



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 6  
1445 ROSS AVENUE, SUITE 1200  
DALLAS, TX 75202-2733

MAR 28 2012

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CERTIFIED MAIL-RETURN RECEIPT REQUESTED: 7005 1820 0003 7453 8595

Mr. Andrew D. Smith  
Smith Petroleum, LLC  
P.O. Box 134  
Barnsdall, OK 74002

This closed  
06-2012-1109

Re: Transmittal of Final Administrative Order  
Docket Number: SDWA-06-2012-1113 (Proposed as SDWA-06-2012-1109)

Dear Mr. Smith:

Enclosed is a final Administrative Order (Order) issued to you for violation of the Safe Drinking Water Act (SDWA). The violation was identified during our review of files that we maintain on the referenced well. The violation was for failure to maintain Well No. L1W in a manner to prevent fluids from moving through the well into underground sources of drinking water. The enclosed Order does not assess a monetary penalty; however, it does require compliance with SDWA requirements. You are required to complete appropriate corrective actions on the well referenced in the Order.

The EPA issued a proposed Order, Docket Number SDWA-06-2012-1109, on January 27, 2012, for review and comment by you and the public. We did not receive any comments on the proposed Order from the public. You submitted comments on the proposed Order in a February 14, 2012, letter. We considered your comments in preparing the enclosed Order.

The SDWA provides that you, or any person who commented on the proposed Order, may file an appeal of the final Order with the United States District Court for the District of Columbia or the district in which the violation occurred. Such appeal must be filed within thirty (30) days after the final Order is issued. If you file an appeal, you must simultaneously send a copy of the appeal by certified mail to the Administrator of the Environmental Protection Agency and to the U.S. Attorney General.

If you have any questions concerning this final Order, please contact Mr. Ronald Van Wyk, of my staff, at (214) 665-6459.

Sincerely,

John Blevins  
Director  
Compliance Assurance and  
Enforcement Division

Enclosure

cc w/enclosure:

Osage Nation Department of Environmental  
and Natural Resources

BIA, Minerals Branch

U. S. ENVIRONMENTAL PROTECTION AGENCY REGION 6  
ADMINISTRATIVE ORDER

In the Matter of Smith Petroleum, LLC, Respondent  
Docket No. SDWA-06-2012-1113

FILED

STATUTORY AUTHORITY

ORDER

2012 APR -2 PM 12:21

The following findings are made and Order 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 issue this Order has been delegated by the Administrator to the Regional Administrator of EPA Region 6 who further delegated such authority to the Director of the Compliance Assurance and Enforcement Division. 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.

8. Based on the foregoing findings and under the authority of Section 1423(c) of the Act, it is hereby ordered that Respondent shall complete one of the actions listed below by July 31, 2012:

- a. Plug the well according to EPA procedures; or
- b. complete appropriate corrective actions to prevent fluids from moving through the well into USDWs. Two examples of corrective actions are (1) demonstrate mechanical integrity of the well, and (2) lower the static fluid level in the well to at least 465 feet subsurface.

FINDINGS

GENERAL PROVISIONS

1. Respondent, Smith Petroleum, LLC, is a "person," within the meaning of Section 1401(12) of the Act, 42 U.S.C. § 300f(12).

9. 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.

2. At all times relevant to the violation alleged herein, Respondent operated an injection well located in the Southwest Quarter of Section 20, Township 25 North, Range 11 East, Quapaw Field, Osage County, Oklahoma, designated as Well Number L1W and EPA Inventory Number OS1290 ("the well").

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

3. Respondent is subject to underground injection control program requirements set forth at 40 C.F.R. Part 147, Subpart GGG, which are authorized under Section 1421 of the Act, 42 U.S.C. § 300h.

11. 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).

4. EPA regulations at 40 C.F.R. § 147.2903(b) require the operator of an injection well to maintain the well so that fluids containing contaminants will not flow through the well bore into "underground sources of drinking water" ("USDWs"), as defined at 40 C.F.R. § 147.2902.

EFFECTIVE DATE

5. Reports of inspections of the well dated April 5, September 14, and December 19, 2011, show the fluid level in the well to be above the base of USDWs in the vicinity of the well.

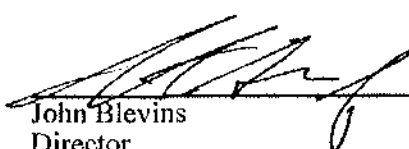
12. This Order becomes effective thirty (30) days after issuance unless an appeal is taken pursuant to Section 1423(c)(6) of the Act, 42 U.S.C. § 300h-2(c)(6).

6. Respondent violated the regulations cited above by maintaining the well in such a manner which could allow fluids to migrate through the well bore into USDWs because a static fluid level above the base of USDWs indicates that fluids could be moving through the well bore into USDWs.

7. Therefore, Respondent violated the regulations set forth at 40 C.F.R. §§ 147.2903(b).

MAR 28 2012

Date

  
John Blevins  
Director  
Compliance Assurance and  
Enforcement Division

**CERTIFICATE OF SERVICE**

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

Copy by certified mail  
return receipt requested: Mr. Andrew D. Smith  
Smith Petroleum, LLC  
P.O. Box 134  
Barnsdall, OK 74002

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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 & Signed: April 2, 2012 Jackie Allen