



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

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

JUL 21 2011

CERTIFIED MAIL - RETURN RECEIPT REQUESTED: 7004 1160 0003 0357 0340

Drenco Oil and Gas, Inc.
103 E. Main Street, Suite D
El Dorado, AR 71730

Re: Cease and Desist Administrative Order
Docket Number CWA-06-2011-1892
Facility Number ARU000101

Dear Sirs:

Enclosed is an Administrative Order (AO) issued to Drenco Oil and Gas, Inc. for violation of the Clean Water Act (33 U.S.C. § 1251 et seq.). The violation was identified during a June 23, 2011 inspection, conducted by the Environmental Protection Agency (EPA), of your facility located in the Southeast Quarter of Section 17, Township 15 South, Range 13 West, Calhoun County, Arkansas, designated as Facility Number ARU000101. The violation alleged consists of the unauthorized discharge of pollutants, specifically oil field brine 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 Lloyd Creek and comply with all provisions set forth in the enclosed AO. The EPA is committed to ensuring compliance with the requirements of the Clean Water Act, and my staff will assist you in any way possible.

If you have any questions, please contact Kent Sanborn of my staff, at (918) 557-1615.

Sincerely,

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

John Blevins
Director
Compliance Assurance and
Enforcement Division

Enclosure(s)

cc: ADEQ El Dorado, AR

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

In the Matter of Drenco Oil and Gas, Inc. (Respondent)

Docket No. CWA-06-2011-1892

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 Section 309(a) of the Clean Water Act (Act), 33 U.S.C. § 1319(a). The Administrator has delegated the authority to issue this Order to the Regional Administrator of EPA Region 6, who has further delegated such authority to the Director of the Compliance Assurance and Enforcement Division.

FINDINGS

1. Respondent, Drenco Oil and Gas 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 operated an oil field production and brine disposal facility located in the Southeast Quarter of Section 17, Township 15 South, Range 13 West, Calhoun County, Arkansas (facility), designated as Facility Number ARU000101.

3. On June 23, 2011, an EPA inspector observed that pollutants, primarily oil field brine and produced wastewater generated from 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 Lloyd Creek. The inspector determined that the water located at the discharge point of entry into Lloyd Creek was contaminated from brine discharges and measured 5100 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 pollutants 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 pollutants 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 June 23 2011, 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 Section 309(a) of the Act, 33 U.S.C. § 1319(a), EPA orders that Respondent take the following actions upon receipt of this Order:

1. Cease all discharges of pollutants from the facility;
2. remove all brine and contaminated soils from the flow path located between the facility and Lloyd Creek;
3. remove all brine downstream from the discharge point into Lloyd Creek; and,
4. within thirty (30) days of the effective date of this Order, Respondent shall provide written certification to EPA Region 6 that these requirements 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.

JUL 21 2011

Date



John Blevins
Director
Compliance Assurance and
Enforcement Division