

ARKANSAS DEPARTMENT OF ENERGY AND ENVIRONMENT
DIVISION OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

White Rock Oil & Gas, LLC
900 Columbia Road 25
Magnolia, AR 71753

LIS No. 22- **094**
Permit Tracking No.: Unpermitted
AFIN 14-00828

CONSENT ADMINISTRATIVE ORDER

This Consent Administrative Order (“Order”) is issued pursuant to the authority of the Arkansas Water and Air Pollution Control Act (“Act”), Ark. Code Ann. § 8-4-101 *et seq.*, the Federal Water Pollution Control Act, 33 U.S.C. § 1311 *et seq.*, and the rules issued thereunder by Arkansas Pollution Control and Ecology Commission (APC&EC).

The issues herein having been settled by the agreement of the White Rock Oil & Gas, LLC (Respondent) and the Division of Environmental Quality¹ (DEQ), it is hereby agreed and stipulated that the following FINDINGS OF FACT and ORDER AND AGREEMENT be entered.

FINDINGS OF FACT

1. Respondent operates the Magnolia Field produced saltwater transfer pipeline (“facility”) located at 900 Columbia Road 25, Magnolia, Columbia County, Arkansas.
2. Ark. Code Ann § 8-4-217(a)(3) provides:
 - (a) It shall be unlawful for any person to:

¹ Pursuant to Act 910 of 2019, the Arkansas Transformation and Efficiencies Act, the former Arkansas Department of Environmental Quality is now the Division of Environmental Quality in the newly created Department of Energy and Environment.

(3) Violate any provisions of this chapter or of any rule or order adopted by the Arkansas Pollution Control and Ecology Commission under this chapter or of a permit issued under this chapter by the Division of Environmental Quality;

3. Ark. Code Ann. § 8-4-217(b)(1)(E) provides:

(b)(1) It shall be unlawful for any person to engage in any of the following acts without having first obtained a written permit from the division:

...

(E) To discharge sewage, industrial waste, or other wastes into any of the waters of this state.

4. Ark. Code Ann. § 8-4-103(c)(1)(A) authorizes DEQ to assess an administrative civil penalty not to exceed ten thousand dollars (\$10,000) per violation for any violation of any provision of the Act and any rule or permit issued pursuant to the Act.

5. Pursuant to Ark. Code Ann. § 8-4-103(c)(1)(B), “[e]ach day of a continuing violation may be deemed a separate violation for purposes of penalty assessment.”

6. On May 28, 2019, the Arkansas Department of Emergency Management (ADEM) and Nuclear Regulatory Commission (NRC) notified DEQ that Respondent reported a release of approximately 2000 barrels of production saltwater.

7. On June 11, 2019, DEQ performed a site assessment in response to the complaint on May 28, 2019. The assessment revealed the following violations:

- a. Approximately 2300 barrels of production saltwater was discharged from Respondent’s pipeline near Magnolia. Some of the production saltwater entered an unnamed tributary of Little Cornie Bayou. Respondent is not authorized to discharge production saltwater from this facility to waters of the state. This

unpermitted discharge of production saltwater to a water of the state is a violation of Ark. Code Ann. § 8-4-217(b)(1)(E) and therefore is a violation of Ark. Code Ann § 8-4-217(a)(3).

8. On June 25, 2019, DEQ notified Respondent of the violations identified during the June 11, 2019 inspection. DEQ requested that Respondent submit a written response by July 9, 2019.
9. On July 8, 2019, Respondent requested a ninety (90) day extension to submit the inspection response. On June 8, 2019, DEQ granted the extension to October 8, 2019.
10. On October 1, 2019, Respondent submitted an update and requested a thirty (30) day extension to submit the inspection response.
11. On October 3, 2019, DEQ granted a thirty (30) day extension to November 8, 2019.
12. On November 5, 2019, Respondent requested a thirty (30) day extension to submit the inspection response by December 8, 2019.
13. On November 5, 2019, DEQ granted a thirty (30) day extension to December 8, 2019.
14. On December 8, 2019, Respondent submitted an inspection response detailing their response actions, remediation actions, as well as current monitoring activities at the spill site.
15. On February 10, 2020, DEQ notified Respondent by letter that the inspection response dated December 8, 2019, was deemed inadequate. Specifically, DEQ requested that Respondent submit the sample data and photographic documentation demonstrating that the clean-up is complete. DEQ requested Respondent submit the additional documentation by February 24, 2020.
16. On February 24, 2020, Respondent submitted chloride analysis results. Respondent requested an extension to continue with remediation efforts until August 31, 2020.
17. On February 25, 2020, DEQ granted the extension to August 31, 2020.

18. On June 9, 2021, DEQ sent a letter to Respondent requesting an update and photo documentation of clean-up efforts conducted at the site. DEQ requested that Respondent provide the update and photo documentation by June 23, 2021.

19. On June 22, 2021, DEQ received Respondent's response actions, remediation actions, and current monitoring activities at the spill site.

ORDER AND AGREEMENT

WHEREFORE, the parties stipulate and agree as follows:

1. Respondent shall continue to implement the June 22, 2021 remediation, sampling, and monitoring activities at the spill site. Respondent shall follow "ADEQ Guidelines for Reporting, Responding to and Remediating Crude Oil, Saltwater, and Brine Spills, Revised September, 1994."²

2. On or before the fifteenth (15th) day of the month following the effective date of this Order, and each quarter thereafter for a period lasting until this Order is closed, Respondent shall submit quarterly progress reports detailing the progress that has been made towards remediating the spill site. Once remediation is complete, Respondent shall submit a final compliance report that includes, but is not limited to, photographic documentation of the clean-up at the spill site and sampling data.

3. In compromise and full settlement of the violations specified in the Findings of Fact, Respondent agrees to pay a civil penalty of Four Thousand Eight Hundred Dollars (\$4800.00) or one-half of the full civil penalty of Two Thousand Four Hundred Dollars (\$2400.00) if this Order is signed and returned to the Office of Water Quality Enforcement Branch, ADEQ, 5301 Northshore Drive, North Little Rock, Arkansas, 72118-5317, within twenty (20) calendar days of receipt of this Order. Payment is due within thirty (30) calendar days of the effective date of this

² <https://www.adeg.state.ar.us/downloads/webdatabases/solidwaste/permittedfacilities/gendocs/55713.pdf>

Order. Payment of the penalty shall be made payable to the Division of Environmental Quality, and mailed to the attention of:

DEQ, Fiscal Division
5301 Northshore Drive
North Little Rock, AR 72118

In the event that Respondent fails to pay the civil penalty within the prescribed time, DEQ shall be entitled to attorneys' fees and costs of collection.

4. Failure to meet any requirement or deadline of this Order constitutes a violation of this Order. If Respondent should fail to meet any such requirements or deadlines, Respondent consents and agrees to pay on demand to DEQ stipulated penalties according to the following schedule:

- a. First day through fourteenth day: \$100.00 per day
- b. Fifteenth day through the thirtieth day: \$500.00 per day
- c. Each day beyond the thirtieth day: \$1000.00 per day

These stipulated penalties for delay in performance shall be in addition to any other remedies or sanctions that may be available to DEQ by reason of failure by Respondent to comply with the requirements of this Order.

5. If any event, including but not limited to an act of nature, occurs that causes or may cause a delay in the achievement of compliance by Respondent with the requirements or deadlines of this Order, Respondent shall so notify DEQ, in writing, as soon as reasonably possible after it is apparent that a delay will result, but in no case after the due dates specified in this Order. The notification shall describe in detail the anticipated length of the delay, the precise cause of the delay, the measures being taken and to be taken to minimize the delay, and the timetable by which those measures will be implemented.

6. DEQ may grant an extension of any provision of this Order, provided that Respondent requests such an extension in writing and provided that the delay or anticipated delay has or will be caused by circumstances beyond the control of and without the fault of Respondent. The time for performance may be extended for a reasonable period but in no event longer than the period of delay resulting from such circumstances. The burden of proving that any delay is caused by circumstances beyond the control of and without the fault of Respondent and the length of the delay attributable to such circumstances shall rest with Respondent. Failure to notify the DEQ promptly, as provided in the preceding paragraph of this Section, shall be grounds for a denial of an extension.

7. All requirements by the Order and Agreement are subject to approval by DEQ. Unless otherwise specified herein, in the event of any deficiencies, Respondent shall, within the timeframe specified by DEQ, submit any additional information or changes requested, or take additional actions specified by DEQ to correct any such deficiencies. Failure to respond adequately to such Notice of Deficiency within the timeframe specified in writing by DEQ constitutes a failure to meet the requirements established by this Order.

8. This Order is subject to public review and comment in accordance with Ark. Code Ann. § 8-4-103(d) and APC&EC Rule 8 and shall not be effective until thirty (30) calendar days after public notice is given. DEQ retains the right to rescind this Order based upon the comments received within the thirty (30) day public comment period. Notwithstanding the public notice requirements, the corrective actions necessary to achieve compliance shall be taken immediately. The publication of this Order shall occur on or about the 10th or 25th day of the month following the date this Order is executed. As provided by APC&EC Rule 8, this matter is subject to being

reopened upon Commission initiative or in the event a petition to set aside this Order is granted by the Commission.

9. Nothing in this Order shall be construed as a waiver by DEQ of its enforcement authority over alleged violations not specifically addressed herein. Also, this Order does not exonerate Respondent from any past, present, or future conduct that is not expressly addressed herein, nor does it relieve Respondent of its responsibilities for obtaining any necessary permits.


10. By virtue of the signature appearing below, the individual represents that he or she is an Officer of Respondent, being duly authorized to execute and bind Respondent to the terms contained herein. Execution of this Order by an individual other than an Officer of Respondent shall be accompanied by a resolution granting signature authority to said individual as duly ratified by the governing body of the entity.

SO ORDERED THIS 31st DAY OF AUGUST, 2022.


JULIE LINK, ADMINISTRATOR OF THE ENVIRONMENT

APPROVED AS TO FORM AND CONTENT:

White Rock Oil & Gas, LLC

BY: 
(Signature)

RUSTY GINETTI
(Typed or printed name)

TITLE: COO

DATE: 8/25/22