



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8

1595 Wynkoop Street
DENVER, CO 80202-1129
Phone 800-227-8917
<http://www.epa.gov/region08>

SEP 12 2007

Ref: 8ENF-UFO

CERTIFIED MAIL 7001-2510-0006-3202-0821
RETURN RECEIPT REQUESTED

Reid Godbolt, Registered Agent
Pendragon Energy Partners, Inc.
1625 Broadway, 16th Floor
Denver, Colorado 80202

Re: UNDERGROUND INJECTION
CONTROL PROGRAM (UIC)
Complaint with Notice of Opportunity
for Hearing

Dear Mr. Godbolt:

The enclosed document is a Complaint with Notice of Opportunity for Hearing (complaint) for violations of the Safe Drinking Water Act (SDWA). Please carefully read the complaint soon, since it describes Pendragon Energy Partners Inc.'s (Pendragon's) rights and responsibilities in this matter as well as the United States Environmental Protection Agency's (EPA's) authority, the factual basis of the violations, and the background for the proposed penalties. EPA is enclosing a copy of the Rules of Practice that govern these proceedings, an information sheet about the Small Business Regulatory Enforcement Fairness Act, and a required Public Notice associated with this complaint.

Pendragon is required to take action within 30 calendar days of your receipt of this complaint to avoid the possibility of having a default judgment entered against Pendragon that could impose the penalty amount proposed in the complaint.

Whether or not Pendragon requests a hearing, we encourage an informal conference with EPA concerning the alleged violations in an effort to negotiate a settlement. Pendragon may wish to appear at an informal conference and/or be represented by legal counsel. To arrange for such a conference, Pendragon should contact Michelle Marcu, Enforcement Attorney, Legal Enforcement Program, at the number provided below. Request for such a conference does not extend the 30 calendar day period during which a request for hearing must be submitted. Public Notice of EPA's complaint and the opportunity to provide written comments on the complaint is being provided pursuant to section 1423(c)(3)(B) of the SDWA, 42 U.S.C. § 300h-2(c)(3)(B). Should a hearing be held, any person who comments on the complaint has a right to participate in the hearing.

If Pendragon has technical questions relating to this matter, the person most knowledgeable on my staff is Nathan Wiser, UIC Enforcement Team, Technical Enforcement Program, at 1-800-227-8917 ext. 6211 or (303) 312-6211. For all legal questions, the person most knowledgeable on my staff is Michelle Marcu at 1-800-227-8917 ext. 6921 or (303) 312-6921. Mr. Wiser and Ms. Marcu can also be reached at the following addresses:

Nathan Wiser (Mail Code 8ENF-UFO)
Environmental Scientist
U.S. EPA Region 8
1595 Wynkoop Street
Denver, Colorado 80202, or

Michelle Marcu (Mail Code 8ENF-L)
Enforcement Attorney
U.S. EPA Region 8
1595 Wynkoop Street
Denver, Colorado 80202.

We urge Pendragon's prompt attention to this matter.

Sincerely,



Eddie A. Sierra
Deputy Assistant Regional Administrator
Office of Enforcement, Compliance
and Environmental Justice

Enclosures:

Complaint with Notice of Opportunity for Hearing
Public Notice
Small Business Regulatory Enforcement Fairness Act fact sheet
40 CFR Part 22 Rules of Practice

cc: Curtis Cesspooch, Chairman (with complaint only)
Uintah & Ouray Business Committee
P.O. Box 190
Fort Duchesne, Utah 84026

Shaun Chapoose, Director, Land Use Department (with all enclosures)
Ute Indian Tribe
P.O. Box 460
Fort Duchesne, Utah 84026

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46

**UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 8**

2007 SEP 12 AM 9:21

Docket No. SDWA-2007-0084

EPA REGION VIII
HEARING CLERK

In the Matter of:)
)
Pendragon Energy Partners, Inc.)
a Colorado Corporation,)
)
Respondent.)
)
Proceedings under Section 1423(c))
of the Safe Drinking Water Act)
42 U.S.C. 300h-2(c))

**PENALTY COMPLAINT AND NOTICE
OF OPPORTUNITY FOR HEARING**

INTRODUCTION

1. This civil administrative enforcement action is authorized by Congress in section 1423(c) of the Public Health Service Act, also known as the Safe Drinking Water Act (SDWA or the Act). 42 U.S.C. § 300h-2(c). The Environmental Protection Agency (EPA) regulations authorized by the statute are set out in parts 144-148 of title 40 of the Code of Federal Regulations (40 C.F.R.), and violations of the statute, permits or EPA regulations constitute violations of the Act. The rules for this proceeding are the "Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, Issuance of Compliance or Corrective Action Orders and the Revocation, Termination or Suspension of Permits" (Rules of Practice), 40 C.F.R. part 22, a copy of which is enclosed.
2. The undersigned EPA official has been properly delegated the authority to issue this action.
3. EPA alleges that Pendragon Energy Partners, Inc. (hereinafter referred to as Respondent) has violated the regulations and therefore the Act and proposes the assessment of a civil penalty, as more fully explained below.

NOTICE OF OPPORTUNITY FOR A HEARING

4. Respondent has the right to a public hearing before a presiding officer within the Agency to disagree with (1) any fact stated (alleged) by EPA in the complaint, (2) the grounds for any legal defense, or (3) the appropriateness of the proposed penalty. If Respondent requests a hearing in its answer, the procedures provided in 40 C.F.R. part 22 subpart I will apply to the proceedings and the Regional Judicial Officer will preside.

- 1 5. To disagree with the complaint and assert its right to a hearing, Respondent must
2 file a written answer (and one copy) with the Region 8 Hearing Clerk at the
3 following address:
4

5 Region 8 Hearing Clerk
6 1595 Wynkoop Street (Mail code 8RC)
7 Denver, Colorado 80202
8

9 within 30 calendar days of receiving this complaint. The answer must clearly
10 admit, deny or explain the factual allegations of the complaint, the grounds for
11 any defense, the facts in dispute, and a specific request for a public hearing.
12 Please see section 22.15(b) of the Rules of Practice for a complete description of
13 what must be in the answer. **FAILURE TO FILE AN ANSWER AND
14 REQUEST FOR HEARING WITHIN 30 CALENDAR DAYS MAY WAIVE
15 RESPONDENT'S RIGHT TO DISAGREE WITH THE ALLEGATIONS
16 OR PROPOSED PENALTY, AND RESULT IN A DEFAULT JUDGMENT
17 AND ASSESSMENT OF THE PENALTY PROPOSED IN THE
18 COMPLAINT, OR UP TO THE MAXIMUM AUTHORIZED BY THE
19 ACT.**
20

21 QUICK RESOLUTION

- 22
23 6. Respondent may resolve this proceeding at any time by paying the penalty
24 amount proposed in the complaint. Such action to make payment need not
25 contain any response to, or admission of, the allegations in the complaint. Such
26 action to make payment constitutes a waiver of Respondent's right to contest the
27 allegations and to appeal the final order. See section 22.18 of the Rules of
28 Practice for a full explanation of the quick resolution process.
29

30 SETTLEMENT NEGOTIATIONS

- 31
32 7. EPA encourages discussing whether cases can be settled through informal
33 settlement conferences. If Respondent wants to pursue the possibility of settling
34 this matter, or have any other questions, contact the attorney listed at the end of
35 this complaint. **Please note that calling the attorney or requesting a
36 settlement conference does NOT delay the running of the 30 day period for
37 filing an answer and requesting a hearing referenced in paragraph 5.**
38

39 GENERAL ALLEGATIONS

40
41 The following general allegations apply to all times relevant to this action, and to
42 each count of this complaint:
43

- 44 8. Pursuant to section 1422 of the Act, 42 U.S.C. § 300h-1, and 40 C.F.R. part 147
45 subpart TT, section 147.2253, EPA administers the Underground Injection
46 Control (UIC) program for Class II wells on the Uintah & Ouray Indian

1 Reservation within the State of Utah. The effective date of the program is
2 November 25, 1988. The program requirements are located at 40 C.F.R. parts
3 124, 144, 146, 147, and 148.
4

- 5 9. The well subject to this action is a Class II enhanced recovery injection well. The
6 purpose of the enhanced recovery is to increase oil production at offset wells
7 completed in the same geologic formation, achieved by increasing pore pressure
8 within the formation through injection of liquid, a practice commonly known as a
9 water flood operation. The well is authorized under a UIC permit issued by EPA
10 to Respondent on October 28, 2004. The well is located in Uintah County, Utah,
11 within the exterior boundary of the Uintah and Ouray Indian Reservation. The
12 specific well and its location is:

13
14 Federal #5-20-10-18 injection well ("the well")
15 EPA Permit #UT20962-06344 ("the permit")
16 T10S, R18E, Section 20, SW/4, NW/4.
17

- 18 10. Respondent is a corporation in good standing under the laws of the State of
19 Colorado as of April 8, 1992. Respondent's principal office address is 621 17th
20 Street, Suite 750, Denver, Colorado 80293, with telephone number (303) 296-
21 9402.
22
- 23 11. Respondent is a "person" within the meaning of section 1401(12) of the Act,
24 42 U.S.C. § 300f(12) and 40 C.F.R. § 144.3.
25
- 26 12. Pursuant to 40 C.F.R. §§ 144.3 and 146.3, "Director," as used in 40 C.F.R. parts
27 124, 144 and 146 and as applied in this matter, means the Regional Administrator
28 of EPA Region 8 or authorized representative.
29
- 30 13. Subpart E of 40 C.F.R. § 144 includes additional conditions applicable to all
31 permits. Respondent was issued a permit for the well and is the permittee. The
32 permittee is responsible for meeting all permit conditions. Any permit
33 noncompliance constitutes a violation of the Act. 40 C.F.R. § 144.51(a).
34
- 35 14. The 4,874 feet deep well which is the subject of this complaint penetrates known
36 or possible underground sources of drinking water (USDWs) including, but not
37 limited to, groundwater in the Uinta Formation between the surface and 1,650 feet
38 below ground surface.
39
- 40 15. The permit at part II (B)(4) requires that when a loss of mechanical integrity at the
41 well becomes apparent, Respondent shall, within 24 hours of its discovery, notify
42 the Director, and shall cease injection within 48 hours unless directed by Director
43 to cease injection immediately.
44
- 45 16. During a routine unannounced inspection on June 22, 2006, EPA inspectors and a
46 Respondent representative observed the well actively injecting. The well's

1 annulus was observed to have 1925 pounds per square inch (psi) while
2 simultaneously having 1915 and 1925 psi on the concentric injection tubing
3 strings. This is evidence the well was injecting without mechanical integrity.
4

5 17. On June 23, 2006, the Director sent Respondent a letter requiring the well to be
6 immediately shut-in.
7

8 18. On June 26, 2006, Respondent replied that it believed EPA inspectors made an
9 error by mistaking the well's outer concentric tubing string for its annulus.
10

11 19. On July 5, 2006, EPA sent Respondent a letter describing that it may have erred
12 during the inspection and required Respondent to maintain the wellhead in better
13 condition so as to avoid future confusion.
14

15 20. During a routine unannounced inspection on June 6, 2007, EPA inspectors and a
16 Respondent representative observed the well actively injecting. The well's
17 annulus was observed to have 1860 pounds per square inch (psi) pressure while
18 simultaneously having 1850 psi pressure on both concentric injection tubing
19 strings. The well was observed to be in the same condition it had been in during
20 the previous year's inspection, again lacking mechanical integrity. Use of the
21 well while lacking mechanical integrity is a violation of part II (B)(4) of the
22 permit and 40 C.F.R. § 144.51(a). Although EPA asserts that the well lacked
23 mechanical integrity throughout the entire period from June 22, 2006, through
24 June 6, 2007, and that Respondent actively used the well during the entirety of the
25 period, EPA is only alleging one day of violation. See attachment A to this
26 complaint where this violation is summarized and labeled with the letter "A."
27

28 21. The permit at part II(A)(3)(b) requires the well to have a ½-inch female iron pipe
29 fitting, isolated by a shut-off valve, on the well's annulus to allow for placement
30 of a pressure gauge. The permit at part II(D) and appendix D requires
31 Respondent to observe and record annulus pressure at least once a month.
32

33 22. During the routine unannounced inspection on June 6, 2007, EPA inspectors
34 observed that the well lacked a ½-inch fitting to allow for placement of EPA's
35 pressure gauges on the annulus at the wellhead. The lack of the ½-inch fitting
36 also indicates that Respondent may not have been monitoring the well's annulus
37 as required under the permit.
38

39 23. The lack of a ½-inch fitting on the annulus of the wellhead is a violation of
40 II(A)(3)(b) of the permit and 40 C.F.R. § 144.51(a). See attachment A to this
41 complaint where this violation is summarized and labeled with the letter "B."
42

43 24. The permit at part II(D) and appendix D requires Respondent to observe and
44 record annulus pressure at least once a month, and to report the observed values to
45 the Director annually by February 15 of the year following the reporting year.
46

- 1 25. The annual monitoring report for the 2006 monitoring year was due to be
2 submitted to EPA by February 15, 2007. The 2006 annual monitoring report was
3 received by EPA on April 12, 2007. The late submission of the 2006 annual
4 monitoring report is a violation of II(D) of the permit and 40 C.F.R. § 144.51(a).
5 See attachment A to this complaint where this violation is summarized and
6 labeled with the letter "C."
7
- 8 26. A summary list of the violation alleged is included as attachment A and is
9 incorporated into this complaint.
10

11 **COUNT 1**
12

- 13 27. Respondent is in violation of its UIC permit at part II(B)(4) and 40 C.F.R. §
14 144.51(a) and by injecting into a well lacking mechanical integrity. The duration
15 of the Respondent's violation is shown in detail in attachment A.
16
17

18 **COUNT 2**
19

20 Respondent is in violation of its UIC permit at part II(A)(3)(b) and 40 C.F.R. §
21 144.51(a) by failing to have a ½-inch fitting on the well's annulus to allow for
22 placement of a pressure gauge. The duration of the Respondents' violation is
23 shown in detail in attachment A.
24

25 **COUNT 3**
26

- 27 28. Respondent is in violation of its UIC permit at part II(D), appendix D and 40
28 C.F.R. § 144.51(a) by failing to timely submit the 2006 annual monitoring report
29 to EPA. The duration of the Respondent's violation is shown in detail in
30 attachment A.
31

32 **PROPOSED ORDER WITH ADMINISTRATIVE CIVIL PENALTY**
33

- 34 29. The Act, as amended, and 40 C.F.R. part 19, authorize the assessment of a civil
35 penalty of up to \$6,500 for each day of violation up to a maximum penalty of
36 \$157,500. 42 U.S.C. § 300h-2(c)(2). The Act requires EPA to take into account
37 the following factors in assessing a civil penalty: the seriousness of the violation,
38 the economic benefit resulting from the violation, Respondent's prior compliance
39 history of such violation, any good-faith efforts to comply, the economic impact
40 on Respondent, and other factors that justice may require. 42 U.S.C. § 300h-
41 2(c)(4)(B).
42
- 43 30. In light of the statutory factors and the specific facts of this case, EPA calculates
44 and proposes that **Respondent pay a total penalty of \$5,400 (five thousand four**
45 **hundred dollars)** for the violation alleged above, as explained below:
46

1 Seriousness of the Violation

2
3 For Count 1, injection into a well without authorization is considered a serious
4 violation of the UIC regulations. Fluids injected into Class II enhanced recovery
5 injection wells often contain high levels of salinity and benzene, a known human
6 carcinogen, as well as other contaminants associated with oil production. Use of
7 an injection well lacking mechanical integrity presents a potential to contaminate
8 underground sources of drinking water because it is no longer possible to
9 conclusively show that injected fluids or other fluids within the well are either
10 remaining within the well or are only entering the designated injection zone.
11 Under these circumstances, fluids may leak without detection out of the well and
12 the designated injection zone, and may contaminate underground sources of
13 drinking water. By using the well for injection while it lacked mechanical
14 integrity, Respondent has presented an endangerment to any underground sources
15 of drinking water present.

16
17 For Count 2, by itself, the lack of a ½-inch fitting to attach a pressure gauge on
18 the well's annulus is considered a less serious violation. However, to the extent
19 the well's annulus pressure is not being monitored by Respondent during routine
20 and required monitoring, this violation can lead to the condition observed during
21 EPA's June 6, 2007, inspection, in which Respondent did not realize the well
22 lacked mechanical integrity when it should have.

23
24 For Count 3, the UIC program is heavily reliant upon accurate and representative
25 self-reporting. Since there are so many injection wells in the country, regulators
26 depend on well operators to abide by their self-monitoring and self-reporting
27 requirements. Given the use of the injected wastewater's density in calculating a
28 maximum allowable injection pressure limit, a well may be injecting at a pressure,
29 which although compliant with the injection pressure limit measured at the
30 surface pressure monitoring gauge, may be causing fracturing in the receiving
31 injection zone. It is for this reason that EPA needs to know the specific gravity of
32 the injected wastewater. Fracturing in the injection zone can lead to fluid
33 migrating into a USDW.

34
35 Economic Benefit

36
37 EPA believes Respondent enjoyed an economic benefit by delaying expenditure
38 to repair the well after the June 22, 2006, inspection. Despite this possible
39 economic benefit, by only claiming June 6, 2007, as the violation date, EPA is not
40 including an economic benefit component to the penalty for Count 1. The
41 economic benefit enjoyed by Respondent for failing to have the required ½-inch
42 fitting on the well's annulus is sufficiently minimal that EPA is not including an
43 economic benefit component to the penalty for Count 2. The economic benefit
44 enjoyed by Respondent for failing to timely submit the annual monitoring report
45 is sufficiently minimal that EPA is not including an economic benefit component
46 to the penalty for Count 3.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40

Prior Compliance History

EPA Region 8 has taken no prior formal enforcement action against Respondent for violations of the UIC program regulations. EPA made no upward adjustment to the proposed penalty based on this factor.

Good-Faith Efforts to Comply

Respondent should have noticed the well lacked mechanical integrity by observing the pressure on the annulus during its routine and required monitoring. Respondent should have notified EPA of the loss of mechanical integrity it found and shut-in the well on its own, rather than awaiting an EPA inspection. EPA made an upward adjustment to the proposed penalty due to this factor for Count 1.

Economic impact on the violator

EPA did not reduce the proposed penalty due to this factor, but will consider any new information Respondent may present regarding this factor.

Other Matters that Justice may Require

EPA made no additional adjustments to the penalty due to this factor.

- 31. Respondent's payment of the penalty shall be made by money order or certified check made payable to "Treasurer, United States of America" and mailed to the following address:

Regular Mail:

Mellon Bank
Lockbox 360859
Pittsburgh, PA 15251-6859

Federal Express, Airborne, or other commercial carrier.:

U.S. EPA, 360859
Mellon Client Service Center Rm 154-0670
500 Ross Street
Pittsburgh, PA 15251-6859

1 Wire Transfers:

2
3 Wire transfers must be sent directly to the Federal Reserve Bank in New York
4 City with the following information:

5
6 ABA = 021030004
7 TREAS NYC/CTR/
8 BNF=/AC-68010727
9

10 A copy of said check shall be mailed simultaneously to the following addresses:

11
12 Michelle Marcu (8ENF-L)
13 Enforcement Attorney
14 U.S. EPA - Region 8
15 1595 Wynkoop Street
16 Denver, Colorado 80202.
17

18 Tina Artemis
19 Regional Hearing Clerk (8RC)
20 U.S. EPA Region 8
21 1595 Wynkoop
22 Denver, CO 80202-1129
23

- 24 32. The provisions of this complaint shall apply to and be binding upon Respondent,
25 its officers, directors, agents, servants, employees, and successors or assigns.
26
27 33. As required by the Act, prior to the assessment of a civil penalty, EPA will
28 provide public notice of the proposed penalty, and reasonable opportunity for
29 people to comment on the matter, and present evidence in the event a hearing is
30 held. 42 U.S.C. § 300h-2(c)(3)(B).
31
32 34. The presiding officer is not bound by the penalty proposed by EPA, and may
33 assess a penalty above the proposed amount, up to \$6,500 for each day of
34 violation, up to a maximum penalty of \$157,500. 42 U.S.C. § 300h-2(c)(2).

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

35. This complaint does not constitute a waiver, suspension, or modification of the requirements of any applicable provision of the Act or the UIC regulations implementing the Act, which remain in full force and effect. Issuance of this complaint is not an election by the EPA to forego any civil or any criminal action otherwise authorized under the Act.

Issued this 12th day of September, 2007.



Eddie A. Sierra
Deputy Assistant Regional Administrator
Office of Enforcement, Compliance
and Environmental Justice
U.S. EPA, Region 8
1595 Wynkoop Street
Denver, CO 80202-1129



Michelle Marcu
Enforcement Attorney
U.S. EPA, Region 8
1595 Wynkoop Street
Denver, CO 80202-1129
(303) 312-6921

Operator	Well Name	EPA ID No.	Type of Violation	Date Violation Began	Date Violation Ended	Violation duration in days
Pendragon	#5-20-10-18	UT20962-06344	A: Unauthorized injection: injection without mechanical integrity	6/6/2007	6/7/2007	1
Pendragon	#5-20-10-18	UT20962-06344	B: Failure to maintain wellhead equipment properly	6/6/2007	6/7/2007	1
Pendragon	#5-20-10-18	UT20962-06344	C: Failure to timely submit annual monitoring report	2/15/2007	4/12/2007	56

CERTIFICATE OF SERVICE
Docket No. SDWA-2007-0084

I hereby certify that the original and a true copy of the Complaint with Notice of Opportunity for Hearing bearing the above-referenced Docket number were hand-carried to the Regional Hearing Clerk, EPA Region 8, 1595 Wynkoop Street, Denver, Colorado, 80202 and that a true copy of the same was sent via Certified Mail Return Receipt Requested mail to:

Reid A. Godbolt, Registered Agent
Pendragon Energy Partners, Inc.
1625 Broadway, 16th Floor
Denver, Colorado 80202

Dated: 9/12/07

By: Judith McTernan
Judith McTernan

**U.S. ENVIRONMENTAL PROTECTION AGENCY
PUBLIC NOTICE
OPPORTUNITY FOR PUBLIC COMMENT ON
COMPLAINT AND NOTICE OF OPPORTUNITY FOR HEARING AGAINST
PENDRAGON ENERGY PARTNERS INC.
FOR FAILURE TO COMPLY WITH
UNDERGROUND INJECTION CONTROL REQUIREMENTS**

PURPOSE OF PUBLIC NOTICE

The purpose of this notice is to solicit written comments on the Complaint with Notice of Opportunity for Hearing (complaint), Docket #SDWA-08-2007- 0084 that complainant Region 8 of the United States Environmental Protection Agency (EPA) has filed against respondent Pendragon Energy Partners Inc. The complaint alleges violations of the Underground Injection Control (UIC) program at an injection well with EPA permit number UT20962-06344 and proposes the assessment of a monetary penalty in the amount \$5,400. The complaint is issued under the UIC provisions of the Safe Drinking Water Act (SDWA) and the Act's implementing regulations. These regulations govern the injection of fluids that may endanger an underground source of drinking water (USDW). The addresses of complainant and respondent are listed here.

Respondent: Pendragon Energy Partners Inc., 621 17th Street, Denver, Colorado 80293.

Complainant: Assistant Regional Administrator, Office of Enforcement, Compliance & Environmental Justice, EPA Region 8, 1595 Wynkoop Street, Denver, Colorado 80202.

EPA desires to receive written comments from any interested party having knowledge of the alleged violation or who can provide any information useful to ensure that any penalty assessed is appropriate.

BACKGROUND

Part C of the SDWA requires EPA to regulate underground injection of fluid through wells to assure that underground sources of drinking water (USDW) are not endangered. Section 1421 of the SDWA requires EPA to administer UIC programs in States or on Indian Lands that do not have approved State UIC programs. Regulation of the UIC Class II Program has not been delegated to the Ute Tribe of the Uintah and Ouray Indian Reservation; therefore, EPA administers the program in accordance with title 40 of the Code of Federal Regulations (40 C.F.R.), Parts 124, 144, 146, 147, and 148.

The Class II injection well which is the subject of this complaint (Federal #5-20-10-18 Well), is owned and operated by Pendragon Energy Partners Inc., and is located in the Uteland Butte (LGR) Field, Uintah County, Utah in the southwest quarter of the northwest quarter of Section 20 of Township 10 South, Range 18 East. A Class II injection well, pursuant to 40 C.F.R. 144.6 and 146.5, is a well that injects fluids (a) brought to the surface in connection with natural gas storage operations, or conventional oil or natural gas production, (b) for enhanced recovery of oil or natural gas, or (c) for the storage of hydrocarbons which are liquid at standard pressure and temperature. The well subject to this complaint is an enhanced oil recovery well, injecting into the lower Green River Formation for the purpose of enhancing oil production at nearby oil production wells. This well is located within the exterior boundary of the Uintah & Ouray Indian Reservation.

The complaint alleges that Pendragon Energy Partners Inc. is in violation of UIC requirements and is subject to appropriate penalties by (1) injecting into a well that lacked mechanical integrity at the time of injection, (2) failing to have a required ½ inch fitting on the wellhead, and (3) failing to timely submit annual monitoring reports.

PUBLIC COMMENTS

Written comments on the complaint are encouraged and will be accepted at the address listed below for a period of thirty (30) days after the publication of this notice, shown below and on the internet webpage listed below. Written comments submitted by the public as well as information submitted by Pendragon Energy Partners Inc. will be available for public review, subject to the provisions of law restricting the disclosure of confidential information. Respondent may request a hearing. Any person submitting written comments will be notified of and has a right to participate in such a hearing. The complaint is available for review between 9:00 a.m. and 4:00 p.m. at the address listed below and on the internet at: www.epa.gov/Region08/compliance/rhc.html. To view the complaint in person, please contact Nathan Wiser at (303) 312-6211.

Please submit written comments to:

Tina Artemis (8RC)
Regional Hearing Clerk
U.S. EPA, Region 8
1595 Wynkoop Street
Denver, Colorado 80202.

Any person interested in receiving their own copy of this or any future public notice of a UIC administrative action can call Nathan Wiser in the UIC program, EPA Region 8, at (303) 312-6211.

Date of Publication

Nathan M. Wiser

for Tim Osag, Acting Director
Technical Enforcement Program
Office of Enforcement, Compliance, and
Environmental Justice
U.S. EPA, Region 8
1595 Wynkoop Street
Denver, CO 80202