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August 31, 2017

Via Federal Express

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

RE: In the Matter of: Warren American Oil Company, LLC,
Docket No. SDWA-06-2017-1111

Dear Sir/Madam:

Enclosed is an original and two copies of Respondent's Answer to Proposed Administrative Order and Request for Hearing to be filed with the Agency. I would ask that you return a file-stamped copy to our office in the self-addressed, Federal Express envelope for your convenience.

Sincerely,

MCNAMARA, INBODY & PARRISH, PLLC



Stephen R. McNamara

SRM:ck

Enclosures

cc: CMRRR: 9314 7699 0430 0038 2267 52
Ms. Ellen Chang-Vaughan (6RC-EW)
U.S. EPA, Region 6
1445 Ross Avenue, Suite 1200
Dallas, Texas 75202-2733 (w/encl.)
and via e-mail: Chang-Vaughan.Ellen@epa.gov (w/encl.)

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY, REGION 6
DALLAS, TEXAS

FILED
2017 SEP -5 PM 2:08
REGIONAL HEARING CLERK
EPA REGION VI

In the matter of:

Warren American Oil Company, LLC
RESPONDENT

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Docket No. SDWA-06-2017-1111

RESPONDENT'S ANSWER TO
PROPOSED ADMINISTRATIVE ORDER
AND REQUEST FOR HEARING

RESPONDENT'S ANSWER TO PROPOSED ADMINISTRATIVE ORDER AND
REQUEST FOR HEARING

COMES NOW, Warren American Oil Company, LLC ("Respondent"), through its undersigned counsel, and files Answer to Proposed Administrative Order and Request for Hearing in the above-captioned matter.

STATEMENT OF LEGAL AUTHORITY AND JURISDICTION

1. Respondent was served with Proposed Administrative Order ("Proposed Order") in the above-captioned matter dated August 4, 2017, by Complainant, U.S. Environmental Protection Agency ("EPA") Region 6 ("Complainant"). EPA alleges that Respondent is in violation of the Safe Drinking Water Act (SWDA), for allegedly violating 40 CFR § 2912(c), failure to confine injected fluids to the authorized injection zone for Well No. 7B and 8B, and violation of 40 CFR § 2920(d) for Well Number 9B.

2. Respondent hereby files this Answer to the Proposed Order and Request for Hearing ("Answer") to contest material facts alleged and the appropriateness of the Proposed Order.

3. Respondent hereby requests time to conduct independent discovery and investigation regarding the EPA's allegations.

4. Respondent further requests that it be furnished with all data and information the EPA utilized or reviewed in making its determination leading to the issuance of the Proposed Order.

5. This Answer and Request for Hearing is timely filed.

6. Accordingly, Respondent has timely filed this pleading, has standing and has answered and requested a hearing under the applicable procedures, and has requested the ability to conduct discovery and investigation of the EPA's allegations.

RESPONSE TO SECTION I OF THE PROPOSED ADMINISTRATIVE ORDER

Section I of the Proposed Order is EPA's statement of its alleged statutory authority to bring the subject action, and thus requires no admission or denial from Respondent. To the extent that a response is necessary, Respondent denies that (i) it violated the Safe Drinking Water Act or violated regulations at 40 C.F.R. §§ 2912(c) and 2920(d) and (ii) denies that it should be required to shut-in and/or shut-down and disconnect injection pipelines from the wellhead for well Nos. 7B, 8B and 9B, as referenced in the Proposed Order.

RESPONSE TO SPECIFIC ALLEGATIONS

Respondent responds below to the remainder of EPA's allegations in the Proposed Order. Respondent's responses are organized according to the same paragraph numbers used by EPA in the Administrative Complaint.

1. Admitted.
2. Admitted.
3. Admitted.

4. Paragraph 4 is EPA's statement of law that requires no admission, denial, or explanation and in the alternative, is denied.

5. Paragraph 5 is EPA's statement of law that requires no admission, denial, or explanation and in the alternative, is denied.

6. Paragraph 6 is EPA's statement of law that requires no admission, denial, or explanation and in the alternative, is denied.

7. Paragraph 7 is EPA's statement of law that requires no admission, denial or explanation and in the alternative, is denied

8. Admitted.

9. Admitted.

10. Nothing alleged in Paragraph 10 in any way connects Respondent's wells or activities or disposed water with the North Bird Creek site which is approximately 0.75 miles distant from Respondent's closest disposal well. Because Paragraph 10, as drafted, makes no allegation with respect to Respondent, it does not require a response.

11. Respondent can neither confirm nor deny the allegations contained in Paragraph 11 because Respondent was not provided with duplicate water samples taken simultaneously with the EPA's samples. In addition, Respondent has been denied the opportunity to review the procedure of performing any chemical analysis of the samples which EPA relies upon. Further, a correlation to the chemical composition of water from the Mississippi Chat formation with water appearing in the North Bird Creek site is not evidence that Respondent's injected volumes of water have (or are) entering the creek or have (or are) causing the alleged contamination.

12. Respondent is without knowledge or information sufficient to form a belief as to the truth of the statements in Paragraph 12, and thus they are deemed denied.

13. Respondent is without knowledge or information sufficient to form a belief as to the truth of the statements in Paragraph 13, and thus they are deemed denied.

14. Respondent is without knowledge or information sufficient to form a belief as to the truth of the statements in Paragraph 14, and thus they are denied. Further, Respondent denies that the conclusion reached by the EPA in Paragraph 14, as to the Respondent, is supported by evidence that is accurate or reliable. Further, Respondent denies that the disposal of fluids into its B7, B8 and/or B9 wells could cause or contribute to a "pressure build-up" within the Mississippi Chat formation sufficient for fluid to migrate to the surface.

15. Respondent is without knowledge or information sufficient to form a belief as to in Paragraph 15, and denies that injected fluids from its wells are no longer confined in the authorized injection zone.

16. Denied.

17. Paragraph 17 is EPA's Compliance Order that requires no admission, denial, or explanation, and in the alternative, is denied.

STATEMENT OF LEGAL DEFENSES

1. Respondent disputes that it has violated the Safe Drinking Water Act.
2. Respondent disputes that it has failed to confine injected fluids to authorized injection zones.
3. Respondent disputes that the B7, B8 or B9 wells were the source of the discharges or the pollutants that EPA allegedly observed.
4. Respondent asserts that the alleged discharges and alleged patterns of TDS and temperature readings that EPA allegedly observed, were caused by acts of third parties for which Respondent is not responsible, and/or other causes for which Respondent is not responsible.

5. Respondent reserves the right to assert other defenses to the Proposed Order and to supplement its answers as set forth herein in the future.

PRAYER FOR RELIEF

WHEREFORE, Respondent prays for the following relief:

- a. A hearing pursuant to Section 1423(c)(3)(A) of the Act, 42 U.S.C. § 300h-2(c)(3)(A), on the matters addressed in the Proposed Administrative Order and this Answer;
- b. The ability to conduct discovery and investigation regarding the EPA's allegations; and
- c. Such other relief as the Presiding Officer deems appropriate.

Respectfully Submitted,

MCNAMARA, INBODY & PARRISH, PLLC

By: 

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Facsimile: (918) 599-0310
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Attorneys for Respondent

CERTIFICATE OF MAILING

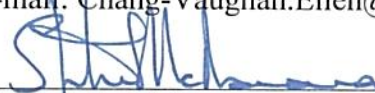
I hereby certify that on this 31st day of August, 2017, RESPONDENT'S ANSWER TO PROPOSED ADMINISTRATIVE ORDER AND REQUEST FOR HEARING was sent to the following persons, in the manners specified.

Original and one copy *via* Federal Express:

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

One copy *via* CMRRR and e-mail:

Ms. Ellen Chang-Vaughan (6RC-EW)
U.S. EPA, Region 6
1445 Ross Avenue, Suite 1200
Dallas, Texas 75202-2733
e-mail: Chang-Vaughan.Ellen@epa.gov



Stephen R. McNamara

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