



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

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

MAR 22 2012

CERTIFIED MAIL—RETURN RECEIPT REQUESTED: 7005 1820 0003 7453 8618

Mr. Steven R. McNamara
Bandwheel Production Co., LLC
1437 S. Boulder, Suite 1210
Tulsa, OK 74119

Re: Cease and Desist Administrative Order
Docket Number: CWA-06-2012-1819
Facility Number: OKU000758

Dear Mr. McNamara:

Enclosed is an Administrative Order (AO) issued to Bandwheel Production Co., LLC, for violation of the Clean Water Act (CWA) (33 U.S.C. § 1251 *et seq.*). The violation was identified during a February 27, 2012 inspection, conducted by the Environmental Protection Agency (EPA), of your facility located in the Northeast Quarter of Section 13, Township 23 North, Range 8 East, in Osage County, Oklahoma and designated as Facility Number OKU000758. 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 tributary of Hominy Creek, and comply with the provisions of this 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, 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

cc: Ms. Diane Daniels
Osage Nation

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

In the Matter of Bandwheel Production Co., LLC (Respondent)

Docket No. CWA-06-2012-1819; Facility No. OKU000758

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 has further delegated such authority to the Director of the Compliance Assurance and Enforcement Division.

FINDINGS

1. Respondent, Bandwheel Production Co. LLC, 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 facility located in the Northeast Quarter of Section 13, Township 23 North, Range 8 East, in Osage County, Oklahoma ("facility") designated as Facility Number OKU000758.

3. On February 27, 2012, an EPA inspector observed that pollutants, namely, 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 the tributary of Hominy Creek. The inspector determined that the water located at the discharge point of entry into the tributary was contaminated from brine discharges and measured 9,000 parts-per-million total soluble salts.

4. Pumps, pipes, hoses, flow lines, production wells, and associated devices 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 February 27, 2012, Respondent discharged and 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 tributary of Hominy Creek;
- c. remove brine from the tributary of Hominy Creek; 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.

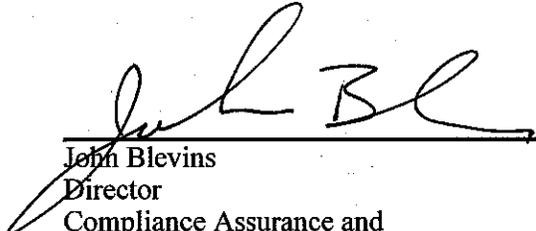
Failure to comply with this Order or the Act may result in the initiation of an administrative penalty action by EPA or a civil judicial penalty action by the U.S. Department of Justice.

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.

3.23.12

Date



John Blevins
Director
Compliance Assurance and
Enforcement Division