

SPCC/Clean Water Act Enforcement: U.S. Environmental Protection Agency and Kansas Oil and Gas Exploration, Development and Production Company Enter into Consent Agreement

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The United States Environmental Protection Agency (“EPA”) and Colt Energy, Inc. (“CEI”) entered into a May 22nd Consent Agreement and Final Order (“CAFO”) addressing the federal regulations found at 40 CFR Part 112 setting forth the requirements for the preparation and implementation of Spill Prevention, Control, and Countermeasure (“SPCC”) plans. See Docket No. CWA-07-2023-0057.

The CAFO provides that CEI is engaged in oil and gas exploration, development, and production and includes 64 facilities producing oil and gas in Eastern Kansas.

CEI is stated to be the owner and/or operator, within the meaning of Section 311(a)(6) of the Clean Water Act, of three production facilities in Anderson, Kansas, with locations specified in the CAFO.

The facilities are stated to include production wells, flowlines, separator units, crude oil tanks, produced water tanks, and tank batteries.

The facilities have estimated aggregate above-ground storage capacity of oil and produced water as follows:

- KHVL/Haldeman Facility 32,760 gallons
- JCB & Overall Facility 56,280 gallons
- Unit 2 Facility 18,060 gallons

EPA representatives are stated to have inspected on July 2, 2021, certain CEI facilities to determine compliance with the SPCC regulations. Further, representatives of EPA are stated to have inspected additional CEI facilities on November 4, 2021, to determine compliance with the SPCC regulations.

The CAFO identified certain alleged violations involving preparation and implementation of an SPCC plan that included:

- Failure to complete a review and evaluation of the SPCC plan at least once every five years
- Facility diagram in the SPCC plan did not include all transfer stations connecting pipes

- SPCC plan did not include the correct storage capacities of all fixed and mobile containers at the facility
- Failure to keep records of all inspections and tests conducted in accordance with the SPCC plan
- Failure to prepare and implement a written program of flowline maintenance that addresses procedures to ensure compatibility, visually inspect and test flowlines and any associated appurtenances on a periodic and regular schedule, take corrective action based on regularly scheduled inspections, tests, or evidence of discharge, and promptly remediate any accumulations of oil discharges
- Failure to safely confine the drainage from one or more undocked areas in a catchment basin or holding pond
- Failure to include an adequate oil spill contingency plan
- Failure to fully prepare and implement an SPCC plan within six months of beginning operations at the facility
- Failure to provide appropriate containment and/or diversionary structures for bulk storage containers, qualified oil-filled operational equipment, piping and related appurtenances, and transfer areas, equipment, and activities
- Failure to:
 - Train oil-handling personnel in the operation and maintenance of equipment to prevent discharges, discharge procedure protocols, applicable pollution control laws, rules, and regulations, general facility operations; and the contents of the facility SPCC Plan;
 - Designate a person at each applicable facility who is accountable for discharge prevention and who reports to facility management; and
 - Schedule and conduct discharge prevention briefings for your oil-handling personnel at least once a year to assure adequate understanding of the SPCC Plan for that facility
- Failure to keep adequate records of drainage of uncontaminated rainwater from the diked area into a storm drain or discharge of an effluent into an open watercourse, lake, or pond
- Failure to inspect at regularly scheduled intervals field drainage systems (such as drainage ditches or road ditches), and oil traps, sumps, or skimmers, for an accumulation of oil that may have resulted from any small discharge, and to promptly remove any accumulations of oil
- Failure to periodically and upon a regular schedule, visually inspect containers for deterioration and maintenance needs, including foundation and supports of each container on or above the surface of the ground
- Failure to prepare and implement a written program of flowline maintenance that addresses procedures to ensure compatibility, visually inspect and test flowlines and any associated appurtenances on a periodic and regular schedule, take corrective action based on regularly scheduled inspections, tests, or evidence of discharge, and promptly remediate any accumulations of oil discharges
- Failure to provide a secondary means of containment for the entire capacity of the largest single container and sufficient freeboard to contain precipitation and to safely confine drainage from undiked areas in a catchment basin or holding pond

A civil penalty of \$60,000 is assessed.

A copy of the CAFO can be downloaded [here](#).