UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS, TEXAS 75202-2733

JUL 0 2 2013

CERTIFIED MAIL-RETURN RECEIPT REQUESTED: 7011 3500 0000 0359 9175

Mr. Kelly Roberts, Manager
Environmental, Health, and Safety Advisor
Linn Operating, Inc.
JP Morgan Chase Tower
600 Travis, Suite 500
Houston, TX 77002

Re: Cease and Desist Administrative Order, Docket Number: CWA-06-2013-1839
Facility Number: OKU000780

Dear Mr. Roberts:

Enclosed is an Administrative Order (AO) issued to Linn Operating, Inc., for violation of the Clean Water Act (CWA) (33 U.S.C. § 1251 *et seq.*). The violation was identified during an April 25, 2013 inspection, conducted by the Environmental Protection Agency, Region 6 (EPA), of your oil field production facility known as the Nuestadt Deese Unit located in Carter County, Oklahoma. The violation alleged is for the unauthorized discharge of a pollutant, specifically oil field brine, oil, and produced wastewater, to waters of the United States.

Effective upon receipt of this AO, you shall immediately cease and desist all discharges of pollutants into the identified tributary of Caddo Creek, and comply with all provisions set forth in the enclosed AO. This AO also requires responses to certain information demands. The EPA is committed to ensuring compliance with the requirements of the CWA, and my staff will assist you in any way possible.

If you have any questions, please contact Matt Rudolph, of my staff, at (214) 665-6434.

Sincerely,

John Blevins
Director
Compliance Assurance and
Enforcement Division

Enclosure

cc: Mr. Gayland Darity, District Manager
Oklahoma Corporation Commission, District III
P.O. Box 1525
Duncan, OK 73533

U.S. ENVIRONMENTAL PROTECTION AGENCY - REGION 6
FINDINGS OF VIOLATION AND COMPLIANCE ORDER AND INFORMATION DEMAND
In the Matter of Linn Operating, Inc. (Respondent)
Docket No. CWA-06-2013-1839; Facility Number OKU000780

STATUTORY AUTHORITY

The following findings are made and Order issued under the authority vested in the Administrator of the United States Environmental Protection Agency ("EPA"), by Sections 308 and 309(a) of the Clean Water Act ("the Act"), 33 U.S.C. §§ 1318 and 1319(a). The Administrator delegated the authority to issue this Order to the Regional Administrator of EPA Region 6 who further delegated such authority to the Director of the Compliance Assurance and Enforcement Division.

FINDINGS

1. Respondent, Linn Operating, Inc., is a "person," as defined by Section 502(5) of the Act, 33 U.S.C. § 1362(5).

2. At all times relevant to the violation alleged herein ("relevant time period"), Respondent owned and operated an oil field production facility known as the Nuestadt Deese Unit located in the Northeast Quarter of Section 3, Township 2 South, Range 3 West, Carter County, Oklahoma ("facility"), designated as Facility Number OKU000780.

3. On April 25, 2013, an EPA inspector observed that pollutants, specifically oil field brine, produced wastewater, and crude oil generated from oil production activities, had been discharged from the facility to "waters of the United States," as that term is defined by 40 C.F.R. § 122.2. Pollutants were discharged to a tributary of Caddo Creek which is considered a "water of the United States." The inspector determined that the water located at or near the discharge point of entry into the tributary of Caddo Creek was contaminated from brine discharges and measured 6,100 parts-per-million total soluble salts.

4. Pumps, pipes, hoses, flow lines, production wells, and associated devices located at the facility acted as "point sources," as defined by Section 502(14) of the Act, 33 U.S.C. § 1362(14).

5. At no time during the relevant time period did Respondent have National Pollutant Discharge Elimination System permit coverage under the Act which authorized the discharge of a pollutant from the facility to waters of the United States.

6. During the relevant time period, it was unlawful under Section 301(a) of the Act, 33 U.S.C. § 1311(a), for any person to discharge a pollutant from a point source to waters of the United States without a permit issued under Section 402 of the Act, 33 U.S.C. § 1342.

7. On or before April 25, 2013, Respondent discharged or caused the discharge of pollutants from point sources within the facility to waters of the United States without permit coverage under the Act, in violation of Section 301(a) of the Act, 33 U.S.C. § 1311(a).

SECTION 309(a)(3) COMPLIANCE ORDER

Based on these findings and pursuant to the authority of Section 309(a)(3) of the Act, 33 U.S.C. § 1319(a)(3), EPA orders that Respondent take the following actions immediately upon receipt of this Order:

a. cease all discharges of pollutants from the facility;
b. remove all brine from the flow path located between the facility and the identified tributary of Caddo Creek; and
c. remove all brine from the tributary of Caddo Creek, located at Latitude 34° 25.0544' North and Longitude -97° 29.9770' West.

SECTION 308 INFORMATION DEMAND

Based on the foregoing Findings and pursuant to the authority of Section 308 of the Act, 33 U.S.C. § 1318, Respondent is required to do the following:

a. Within thirty (30) days of the effective date of this Order, Respondent shall provide a signed written certification including photographs, manifests, and/or receipts as necessary to document compliance with the requirements of this Order.

b. Within thirty (30) days of the effective date of this Order, Respondent shall submit a Pollution Prevention Plan to prevent similar occurrences. All correspondence should be addressed to:

Ms. Mary Simmons (6EN-WR)
U.S. EPA, Region 6
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733

GENERAL PROVISIONS

Respondent may seek federal judicial review of the Order pursuant to Chapter 7 of the Administrative Procedure Act, 5 U.S.C. §§ 701-706. Section 706, which is set forth at http://uscode.house.gov/download/pls/05C7.txt, states the scope of such review.

Issuance of this Section 309(a)(3) Compliance Order and the Section 308 Information Demand shall not be deemed an election by EPA to waive any administrative, judicial, civil, or criminal action to seek penalties, fines, or other relief under the Act for the violation alleged herein or other violations which may become known to EPA. EPA reserves the right to seek any remedy available under the law which it deems appropriate.

Failure to comply with this Section 309(a)(3) Compliance Order, Section 308 Information Demand, or the Act may result in the initiation of an administrative penalty action by EPA or a civil judicial penalty action by the U.S. Department of Justice.

Compliance with this Order does not relieve Respondent of its obligation to comply with all applicable federal, state, and local laws.

The effective date of this Order is the date it is received by the Respondent.

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Date

John Blevins
Director
Compliance Assurance and
Enforcement Division