



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS, TEXAS 75202-2733

March 22, 2013

CERTIFIED MAIL-RETURN RECEIPT REQUESTED: 7005 1820 0003 7453 7796

Mr. Ronald L. Rickaway, President
Rickaway Energy, Corp.
205 Los Robles Drive
Pleasanton, TX 78064

Re: Administrative Order, Docket Number: CWA-06-2013-1733
Facility Number: TXU010970

Dear Mr. Rickaway:

Enclosed is an Administrative Order (AO) issued to Rickaway Energy, Corp. for violation of the Clean Water Act (CWA), 33 U.S.C. § 1251-1387. Violations were identified during inspections on September 11, 2012 and November 27, 2012, conducted by the Environmental Protection Agency, Region 6 (EPA), of your facilities located in Wilson County, Texas, designated as Facility Number TXU010970. The violation alleged is for the unauthorized discharge of a pollutant, specifically produced wastewater, to waters of the United States.

Effective upon receipt of this AO, you shall immediately 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.

You may be eligible to obtain National Pollutant Discharge Elimination System (NPDES) permit coverage for your discharge as outlined in your Texas Railroad Commission permit. If you elect to obtain NPDES authorization for your discharge, you must contact EPA's NPDES Permits Section at 214-665-7523. If you are eligible for permit coverage, and you submit an application for NPDES authorization to discharge within this AO's seventy-five-day compliance period, EPA may revise this order to include a compliance schedule for this action.

If you have any questions, please contact Mr. Matt Rudolph, of my staff, at (214) 665-6434. For questions in regard to NPDES permitting, please contact Mr. Brent Larsen (6WQ-P) at (214) 665-7523.

Sincerely,

A handwritten signature in black ink, appearing to read "John Blevins".

John Blevins
Director
Compliance Assurance and
Enforcement Division

Enclosure

Re: Administrative Order
Rickaway Energy, Corp.

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cc: Mr. Tom Melville, Director
Districts 1 and 2
Railroad Commission of Texas
115 East Travis Street, Suite 1610
San Antonio, TX 78205-1689

U.S. ENVIRONMENTAL PROTECTION AGENCY - REGION 6
FINDINGS OF VIOLATION AND COMPLIANCE ORDER AND INFORMATION DEMAND
In the Matter of Rickaway Energy, Corp. (Respondent)
Docket No. CWA-06-2013-1733

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, Rickaway Energy, Corp., 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 operated oil field leases known as the Hierholzer Lease located at N29.033889, W98.300532; the Minnie Stewart Lease located at N29.254185, W97.953108; the M.C. Stroud Lease located at N29.251827, W97.957590; the Mrs. E. Wheeler Lease located at N29.247066, W97.963834; and the Hardin-Slaughter Lease located at N29.244757, W97.965953, all located in Wilson County, Texas ("facilities"). The Leases are designated as Facility Number TXU010970.

3. On September 11, 2012, an EPA inspector observed that pollutants, specifically produced wastewater, recently generated from oil production activities had been discharged from the Hierholzer Lease to "waters of the United States," as that term is defined by 40 C.F.R. § 122.2. Pollutants were discharged to Borrego Creek. EPA previously issued an Administrative Order ("AO"), Docket Number CWA-06-2013-1707, on October 17, 2012, for this violation of the Act. With the issuance of this AO, Docket Number CWA-06-2013-1733, EPA hereby closes out the previous AO, Docket Number CWA-06-2013-1707; however, the September 2011 violations contained therein are hereby incorporated by reference into AO Docket Number CWA-06-2013-1733.

4. On November 27, 2012, an EPA inspector observed that pollutants, specifically produced wastewater, recently generated from oil production activities, had been discharged from facilities, located on the four other aforementioned leases, 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 Clifton Branch Creek.

5. 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).

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

7. 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.

8. On or about September 11, 2012 and November, 27, 2012, Respondent discharged or caused the discharge of pollutants from point sources within the facilities 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 upon receipt of this Order:

a. Within sixty (60) days of the effective date of this order you shall cease all discharges of produced wastewater from the facilities to waters of the United States.

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 seventy-five (75) days of the effective date of this Order, you shall provide written certification to the EPA Region 6 that produced water discharges have ceased or that Respondent has applied to the NPDES Permits Branch for a wastewater discharge permit.

b. Within seventy-five (75) days you shall submit to the EPA a copy of any effluent monitoring reports you have submitted to the Railroad Commission of Texas ("RRC") during the last 5 years as required by the RRC discharge permits No. 00786, No. 00821, and No. 00947.

GENERAL PROVISIONS

You have the right to seek immediate 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>, provides 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 violations 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.

3.22.13

Date



John Blevins
Director
Compliance Assurance and
Enforcement Division