C O N F I D E N T I A L

WEEKLY HOT ISSUES REPORT for RA/DRA Region 8

Week ending April 6, 2018

OFFICE OF ECOSYSTEMS PROTECTION AND REMEDIATION

No report

OFFICE OF ENFORCEMENT, COMPLIANCE AND ENVIRONMENTAL JUSTICE

HOT ISSUES AND IMPORTANT DEADLINES:

SDWA Enforcement is Issuing an Opportunity to Confer Letter to the Blackfeet Tribe Regarding Failure to Maintain Financial Responsibility as required under SDWA for a Tribally Owned and Operated Class II Underground Injection Control Well on the Blackfeet Indian Reservation in Montana

Key Message: SDWA Enforcement Unit's letter to be sent the week of April 2 proposes a conference call with representatives of the Tribe and the Tribe's Oil & Gas Minerals Department to discuss the well's compliance status, and its current use and future options.

- The EPA sent an Informational Letter on September 7, 2016, to inform Tribal leadership of the Well's noncompliance with the financial responsibility requirements of the UIC regulations.
- The EPA provided compliance assistance to the Tribe following the Informational Letter.
- The Tribe has not yet obtained financial responsibility.
- Technical Contact: Gary Wang, 312-6469; Legal Contact: Amy Swanson, 312-6906; Management Contact: Tiffany Cantor, 312-6521

SDWA Enforcement is Issuing a Notice of Violation for Failure to Submit Complete Annual Monitoring Reports Required Under SDWA to FX Drilling for Class II Injection Wells on the Blackfeet Indian Reservation

Key Message: SDWA Enforcement Unit is issuing a Notice of Violation (NOV) the week of April 2 due to FX Drilling's failure to submit annual injected fluid analysis monitoring reports for several of its injection wells.

- EPA's UIC permit requires annual fluid analysis monitoring reports to be submitted for the Company's Class II injection wells, and the reports are due by February 15 each year.
- The Company failed to timely submit these fluid analysis reports.
- EPA is issuing this NOV because the Class II injection wells are located within the Blackfeet Reservation where EPA has direct implementation authority.
- Technical Contact: Nathan Wiser, 312-6211; Management Contact: Tiffany Cantor, 312-6521

SDWA Enforcement is Issuing a Notice of Violation for Failure to Submit Tests and Report Required Under the SDWA to Maralex Disposal, LLC for a Class II Injection Well on the Southern Ute Reservation, Colorado

Key Message: SDWA Enforcement Unit plans to issue a Notice of Violation (NOV) the week of April 2 due to the Company's failure to submit required tests and monitoring reports.

- EPA's UIC permit requires annual submission of temperature logs, radioactive tracer tests, pressure-fall-off test, and fluid analysis of injected fluids.
- Maralex Disposal has failed to submit the above-listed tests and reports.
- EPA is issuing this NOV because the well is located within the Southern Ute Indian Reservation where EPA has direct implementation authority.

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- Technical Contact: Gary Wang, 312-6469; Management Contact: Tiffany Cantor, 312-6521

Region 8 Issued an Administrative Order to the Town of Alpine in Lincoln County, Wyoming to Address SDWA Violations at the Town's Public Water System

Key Message: The Regional Hearing Clerk filed an AO on behalf of the SDWA Enforcement Unit on April 3, 2018. Alleged violations are for failure to correct significant deficiencies by April 1, 2017, including failure to clean and inspect the system's two water storage tanks every ten years.

- The Order requires the system to clean and inspect the storage tanks and provide the EPA with evidence of having done so within 90 days of receipt of the Order.
- The system serves approximately 1,100 individuals.
- EPA is taking this action because the state does not have delegation.
- Technical Contact: Kathelene Brainich, 312-6481; Management Contact: Tiffany Cantor, 312-6521

Region 8 Issued an Administrative Order to the USDA Forest Service, Black Hills National Forest, Cook Lake Campground Public Water System in Crook County, Wyoming

Key Message: The Regional Hearing Clerk filed an AO on behalf of the SDWA Enforcement Unit on April 3, 2018. Alleged violations include a maximum contaminant level violation (MCL) for *E. coli* in September 2016 at well 3 and failure to monitor total coliform bacteria in September 2017.

- The system immediately shut down the well that incurred the *E. coli* violation and conducted an assessment to determine the cause of the contamination.
- The Order requires the system to complete corrective action of the sanitary defects determined during the assessment or properly abandon or physically disconnect the well from the system. The Order also requires the system to monitor as required by the regulations. The System serves approximately 165 individuals daily May through September.
- EPA is taking this action because the state does not have delegation.
- Technical Contact: Kathelene Brainich, 312-6481; Management Contact: Tiffany Cantor, 312-6521

SDWA Enforcement is Issuing a Notice of Violation for Loss of Mechanical Integrity to the Newfield Production Company for a Class II Injection Well in Utah

Key Message SDWA Enforcement Unit plans to issue the Notice of Violation the week of April 2 to the Company for the loss of mechanical integrity of the Greater Boundary Federal 8-34-8-17 injection well on the Uintah & Ouray Reservation.

- The Company notified EPA that the Class II injection well lost mechanical integrity.
- The loss of mechanical integrity is a violation of the underground injection control permit.
- Before injection may resume, the permit requires that the well is repaired successfully, the well has passed a mechanical integrity test, and a written authorization has been obtained from EPA. The company may also properly plug and abandon the well. Failure to comply may result in an enforcement action.
- EPA is issuing this NOV because this injection well is located on the Uintah & Ouray Indian Reservation where EPA has direct implementation authority.
- Technical Contact: Nathan Wiser, 312-6211; Management Contact: Tiffany Cantor, 312-6521

NPDES Enforcement Unit Plans to Conduct Wastewater Lagoon Inspections on the Pine Ridge Indian Reservation

Key Message: NPDES Enforcement plans to conduct 12 wastewater facility inspections at schools and casinos on the Pine Ridge Indian Reservation in South Dakota the week of April 13, 2018.

- The purpose of the inspections is to verify compliance with the facilities' EPA-issued NPDES permits.
- The Oglala Sioux Tribal government will be notified of the inspections by a letter from ARA Suzanne Bohan to President Scott Westin at least one week before the scheduled inspection date.

- The EPA directly implements the NPDES program on the Pine Ridge Indian Reservation.
- Technical Contact: Laurel Dygowski, 312-6144; Management Contact: Stephanie DeJong, 312-6362

OPA Enforcement Settles Spill Prevention Control and Countermeasure (SPCC) Violations at Hill Enterprises, Inc. Facility in Greeley, Colorado for $33,000

Key Message: This $33,000 settlement, to be filed with the Regional Hearing Clerk for Final Order on April 5, 2018, resolves violations of the Oil Pollution Act, 33 U.S.C. § 1311(j), and implementing regulations at 40 C.F.R. part 112.

- During EPA's SPCC inspection of Hill's Greeley Facility on August 30, 2016, the EPA identified at least thirteen field violations including grossly inadequate secondary containment for a facility with 245,555 gallons of oil storage capacity.
- The settlement resolves an additional six SPCC Plan violations.
- Contact: Lauren Hammond 312-7081; Technical Contact: Darla Hohman 312-6263

OPA Enforcement Unit Plans to Send 308 Requests for Information to Vanguard Operating, LLC, for pipeline spills in Powell, Park County, Wyoming and MCR, LLC in Shelby, Liberty County, Montana

Key Message: The planned Requests for Information will seek information to determine the extent of discharges of crude oil and produced water from spills into Waters of the U.S.

- On September 16, 2016, February 10, 2017, and February 21, 2018, discharges of crude oil and produced water totaling 128 barrels (5,376 gallons) were reported to the National Response Center by Vanguard representatives. All discharges were reported to have impacted Silvertip Creek, which is a tributary of the Yellowstone River and is a water of the U.S.
- On March 15, 2017, a discharge of approximately 80 barrels of crude oil from a MCR failed gathering line was reported to the National Response Center by MCR. The location of the spill is in proximity of Breed Creek, which a tributary of Milk River, a navigable water of the U.S. Due to the topography of the area where the spill occurred and the quantity discharged, it is likely the discharge impacted Breed Creek.
- Technical Contact: Christopher Ajayi, 312-6320; Management Contact: Ken Champagne 312-6608

OPA Enforcement Plans to Issue Notices of Potential Violation to Curtis Rud Oil in Glen Ullin, Morton County, North Dakota and Missouri Valley Petroleum (MVP) in Belfield, Stark County, North Dakota for violations of the SPCC Plan requirements

Key Message: ECEJ is sending NOPVs to Curtis Rud Oil and MVP for failing to prepare and implement SPCC plans to prevent the discharge of oil into waters of the U.S.

- During the Region's inspections of these facilities in October 2016, the inspector observed non-compliance issues with the SPCC Plan and implementation requirements. The EPA inspector provided the Notice of SPCC Inspection and Summary of SPCC Deficiencies Checklist to the facilities' representatives promptly after the inspections.
- Since the inspection, OPA Enforcement has made efforts to contact the companies regarding the deficiencies and request for revised SPCC plans; however, the companies have been nonresponsive.
- The NOPVs require the companies to revise and submit their SPCC plans within 30 days and to return the facilities to compliance.
- Technical Contact: Dennis Jaramillo 312-6203; Management Contact: Ken Champagne 312-6608

OPA Enforcement plans to issue Diversified Resources, Inc./BIYA Operator, Inc. a Notice of Potential Violation for violations of the SPCC Plan requirements and a CWA 308 Request for Information for pipeline spills on Ute Mountain Ute Reservation, San Juan County, New Mexico

Key Message: ECEJ plans to issue a NOPV and a 308 Request for Information to Diversified Resources, Inc./BIYA Operator, Inc. as follow-up to the Region's SPCC inspections and for a number of pipeline

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spills of crude oil.

- Since the initial inspection in June 2015, Diversified has been in non-compliance with its SPCC Plan and implementation requirements. OPA Enforcement has been working with Diversified to bring its facilities into compliance with the SPCC regulations.
- In addition to the SPCC non-compliance, Diversified has had a number of pipeline spills of crude oil. On February 20, 2015, May 8, 2015, November 15, 2016, October 12, 2017, and March 19, 2018, various quantities of crude oil discharges from production flow lines owned or operated by Diversified were reported by a member of the Ute Mountain Ute Tribe to the National Response Center.
- At the request of the Ute Mountain Ute Tribe, the Region conducted an inspection of Diversified's facilities in November 2017.
- The Region found various field implementation SPCC deficiencies by Diversified, including new facilities that were not represented in the SPCC plan, inadequate secondary containment, inadequate depiction of the current facilities, and deficient inspection and recording keeping requirements, all in violation of SPCC regulations.
- The NOPV requires Diversified to revise and submit the SPCC Plan within 30 days to return to compliance with the requirements.
- The CWA 308 Information Request will gather information to determine the extent of these spills, the environmental harm resulting from the discharge, and the status of the spills clean-up.
- Technical Contact: Christopher Ajayi, 312-6320; Management Contact: Ken Champagne 312-6608

OFFICE OF PARTNERSHIPS AND REGULATORY ASSISTANCE

No report

OFFICE OF TECHNICAL AND MANAGEMENT SERVICES

No report

OFFICE OF WATER PROTECTION

HOT ISSUES AND IMPORTANT DEADLINES:

Office of Water Protection meeting with Colorado to discuss Meridian Aquifer Storage and Recovery Project

Key Message: On Thursday, April 5, representatives from OWP and the Regional Science Advisor met with the Colorado Department of Public Health and Environment, Water Quality Control Division to discuss the occurrence of NDMA (a disinfection by-product) and its potential effect on the request to EPA to authorize the Meridian Aquifer Storage and Recovery (ASR) project under the UIC program.

- Region 8 shared background on the ASR requests, a summary of the NDMA data, our current thinking on how to regulate these facilities, and asked CDPHE for feedback on the approach. CDPHE conceptually agrees with our proposed approach.
- CDPHE provided additional information on its groundwater standard related to NDMA and how the state might approach regulating NDMA in groundwater permits.
- CDPHE was receptive to the idea of meeting with Aurora and other WISE partners about this project and potential path forward and agreed that a united (state/EPA) approach and messaging was important to the success of this project.
- A follow up technical meeting with OWP and CDPHE is scheduled for April 6, when times for a meeting with Aurora and Meridian, projected for the week of April 9, will be determined.
- Contact: Douglas Minter, 312-6079; Sarah Bahrman, 312-6243

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