



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

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

APR 24 2013

CERTIFIED MAIL-RETURN RECEIPT REQUESTED: 7010 0780 0000 7366 5125

Mr. Robert M. Shellman, President
MCA Petroleum Corporation
P.O. Box 1287
San Marcos, TX 78667-1287

Re: Administrative Order, Docket Number: CWA-06-2013-1751
Facility Number: TXU010974

Dear Mr. Shellman:

Enclosed is an Administrative Order (AO) issued to MCA Petroleum Corporation for violation of the Clean Water Act (CWA), 33 U.S.C. § 1251 *et seq.* The violation was identified during a January 16, 2013, inspection conducted by the Environmental Protection Agency, Region 6 (EPA), of your oil field facility known as the Naumann et al lease, located in Bastrop County, Texas, designated as Facility Number TXU010974. 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. 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 enforcement questions, please contact Jack Arias, Ph.D., of my staff, at (214) 665-8164. For NPDES permit questions, please contact Mr. Brent Larsen (6WQ-P) at (214) 665-7523.

Sincerely,

A handwritten signature in black ink, appearing to read "John Blevins", written over a white background.

John Blevins
Director
Compliance Assurance and
Enforcement Division

Enclosure

Re: Administrative Order
MCA Petroleum Corporation

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cc: Mr. Charles Teague
Director, District 3
Railroad Commission of Texas
1706 Seamist Drive, Suite 501
Houston, TX 77008-3135

Mr. Brent Larsen (6WQ-PP)
U.S. EPA Region 6
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733

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

In the Matter of MCA Petroleum Corporation (Respondent)
Docket No. CWA-06-2013-1751; Facility No. TXU010974

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 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. MCA Petroleum Corporation ("Respondent"), 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 lease known as the Naumann et al lease located at N29.88828, W97.20838 in Bastrop County, Texas ("facility"), designated as Facility Number TXU010974.

3. On January 16, 2013, an EPA inspector observed that pollutants, specifically produced wastewater, recently generated from oil production activities, had been discharged from the Naumann et al lease to a "water of the United States", as that term is defined by 40 C.F.R. § 122.2. Pollutants were discharged to Butchers Creek, which is considered a "water of the United States". The inspector determined that water at the discharge point of entry (N29.88784, W97.20820) into the creek was contaminated from produced wastewater discharges that measured 400 parts-per-million Total Soluble Salts. The EPA inspector also observed an oil sheen on the surface of the creek.

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 ("NPDES") 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 January 16, 2013, the facility 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 upon receipt of this Order:

a. Within sixty (60) days of the effective date of this Order, Respondent 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, Respondent 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 of the effective date of this Order, Respondent shall submit to the EPA a copy of any effluent monitoring reports Respondent has submitted to the Railroad Commission of Texas ("RRC") during the last 5 years as required by the RRC discharge permit No. 00895.

c. Any information or correspondence submitted by Respondent to EPA under this Order shall be addressed to the following:

Ms. Mary Simmons
Water Enforcement Branch (6EN-WR)
EPA, Region 6
1445 Ross Ave., 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>, 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 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.

APR 24 2013

Date



John Blevins
Director
Compliance Assurance and
Enforcement Division