



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

September 28, 2020

TRANSMITTED VIA E-MAIL

Mr. Jimmy Crain, Registered Agent
Jamie Oil, Inc.
1201 ½ East Main
El Dorado, Arkansas 71730
jcrain454@yahoo.com

CERTIFIED MAIL - RETURN RECEIPT REQUESTED: 7015 1520 0003 3991 1432

Mr. Jimmy Crain, Owner
Jamie Oil, Inc.
117 Foxwood
Hot Springs, Arkansas 71913

Re: Notice of Proposed Assessment of Class I Civil Penalty
Docket Number: CWA-06-2020-1781
Facility Number: ARU001167

Dear Mr. Crain:

Enclosed is an Administrative Complaint (Complaint) issued to Jamie Oil, Inc. for violation of Section 301(a) of the Clean Water Act (CWA). The violation was identified during an inspection that occurred on November 6, 2019 conducted by the Environmental Protection Agency (EPA). The inspection was conducted at your oil field disposal and production area known as the Ezzell Lease located near El Dorado, Union County, Arkansas. The violation alleged is for the unauthorized discharge of pollutants, specifically oil field brine and produced water, to waters of the United States. Administrative Order, Docket Number CWA-06-2020-1713 was issued to Respondent on December 16, 2019 addressing this same violation.

You have the right to request a hearing regarding the violation alleged in the Complaint and the proposed administrative civil penalty. Information regarding hearing and settlement procedures can be found at Part 22, "Consolidated Rules of Practice," <https://www.epa.gov/enforcement/consolidated-rules-practice-40-cfr-part-22-administrative-assessment-civil-penalties-1>. Please pay attention to Section V of the Complaint entitled "Notice of Opportunity to Request a Hearing." Note that should you fail to request a hearing within thirty (30) days of receipt of the Complaint, you will waive your right to such a hearing, and the proposed civil penalty of \$15,000.00 may be assessed against you without further proceedings. You have the right to be represented by an attorney or to represent yourself at any stage of these proceedings.

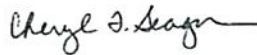
Whether or not you request a hearing, we invite you to confer informally with EPA concerning the alleged violation and the amount of the proposed penalty. You may represent Jamie Oil, Inc., or be represented by an attorney at any conference, whether in person or by telephone. EPA encourages all parties against whom it files a Complaint proposing assessment of a penalty to pursue the possibility of settlement as a result of an informal conference.

Please note that the Region 6 Regional Judicial Officer (RJO) has authorized electronic filing in cases governed by Part 22 of the Consolidated Rules of Practice. We have attached a copy of the RJO's Standing Order authorizing electronic filing for your reference. This Standing Order does not mandate electronic filing; rather, it allows for the use of electronic filing in addition to any and all filing methods currently set forth in the Consolidated Rules of Practice. Electronic filing is subject to the conditions and limitations set forth in the Standing Order. To electronically file documents with the RJO, please e-mail the Regional Hearing Clerk at Vaughn.Lorena@epa.gov.

EPA acknowledges that the COVID-19 pandemic may impact your business. If that is the case, please contact us regarding any specific issues you need to discuss.

EPA is committed to ensuring compliance with the requirements of the CWA and the National Pollutant Discharge Elimination System program and my staff will assist you in any way possible. If you have any questions or wish to discuss the possibility of a settlement of this matter, please contact Jeanne Eckhart, of my staff, at (214) 665-8174.

Sincerely,



Digitally signed by CHERYL SEAGER
DN: c=US, o=U.S. Government, ou=Environmental
Protection Agency, cn=CHERYL SEAGER,
0.9.2342.19200300.100.1.1=68001003651793
Date: 2020.09.28 13:30:19 -0500

Cheryl T. Seager, Director
Enforcement and
Compliance Assurance Division

Attached

ec: Dr. Robert Blanz, Associate Director
Office of Water Quality, Division of Environmental Quality
Arkansas Department of Energy and Environment
5301 Northshore Drive
North Little Rock, Arkansas 72118
blanz@adeq.state.ar.us

Mr. Gary Looney, Assistant Director
Arkansas Oil and Gas Commission
2215 W. Hillsboro
El Dorado, Arkansas 71730
gary.looney@aogc.state.ar.us

**UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 6**

In the Matter of:	§ Docket No. CWA-06-2020-1781
	§
Jamie Oil, Inc.	§ Proceeding to Assess a Class I
	§ Civil Penalty under Section 309(g)
	§ of the Clean Water Act
Respondent	§
	§
Facility Number:	§
ARU001167	§ Administrative Complaint

I. Statutory Authority

This Complaint is issued under the authority vested in the Administrator of the United States Environmental Protection Agency ("EPA") by Section 309(g) of the Clean Water Act ("the Act"), 33 U.S.C. § 1319(g). The Administrator of EPA delegated the authority to issue this Complaint to the Regional Administrator of EPA Region 6, who delegated this authority to the Director of the Enforcement and Compliance Assurance Division of EPA Region 6 ("Complainant"). This Class I Administrative Complaint is issued in accordance with, and this action will be conducted under, the "Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits," 40 C.F.R. Part 22, including rules related to administrative proceedings not governed by Section 554 of the Administrative Procedure Act, 40 C.F.R. §§ 22.50 through 22.52.

Based on the following Findings, Complainant finds that Jamie Oil, Inc. ("Respondent") violated the Act and the regulations promulgated under the Act and should be ordered to pay a civil penalty.

II. Findings of Fact and Conclusions of Law

1. Respondent is a corporation incorporated under the laws of the State of Arkansas, and as such, Respondent is a "person," as that term is defined at Section 502(5) of the Act, 33 U.S.C. § 1362(5) and 40 C.F.R. § 122.2.

2. At all times relevant to this action (“all relevant times”), Respondent owned or operated an oil field disposal and production facility known as the Ezzell Lease, located near El Dorado, Union County, Arkansas (“facility”) and was, therefore, an “owner or operator” within the meaning of 40 C.F.R. § 122.2.

3. At all relevant times, the facility acted as a “point source” of a “discharge” of “pollutants,” specifically oil field brine, to the tributary of Salt Creek, which is considered a “water of the United States” within the meaning of Section 502 of the Act, 33 U.S.C. § 1362, and 40 C.F.R. § 122.2.

4. Because Respondent owned or operated a facility that acted as a point source of a discharge of pollutants to waters of the United States, Respondent and the facilities were subject to the Act and the National Pollutant Discharge Elimination System (“NPDES”) program.

5. Under Section 301 of the Act, 33 U.S.C. § 1311, it is unlawful for any person to discharge any pollutant from a point source to waters of the United States, except with the authorization of, and in compliance with, an NPDES permit issued pursuant to Section 402 of the Act, 33 U.S.C. § 1342. According to the NPDES program, the discharge of oil field brine to “waters of the United States” is a non-permitted discharge.

6. On November 6, 2019, an EPA inspector observed that pollutants, specifically oil field wastes and produced water generated from oil production activities, had been discharged from the Ezzell Lease facility to a “water of the United States,” as that term is defined by 40 C.F.R. § 122.2. Pollutants were discharged to the tributary of Salt Creek, which is considered a “water of the United States.” The inspector determined that the water located at the discharge point of entry into the tributary of Salt Creek (Latitude 33.233253 N and Longitude -92.595091 W) was contaminated from produced water discharges and measured 15,041 milligrams per Liter (“mg/L”) Total Dissolved Solids (“TDS”).

7. Each day of unauthorized discharge was a violation of Section 301 of the Act, 33 U.S.C. § 1311.

8. Under Section 309(g)(2)(A) of the Act, 33 U.S.C. § 1319(g)(2)(A), as modified by 40 C.F.R. Part 19, Respondent is liable for a civil penalty in an amount not to exceed \$22,320 per day for each day during which a violation occurs or continues, up to a maximum of \$55,800.

9. EPA has notified the Arkansas Department of Energy and Environment and the Arkansas Oil and Gas Commission of the issuance of this Complaint and has afforded these agencies an opportunity to consult with EPA regarding the assessment of an administrative penalty against Respondent as required by Section 309(g)(1) of the Act, 33 U.S.C. § 1319(g)(1).

10. EPA has notified the public of the filing of this Complaint and has afforded the public thirty (30) days in which to comment on the Complaint and on the proposed penalty as required by Section 309(g)(4)(A) of the Act, 33 U.S.C. § 1319(g)(4)(A). At the expiration of the notice period, EPA will consider any comments filed by the public. The public notification can be found at: <https://www.epa.gov/publicnotices>.

III. Proposed Penalty

11. Based on the foregoing Findings, and pursuant to the authority of Sections 309(g)(1) and (g)(2)(A) of the Act, 33 U.S.C. §§ 1319(g)(1) and (g)(2)(A), EPA Region 6 hereby proposes to assess against Respondent a civil penalty of fifteen thousand dollars (\$15,000.00).

12. The proposed penalty amount was determined based on the statutory factors specified in Section 309(g)(3) of the Act, 33 U.S.C. § 1319(g)(3), which include such factors as the nature, circumstances, extent and gravity of the violations, economic benefits, if any, prior history of such violations, if any, degree of culpability, and such matters as justice may require.

13. Complainant has specified that the administrative procedures specified in 40 C.F.R. Part 22, Subpart I, shall apply to this matter, and the administrative proceedings shall not be governed by Section 554 of the Administrative Procedure Act.

IV. Failure to File an Answer

14. If Respondent wishes to deny or explain any material allegation listed in the above Findings or to contest the amount of the penalty proposed, Respondent must file an Answer to this Complaint within thirty (30) days after service of this Complaint whether or not Respondent requests a hearing as discussed below.

15. The requirements for such an Answer are set forth at 40 C.F.R. § 22.15 (found at: <https://www.epa.gov/enforcement/consolidated-rules-practice-40-cfr-part-22-administrative-assessment-civil-penalties-1>). Failure to file an Answer to this Complaint within thirty (30) days of service of the Complaint shall constitute an admission of all facts alleged in the Complaint and a waiver of the right to hearing. Failure to deny or contest any individual material allegation contained in the Complaint will constitute an admission as to that finding or conclusion under 40 C.F.R. § 22.15(d).

16. If Respondent does not file an Answer to this Complaint within thirty (30) days after service, a Default Order may be issued against Respondent pursuant to 40 C.F.R. § 22.17. A Default Order, if issued, would constitute a finding of liability, and could make the full amount of the penalty proposed in this Complaint due and payable by Respondent without further proceedings thirty (30) days after a Final Default Order is issued.

17. Respondent must send its Answer to this Complaint, including any request for a hearing, and all other pleadings to:

Regional Hearing Clerk (6ORC)
U.S. Environmental Protection Agency, Region 6
1201 Elm Street, Suite 500
Dallas, Texas 75270-2102

18. Respondent shall also send a copy of its Answer to this Complaint to the following EPA attorney assigned to this case:

Ms. Kristine Talbot (6ORCEW)
U.S. Environmental Protection Agency, Region 6
1201 Elm Street, Suite 500
Dallas, Texas 75270-2102

19. The Answer must be signed by Respondent, Respondent's counsel, or other representative on behalf of Respondent and must contain all information required by 40 C.F.R. §§ 22.5 and 22.15, including the name, address, and telephone number of Respondent and Respondent's counsel. All other pleadings must be similarly signed and filed.

V. Notice of Opportunity to Request a Hearing

20. Respondent may request a hearing to contest any material allegation contained in this Complaint, or to contest the appropriateness of the amount of the proposed penalty, pursuant to Section 309(g) of the Act, 33 U.S.C. § 1319(g). The procedures for hearings are set out at 40 C.F.R. Part 22, including 40 C.F.R. §§ 22.50 through 22.52.

21. Any request for hearing should be included in Respondent's Answer to this Complaint; however, as discussed above, Respondent must file an Answer meeting the requirements of 40 C.F.R. § 22.15 in order to preserve the right to a hearing or to pursue other relief.

22. Should a hearing be requested, members of the public who commented on the issuance of the Complaint during the public comment period will have a right to be heard and to present evidence at such hearing under Section 309(g)(4)(B) of the Act, 33 U.S.C. § 1319(g)(4)(B).

VI. Settlement

23. EPA encourages all parties against whom civil penalties are proposed to pursue the possibility of settlement through informal meetings with EPA. Regardless of whether a formal hearing is requested, Respondent may confer informally with EPA about the alleged violations or the amount of the proposed penalty. Respondent may wish to appear at any informal conference or formal hearing personally, by counsel or other representative, or both. To request an informal conference on the matters described in this Complaint, please contact Jeanne Eckhart, of my staff, at (214) 665-8174.

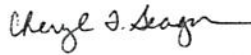
24. If this action is settled without a formal hearing and issuance of an opinion by the Presiding Officer pursuant to 40 C.F.R. § 22.27, this action will be concluded by issuance of a

Consent Agreement and Final Order ("CAFO") pursuant to 40 C.F.R. § 22.18(b). The issuance of a CAFO would waive Respondent's right to a hearing on any matter stipulated therein or alleged in the Complaint. Any person who commented on this Complaint would be notified and given an additional thirty (30) days to petition EPA to set aside any such CAFO and to hold a hearing on the issues raised in the Complaint. Such a petition would be granted and a hearing held only if the evidence presented by the petitioner's comment was material and was not considered by EPA in the issuance of the CAFO.

25. Neither assessment nor payment of a penalty in resolution of this action will affect Respondent's continuing obligation to comply with all requirements of the Act, the applicable regulations and permits, and any separate Compliance Order issued under Section 309(a) of the Act, 33 U.S.C. § 1319(a), including one relating to the violations alleged herein.

September 28, 2020

Date



Digitally signed by CHERYL SEAGER
DN: cn=US, o=U.S. Government, ou=Environmental
Protection Agency, cn=CHERYL SEAGER,
c=US, email=cheryl.seager@epa.gov
Date: 2020.09.28 13:32:36 -0500

Cheryl T. Seager, Director
Enforcement and
Compliance Assurance Division

CERTIFICATE OF SERVICE

I certify that the original and a true and correct copy of the foregoing Class I Administrative Complaint was delivered to the Regional Hearing Clerk, U.S. EPA, Region 6, 1201 Elm Street, Dallas, Texas 75270-2102, and that a true and correct copy was sent this day in the following manner to the addresses:

Copy by certified mail,
return receipt requested,
and email:

Mr. Jimmy Crain, Registered Agent
Jamie Oil, Inc.
1201 ½ East Main
El Dorado, Arkansas 71730
jcrain454@yahoo.com

Mr. Jimmy Crain, Owner
Jamie Oil, Inc.
117 Foxwood
Hot Springs, Arkansas 71913

Copy by mail or email:

Dr. Robert Blanz, Associate Director
Office of Water Quality, Division of Environmental Quality
Arkansas Department of Energy and Environment
5301 Northshore Drive
North Little Rock, Arkansas 72118
blanz@adeq.state.ar.us

Mr. Gary Looney, Assistant Director
Arkansas Oil and Gas Commission
2215 W. Hillsboro
El Dorado, Arkansas 71730
gary.looney@aogc.state.ar.us

Copy emailed:

Ms. Kristine Talbot (6ORCEW)
U.S. Environmental Protection Agency, Region 6
1201 Elm Street, Suite 500
Dallas, Texas 75270-2102
talbot.kristine@epa.gov

Dated: 7 OCT 2020