

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
Region 6

IN THE MATTER OF

K. Y. Park Oil Company, LLC  
Skiatook, Oklahoma

Respondent

§ DOCKET NO. SDWA-06-2007-1133  
§  
§ Proceedings under Section 142  
§ of the Safe Drinking Water Act,  
§ 42 U.S.C. § 300h-2(c)  
§  
§ PROPOSED  
§ ADMINISTRATIVE ORDER  
§

**STATUTORY AUTHORITY**

The following findings are made and Order is issued under the authority vested in the Administrator of the U. S. Environmental Protection Agency ("EPA") by Section 1423(c) of the Safe Drinking Water Act ("Act"), 42 U.S.C. § 300h-2(c). The authority to take these actions has been delegated by the Administrator of the EPA to the Regional Administrator of Region 6 and further delegated to the Director, Compliance Assurance and Enforcement Division, Region 6.

The EPA has primary enforcement responsibility for underground injection within the meaning of Section 1422(c) of the Act, 42 U.S.C. § 300h-1(c), to ensure that owners or operators of Class II injection wells within Osage County, Oklahoma comply with the requirements of the Act.

**FINDINGS**

1. K. Y. Park Oil Company, LLC ("Respondent") is a company authorized to do business in the State of Oklahoma, and as such, is a "person" within the meaning of Section 1401(12) of the Act, 42 U.S.C. § 300f(12).

2. Respondent is subject to underground injection control ("UIC") program requirements at 40 C.F.R. Part 147, Subpart GGG.

3. Regulations at 40 C.F.R. § 147.2903(a) require that any underground injection is prohibited except as authorized by rule or authorized by a permit issued under the UIC program. The construction or operation of any well required to have a permit is prohibited until the permit has been issued. The term "permit" is defined at 40 C.F.R. § 147.2902.

4. Respondent is the "owner/operator" of an "injection well" which is an "existing Class II well" as those terms are defined at 40 C.F.R. § 147.2902. The existing injection well is identified as Well Number 3 ("Well No. 3"). Well No. 3 is also identified by EPA inventory number OS4848 and is located in the Northwest Quarter of Section 23, Township 22 North, Range 11 East, Hominy Falls Field, Osage County, Oklahoma.

5. Regulations at 40 C.F.R. § 147.2909 provide that existing injection wells (wells authorized by the Bureau of Indian Affairs and constructed or completed on or before the effective date of the Osage UIC program) are authorized by rule. Owners or operators of wells authorized by rule must comply with provisions of 40 C.F.R. §§ 147.2903, 147.2905, 147.2907, and 147.2910 through 147.2915.

6. Well No. 3 is authorized by rule in accordance with 40 C.F.R. § 147.2909.

7. Regulations at 40 C.F.R. §§ 147.2909 and 147.2913(b) require the operator of a well authorized by rule to monitor the injection pressure and rate at least monthly with the results reported to EPA annually.

8. Respondent has not submitted an annual operations report for Well No. 3 for the period January through December 2006.

9. Therefore, Respondent violated regulations at 40 C.F.R. §§ 147.2909 and 147.2913(b) by failing to submit the required annual operations report for Well No. 3 for the period of January through December 2006.

10. Respondent is the "owner/operator" of "injection wells" which are "new Class II wells" as those terms are defined at 40 C.F.R. § 147.2902. The new injection wells are located in Osage County, Oklahoma. Respondent's new Class II wells included in this Administrative Order (collectively "new wells") are described below:

<u>Well No.</u>	<u>Inventory No.</u>	<u>Location</u>	<u>Quarter</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>Field</u>	<u>Hereinafter Referred to as</u>
17	OS5852	Southeast	33	22 North	12 East	Hominy Falls		"Well No. 17"
2A	OS5256	Northwest	23	23 North	11 East	Avant		"Well No. 2A"

11. Regulations at 40 C.F.R. § 147.2916 require the owner or operator of a new Class II injection well, or any other Class II well required to have a permit in the Osage Mineral Reserve, to comply with the requirements of 40 C.F.R. §§ 147.2903, 147.2907, and 147.2918 through 147.2928.

12. The EPA issued UIC Permit No. 06S1261P5852 ("Permit 5852") applicable to Well No. 17 and UIC Permit No. 06S121P15256 (Permit 5256") applicable to Well No. 2A. On July 27, 2004, the EPA transferred Permit 5852 and Permit 5256 to Respondent. Each permit requires Respondent to monitor injection rate and pressure in the applicable well at least monthly and to report monitoring results to the EPA annually.

13. Regulations at 40 C.F.R. §§ 147.2916 and 147.2925(a) and Condition II. B. of each UIC permit require the permittee to comply with all permit conditions, except as authorized by

an emergency permit (described at 40 C.F.R. § 147.2906). Respondent did not have an emergency permit for violations described in this Administrative Order.

14. Regulations at 40 C.F.R. §§ 147.2916, 147.2922(b) and each UIC permit require the owner or operator of a well to monitor injection rate and pressure monthly and to report monitoring results to the EPA annually.

15. Respondent failed to submit the required annual operations reports for the new wells for the period of January through December 2006.

16. Therefore, Respondent violated regulations at 40 C.F.R. §§ 147.2916, 147.2922(b), and 147.2925(a) by failing to submit annual operations reports for the new wells for the period of January through December 2006.

#### **ORDER**

17. Based on the foregoing findings and under the authority of Section 1423(c) of the Act, it is hereby ordered that Respondent shall submit required annual operations reports for Well No. 3 and the new wells, as described in Paragraph 10, for the period January through December 2006. The required reports shall be submitted to the EPA at the address shown below within thirty (30) days after the effective date of this Order. Report forms are included in Appendix A of this Order.

U.S. EPA, Region 6  
Water Enforcement Branch (6EN-WR)  
1445 Ross Avenue, Suite 1200  
Dallas, TX 75202

**NOTICE OF OPPORTUNITY TO REQUEST A HEARING**

18. Respondent may request a hearing to contest the issuance of this Order, pursuant to Section 1423(c)(3)(A) of the Act, 42 U.S.C. § 300h-2(c)(3)(A). Submit the hearing request to the address below within thirty (30) days from the date of this Proposed Administrative Order.

Regional Hearing Clerk (6RC-D)  
U.S. EPA, Region 6  
1445 Ross Avenue, Suite 1200  
Dallas, TX 75202-2733

19. A request for hearing should be included in a response to this Order. Respondent must file a response in order to preserve the right to a hearing or to pursue other relief.

20. Should a hearing be requested, members of the public who commented on the issuance of this Order during the public comment period would have a right to be heard and to present evidence at a hearing under Section 1423(c)(3)(C) of the Act, 42 U.S.C. § 300h-2(c)(3)(C).

**GENERAL PROVISIONS**

21. This Order does not constitute a waiver, suspension or modification of the requirements of 40 C.F.R. Part 147, Subpart GGG which remain in full force and effect.

22. Issuance of this Order is not an election by EPA to forego any civil or criminal action otherwise authorized under the Act.

23. Violation of the terms of this Order after its effective date or date of final judgment as described in Section 1423(c)(6) of the Act, 42 U.S.C. § 300h-2(c)(6), may subject Respondent to further enforcement action, including a civil action for enforcement of this Order under Section 1423(b) of the Act, 42 U.S.C. § 300h-2(b), and civil and criminal penalties for violations.

of the compliance terms of this Order under Section 1423(b)(1) and (2) of the Act, 42 U.S.C.

§ 300h-2(b)(1) and (2).

**SETTLEMENT**

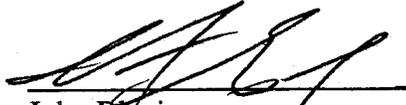
24. EPA encourages all parties against whom an administrative order is proposed to pursue the possibility of settlement through informal meetings with EPA. Regardless of whether a formal hearing is requested, Respondent may confer informally with EPA about the alleged violations. Respondent may wish to appear at any informal conference or formal hearing personally, by counsel or other representative, or both. To request an informal conference on the matters described in this Complaint, please contact Mr. Ronald Van Wyk, of my staff, at (214) 665-6459.

25. If this action is settled without a formal hearing, it will be concluded by issuance of a Final Order.

**EFFECTIVE DATE**

26. Pursuant to Section 1423(c)(3)(D) of the Act, 42 U.S.C. § 300h-2(c)(3)(D), this Order becomes effective thirty (30) days after issuance unless an appeal is taken pursuant to Section 1423(c)(6) of the Act, 42 U.S.C. § 300h-2(c)(6).

Proposed this 3rd day of August, 2007.

  
John Blébins.  
Director  
Compliance Assurance  
and Enforcement Division

**CERTIFICATE OF SERVICE**

I certify that the foregoing Proposed Administrative Order was sent to the following persons, in the manner specified, on the date below:

Original hand-delivered: Regional Hearing Clerk (6RC-D)  
U.S. EPA, Region 6  
1445 Ross Avenue  
Dallas, TX 75202-2733

Copy by certified mail  
return receipt requested: Mr. Kenneth Y. Park  
K. Y. Park Oil Company, LLC  
9150 West Highway 20  
Skiatook, OK 74070

Copy: Bureau of Indian Affairs, Osage Agency  
P.O. Box 1539  
Pawhuska, OK 74056

Osage Nation Environmental and Natural Resources Department  
P.O. Box 1495  
Pawhuska, OK 74056

Dated: AUG 03 2007

Jackie Samuel