



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 8

1595 Wynkoop Street  
DENVER, CO 80202-1129  
Phone 800-227-8917  
<http://www.epa.gov/region08>

Ref: 8ENF-UFO

MAY 06 2013

**CERTIFIED MAIL # 7005 3410 0000 2598 4488**  
**RETURN RECEIPT REQUESTED**

Tuffy Murphy  
Southern Cross Ranches  
P.O. Box 100  
Dixon, WY 82323

Southern Cross Ranches, LLC  
% Kris/Kirk Shiner, Registered Agents  
33420 Antelope Road  
McCoy, CO 80463-9601

Re: Proposed Compliance Order, Penalty Complaint, and Notice of Opportunity for Hearing  
Docket No. SDWA-08-2013-0024

Dear Dr. Murphy and Southern Cross Ranches representative:

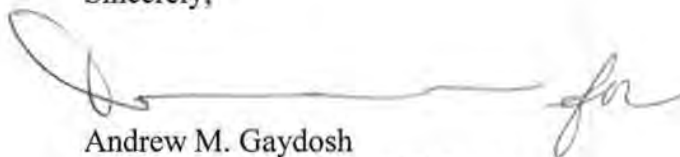
Enclosed is a Proposed Compliance Order, Penalty Complaint, and Notice of Opportunity for Hearing (Complaint) issued by the Environmental Protection Agency (EPA) as authorized by the Safe Drinking Water Act (SDWA), 42 U.S.C. § 300h-2. The document describes how you, as owners and/or operators of Southern Cross Ranches, have violated the SDWA and proposes both compliance requirements and the assessment of a civil penalty.

**However, if you fully comply with the compliance order requirements in a timely manner as set forth in the Complaint, EPA will evaluate the civil penalty factors at 42 U.S.C. § 300h-2(c)(4)(B), and may settle this case without the assessment of a civil penalty, if appropriate.** Please note that there are deadlines in the Complaint that must be followed. The Complaint is effective upon the receipt date, and you have thirty (30) calendar days to file an answer to dispute the contents of the Complaint.

If you have technical questions, please contact Christopher Ajayi at the above address (with the mail code 8ENF-UFO) or by phone at 303-312-6320. For legal questions, the attorney assigned to this matter is Mia Bearley, who can be reached at the above address (with the mail code 8ENF-L) or by phone at 303-312-6554.

We urge your prompt attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "AG", written over a horizontal line.

Andrew M. Gaydosh  
Assistant Regional Administrator  
Office of Enforcement, Compliance  
And Environmental Justice

Enclosures:

Proposed Compliance Order, Penalty Complaint, and Notice of Opportunity for Hearing  
Part 22 Rules of Practice  
Public Notice  
U.S. EPA Small Business Resources Fact Sheet

Cc:

Southern Cross Ranches, LLC  
P.O. Box 670  
Windsor, CO 80550-0670



Printed on Recycled Paper

UNITED STATES  
ENVIRONMENTAL PROTECTION AGENCY  
REGION 8  
Docket No. SDWA-08-2013-0024

2013 MAY -6 PM 1:08

FILED  
EPA REGION VIII  
HEARING CLERK

In the Matter of: )  
)  
Tuffy Murphy, and )  
Southern Cross Ranches, LLC )  
)  
)  
)  
Respondents. )

**PROPOSED COMPLIANCE ORDER,  
PENALTY COMPLAINT AND NOTICE OF  
OPPORTUNITY FOR HEARING**

**INTRODUCTION**

1. This Proposed Compliance Order, Penalty Complaint and Notice of Opportunity for Hearing (Complaint) is authorized by Congress in section 1423 of the Public Health Service Act, commonly known as the Safe Drinking Water Act (the Act), 42 U.S.C. § 300h-2. The Environmental Protection Agency (EPA) regulations authorized by the statute are set out in part 144 of title 40 of the Code of Federal Regulations (C.F.R.), and violations of the statute, permits or EPA regulations constitute violations of the Act. The rules for this proceeding are the "Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, Issuance of Compliance or Corrective Action Orders and the Revocation, Termination or Suspension of Permits ("Rules of Practice")," 40 C.F.R. Part 22, a copy of which is enclosed.

2. The undersigned EPA official has been properly delegated the authority to issue this Complaint.

3. EPA alleges that Tuffy Murphy and Southern Cross Ranches, LLC, owners and/or operators, of Southern Cross Ranches (Respondents) have violated the regulations and, therefore, the Act, as more fully explained below.

**NOTICE OF OPPORTUNITY FOR A HEARING**

4. Respondents have the right to a public hearing before a presiding officer within the Agency to (1) disagree with any fact alleged by EPA in the Complaint, (2) state the grounds for any legal defense or (3) disagree with the appropriateness of the proposed penalty.

5. To disagree with the Complaint and assert Respondents' right to a hearing, Respondents must file a written answer (and one copy) with the Regional Hearing Clerk (1595 Wynkoop Street (8RC); Denver, Colorado 80202) within thirty (30) calendar days of receiving this complaint. The answer must clearly admit, deny or explain the factual allegations of the

complaint, the grounds for any defense, the facts Respondents may dispute, and Respondents' specific request for a public hearing. Please see section 22.15 of the Rules of Practice for a complete description of what must be in the answer. **FAILURE TO FILE AN ANSWER AND REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS MAY WAIVE RESPONDENTS' RIGHT TO DISAGREE WITH THE ALLEGATIONS OR PROPOSED PENALTY, AND RESULT IN A DEFAULT JUDGMENT AND ASSESSMENT OF PENALTY UP TO THE MAXIMUM AUTHORIZED BY THE ACT.**

### SETTLEMENT NEGOTIATIONS

6. EPA encourages discussing whether cases can be settled through informal settlement conferences. If Respondents want to pursue the possibility of settling this matter, or have any other questions, contact Mia Bearley, Enforcement Attorney, at (303) 312-6554 or at the following address:

Mia Bearley (Mail Code 8ENF-L)  
U.S. EPA Region 8  
1595 Wynkoop Street  
Denver, Colorado 80202

**Please note that calling Ms. Bearley or requesting a settlement conference does NOT delay the running of the thirty (30) day period for filing an answer and requesting a hearing.**

### GENERAL ALLEGATIONS

The following general allegations apply to all times relevant to this action and to each violation alleged in this complaint:

7. Respondents are each a "person" as defined in the Act, and are therefore subject to the requirements of the statute and/or regulations. 42 U.S.C. § 300f (12).

8. Respondents own and/or operate the facility known as Southern Cross Ranches, located at 11388 County Road 101, Craig, Colorado ("Facility").

9. On October 5, 2011, authorized EPA employees entered the facility, with consent, to inspect it for compliance with the law. This inspection showed that the facility operates a motor vehicle maintenance area with one floor drain. The floor drain leads to a gravel pit and septic system.

10. Based on the inspection described above, Respondents own and/or operate a Class V Motor Vehicle Waste Disposal Well.

11. Respondents' disposal system, as identified in the inspection above, is classified as a "Class V Injection Well" as defined by 40 C.F.R. §§ 144.6, 144.81, and 146.5. Respondents are subject to applicable requirements of 40 C.F.R. §§ 124, 144 and 146.

12. Lying beneath Respondents' disposal well are underground sources of drinking water (USDWs), including but not limited to, the Sand Wash Basin Aquifer.

13. Respondents are in violation of:

(a) 40 C.F.R. §§ 144.12(a) and 144.82(a)(1) by owning, operating or maintaining a Class V disposal well which, through injection activity, allows the movement of fluid containing any contaminant into underground sources of drinking water, if the presence of that contaminant may cause a violation of any primary drinking water regulation or may otherwise adversely affect the health of persons; and

(b) 40 C.F.R. § 144.88(b) for operating a motor vehicle waste disposal well after the January 1, 2007 ban of all motor vehicle waste disposal wells.

Respondents' operation of the well is in violation of the EPA regulations and is therefore in violation of the Act, 42 U.S.C. § 300h-2 (c)(1).

### **PROPOSED COMPLIANCE ORDER**

14. Respondents shall:

(a) within thirty (30) calendar days of Respondents' receipt of this Complaint, submit to EPA, in writing, a schedule for permanently closing the disposal well in the motor vehicle maintenance area, and a plan for alternative disposal of the waste. If the closure includes the use of a self-contained holding tank, the plan must address the specific type, specifications and size of tank to be installed. EPA will promptly review the proposed plan and either approve it or provide Respondents with written comments;

(b) within sixty (60) calendar days of the receipt of this Complaint, permanently close the disposal well; and

(c) within thirty (30) calendar days of completing this work, provide EPA with subsequent documentation of the closure.

15. Respondents shall submit all documentation to:

Christopher Ajayi (Mail Code 8ENF-UFO)  
U.S. EPA Region 8  
1595 Wynkoop Street  
Denver, Colorado 80202

### **PROPOSED CIVIL PENALTY**

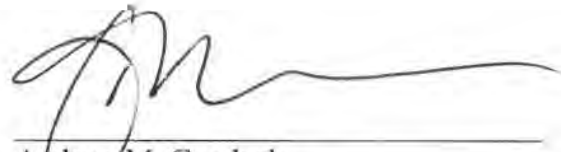
16. For an administrative proceeding, the Act authorizes the assessment of a civil penalty of up to \$16,000 per day, for each violation of the Act, up to a maximum of \$177,500. 42 U.S.C.

§ 300h-2 (c)(1). The Act requires EPA to take into account appropriate factors in assessing a civil penalty, including the seriousness of the violations, the economic benefit resulting from the violations, any history of such violations, any good-faith efforts to comply with the requirements, the economic impact on the violator, and such other matters as justice may require.

17. As required by the Act, prior to the assessment of a civil penalty, EPA will provide public notice of the proposed penalty, and reasonable opportunity for the public to comment on the matter and present evidence in the event a hearing is held 42 U.S.C. § 300h-2 (c)(3)(B).

Date: May 6, 2013

By:



Andrew M. Gaydosh  
Assistant Regional Administrator  
Office of Enforcement, Compliance  
And Environmental Justice

**In the Matter of: Tuffy Murphy and Southern Cross Ranches, LLC, Owners/Operators**  
**Docket No.: SDWA-08-2013-0024**

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that the original and one copy of the PROPOSED COMPLIANCE ORDER, PENALTY COMPLAINT, AND NOTICE OF OPPORTUNITY FOR HEARING with the Consolidated Rules of Practice (40 C.F.R. Part 22), a Public Notice, and the U.S. EPA Small Business Resources Fact Sheet were hand-carried to the Regional Hearing Clerk, EPA Region 8, 1595 Wynkoop Street; Denver, Colorado 80202-1129, and that a true copy of the same was sent via Certified Mail to:

Tuffy Murphy  
Southern Cross Ranches  
PO Box 100  
Dixon, WY 82323

and

Southern Cross Ranches, LLC  
c/o Kris/Kirk Shiner, Registered Agents  
33420 Antelope Road  
McCoy, CO 80463-9601

MAY 06 2013

Date

*Dayle Aldinger*

**U.S. ENVIRONMENTAL PROTECTION AGENCY  
PUBLIC NOTICE  
OPPORTUNITY FOR PUBLIC COMMENT ON  
PROPOSED COMPLIANCE ORDER, PENALTY COMPLAINT,  
AND  
NOTICE OF OPPORTUNITY FOR HEARING  
AGAINST  
TUFFY MURPHY AND  
SOUTHERN CROSS RANCHES, LLC  
FOR FAILURE TO COMPLY WITH  
UNDERGROUND INJECTION CONTROL REGULATIONS**

**PURPOSE OF PUBLIC NOTICE**

The purpose of this notice is to solicit written comments on a Proposed Compliance Order, Penalty Complaint, and Notice of Opportunity for Hearing (Complaint) [Docket No. SDWA-08-2013- 0024 ] that Region 8 of the United States Environmental Protection Agency (EPA) proposes to issue to Tuffy Murphy and Southern Cross Ranches, LLC, owners and/or operators, of Southern Cross Ranches, for alleged violations at the facility located in Craig, Colorado. The Complaint alleges violations of the Safe Drinking Water Act (SDWA) and the regulations detailing the requirements of the SDWA's Underground Injection Control (UIC) program. These regulations govern the injection of fluids that may endanger an underground source of drinking water (USDW). The Complaint proposes compliance requirements and monetary penalties for the alleged violations.

The EPA desires to receive written comments from any interested party having knowledge of the alleged violations or who can provide any information useful to ensure that the Complaint is appropriate. EPA will review and consider all comments received, and will thereafter determine whether to modify or withdraw the Complaint.

**BACKGROUND**

Part C of the SDWA (40 U.S.C. § 300h *et seq.*) requires the EPA to regulate underground injection of fluid through wells to assure that underground sources of drinking water (USDWs) are not endangered. Section 1421 of the SDWA (40 U.S.C. § 300h) requires EPA to administer UIC programs in states that do not have approved state UIC programs. Regulation of the UIC Class V Program has not been delegated to the State of Colorado; therefore, EPA administers the program in accordance with title 40 of the Code of Federal Regulations (40 C.F.R.) parts 124, 144, 146, 147, and 148.

The Class V motor vehicle waste disposal well which is the subject of this Complaint, is located at 11388 County Road 101, Craig, Colorado. A Class V injection well, pursuant to 40 C.F.R. §§ 144.6 and 146.5, is a shallow injection well that injects fluids into or above a USDW.



The Complaint alleges that Tuffy Murphy and Southern Cross Ranches, LLC, owners and/or operators, of Southern Cross Ranches, are in violation of UIC regulations and are subject to appropriate penalties for failing to prevent movement of fluids into a USDW that may cause a violation of a primary drinking water regulation under 40 C.F.R. part 142 or otherwise adversely affect the health of persons and operating a banned well. The Complaint cites that EPA may assess an administrative civil penalty of up to \$16,000 per day, for each violation of the Act, up to a maximum of \$177,500 and proposes certain compliance measures, including the permanent closure of the well.

### **PUBLIC COMMENTS**

Written comments on the Complaint are encouraged and will be accepted at the address listed below for a period of thirty (30) calendar days after the publication of this notice. Written comments submitted by the public as well as information submitted by Tuffy Murphy and Southern Cross Ranches, LLC, will be available for public review as part of the administrative record, subject to the provisions of law restricting the disclosure of confidential information. Tuffy Murphy and Southern Cross Ranches, LLC, may request a hearing. Any person submitting written comments will be notified of and has a right to participate in such a hearing. The Complaint and the administrative record are available for review between 9:00 a.m. and 4:00 p.m. at the address listed below. It is recommended that those wishing to view the administrative record call Mia Bearley, Enforcement Attorney, Legal Enforcement Program, EPA Region 8, at (303) 312-6554 before visiting the EPA Region 8 offices. Please submit written comments to:

Tina Artemis (8RC)  
Regional Hearing Clerk  
U.S. EPA, Region 8  
1595 Wynkoop Street  
Denver, Colorado 80202

Any person interested in receiving their own copy of this or any future public notice of a UIC administrative action can call Christopher Ajayi in the UIC program, EPA Region 8, at (303) 312-6320.

### **THE DECISION**

EPA will review and consider all public comments received on the public notice and will thereafter determine whether to modify or withdraw the Complaint. If the Complaint is revised, copies shall be provided to all parties and to all members of the public who have commented.



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Darcy O'Connor, Director  
UIC/FIFRA/OPA Technical Enforcement Program  
U.S. EPA, Region 8  
1595 Wynkoop Street  
Denver, CO 80202

## U.S. EPA Small Business Resources Information Sheet

The United States Environmental Protection Agency provides an array of resources, including workshops, training sessions, hotlines, websites and guides, to help small businesses understand and comply with federal and state environmental laws. In addition to helping small businesses understand their environmental obligations and improve compliance, these resources will also help such businesses find cost-effective ways to comply through pollution prevention techniques and innovative technologies.

### EPA's Small Business Websites

Small Business Environmental Homepage - [www.smallbiz-enviroweb.org](http://www.smallbiz-enviroweb.org)

Small Business Gateway - [www.epa.gov/smallbusiness](http://www.epa.gov/smallbusiness)

EPA's Small Business Ombudsman - [www.epa.gov/sbo](http://www.epa.gov/sbo) or 1-800-368-5888

#### **EPA's Compliance Assistance Homepage**

[www.epa.gov/compliance/assistance/business.html](http://www.epa.gov/compliance/assistance/business.html)

This page is a gateway to industry and statute-specific environmental resources, from extensive web-based information to hotlines and compliance assistance specialists.

#### **EPA's Compliance Assistance Centers**

[www.assistancecenters.net](http://www.assistancecenters.net)

EPA's Compliance Assistance Centers provide information targeted to industries with many small businesses. They were developed in partnership with industry, universities and other federal and state agencies.

#### **Agriculture**

[www.epa.gov/agriculture/](http://www.epa.gov/agriculture/)

#### **Automotive Recycling**

[www.ecarcenter.org](http://www.ecarcenter.org)

#### **Automotive Service and Repair**

[www.ccar-greenlink.org](http://www.ccar-greenlink.org) or 1-888-GRN-LINK

#### **Chemical Manufacturing**

[www.chemalliance.org](http://www.chemalliance.org)

#### **Construction**

[www.cicacenter.org](http://www.cicacenter.org) or 1-734-995-4911

#### **Education**

[www.campuserc.org](http://www.campuserc.org)

#### **Food Processing**

[www.fpeac.org](http://www.fpeac.org)

#### **Healthcare**

[www.hercenter.org](http://www.hercenter.org)

#### **Local Government**

[www.lgean.org](http://www.lgean.org)

#### **Metal Finishing**

[www.nmfrc.org](http://www.nmfrc.org)

#### **Paints and Coatings**

[www.paintcenter.org](http://www.paintcenter.org)

#### **Printed Wiring Board Manufacturing**

[www.pwbrc.org](http://www.pwbrc.org)

#### **Printing**

[www.pneac.org](http://www.pneac.org)

#### **Ports**

[www.portcompliance.org](http://www.portcompliance.org)

#### **U.S. Border Compliance and Import/Export Issues**

[www.bordercenter.org](http://www.bordercenter.org)

#### **Hotlines, Helplines and Clearinghouses**

[www.epa.gov/epahome/hotline.htm](http://www.epa.gov/epahome/hotline.htm)

EPA sponsors many free hotlines and clearinghouses that provide convenient assistance regarding environmental requirements. Some examples are:

#### **Antimicrobial Information Hotline**

[info-antimicrobial@epa.gov](mailto:info-antimicrobial@epa.gov) or  
1-703-308-6411

#### **Clean Air Technology Center (CATC) Info-line**

[www.epa.gov/ttn/catc](http://www.epa.gov/ttn/catc) or 1-919-541-0800

#### **Emergency Planning and Community Right-To-Know Act**

[www.epa.gov/superfund/resources/infocenter/epcra.htm](http://www.epa.gov/superfund/resources/infocenter/epcra.htm) or 1-800-424-9346

#### **EPA Imported Vehicles and Engines Public Helpline**

[www.epa.gov/otaq/imports](http://www.epa.gov/otaq/imports) or  
734-214-4100

#### **National Pesticide Information Center**

[www.npic.orst.edu/](http://www.npic.orst.edu/) or 1-800-858-7378

#### **National Response Center Hotline -**

to report oil and hazardous substance spills  
[www.nrc.uscg.mil](http://www.nrc.uscg.mil) or 1-800-424-8802

#### **Pollution Prevention Information Clearinghouse (PPIC)**

[www.epa.gov/opptintr/ppic](http://www.epa.gov/opptintr/ppic) or  
1-202-566-0799

#### **Safe Drinking Water Hotline**

[www.epa.gov/safewater/hotline/index.html](http://www.epa.gov/safewater/hotline/index.html) or 1-800-426-4791

#### **Stratospheric Ozone Protection Hotline**

[www.epa.gov/ozone](http://www.epa.gov/ozone) or 1-800-296-1996

§21.13

approve or disapprove the State issued statement, in accordance with the requirements of §21.5.

(2) The Regional Administrator will periodically review State program performance. In the event of State program deficiencies the Regional Administrator will notify the State of such deficiencies.

(3) During that period that any State's program is classified as deficient, statements issued by a State shall also be sent to the Regional Administrator for review. The Regional Administrator shall notify the State, the applicant, and the SBA of any determination subsequently made, in accordance with §21.5, on any such statement.

(i) If within 60 days after notice of such deficiencies has been provided, the State has not taken corrective efforts, and if the deficiencies significantly affect the conduct of the program, the Regional Administrator, after sufficient notice has been provided to the Regional Director of SBA, shall withdraw the approval of the State program.

(ii) Any State whose program is withdrawn and whose deficiencies have been corrected may later reapply as provided in §21.12(a).

(g) Funds appropriated under section 106 of the Act may be utilized by a State agency authorized to receive such funds in conducting this program.

§21.13 Effect of certification upon authority to enforce applicable standards.

The certification by EPA or a State for SBA Loan purposes in no way constitutes a determination by EPA or the State that the facilities certified (a) will be constructed within the time specified by an applicable standard or (b) will be constructed and installed in accordance with the plans and specifications submitted in the application, will be operated and maintained properly, or will be applied to process wastes which are the same as described in the application. The certification in no way constitutes a waiver by EPA or a State of its authority to take appropriate enforcement action against the owner or operator of such facilities for violations of an applicable standard.

PART 22—CONSOLIDATED RULES OF PRACTICE GOVERNING THE ADMINISTRATIVE ASSESSMENT OF CIVIL PENALTIES AND THE REVOCATION/TERMINATION OR SUSPENSION OF PERMITS

Subpart A—General

- Sec.
22.1 Scope of this part.
22.2 Use of number and gender.
22.3 Definitions.
22.4 Powers and duties of the Environmental Appeals Board, Regional Judicial Officer and Presiding Officer; disqualification, withdrawal, and reassignment.
22.5 Filing, service, and form of all filed documents; business confidentiality claims.
22.6 Filing and service of rulings, orders and decisions.
22.7 Computation and extension of time.
22.8 Ex parte discussion of proceeding.
22.9 Examination of documents filed.

Subpart B—Parties and Appearances

- 22.10 Appearances.
22.11 Intervention and non-party briefs.
22.12 Consolidation and severance.

Subpart C—Prehearing Procedures

- 22.13 Commencement of a proceeding.
22.14 Complaint.
22.15 Answer to the complaint.
22.16 Motions.
22.17 Default.
22.18 Quick resolution; settlement; alternative dispute resolution.
22.19 Prehearing information exchange; prehearing conference; other discovery.
22.20 Accelerated decision; decision to dismiss.

Subpart D—Hearing Procedures

- 22.21 Assignment of Presiding Officer; scheduling the hearing.
22.22 Evidence.
22.23 Objections and offers of proof.
22.24 Burden of presentation; burden of persuasion; preponderance of the evidence standard.
22.25 Filing the transcript.
22.26 Proposed findings, conclusions, and order.

Subpart E—Initial Decision and Motion to Reopen a Hearing

- 22.27 Initial decision.
22.28 Motion to reopen a hearing.