

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:	Walker-Gregory #6 & #8 Tank Battery	
Facility Physical Location:	In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.246617, -92.536917.	
(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:	ARU002264	
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

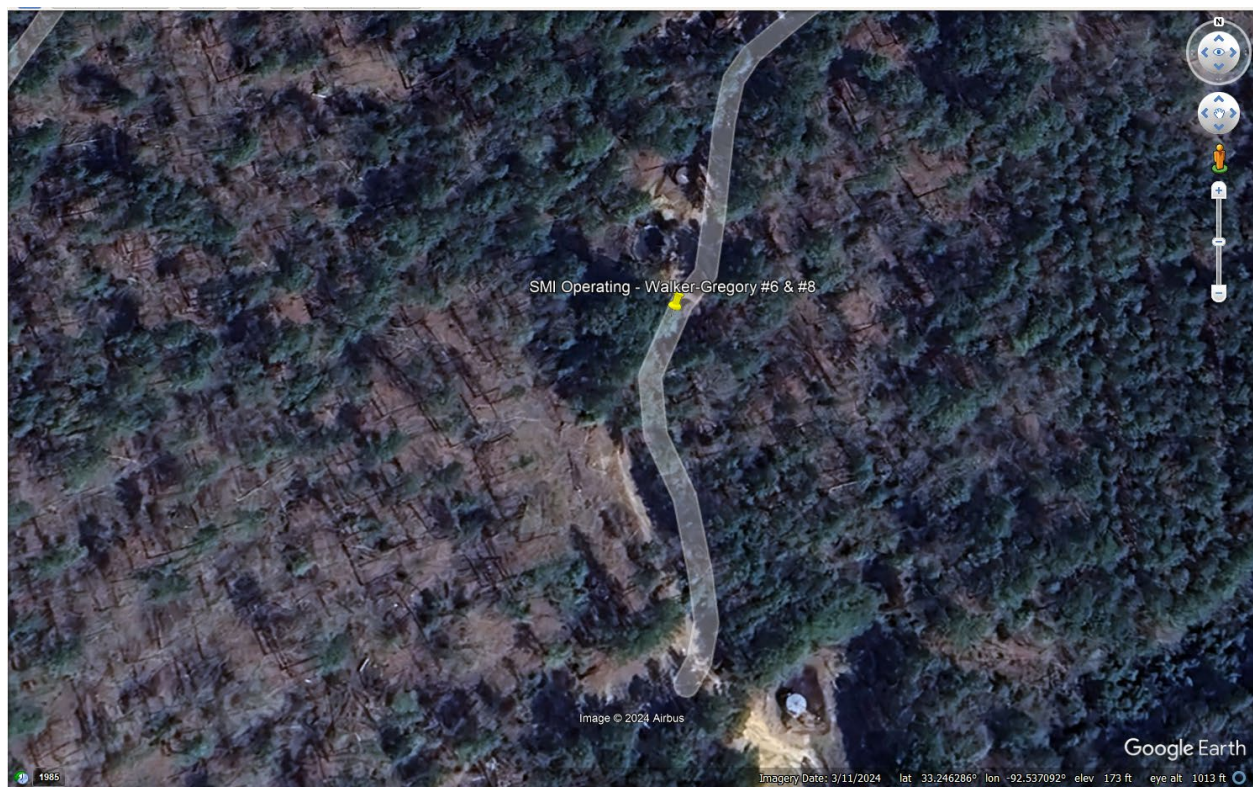
Section I – INTRODUCTION

PURPOSE OF THE INSPECTION

EPA Region 6 inspector Kerri McCabe (lead) arrived at the SMI Operating Company, LLC / Walker-Gregory #6 & #8 Tank Battery (“facility”) at 1320 on 11/08/2024 for an unannounced inspection. The facility is located from Highway 63 E, then Armer Rd, left onto an oil lease road at 33.246617, -92.536917. 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 / Walker-Gregory #6 & #8 Tank Battery, which contained three (3) storage/separation tanks for crude oil and saltwater. Signage on one of the tanks inside secondary containment was marked with “Jamie Oil, Inc.” Communication with Mr. Jimmy Crain with Jamie Oil, Inc. 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 / Walker-Gregory #6 & #8 Tank Battery.

Section II - OBSERVATIONS

I observed the SMI Operating Company, LLC / Walker-Gregory #6 & #8 Tank Battery facility and associated secondary containment, storage tanks, and separator/heater treater; see Appendix 1 (Photograph Log), Photo No. 1 and No. 2. For additional GPS location and photo metadata, see Appendix 1.

I observed one (1) tank with an open hatch, see Photo No. 3.

I observed the drainpipe for secondary containment to be broken and opened outside containment, see Photo No. 4.

I observed tank bottom crude oil and solids used on the secondary containment berms, see Photo No. 5.

The facility appeared to be out of service; however, there was no labeling on the tanks to indicate the tanks were properly placed out of service.

Section III – AREAS OF CONCERN

No closing conference was held due to no personnel with SMI Operating Company, LLC being present during the inspection. On 11/12/2024, I contacted Mr. Jacob Agerton, the company contact on file with the Arkansas Oil and Gas Commission (“AOGC”), via email 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,
- The broken and opened drainpipe outside secondary containment,
- Tank bottom crude oil and solids used on the berms of the secondary containment, and
- No indication of the facility being properly placed in “out of service” mode with proper labeling.

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 – 5 photos taken 11/08/2024.

Appendix 1

Photograph Log

5 Photos



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 1

Location: Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.246617, -92.536917.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0366

Orientation: ESE

Date of Photo: 11/08/2024

Time of Photo: 1320

Latitude: 33.246483

Longitude: -92.536983

Photographer: Kerri McCabe

Description: Looking ESE, this photo shows the signage at the facility.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 2

Location: Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.246617, -92.536917.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0367

Orientation: SSE

Date of Photo: 11/08/2024

Time of Photo: 1321

Latitude: 33.246550

Longitude: -92.536967

Photographer: Kerri McCabe

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



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 3

Location: Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.246617, -92.536917.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0368

Orientation: ESE

Date of Photo: 11/08/2024

Time of Photo: 1321

Latitude: 33.246518

Longitude: -92.536983

Photographer: Kerri McCabe

Description: Looking ESE, this photo shows an opened hatch on one of the tanks inside secondary containment.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 4

Location: Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.246617, -92.536917.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0369

Orientation: NNW

Date of Photo: 11/08/2024

Time of Photo: 1321

Latitude: 33.246367

Longitude: -92.536967

Photographer: Kerri McCabe

Description: Looking NNW, this photo shows the broken and opened drainpipe outside secondary containment.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 5

Location: Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.246617, -92.536917.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0370

Orientation: NNE

Date of Photo: 11/08/2024

Time of Photo: 1322

Latitude: 33.246383

Longitude: -92.536900

Photographer: Kerri McCabe

Description: Looking NNE, this photo shows tank bottom crude oil and solids applied to the berms for secondary containment.