

Region 6 - Enforcement & Compliance Assurance Division

INSPECTION REPORT

Inspection Date(s):	01/30/2025	
Media Program:	Water (CWA)	
Regulatory Program(s)	Water (CWA) Brine Program (Oil & Gas inspection)	
Company Name:	SMI Operating Company, LLC	
Facility Name:	Gregory, JD (B-5) SWD Tank Battery	
Facility Physical Location:	In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.245615, -92.536701.	
(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 agertonjay@icloud.com	Owner / Operator
FRS Number:	N/A	
Identification/Permit Number:	ARU002280	
Media Identifier Number:	N/A	
NAICS:	211111	
SIC:	1311	
Personnel participating in inspection:		
Kerri McCabe (lead)	EPA / Region 6 ECDW	Inspector / Enforcement Officer
Michael Blaha	EPA / Region 6 ECDW	Inspector / Enforcement Officer
EPA Lead Inspector Signature/Date		
	Kerri McCabe	Date
Supervisor Signature/Date		
	Jeanne Eckhart	Date

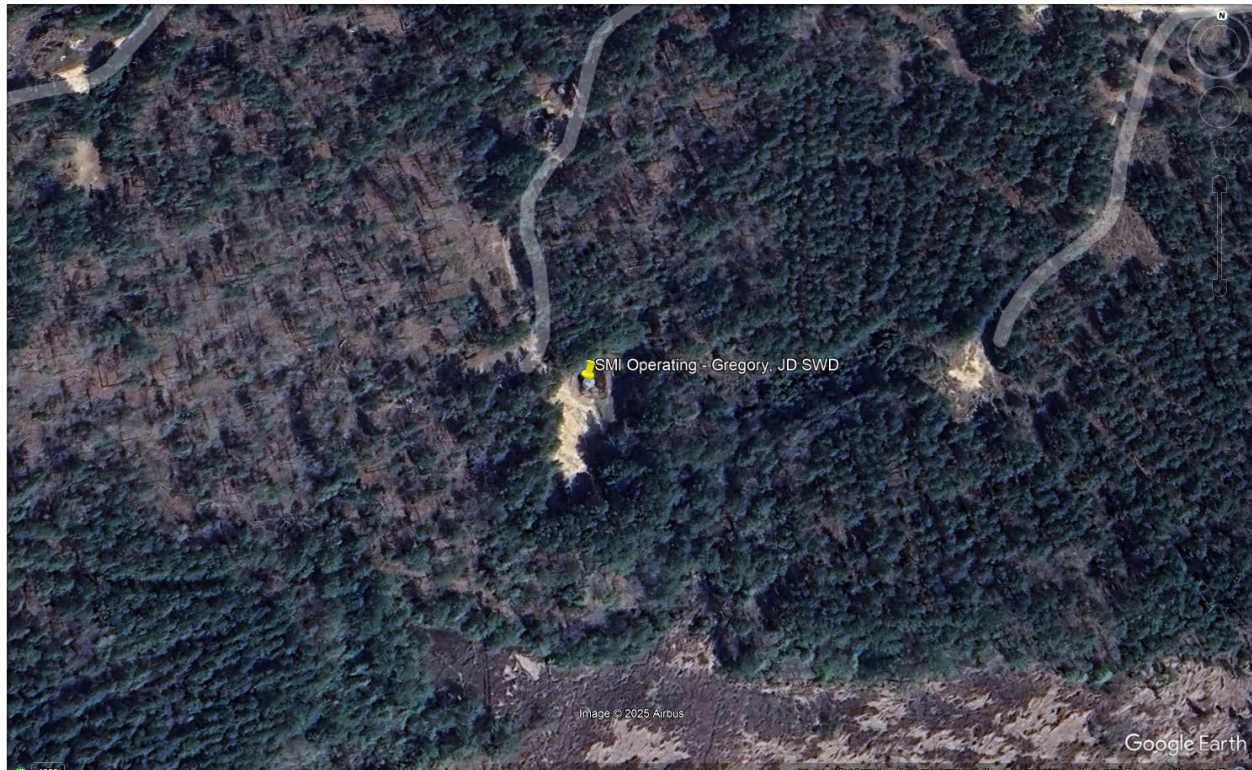
Section I – INTRODUCTION

PURPOSE OF THE INSPECTION

EPA Region 6 inspectors Kerri McCabe (lead) and Michael Blaha arrived at the SMI Operating Company, LLC / Gregory, JD (B-5) SWD Tank Battery (“facility”), located from Highway 63 E, then Armer Rd, left onto an oil lease road at 33.245615, -92.536701 at 1000 on 01/30/2025 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 / Gregory, JD (B-5) Tank Battery facility, which contained one (1) storage tank for saltwater and one (1) Class II saltwater disposal (SWD) injection well. EPA did not observe signage at the facility. Communication with Mr. Glen Owen, Inspector Supervisor with the Arkansas Oil and Gas Commission (AOGC), on 01/30/2025 confirmed that SMI Operating Company, LLC is the owner of the facility.



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

Section II - OBSERVATIONS

I observed the SMI Operating Company, LLC / Gregory, JD (B-5) Tank Battery facility and associated secondary containment, storage tank, and Class II SWD well; see Appendix 1 (Photographs Log), see Photos No. 1 through No. 3. For additional GPS location and photo metadata, see Appendix 1.

I observed the sump area of the secondary containment, see Photos No. 4 and No. 5.

I observed the drainpipe and cap for the secondary containment, see Photos No. 6 and No. 7.

I observed an elevated total dissolved solid (TDS) reading of **2,065 mg/L** (initial) in a pool of water downstream of the secondary containment drainpipe, see Photo No. 8.

I observed dead vegetation downstream of the TDS reading from Photo No. 8, see Photos No. 9 and No. 10.

I observed an elevated TDS reading of **6,438 mg/L** at the point of entry (POE) into a wetland, see Photo No. 11.

I observed the conditions of the ephemeral conveyance upstream and downstream of the TDS reading referenced in Photo No. 11, see Photos No. 12 and No. 13.

I observed residual or historic loose crude oil along the banks of the ephemeral conveyance leading to the wetland, see Photo No. 14.

I observed an elevated TDS reading of **5,908 mg/L** (mid-stream) in the ephemeral conveyance upstream of the wetland, see Photo No. 15.

I observed the conditions of the ephemeral conveyance upstream and downstream of the TDS reading referenced in Photo No. 15, see Photos No. 16 and No. 17.

I observed a new flowline along the discharge flowline with dead vegetation within the area, see Photos No. 18 through No. 20.

I observed an elevated TDS reading of **1,847 mg/L** (upstream) in a pool of water in the flowpath of the flowline, see Photo No. 21.

I observed the conditions of the flowpath upstream and downstream of the TDS reading referenced in Photos No. 22 and No. 23.

I observed dead vegetation along the flowpath leading up to the facility, see Photos No. 24 and 25.

I observed an elevated TDS reading of **3,395 mg/L** in a pool of water in the vicinity of the facility, see Photo No. 26.

I observed the conditions of the flowpath upstream and downstream of the TDS reading referenced in Photo No. 26, see Photos No. 27 and No. 28.

I observed the new flowline connected to the pump for the SWD injection well, see Photo No. 29.

Section III – AREAS OF CONCERN

No closing conference was held due to no personnel with SMI Operating Company, LLC being present during the inspection. Areas of concern at the time of the inspection include the following:

- No updated signage at the facility,
- Active leak from the drainpipe due to broken/worn cap,
- Residual or historic loose crude oil along discharge flowpath, and
- Elevated TDS readings along the discharge flowpath into an ephemeral conveyance and wetlands.

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 – 29 photos taken 01/30/2025.

Appendix 1

Photograph Log 29 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 33.245615, -92.536701.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0542

Orientation: 193° SSW

Date of Photo: 01/30/2025

Time of Photo: 1014

Latitude: 33.245650

Longitude: -92.536650

Photographer: Kerri McCabe

Description: Looking SSW, this photo shows basic identification on the saltwater storage tank.



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 33.245615, -92.536701.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0543

Orientation: 57° ENE

Date of Photo: 01/30/2025

Time of Photo: 1014

Latitude: 33.245583

Longitude: -92.536717

Photographer: Kerri McCabe

Description: Looking ENE, 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 33.245615, -92.536701.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0544

Orientation: 53° NE

Date of Photo: 01/30/2025

Time of Photo: 1014

Latitude: 33.245617

Longitude: -92.536650

Photographer: Kerri McCabe

Description: Looking NE, this photo shows the Class II saltwater disposal (SWD) injection well and pump.



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 33.245615, -92.536701.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0546

Orientation: 14° NNE

Date of Photo: 01/30/2025

Time of Photo: 1015

Latitude: 33.245700

Longitude: -92.536600

Photographer: Kerri McCabe

Description: Looking NNE, this photo shows the sump area of the secondary containment with tank bottom applied to the berm.



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 33.245615, -92.536701.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0548

Orientation: 106° ESE

Date of Photo: 01/30/2025

Time of Photo: 1016

Latitude: 33.245767

Longitude: -92.536650

Photographer: Kerri McCabe

Description: Looking ESE, this photo shows an additional view of the sump area of the 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 33.245615, -92.536701.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0549

Orientation: 73° ENE

Date of Photo: 01/30/2025

Time of Photo: 1016

Latitude: 33.245767

Longitude: -92.536622

Photographer: Kerri McCabe

Description: Looking ENE, this photo shows the drainpipe for the secondary containment with a pool of water below the pipe. A sheen and rusty color were noted in the pool.



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 33.245615, -92.536701.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0550

Orientation: 81° E

Date of Photo: 01/30/2025

Time of Photo: 1016

Latitude: 33.245744

Longitude: -92.536617

Photographer: Kerri McCabe

Description: Looking E, this photo shows a closeup of the worn drainpipe cap that was actively leaking during the inspection.



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 33.245615, -92.536701.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0552

Orientation: 0° N

Date of Photo: 01/30/2025

Time of Photo: 1017

Latitude: 33.245683

Longitude: -92.536467

Photographer: Kerri McCabe

Description: Looking N, this photo shows an elevated Total Dissolved Solid (TDS) reading of 2,065 mg/L (initial) in a pool of water downstream of the drainpipe.



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 33.245615, -92.536701.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0553

Orientation: 68° ENE

Date of Photo: 01/30/2025

Time of Photo: 1017

Latitude: 33.245717

Longitude: -92.536550

Photographer: Kerri McCabe

Description: Looking ENE, this photo shows the flowpath for the drainpipe and downstream of the TDS reading referenced in No. 8. Directional arrows added for clarity.



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 33.245615, -92.536701.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0555

Orientation: 85° E

Date of Photo: 01/30/2025

Time of Photo: 1017

Latitude: 33.245733

Longitude: -92.536433

Photographer: Kerri McCabe

Description: Looking E, this photo shows an additional view of the flowpath from the drainpipe. Dead vegetation was noted along the flowpath. Directional arrows added for clarity.



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 33.245615, -92.536701.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0556

Orientation: 24° NNE

Date of Photo: 01/30/2025

Time of Photo: 1025

Latitude: 33.245000

Longitude: -92.536083

Photographer: Kerri McCabe

Description: Looking NNE, this photo shows an elevated TDS reading of 6,438 mg/L at the point of entry (POE) into a wetland.



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 33.245615, -92.536701.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0557

Orientation: 48° NE

Date of Photo: 01/30/2025

Time of Photo: 1025

Latitude: 33.244967

Longitude: -92.536050

Photographer: Kerri McCabe

Description: Looking NE, this photo shows the upstream characteristics of the ephemeral conveyance from Photo No. 11. Directional arrows added for clarity.



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 33.245615, -92.536701.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0558

Orientation: 142° SE

Date of Photo: 01/30/2025

Time of Photo: 1025

Latitude: 33.244976

Longitude: -92.536050

Photographer: Kerri McCabe

Description: Looking SE, this photo shows the downstream characteristics of the ephemeral conveyance from Photo No. 11. Directional arrows added for clarity.



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 33.245615, -92.536701.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0559

Orientation: 41° NE

Date of Photo: 01/30/2025

Time of Photo: 1026

Latitude: 33.245150

Longitude: -92.536117

Photographer: Kerri McCabe

Description: Looking NE, this photo shows residual or historic loose crude oil along the banks of the ephemeral conveyance.



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 33.245615, -92.536701.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0562

Orientation: 44° NE

Date of Photo: 01/30/2025

Time of Photo: 1027

Latitude: 33.245249

Longitude: -92.536034

Photographer: Kerri McCabe

Description: Looking NE, this photo shows an elevated TDS reading of 5,908 mg/L (mid-stream) for the ephemeral conveyance.



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 33.245615, -92.536701.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0563

Orientation: 59° ENE

Date of Photo: 01/30/2025

Time of Photo: 1028

Latitude: 33.245267

Longitude: -92.536067

Photographer: Kerri McCabe

Description: Looking ENE, this photo shows the upstream characteristics of the ephemeral conveyance from Photo No. 15. Directional arrows added for clarity.



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 33.245615, -92.536701.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0564

Orientation: 161° SSE

Date of Photo: 01/30/2025

Time of Photo: 1028

Latitude: 33.245282

Longitude: -92.536067

Photographer: Kerri McCabe

Description: Looking SSE, this photo shows the downstream characteristics of the ephemeral conveyance from Photo No. 15. Directional arrows added for clarity.



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 33.245615, -92.536701.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0566

Orientation: 165° SSE

Date of Photo: 01/30/2025

Time of Photo: 1030

Latitude: 33.245783

Longitude: -92.535967

Photographer: Kerri McCabe

Description: Looking SSE, this photo shows a large area of dead vegetation with a new flowline within the area.



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 33.245615, -92.536701.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0567

Orientation: 331° NNW

Date of Photo: 01/30/2025

Time of Photo: 1030

Latitude: 33.245733

Longitude: -92.536033

Photographer: Kerri McCabe

Description: Looking NNW, this photo shows an additional view of the flowline in Photo No. 18.



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 33.245615, -92.536701.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0568

Orientation: 299° WNW

Date of Photo: 01/30/2025

Time of Photo: 1030

Latitude: 33.245783

Longitude: -92.536150

Photographer: Kerri McCabe

Description: Looking WNW, this photo shows an additional view of the flowline in Photo No. 18.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 21

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.245615, -92.536701.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0569

Orientation: 60° ENE

Date of Photo: 01/30/2025

Time of Photo: 1030

Latitude: 33.245772

Longitude: -92.536150

Photographer: Kerri McCabe

Description: Looking ENE, this photo shows an elevated TDS reading of 1,847 mg/L from a pool of water located within the flowpath.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 22

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.245615, -92.536701.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0570

Orientation: 295° WNW

Date of Photo: 01/30/2025

Time of Photo: 1031

Latitude: 33.245772

Longitude: -92.536150

Photographer: Kerri McCabe

Description: Looking WNW, this photo shows the upstream characteristics of the flowpath from Photo No. 21. Directional arrows added for clarity.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 23

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.245615, -92.536701.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0571

Orientation: 91° E

Date of Photo: 01/30/2025

Time of Photo: 1031

Latitude: 33.245772

Longitude: -92.536150

Photographer: Kerri McCabe

Description: Looking E, this photo shows the downstream characteristics of the flowpath from Photo No. 21. Directional arrows added for clarity.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 24

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.245615, -92.536701.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0572

Orientation: 269° W

Date of Photo: 01/30/2025

Time of Photo: 1031

Latitude: 33.245767

Longitude: -92.536173

Photographer: Kerri McCabe

Description: Looking W, this photo shows the new flowline and dead vegetation along the flowpath near the facility.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 25

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.245615, -92.536701.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0574

Orientation: 259° W

Date of Photo: 01/30/2025

Time of Photo: 1031

Latitude: 33.245817

Longitude: -92.536467

Photographer: Kerri McCabe

Description: Looking W, this photo shows the drainpipe and dead vegetation near the facility.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 26

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.245615, -92.536701.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0575

Orientation: 43° NE

Date of Photo: 01/30/2025

Time of Photo: 1032

Latitude: 33.245830

Longitude: -92.536467

Photographer: Kerri McCabe

Description: Looking NE, this photo shows an elevated TDS reading of 3,395 mg/L in a pool of water directly downstream of the facility.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 27

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.245615, -92.536701.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0576

Orientation: 307° NW

Date of Photo: 01/30/2025

Time of Photo: 1032

Latitude: 33.245817

Longitude: -92.536450

Photographer: Kerri McCabe

Description: Looking NW, this photo shows the upstream characteristics of the flowpath from Photo No. 26. Directional arrows added for clarity.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 28

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.245615, -92.536701.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0577

Orientation: 72° ENE

Date of Photo: 01/30/2025

Time of Photo: 1032

Latitude: 33.245767

Longitude: -92.536533

Photographer: Kerri McCabe

Description: Looking ENE, this photo shows the downstream characteristics of the flowpath from Photo No. 26. Directional arrows added for clarity.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 29

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.245615, -92.536701.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0578

Orientation: 315° NW

Date of Photo: 01/30/2025

Time of Photo: 1033

Latitude: 33.245633

Longitude: -92.536667

Photographer: Kerri McCabe

Description: Looking NW, this photo shows the new flowline connected to the pump for the SWD injection well.