



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 6
1201 ELM STREET, SUITE 500
DALLAS, TEXAS 75270-2102

October 3, 2022

TRANSMITTED VIA EMAIL

Mr. Dominic Strothers
DK & K Energy, LLC
6935 Happy Camp
Beggs, Oklahoma 74421
dominic_strother@hotmail.com

Re: Final Administrative Order
Well Number: 8
EPA Inventory ID: OS6470000
Docket Number: SDWA-06-2021-1154

Dear Mr. Strothers:

Enclosed is a Final Administrative Order (Final Order) issued by the United States Environmental Protection Agency, Region 6 (EPA) to DK & K Energy, LLC (Respondent) for violation of the Safe Drinking Water Act (SDWA). The Final Order requires the Respondent to comply with regulatory requirements specified in the Final Order. EPA requests that the Respondent immediately confirm receipt of this e-mail and the attached Final Order by a response e-mail to rudolph.matthew@epa.gov.

The violation of the SDWA was identified through a review of files that EPA maintains on the referenced injection well. The violation was for failing to submit the annual operation report for Well No. 8 for the period of January 2018 through December 2018, January 2019 through December 2019, and January 2020 through December 2020. The Final Order does not assess a monetary penalty; however, it does require the Respondent to comply with SDWA requirements and specifies deadlines for compliance. Please be aware that failure to comply with the Final Order may subject DK & K Energy, LLC to additional enforcement action by EPA, including the initiation of legal proceedings to seek monetary penalties. The effective date of the Final Order is 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).

The SDWA provides that you 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 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.

Also enclosed is an "Information Sheet" relating to the Small Business Regulatory Enforcement Fairness Act and a "Notice of Registrant's Duty to Disclose" relating to the disclosure of environmental legal proceedings to the Securities and Exchange Commission.

Re: DK & K Energy, LLC
SDWA-06-2021-1154

2

If you have any questions concerning the Final Order, please contact Matthew Rudolph of my staff, at 214-665-6434.

Sincerely,



Digitally signed by
MARGARET OSBOURNE
Date: 2022.10.03
12:56:36 -05'00'

Cheryl T. Seager, Director
Enforcement and
Compliance Assurance Division

Enclosures

ec: Ms. Jann Hayman, Osage Nation DNR Director
jannhayman@osagenation-nsn.gov

Mr. Richard Winlock, BIA Osage Agency Superintendent
richard.winlock@bia.gov

FILED
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 6
Dallas, Texas 75270

22 OCT -5 AM 12:41

REGIONAL HEARING CLERK
EPA REGION VI

In the Matter of

DK & K Energy, LLC

Respondent

§
§
§
§
§

Docket No. SDWA-06-2021-1154

FINAL ADMINISTRATIVE ORDER

STATUTORY AUTHORITY

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 (the 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 Enforcement and Compliance Assurance 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.

FINDINGS

1. DK & K Energy, LLC (Respondent) is a company doing business in the State of Oklahoma and, therefore, is a “person,” within the meaning of Section 1401(12) of the Act, 42 U.S.C. § 300f(12).
2. At all times relevant to the violations alleged herein, Respondent owned or operated an “injection well” which is a “Class II well” as those terms are defined at 40 C.F.R § 147.2902. The injection well is located in the NW Quarter of Section 05, Township 23 North, Range 10

East, Osage County, Oklahoma, designated as injection Well No. 8 and EPA Inventory Number OS6470000 (the injection well).

3. Respondent is subject to underground injection control (UIC) 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.

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 injection 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. § 147.2916 require the owner or operator of a new Class II injection well, or any other Class II injection 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.

6. On September 13, 2017, EPA issued UIC permit number 06S1261P6470 (the permit) for the well.

7. On September 13, 2017, the permit became effective.

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

9. On July 13, 2021, EPA emailed Respondent a letter notifying Respondent that EPA had not received annual reports for the injection well for the periods of January 2018 through December 2018, January 2019 through December 2019, and January 2020 through December 2020. The letter informed Respondent of the potential violations of the Act and the UIC program and that

EPA can pursue enforcement actions in response to these violations. The letter also provided the Respondent an opportunity to confer with the EPA regarding this matter.

10. During a review of records for the permit conducted by representatives of EPA on July 29, 2021, it was observed that the Respondent has not submitted annual reports for the injection well for the periods of January 2018 through December 2018, January 2019 through December 2019, and January 2020 through December 2020.

11. Therefore, Respondent violated regulations at 40 C.F.R. §§ 147.2922(b) by failing to submit annual operation reports for the injection well for the periods of January 2018 through December 2018, January 2019 through December 2019, and January 2020 through December 2020.

12. Pursuant to Section 1423(c)(3)(A) of the Act, 42 U.S.C. § 300h-2(c)(3)(A), on August 12, 2021, EPA issued a Proposed Administrative Order to Respondent and provided Respondent an opportunity to request a hearing on the Proposed Administrative Order.

13. On August 13, 2021, EPA provided public notice of its proposal to issue an order for compliance in this matter in accordance with Section 1423(c)(3)(B) of the Act, 42 U.S.C. § 300h-2(c)(3)(B).

14. Respondent did not request a hearing and EPA did not receive any public comments on the Proposed Administrative Order.

SECTION 1423(c) COMPLIANCE ORDER

15. 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 submit required annual operation reports for the well for the periods January 2018 through December 2018, January 2019 through December 2019, and January 2020 through December 2020. The required reports shall be submitted to the EPA at the address shown below within thirty (30) days after the

effective date of the Final Administrative Order. Report forms are included in Attachment A, which is incorporated herein by reference.

16. Submit the required information to the EPA at rudolph.matthew@epa.gov within thirty (30) days after the effective date of the Final Administrative Order.

GENERAL PROVISIONS

17. Respondent may appeal this Final Administrative Order to Federal District Court pursuant to Section 1423(c)(6) of the Act, 42 U.S.C. § 300h-2(c)(6).

18. This Final Administrative Order does not constitute a waiver, suspension, or modification of the requirements of 40 C.F.R. Parts 144, 146, and 147, Subpart GGG, which remain in full force and effect.

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

20. Violation of the terms of this Final Administrative 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 Final Administrative 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 Final Administrative Order under Section 1423(b)(1) and (2) of the Act, 42 U.S.C. § 300h-2(b)(1) and (2).

TAX IDENTIFICATION

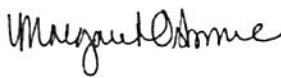
21. For purposes of the identification requirement in Section 162(f)(2)(A)(ii) of the Internal Revenue Code, 26 U.S.C. § 162(f)(2)(A)(ii), and 26 C.F.R. § 1.162-21(b)(2), performance of Paragraphs 15 and 16 is restitution, remediation, or required to come into compliance with the law.

EFFECTIVE DATE

22. The Final Administrative 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).

October 3, 2022

Date



Digitally signed by MARGARET
OSBOURNE
Date: 2022.10.03 13:07:06 -05'00'

Cheryl T. Seager, Director
Enforcement and
Compliance Assurance Division

CERTIFICATE OF SERVICE

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

Signed Original E-mailed: Regional Hearing Clerk (R6ORC)
U.S. EPA, Region 6
1201 Elm Street, Suite 500
Dallas, TX 75270
vaughn.lorena@epa.gov

File Stamped Copy
Transmitted via Email: Mr. Dominic Strothers
DK & K Energy, LLC
6935 Happy Camp
Beggs, OK 74421
dominic_strother@hotmail.com

Electronic Copy: Ms. Ellen Chang-Vaughan
U.S. EPA, Region 6
1201 Elm Street, Suite 500
Dallas, TX 75270
chang-vaughan.ellen@epa.gov

Mr. Richard Winlock, Superintendent
Bureau of Indian Affairs
Osage Agency
P.O. Box 1539
Pawhuska, OK 74056
richard.winlock@bia.gov

Ms. Jann Hayman, Director
Osage Nation Department of Natural Resources
100 W. Main, Suite 304
Pawhuska, OK 74056
jannhayman@osagenation-nsn.gov

Dated: 10/03/2022 Matthew Rudolph