EXPEDITED SPCC SETTLEMENT AGREEMENT
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 7, 11201 RENNER BOULEVARD, LENEXA, KANSAS 66219

DOCKET NO. CWA-07-2014-0033
On: February 4, 2013
At: within Section 28, Township 25 South, Range 15 East of Woodson County, Kansas

Owned or operated by, Steven A. Leis Oil Company (Respondent), an authorized representative of the U.S. Environmental Protection Agency (EPA) conducted an inspection to determine compliance with the Oil Pollution Prevention (SPCC) regulations promulgated at 40 C.F.R. Part 112 under Section 311(j) of the Clean Water Act (33 U.S.C. § 1321(j)) (the Act), and found that Respondent had violated regulations implementing Section 311(j) of the Act by failing to comply with the regulations as noted on the attached SPILL PREVENTION CONTROL AND COUNTERMEASURES INSPECTION FINDINGS, ALLEGED VIOLATIONS, AND PROPOSED PENALTY FORM (Form), which is hereby incorporated by reference.

This proceeding and the Expedited Settlement are under the authority vested in the Administrator of the EPA by Section 311(b)(6)(B)(i) of the Act, 33 U.S.C. § 1321(b)(6)(B)(i), as amended by the Oil Pollution Act of 1990, and by 40 C.F.R. § § 22.13(b). The parties enter into this Expedited Settlement in order to settle the civil violations described in the Form for a penalty of **$2875**.

This settlement is subject to the following terms and conditions:

The EPA finds that Respondent is subject to the SPCC regulations, which are published at 40 C.F.R. Part 112, and has violated the regulations as further described in the Form. Respondent admits that he/she is subject to 40 C.F.R. Part 112 and that the EPA has jurisdiction over Respondent and Respondent's conduct as described in the Form. Respondent does not contest the Inspection Findings, and waives any objections it may have to the EPA's jurisdiction. Respondent consents to the assessment of the penalty stated above.

Respondent certifies, subject to civil and criminal penalties for making a false submission to the United States Government, that the violations have been corrected and **Respondent has sent a certified check in the amount of $2875, payable to the "Environmental Protection Agency," via certified mail to:**

U.S. Environmental Protection Agency
P.O. Box 979077
St. Louis, Missouri 63197-9000

and Respondent has noted on the penalty payment check "Docket No. CWA-07-2014-0033" and "OSLTF – 311." **The original, signed Settlement Agreement and copy of the penalty payment check must be sent via certified mail to:**

Mark Aaron
U.S. Environmental Protection Agency
Region 7, AWMD/STOP
11201 Renner Boulevard
Lenexa, Kansas 66219

This Expedited Settlement resolves Respondent's liability for Federal civil penalties for the violations of the SPCC regulations described in the Form. However, the EPA does not waive any rights to take any enforcement action for any other past, present, or future violations by Respondent of the SPCC regulations or of any other federal statute or regulations. By its first signature, the EPA ratifies the Inspection Findings and Alleged Violations set forth in the Form.

Upon signing and returning this Expedited Settlement to the EPA, Respondent waives the opportunity for a hearing or appeal pursuant to Section 311 of the Act, and consents to the EPA's approval of the Expedited Settlement without further notice.

This Expedited Settlement is binding on the parties signing below, and is effective upon the Regional Judicial Officer's signature.

APPROVED BY EPA:
Margaret E. Townsend Date 10-27-2014
Chief, Storage Tanks and Oil Pollution Branch (STOP)
Air and Waste Management Division (AWMD)

APPROVED BY RESPONDENT:
Name (print): Steven A Leis
Title (print): Owner
Signature: Steven A Leis
Date: 10-16-2014

The estimated cost for correcting the violation(s) is:
$ 2875 .

IT IS SO ORDERED:
Karina Borromeo Date 11-4-14
Karina Borromeo
Regional Judicial Officer

Spill Prevention Control and Countermeasure Inspection Findings, Alleged Violations, and Proposed Penalty Form

(Note: Do not use this form if there is no secondary containment)

These Findings, Alleged Violations and Penalties are issued by EPA Region 7 under the authority vested in the Administrator of EPA by Section 311(b)(6)(B)(I) of the Clean Water Act, as amended by the Oil Pollution Act of 1990.

Company Name: Steven A. Leis Oil Company	Docket Number: CWA-07-2014-0033
Facility Name: Eggers Lease	Date: February 4, 2013
Address: Within Section 28, Township 25 South, Range 15 East of Woodson County	Inspection Number: N/A
City: South of Yates Center	Inspectors Name: Susan Fisher
State: Kansas / Zip Code: N/A	EPA Approving Official: Margaret Stockdale
Contact: Steven A. Leis	Enforcement Contacts: Mark Aaron

Summary of Findings

(Onshore Oil Production Facilities)

GENERAL TOPICS: 112.3(a),(d),(e); 112.5(a), (b), (c); 112.7 (a), (b), (c), (d)

(When the SPCC Plan review penalty exceeds $1,500.00 enter only the maximum allowable of $1,500.00.)

- ☐ No Spill Prevention Control and Countermeasure Plan- *112.3* $1,500.00
- ■ Plan not certified by a professional engineer- *112.3(d)* 450.00
- ■ Certification lacks one or more required elements- *112.3(d)(1)* 100.00
- ☐ No management approval of plan- *112.7* 450.00
- ☐ Plan not maintained on site (if facility is manned at least 4 hrs/day) or not available for review- *112.3(e)(1)* 300.00
- ☐ No evidence of five-year review of plan by owner/operator- *112.5(b)* 75.00
- ☐ No plan amendment(s) if the facility has had a change in: design, construction, operation, or maintenance which affects the facility's discharge potential- *112.5(a)* 75.00
- ☐ Amendment(s) not certified by a professional engineer- *112.5(c)* 150.00

☐ Plan does not follow sequence of the rule and/or cross-reference not provided- *112.7* 150.00

☐ Plan does not discuss additional procedures/methods/equipment not yet fully operational- *112.7*.....75.00

☐ Plan does not discuss alternative environmental protection to SPCC requirements- *112.7(a)(2)* 200.00

■ Plan has inadequate or no facility diagram- *112.7(a)(3)* 75.00

☐ Inadequate or no listing of type of oil and storage capacity layout of containers- *112.7(a)(3)(i)*.....50.00

☐ Inadequate or no discharge prevention measures- *112.7(a)(3)(ii)* 50.00

■ Inadequate or no description of drainage controls- *112.7(a)(3)(iii)* 50.00

■ Inadequate or no description of countermeasures for discharge discovery, response and cleanup- *112.7(a)(3)(iv)* ...50.00

■ Recovered materials not disposed of in accordance with legal requirements- *112.7(a)(3)(v)*.....50.00

■ No contact list & phone numbers for response & reporting discharges- *112.7(a)(3)(vi)* 50.00

■ Plan has inadequate or no information and procedures for reporting a discharge- *112.7(a)(4)* 100.00

■ Plan has inadequate or no description and procedures to use when a discharge may occur- *112.7(a)(5)* 150.00

■ Inadequate or no prediction of equipment failure which could result in discharges- *112.7(b)*.....150.00

■ Plan does not discuss and facility does not implement appropriate containment/diversionary structures/equipment- (including truck transfer areas) *112.7(c)*.....400.00

- If claiming impracticability of appropriate containment/diversionary structures:

☐ Impracticability has not been clearly denoted and demonstrated in plan- *112.7(d)* 100.00

☐ No contingency plan- *112.7(d)(1)*..... 150.00

☐ No written commitment of manpower, equipment, and materials- *112.7(d)(2)* 150.00

☐ No periodic integrity and leak testing , if impracticability is claimed - *112.7(d)* .150.00

☐ Plan has no or inadequate discussion of general requirements not already specified- *112.7(a)(1)* 75.00

QUALIFIED FACILITY REQUIREMENTS: 112.6

☐ Qualified Facility: No Self certification- *112.6(a)* 450.00

☐ Qualified Facility: Self certification lacks required elements- *112.6(a)* 100.00

☐ Qualified Facility: Technical amendments not certified- *112.6(b)* 150.00

☐ Qualified Facility: Un-allowed deviations from requirements- *112.6(c)* 100.00

☐ Qualified Facility: Environmental Equivalence or Impracticability not certified by PE- *112.6(d)* 350.00

WRITTEN PROCEDURES AND INSPECTION RECORDS 112.7(e)

☐ The Plan does not include inspections and test procedures in accordance with 40 CFR Part 112 - *112.7(e)* 75.00

☐ Inspections and tests required by 40 CFR Part 112 are not in accordance with written procedures developed for the facility- *112.7(e)* 75.00

■ No Inspection records were available for review - *112.7(e)* 200.00

Written procedures and/or a record of inspections and/or customary business records:

☐ Are not signed by appropriate supervisor or inspector- *112.7(e)* 75.00

☐ Are not maintained for three years- *112.7(e)* 75.00

PERSONNEL TRAINING AND DISCHARGE PREVENTION PROCEDURES 112.7(f)

☐ No training on the operation and maintenance of equipment to prevent discharges- *112.7(f)(1)* 75.00

☐ No training on discharge procedure protocols- *112.7(f)(1)* 75.00

☐ No training on the applicable pollution control laws, rules, and regulations- *112.7(f)(1)* 75.00

☐ Training records not maintained for three years- *112.7(f)* 75.00

■ No training on the contents of the SPCC Plan- *112.7(f)(1)* 75.00

☐ No designated person accountable for spill prevention- *112.7(f)(2)* 75.00

■ Spill prevention briefings are not scheduled and conducted periodically- *112.7(f)(3)* 75.00

☐ Plan has inadequate or no discussion of personnel and spill prevention procedures- *112.7(f)* 75.00

FACILITY TANK CAR AND TANK TRUCK LOADING/UNLOADING 112.7(c) and/or (h-j)

☐ Inadequate containment for Loading Area (not consistent with 112.7(c)) - *112.7(c)* 400.00

☐ Inadequate secondary containment, and/or rack drainage does not flow to catchment basin, treatment system, or quick drainage system- *112.7(h)(1)*. 750.00

☐ Containment system does not hold at least the maximum capacity of the largest single compartment of any tank car or tank truck- *112.7(h)(1)*. 450.00

☐ There are no interlocked warning lights, or physical barrier system, or warning signs, or vehicle brake interlock system to prevent vehicular departure before complete disconnect from transfer lines- *112.7(h)(2)*..... 300.00

☐ There is no inspection of lowermost drains and all outlets prior to filling and departure

of any tank car or tank truck- *112.7(h)(3).* 150.00

☐ Plan has no or inadequate discussion of general requirements not already specified-*112.7(j)* 75.00

QUALIFIED OIL OPERATIONAL EQUIPMENT 112.7(k)

☐ Failure to establish and document procedures for inspections or a monitoring program to detect equipment failure and/or a discharge- *112.7(k)(2)(i)* 150.00

☐ Failure to provide an oil spill contingency plan- *112.7(k)(2)(ii)(A)* 150.00

☐ No written commitment of manpower, equipment, and materials- *112.7(k)(2)(ii)(B)* 150.00

OIL PRODUCTION FACILITY DRAINAGE 112.9(b)

☐ Drains for the secondary containment systems at tank batteries **and** separation **and** central treating areas are not closed and sealed at all times except when uncontaminated rainwater is being drained- *112.9(b)(1)* 600.00

☐ Prior to drainage of diked areas, rainwater is not inspected, valves opened and resealed under responsible supervision and records kept of such events- *112.9(b)(1)* 450.00

☐ Accumulated oil on the rainwater is not removed and returned to storage or disposed of in accordance with legally approved methods- *112.9(b)(1)* 300.00

☐ Field drainage system (drainage ditches and road ditches), oil traps, sumps and/or skimmers are not regularly inspected and/or oil is not promptly removed- *112.9(b)(2)* 300.00

☐ Inadequate or no records maintained for drainage events- *112.7* 75.00

☐ Plan has inadequate or no discussion or procedures for facility drainages- *112.7(a)(1)* 75.00

OIL PRODUCTION FACILITY BULK STORAGE CONTAINERS 112.9(c)

☐ Plan has inadequate or no risk analysis and/or evaluation of field-constructed aboveground tanks for brittle fracture- *112.7(i)* 75.00

☐ Failure to conduct evaluation of field-constructed aboveground tanks for brittle fracture- *112.7(i)* 300.00

☐ Container material and construction are not compatible with the oil stored and the conditions of storage- *112.9(c)(1)* 450.00

■ Size of secondary containment appears to be inadequate for containers and treating facilities- *112.9(c)(2)* 750.00

☐ Excessive vegetation which affects the integrity of the containment- *112.9(c)(2)* 150.00

☐ Walls of containment system are slightly eroded or have low areas- *112.9(c)(2)* 300.00

☐ Secondary containment materials are not sufficiently impervious to contain oil- *112.9(c)(2)* 375.00

☐ Visual inspections of containers, foundation and supports are not conducted periodically for deterioration and maintenance needs- *112.9(c)(3)* 450.00

☐ Tank battery installations are not in accordance with good engineering practice because none of the following are present- *112.9(c)(4)* 450.00

(1) Adequate tank capacity to prevent tank overfill- *112.9(c)(4)(i)*, **or**
(2) Overflow equalizing lines between the tanks- *112.9(c)(4)(ii)*, **or**
(3) Vacuum protection to prevent tank collapse- *112.9(c)(4)(ii)*, **or**
(4) High level alarms to generate and transmit an alarm signal where facilities are part of a computer control system- *112.9(c)(4)(iv)*.

☐ Plan has inadequate or no discussion of bulk storage tanks- *112.7(a)(1)* 75.00

FACILITY TRANSFER OPERATIONS, OIL PRODUCTION FACILITY 112.9(D)

☐ Above ground valves and pipelines are not examined periodically on a scheduled basis for general condition (includes items, such as: flange joints, valve glands 2nd bodies, drip pans, pipeline supports, bleeder and gauge valves, polish rods/stuffing box.)- *112.9(d)(1)* 450.00

☐ Brine and saltwater disposal facilities are not examined often- *112.9(d)(2)* 450.00

☐ Inadequate or no flowline maintenance program (includes: examination, corrosion protection, flowline replacement)- *112.9(d)(3)* 450.00

☐ Plan has inadequate or no discussion of oil production facilities- *112.7(a)(1)* 75.00

■ Plan does not include a signed copy of the Certification of the Applicability of the Substantial Harm Criteria per 40 CFR Part- *112.20(e)* 150.00
(Do not use this if FRP subject, go to traditional enforcement)

TOTAL $ 2,875.

IN THE MATTER OF Steven A. Leis Oil Company, Respondent
Docket No. CWA-07-2014-0033

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Order was sent this day in the following manner to the addressees:

Copy by email to Attorney for Complainant:

nazar.kristen@epa.gov

Copy by First Class Mail to:

Steven A. Leis, Owner
Steven A. Leis Oil Company
1092 Osage Road
Yates Center, Kansas 66783

Dated: 11/5/14

Kathy Robinson
Hearing Clerk, Region 7