



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

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

May 29, 2012

CERTIFIED MAIL—RETURN RECEIPT REQUESTED: 7010 2780 0002 4357 7467

Ms. Lee Ann Elsom, Regulatory Compliance Manager  
Citation Oil & Gas Corp.  
P.O. Box 690688  
Houston, TX 77269

Re: Cease and Desist Administrative Order  
Docket Number: CWA-06-2012-1833  
Facility Number: OKU000604

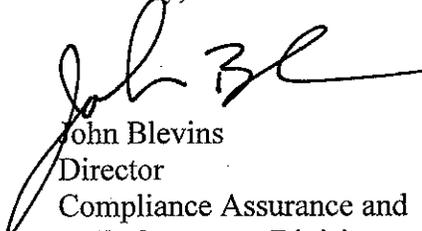
Dear Ms. Elsom:

Enclosed is an Administrative Order (AO) issued to Citation Oil & Gas Corp., for violation of the Clean Water Act (CWA) (33 U.S.C. § 1251 *et seq.*). The violation was identified during an April 16, 2012 inspection, conducted by the Environmental Protection Agency (EPA), of your facility located in the Northwest Quarter of Section 23, Township 4 South, Range 3 West, in Carter County, Oklahoma, and designated as Facility Number OKU000604. The violation alleged is for the unauthorized discharge of a pollutant, specifically oil field brine, 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 Walnut Creek, and comply with all provisions set forth in the enclosed AO. 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, Manager  
Oklahoma Corporation Commission, District 3

U.S. ENVIRONMENTAL PROTECTION AGENCY - REGION 6  
FINDINGS OF VIOLATION AND COMPLIANCE ORDER

In the Matter of Citation Oil and Gas Corp., (Respondent)  
Docket No. CWA-06-2012-1833; Facility No. OKU000604

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 ("Act"), 33 U.S.C. §§ 1318 and 1319(a). The Administrator has 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, Citation Oil and Gas 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 an oil field facility located in the Northwest Quarter of Section 23, Township 4 South, Range 3 West, in Carter County, Oklahoma ("facility"), designated as Facility Number OKU000604.

3. On April 16, 2012, an EPA inspector observed that pollutants, specifically oil field brine generated by oil production activities, had been recently 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 Walnut Creek. The inspector determined that the water located at or near the discharge point of entry into the tributary was contaminated from brine discharges and measured 69,400 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 about April 16, 2012, 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).

ORDER

Based on these findings and pursuant to the authority of Sections 308 and 309(a) of the Act, 33 U.S.C. §§ 1318 and 1319(a), EPA orders that Respondent take the following actions 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 point of entry into the tributary of Walnut Creek;
- c. remove all detected brine from the tributary of Walnut Creek and any water bodies down-gradient; and
- d. within thirty (30) days of the effective date of this Order, Respondent shall provide written certification to the EPA, Region 6, that these activities have been completed.

GENERAL PROVISIONS

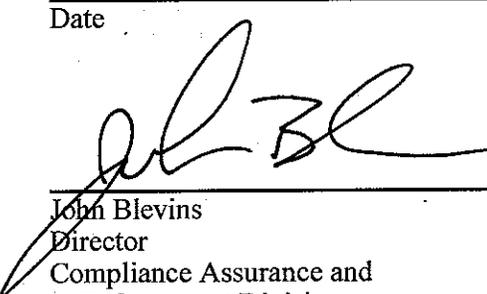
Issuance of this Order shall not be deemed an election by EPA to waive any administrative, judicial, civil, or criminal action to seek penalties, fines, or other relief under the Act for the violation alleged herein or other violations which may become known to EPA. EPA reserves the right to seek any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

Failure to comply with this Order 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.

5.29.12  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
John Blevins  
Director  
Compliance Assurance and  
Enforcement Division