

UNITED STATES  
ENVIRONMENTAL PROTECTION AGENCY  
REGION 6  
DALLAS, TEXAS

FILED  
2015 MAR -8 AM 8:15  
ALAN...  
EPA REGION VI

IN THE MATTER OF: )  
)  
Page One Plus Wholesale, Inc., ) Docket No. SDWA-06-2014-1106  
An Oklahoma corporation )  
)  
Respondent. )  
)

**ORDER TO SHOW CAUSE**

On November 4, 2014, I issued an Order requiring Complainant, United States Environmental Protection Agency, Region 6 and Respondent to engage in a settlement conference by December 19, 2014, in order to reach settlement in this matter. In Complainant's status report filed December 18, 2014, it provided that the settlement conference occurred and settlement negotiations continued. The Order further set forth that unless either party filed a motion extending the time to file a Consent Agreement and Final Order ("CAFO"), the parties were directed to file a CAFO by February 9, 2015. Barring an applicable motion or CAFO filing by said date, the Order mandated Complainant's initial prehearing exchange by February 9, 2015, and Respondent's prehearing exchange by February 23, 2015.

Complainant filed its prehearing exchange on February 9, 2015. To date, Respondent has failed to file its prehearing exchange.

Section 22.17(a) of the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination and Suspension of Permits, 22 C.F.R. § 22.17(a), provides that a "party may be found to be in default...upon failure to comply with the information exchange requirements of § 22.19(a) or an order of the Presiding Officer." Default by Respondent entails "an admission of all facts alleged...and a waiver of respondent's right to contest such factual allegations," thereby leaving Respondent potentially liable for the entire proposed penalty if such Default decision is rendered. Therefore, Respondent is hereby **Ordered** to show good cause on or before **March 13, 2015**, as to why it failed to file its prehearing exchange by the required deadline and why I should not issue a Default decision against Respondent.

SO ORDERED, this 3rd day of March, 2015.

  
THOMAS RUCKI  
REGIONAL JUDICIAL OFFICER

CERTIFICATE OF SERVICE

I, Lorena S. Vaughn, the Regional Hearing Clerk for the Region 6 office of the Environmental Protection Agency, hereby certify that a TRUE AND CORRECT copy of the Order in Docket No. SDWA 06-2014-1106, was served upon the parties on the date and in the manner set forth below:

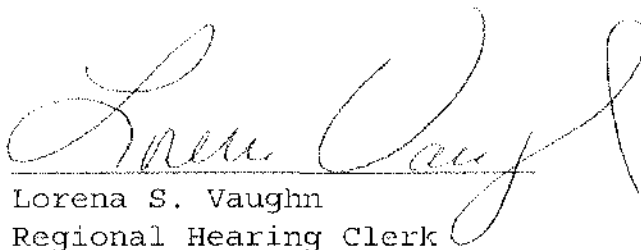
Mr. Terrance L. Lewis  
Page One Plus Wholesale, Inc.  
P.O. Box 691335  
Tulsa, Oklahoma 74169

U.S. FIRST CLASS MAIL -  
RETURN RECEIPT REQUESTED

Russell Murdock  
Environmental Protection Agency  
1445 Ross Avenue  
Dallas, Texas 75202

INTEROFFICE MAIL

DATE: 3-3-15

  
\_\_\_\_\_  
Lorena S. Vaughn  
Regional Hearing Clerk

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 6

2014 JUN 14 AM 10:05

REGIONAL HEARING CLERK  
EPA REGION VI

IN THE MATTER OF

§ DOCKET NO. SDWA-06-2014-1106

Page One Plus Wholesale, Inc.  
Tulsa, Oklahoma

§  
§  
§ Proceeding to Assess a  
§ Civil Penalty under Section 1423(c)  
§ of the Safe Drinking Water Act

Respondent

§  
§ ADMINISTRATIVE COMPLAINT

**I. STATUTORY AUTHORITY**

This Complaint is issued under the authority vested in the Administrator of the United States Environmental Protection Agency (“EPA”) pursuant to Section 1423(c) of the Safe Drinking Water Act (“the Act”), 42 U.S.C. § 300h-2(c). The Administrator of EPA delegated the authority to issue this Complaint to the Regional Administrator of EPA Region 6 (herein “RA”), who further delegated the authority to the Director of the Compliance Assurance and Enforcement Division of EPA Region 6 (“Complainant”). This Complaint is issued in accordance with the “Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits,” 40 C.F.R. §§ 22.1 through 22.52, including Rules related to administrative proceedings not governed by Section 554 of the Administrative Procedure Act, 40 C.F.R. §§ 22.50 through 22.52.

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

Based on the following Findings of Fact and Conclusions of Law (“Findings”), Complainant finds that Page One Plus Wholesale, Inc. (“Respondent”) violated the Act and the regulations promulgated under the Act and should be ordered to pay a civil penalty.

## **II. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

1. Respondent is a corporation doing business in the State of Oklahoma, and as such, Respondent is a “person” as that term is defined at Section 1401(12) of the Act, 42 U.S.C. § 300f(12).

2. At all relevant times, Respondent owned or operated an “injection well” which is an “existing Class II well” as those terms are defined at 40 C.F.R. § 147.2902. The injection well is identified as well number D54 (“the well”). The well is also identified by EPA inventory number OS1699, and is located in the Southwest Quarter of Section 15, Township 29 North, Range 11 East, Hickory Creek District, Osage County, Oklahoma.

3. Because Respondent owned or operated an injection well, Respondent is subject to underground injection control (“UIC”) program requirements at 40 C.F.R. Part 147, Subpart GGG, which are authorized under Section 1421 of the Act, 42 U.S.C. § 300h.

### **Authorization Status**

4. 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.

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. The well is authorized by rule in accordance with 40 C.F.R. § 147.2909.

**Failure to Plug**

7. Regulations at 40 C.F.R. § 147.2905 require an injection well to be plugged within one year after termination of injection. The RA may extend the time to plug if no fluid movement into an “Underground Source of Drinking Water” (“USDW”) will occur and the operator has presented a viable plan for using the well within a reasonable time. The term USDW is defined at 40 C.F.R. § 147.2902. Regulations at 40 C.F.R. § 147.2905 also set out administrative and technical requirements to be followed when plugging an injection well.

8. Respondent ceased using the well on or before April 1, 2009. Respondent submitted a plan for future use of the well on August 21, 2012.

9. Regulations at 40 C.F.R. § 147.2903(b) require that no owner or operator construct, operate, maintain, convert, plug, or abandon any injection well, or conduct any other injection activity, in a manner that allows the movement of fluid containing any contaminant into a USDW, if the presence of that contaminant may cause the violation of any primary drinking water regulation or may otherwise adversely affect the health of persons.

10. On August 24 and November 29, 2012, a representative of the Osage Nation observed that the static fluid level in the annulus of the well was 20 and 27 feet subsurface, respectively. This was above the base of USDWs in the area and indicated that contaminated fluids could move through the well into a USDW.

11. Therefore, Respondent violated regulations at 40 C.F.R. §§ 147.2903(b), 147.2905, and 147.2909 by maintaining an injection well in a manner that could allow fluid movement into a USDW.

12. On September 17, 2012, the EPA denied Respondent’s request for an extended plugging deadline because conditions at the well could allow contaminants to move through the well bore into USDWs.

13. Therefore, Respondent violated regulations at 40 C.F.R. §§ 147.2905 and 147.2909 by failing to plug the well within one year after terminating injection operations.

**Failure to Comply with Administrative Order**

14. On July 11, 2013, an Administrative Order (“Order”) was issued to Respondent for maintaining the well in a manner which could allow fluids to move through the well into USDWs. The Order required Respondent to complete appropriate corrective actions to prevent contaminated fluids from moving through the well into USDWs. Respondent was ordered to complete such corrective actions by September 9, 2013.

15. Respondent has not completed corrective actions required by the Order.

16. Therefore, Respondent violated Section 1423(c) of the Act, 42 U.S.C. § 300h-2(c), by failing to complete corrective actions on the well.

17. EPA has notified the public of the filing of this Complaint and has afforded the public thirty (30) days in which to comment on the Complaint and on the proposed penalty as required by Section 1423(c)(3)(B) of the Act, 42 U.S.C. § 300h-2(c)(3)(B). At the expiration of the notice period, EPA will consider any comments filed by the public.

**III. PROPOSED PENALTY**

18. Based on the foregoing findings, and pursuant to the authority of Section 1423(c) of the Act, 42 U.S.C. § 300h-2(c), EPA Region 6 hereby proposes to assess against Respondent a penalty of seven thousand dollars (\$7,000.00).

19. The proposed penalty amount has been determined based on the statutory factors specified in Section 1423(c)(4)(B) of the Act, 42 U.S.C. § 300h-2(c)(4)(B), which include such factors as the seriousness of the violation; the economic benefit resulting from the violation; any history of such violations; any good-faith efforts to comply with the applicable requirements; the economic impact of the penalty on the violator; and such other matters as justice may require.

#### **IV. COMPLIANCE ORDER**

20. Based on the foregoing findings, and pursuant to the authority of Section 1423(c) of the Act, 42 U.S.C. § 300h-2(c), EPA Region 6 hereby orders Respondent to:

a. Complete corrective actions to prevent fluids from moving through the well into USDWs within thirty (30) days after the effective date of this Order. Such corrective actions may include:

- (1) Reducing the static fluid level in the well annulus to at least 478 feet Subsurface;
- (2) Demonstrating that the well has mechanical integrity;
- (3) Plugging the well, or
- (4) Converting the well to production use.

b. Corrective action specified in paragraph 20.a. of this Order shall be considered complete when Respondent submits a report of work completed to the Bureau of Indian Affairs, Osage Agency and the EPA and the EPA notifies Respondent in writing that work is satisfactory.

#### **V. FAILURE TO FILE AN ANSWER**

21. If Respondent wishes to deny or explain any material allegation listed in the above Findings or to contest the amount of the penalty proposed, Respondent must file an Answer to this Complaint within thirty (30) days after service of this Complaint whether or not Respondent requests a hearing as discussed below.

22. The requirements for such an Answer are set forth at 40 C.F.R. § 22.15 (copy enclosed). Failure to file an Answer to this Complaint within thirty (30) days of service of the Complaint shall constitute an admission of all facts alleged in the Complaint and a waiver of the right to a hearing. Failure to deny or contest any individual material allegation contained in the Complaint will constitute an admission as to that finding or conclusion under 40 C.F.R. § 22.15(d).

23. If Respondent does not file an Answer to this Complaint within thirty (30) days after service of this Complaint, a Default Order may be issued against Respondent pursuant to 40 C.F.R. § 22.17. A Default Order, if issued, would constitute a finding of liability, and could make the full amount of the penalty proposed in this Complaint due and payable by Respondent without further proceedings thirty (30) days after a final Default Order is issued.

24. Respondent must send its Answer to this Complaint, including any request for hearing, and all other pleadings to:

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

25. The Answer must be signed by Respondent, Respondent's counsel, or other representative on behalf of Respondent and must contain all information required by 40 C.F.R. §§ 22.5 and 22.15, including the name, address, and telephone number of Respondent and Respondent's counsel. All other pleadings must be similarly signed and filed.

26. Complainant has specified that the administrative procedures specified in 40 C.F.R. Part 22, Subpart 1, shall apply to this matter, and the administrative proceedings shall not be governed by Section 554 of the Administrative Practice Act.

#### **VI. NOTICE OF OPPORTUNITY TO REQUEST A HEARING**

27. Respondent may request a hearing to contest the issuance of this Complaint or to contest the appropriateness of the amount of the penalty, pursuant to Section 1423(c)(3)(A) of the Act, 42 U.S.C. § 300h-2(c)(3)(A). The procedures for hearings are set out at 40 C.F.R. Part 22 (copy enclosed), including 40 C.F.R. §§ 22.50 through 22.52.



28. Any request for hearing should be included in an Answer to this Complaint; however, as discussed above, Respondent must file an Answer meeting the requirements of 40 C.F.R. § 22.15 in order to preserve the right to a hearing or to pursue other relief.

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

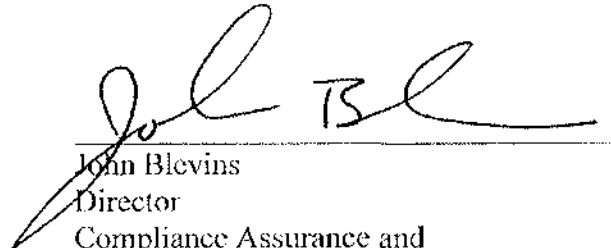
## **VII. SETTLEMENT**

30. EPA encourages all parties against whom civil penalties are 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 or the amount of the proposed penalty. 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. David Aguinaga, of my staff, at 214-665-6439.

31. If this action is settled without a formal hearing and issuance of an opinion by the Presiding Officer pursuant to 40 C.F.R. § 22.27, this action will be concluded by issuance of a Consent Agreement and Final Order (“CAFO”) pursuant to 40 C.F.R. § 22.18(b). The issuance of a CAFO would waive the Respondent’s right to a hearing on any matter stipulated to therein or alleged in the Complaint. Any person who commented regarding this Complaint would be notified and given an additional thirty (30) days to petition EPA to set aside any such CAFO and to hold a hearing on the issues raised in the Complaint. Such a petition would be granted and a hearing held only if the evidence presented by the petitioner’s comment is material and was not considered by EPA in the issuance of the CAFO.

32. Neither assessment nor payment of a penalty in resolution of this action will affect Respondent's continuing obligation to comply with all requirements of the Act, the applicable regulations and permits, and any separate Compliance Order issued under Section 1423(e) of the Act, 42 U.S.C. § 300h-2(c), including one relating to the violations alleged herein.

1.6.14  
Date

  
\_\_\_\_\_  
John Blevins  
Director  
Compliance Assurance and  
Enforcement Division

**CERTIFICATE OF SERVICE**

I certify that the foregoing Complaint 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, Suite 1200  
Dallas, TX 75202-2733

Copy by certified mail  
return receipt requested: Mr. Terrance L. Lewis  
Page One Plus Wholesale, Inc.  
P.O. Box 691335  
Tulsa, OK 74169

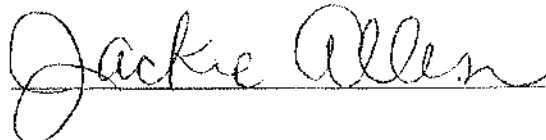
Copy: Bureau of Indian Affairs, Osage Agency  
P.O. Box 1539  
Pawhuska, OK 74056

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

Mr. Terrance L. Lewis  
14432 E 36<sup>th</sup> St.  
Tulsa, OK 74134

Copy hand-delivered: Mr. Russell Murdock (6RC-EW)  
Office of Regional Counsel  
U.S. EPA, Region 6  
1445 Ross Avenue, Suite 1200  
Dallas, TX 75202-2733

Dated: JAN 14 2014

  
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