldwell	State: Texas

Appendix 2

Photograph Log



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 1

Location: Lutex Oil Ltd.		
City: Luling, TX	County/Parish: Caldwell	State: Texas



USGS Aerial map showing tributary of Salt branch. Blue line is an indication of relative permanence. Point Source elevation 358 ft. Elevation is between 350 and 370 ft. Background is between 200 and 300 ppm. Elevations demonstrated downstream flow of produced water (brine fluids) towards Salt Branch.

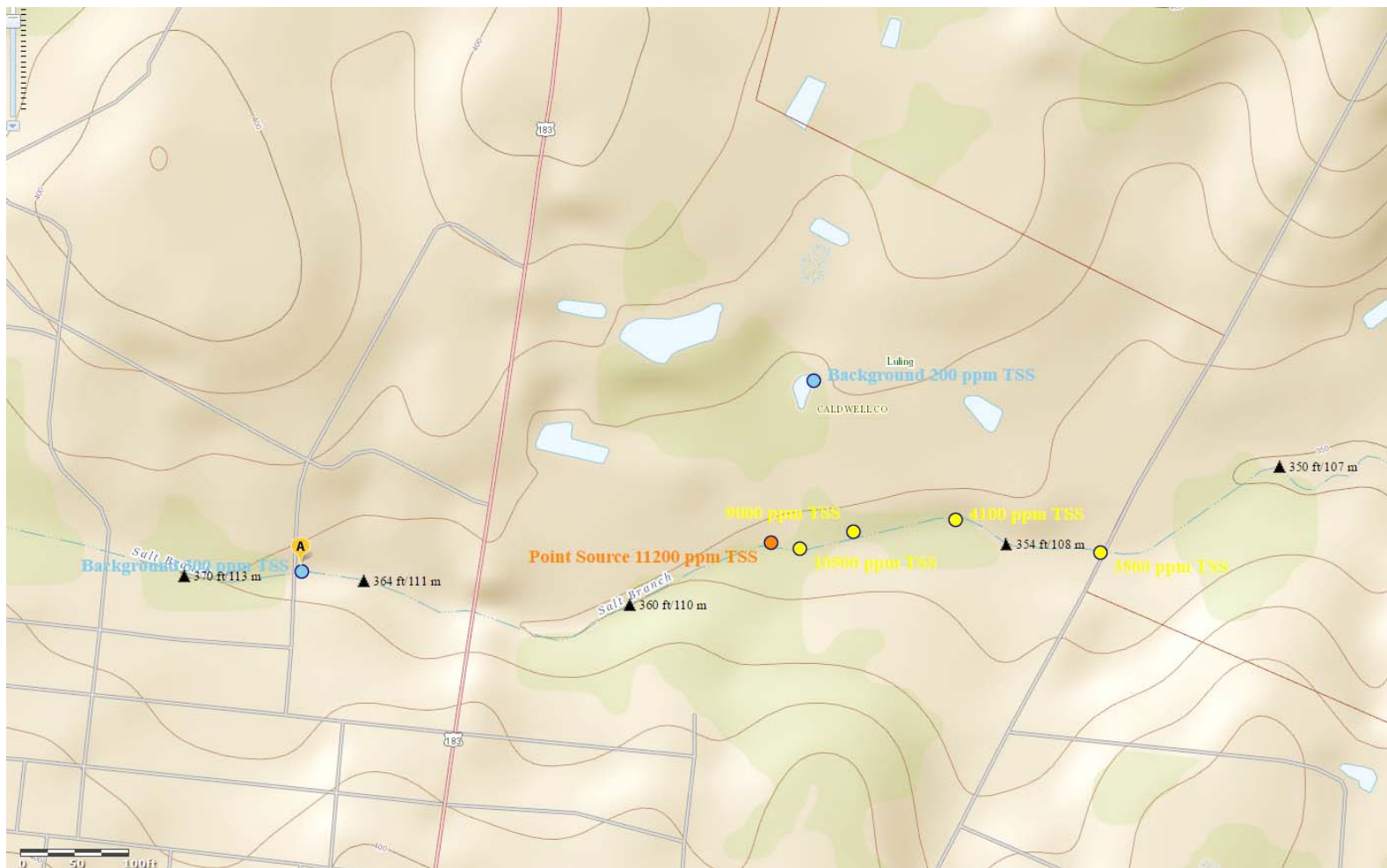


UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 2

Location: Lutex Oil Ltd.		
City: Luling, TX	County/Parish: Caldwell	State: Texas



USGS Topo Map showing tributary of Salt branch. Blue line is an indication of relative permanence. Point Source elevation 358 ft. Elevation is between 350 and 370 ft. Background is between 200 and 300 ppm. Elevations demonstrated downstream flow of produced water (brine fluids) towards Salt Branch.

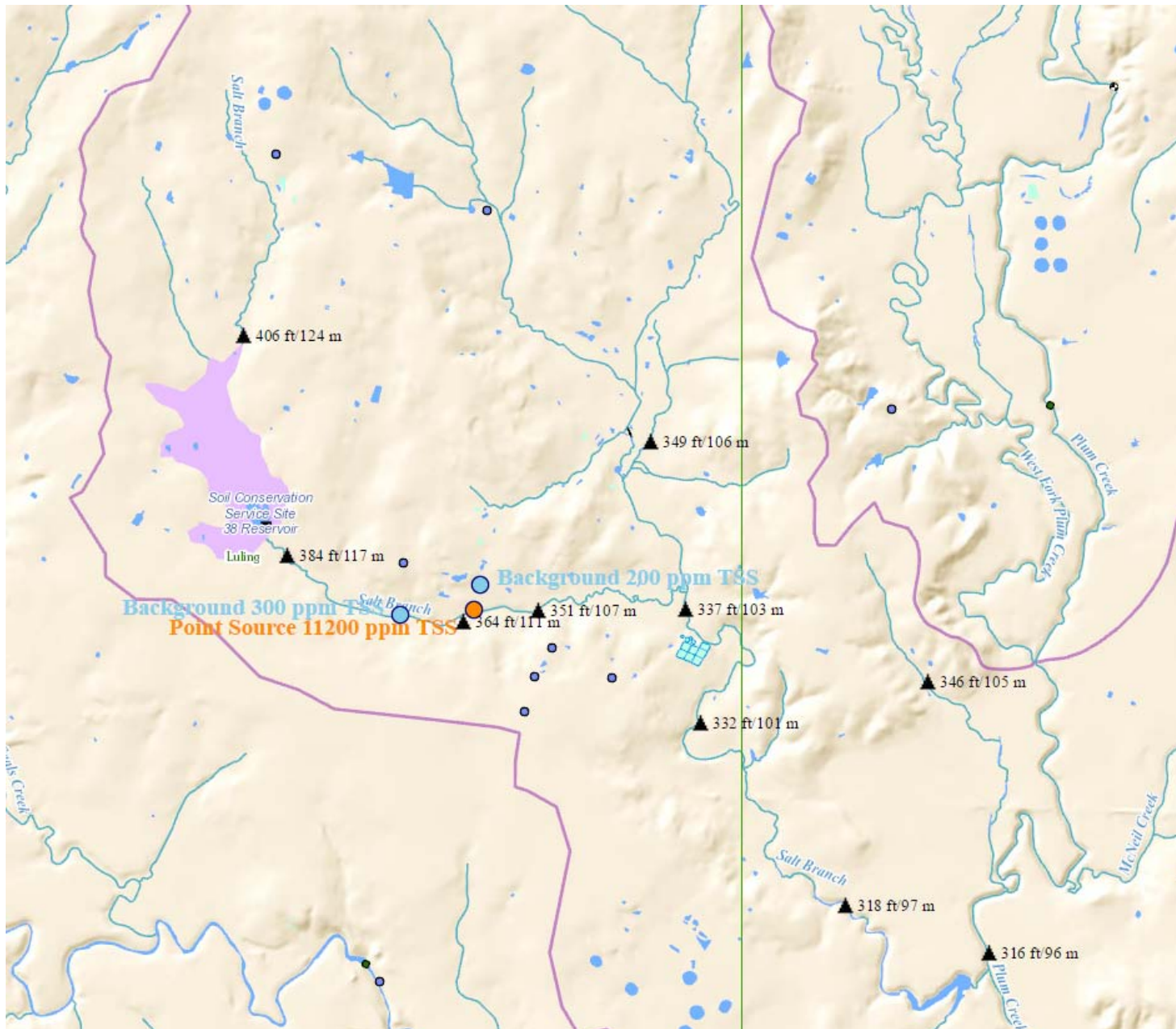


UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 3

Location: Lutex Oil Ltd.		
City: Luling, TX	County/Parish: Caldwell	State: Texas



USGS Hydro-NHD Map showing hydrologic connection of tributary of Salt Branch to Salt Branch and Plum Creek. Blue line is an indication of relative permanence. Point Source of contamination is 11,200 ppm with an elevation of 364 ft. Background is between 200 and 300 ppm. Elevations demonstrated downstream flow of produced water (brine fluids) towards Salt Branch and Plum Creek.