

ADEQ

ARKANSAS
Department of Environmental Quality

August 23, 2011

Gary Savage
Faith Energy, LLC.
P. O. Box 894
Shreveport, LA 71161-0084

RE: AFIN: 50-00062, Permit Tracking No.: 0323-WG-SW-1
S. W. Willisville SWD System

Dear Mr. Savage:

On August 10, 2011, I performed a routine compliance inspection of the referenced facility in accordance with the provisions of the Arkansas Water and Air Pollution Control Act and the regulations promulgated thereunder. This inspection revealed the following violations:

1. Oil waste observed at the wellheads of multiple production well sites. See Photo Nos. 2, 3, 4, 5, 9, 11, 14, 15 & 17. The operator is required to properly operate and maintain all parts of the system and may not place waste in a manner where it is likely to cause pollution of any waters of the state. This is a violation of Part III.B.7. of the general permit and Ark. Code Ann. § 8-4-217(a)(2).
2. The J. A. Alder No. 14 has been converted into a SWD and is not listed on the current permit. See Photo No. 10. Any change to the information previously submitted in an NOI requires submittal of a new NOI prior to the changes taking effect. This is a violation of Part III.A.1. of the general permit..
3. Firewall berms observed low at the Warmack-Montgomery, Phillips & Phillips A Batteries. See Photo Nos. 12, 16 & 18. Any change to the information previously submitted in an NOI requires submittal of a new NOI prior to the changes taking effect. This is a violation of Part III.A.1. of the general permit.
4. The T. E. Ellis No. 5 production well observed to be actively part of this system & is not listed on current permit. See Photo No. 13. Any change to the information previously submitted in an NOI requires submittal of a new NOI prior to the changes taking effect. This is a violation of Part III.A.1. of the general permit...

Faith Energy, LLC.
August 23, 2011
Page 2

5. Oil waste observed inside the containment areas of the J. A. Alder Battery & S. W. Willisville No. 1 Saltwater Battery. See Photo Nos. 6 & 7. The operator is required to properly operate and maintain all parts of the system and may not place waste in a manner where it is likely to cause pollution of any waters of the state. This is a violation of Part III.B.7. of the general permit and Ark. Code Ann. § 8-4-217(a)(2).

The above item requires your immediate attention. This response should be mailed to the address below, or e-mailed to Water-Enforcement-Report@adeq.state.ar.us. This response should contain documentation describing the course of action taken to correct each item noted. This corrective action should be completed as soon as possible, and the written response with all necessary documentations (i.e. photos) is due by September 2, 2011.

Sincerely,

Connery Salter, ADEQ Inspector
Water Division

cc: file (AFIN: 50-00062, Permit Tracking No.: 0323-WG-SW-1)

ARKANSAS DEPARTMENT OF ENVIRONMENTAL QUALITY

GENERAL PERMIT 0000-WG-SW INSPECTION FORM

AFIN: 50-00062

Permit No.: 0323-WG-SW-1 Inspection Date: 8-10-11

Media: Water Inspector: Connery Salter

Compliance Status: IN / OUT

1. Permittee (Operator): Faith Energy, LLC.
 System Name: S. W. Willisville SWD System
 Location: N 33.50114 W 93.31745(T)
 County: Nevada

2. Name of On-Site Representative: N/A

3. Name of Responsible Official: Gary Savage
 Address: P. O. Box 894-Shreveport, LA 71161-0084
 Telephone: 318-424-1900

4. Production Wells:

Production Well Number	Location	Tank Battery Number
Faith Energy, LLC.		
J. A. Alder, et al Nos. 2,3,4, 5,6,7,8,9,10,11,13,14		
Warmack-Montgomery No.1		
T. E. Ellis, et al Nos. 1,2,3,4		
Fed. Land Bank et al No. 1		
J.E.McKinney Est. Nos.1,2,5		
R. E. Phillips et al Nos.1,A-1		
J. L. Alder Est. Nos. 1,2		
Smith Oil		
Alder No. 3		

5. Are complaints registered against this permitted facility? Yes No
 If yes, give date and description of complaint: _____

6. Are there any additions, modifications, or corrections to the facility since the last inspection? Yes No
 If yes, explain: The J. A. Alder No. 14 has been converted into a SWD and is not listed on the current permit.

7. Nearest Stream: Bayou Dorcheat

8. Is runoff or a discharge present, or evidence of runoff or a discharge present?
 Yes No
If yes, describe: _____

9. Are there any oil or saltwater spills at the site?
 Yes No
If yes, describe: Oil waste observed at the wellheads of multiple production well sites.

10. Are there any pits containing oil or saltwater at the site?
 Yes No
If yes, describe: _____

11. Is a sign posted with the information required by the general permit?
 Yes No
If no, describe: _____

12. Does the firewall berm appear impermeable & able to contain 1.5 times the largest vessel?
 Yes No
If no, describe: Firewall berms low at the War.-Mont., Phillips & Phillips A Batteries.

13. Is the firewall free from excessive vegetation?
 Yes No
If no, describe: _____

14. If a pipe is present through the firewall, is it capped to prevent a discharge?
 Yes No
If no, explain: _____

15. Are the tanks & pumps free from leaks?
 Yes No
If no, describe: Oil waste at J. A. Alder Battery & S. W. Willisville No. 1 S.W. Battery.

16. Any leaks or excessive vegetation noted at the transmission lines during the inspection?
 Yes No
If yes, describe: _____

17. Are there any production wells associated with the SWD system that are not listed on the permit?

Yes No

If yes, describe: The T. E. Ellis No. 5 prod. well observed actively part of this system.

SUMMARY OF FINDINGS/COMMENTS

Oil waste observed at the wellheads of multiple production well sites. Oil waste observed inside the containment areas of the J. A. Alder Battery & S. W. Willisville No. 1 Saltwater Battery.
The J. A. Alder No. 14 has been converted into a SWD and is not listed on the current permit.
Firewall berms observed low at the Warmack-Montgomery, Phillips & Phillips A Batteries.
The T. E. Ellis No. 5 prod. well observed actively part of this system & not listed on permit.

Inspector Signature: _____ Date of Report: 8-11-11

Signature of Reviewer: *Stan W. Johnson* Date of Review: August 19, 2011

Water Division No Discharge Industrial Photographic Evidence Sheet

Location: S. W. Willisville SWD System

Photographer: Connery Salter **Witness:** None

Photo No. 1 **Of** 18 **Date:** 8-10-11 **Time:** 1534

Description: System sign observed on the ground at the S. W. Willisville SWD No. 3 well site.



Photographer: Connery Salter **Witness:** None

Photo No. 2 **Of** 18 **Date:** 8-10-11 **Time:** 1540

Description: Oil waste observed at the wellhead of the J. E. McKinney No. 1 production well site.



Water Division No Discharge Industrial Photographic Evidence Sheet

Location:							
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Photographer:	Connery Salter	Witness:	None		
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Photo No.	3	Of	18	Date:	8-10-11	Time:	1549
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Description:	Oil waste observed at the wellhead of this unidentified production well site.						
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Photographer:	Connery Salter	Witness:	None		
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Photo No.	4	Of	18	Date:	8-10-11	Time:	1550
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Description:	Oil waste observed at the wellhead of this unidentified production well site.						
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Water Division No Discharge Industrial Photographic Evidence Sheet

Location:							
Photographer: Connery Salter				Witness: None			
Photo No.	5	Of	18	Date:	8-10-11	Time:	
Description: Oil waste observed at the wellhead of the J. A. Alder No. 4 production well site.							



Photographer: Connery Salter				Witness: None			
Photo No.	6	Of	18	Date:	8-10-11	Time:	1401
Description: Oil waste observed inside the containment area of the J. A. Alder Battery.							



Water Division No Discharge Industrial Photographic Evidence Sheet							
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Location:	S. W. Willisville SWD System						
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Photographer:	Connery Salter			Witness:	None		
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Photo No.	7	Of	18	Date:	8-10-11	Time:	1420
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Description:	Oil waste observed inside the containment of the S. W. Willisville SWD No. 1 S. W. Battery.						
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Photographer:	Connery Salter			Witness:	None		
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Photo No.	8	Of	18	Date:	8-10-11	Time:	1421
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Description:	The S. W. Willisville SWD No. 1 S. W. Battery configuration does not match current drawings.						
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Water Division No Discharge Industrial Photographic Evidence Sheet							
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Location:	S. W. Willisville SWD System						
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Photographer:	Connery Salter			Witness:	None		
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Photo No.	9	Of	18	Date:	8-10-11	Time:	1437
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Description:	Oil waste observed at the wellhead of the J. A. Alder No. 6 production well site.						
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Photographer:	Connery Salter			Witness:	None		
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Photo No.	10	Of	18	Date:	8-10-11	Time:	1443
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Description:	The J. A. Alder No. 14 has been converted into a SWD and is not listed on the current permit.						
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Water Division No Discharge Industrial Photographic Evidence Sheet

Location: S. W. Willisville SWD System

Photographer: Connery Salter **Witness:** None

Photo No. 11 **Of** 18 **Date:** 8-10-11 **Time:** 1450

Description: Oil waste observed at the wellhead of the J. A. Alder No. 8 production well site.



Photographer: Connery Salter **Witness:** None

Photo No. 12 **Of** 18 **Date:** 8-10-11 **Time:** 1458

Description: Firewall berm is low at the Warmack-Montgomery Battery.



Water Division No Discharge Industrial Photographic Evidence Sheet							
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Location:	S. W. Willisville SWD System						
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Photographer:	Connery Salter			Witness:	None		
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Photo No.	13	Of	18	Date:	8-10-11	Time:	1513
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Description:	The T. E. Ellis No. 5 prod. well observed actively part of this system & not listed on permit.						
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Photographer:	Connery Salter			Witness:	None		
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Photo No.	14	Of	18	Date:	8-10-11	Time:	1516
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Description:	Oil waste observed at the wellhead of this unidentified production well site.						
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Water Division No Discharge Industrial Photographic Evidence Sheet							
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Location:	S. W. Willisville SWD System						
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Photographer:	Connery Salter			Witness:	None		
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Photo No.	15	Of	18	Date:	8-10-11	Time:	1517
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Description:	Oil waste observed at the wellhead of the T. E. Ellis No. 3 production well site.						
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Photographer:	Connery Salter			Witness:	None		
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Photo No.	16	Of	18	Date:	8-10-11	Time:	1528
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Description:	Firewall berm is low at the Phillips A Battery.						
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Location:	S. W. Willisville SWD System						
Photographer:	Connery Salter			Witness:	None		
Photo No.	17	Of	18	Date:	8-10-11	Time:	1531
Description:	Oil waste observed at the wellhead of the Fed. Land Bank No. 1 production well site.						



Photographer:	Connery Salter			Witness:	None		
Photo No.	18	Of	18	Date:	8-10-11	Time:	1533
Description:	Firewall berm is low at the Phillips (saltwater tank) Battery.						



FAITH ENERGY, LLC
7330 Fern Ave. #403
Shreveport, LA 71105
318 424-1900

September 9, 2011

ADEQ
5301 Northshore Drive
North Little Rock, AR 72118-5317

Attn: Mr. Connery Salter

Re: Permit No. 0323-WG-SW-1, AFIN No. 50-00062
S W Willisville SWD System
Nevada County, AR

Dear Mr. Salter:

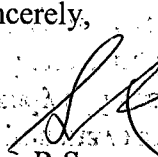
As you and I discussed in our telephone conversation this week, we received your letter on September 7, 2011, due to the address being incorrect.

As you may recall, as you made your inspection, you ran across a crew of our employees already addressing many of the issues you documented in your letter to us. We have completed the "clean up" of our field operations which addressed all of the oil waste observed at the wellheads. We are hauling in clay to build up the three firewall berms that were mentioned in your letter. The oil waste within the J A Alder and S W Willisville firewalls has also been removed.

The operation depicted by Photos #3 & #4 which are enclosed with your letter, have nothing to do with our operations in this field, this well and this site are owned by another operator.

We are in the process of updating our permit to reflect some changes made and will be sending the changes to your office soon.

Sincerely,


Gary R Savage

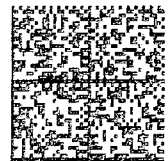
ADEQ

ARKANSAS
Department of Environmental Quality

5301 NORTSHORE DRIVE
NORTH LITTLE ROCK, AR 72118-5317



*Faith received
sept 7, 2011*



U.S. POSTAGE

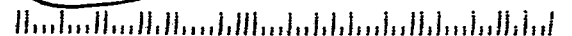


ZIP 72118
02 1W
000136725

Gary Savage
Faith Energy, LLC.
~~P. O. Box 894~~
Shreveport, LA 71161-0084

*P.O. Box
84*

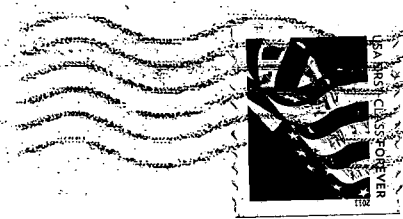
7116230894 5007



Faith Energy LLC
7330 Fern Ave #403
Sport LA 71105

SHREVEPORT LA 711

09 SEP 2011 PM 41



ADEQ

5301 Northshore Dr.

North Little Rock, AR 72118-5317

72118#5317



ADEQ

ARKANSAS
Department of Environmental Quality

September 19, 2011

Gary Savage
Faith Energy, LLC
7330 Fern Ave. # 403
Shreveport, LA 71105

RE: AFIN: 50-00062 Permit Tracking No.: 0323-WG-SW-1
S. W. Willisville SWD System

Dear Mr. Savage:

The Department has received your response to the August 10, 2011 inspection of your facility by our District Field Inspector, Connery Salter. Your response has been deemed deficient for the following reason:

The Department requires that you send photo documentation of the items addressed in the September 9, 2011 response letter.

A copy of the inspection report and the inadequate response is included with this letter for your review. Please submit an adequate response to the Water Enforcement Branch by **October 3, 2011**. Failure to adequately respond by this date will be considered in determining the enforcement action, if required, for this construction site.

Thank you for your attention to this matter. Should you have any questions, feel free to contact me at 501-682-0667 or you may e-mail me at carlsonm@adeq.state.ar.us.

Sincerely,



Michelle Carlson
Enforcement Analyst
Water Division Enforcement Section

FAITH ENERGY, LLC
7330 Fern Ave. #403
Shreveport, LA 71105
318 424-1900

September 28, 2011

ADEQ
5301 Northshore Drive
North Little Rock, AR 72118-5317

Attn: Ms. Michelle Carlson

Re: Permit No. 0323-WG-SW-1, AFIN No. 50-00062
S W Willisville SWD System
Nevada County, AR

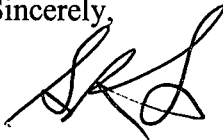
Dear Ms. Carlson:

Please find enclosed, photo documentation of the items addressed in our September 9, 2011 letter. Also, please accept our apology for not including them with that letter.

I was not able to photograph the J A Alder #6 well due to a workover rig being on it.

If you should have any questions regarding this matter, please call me at 318 424-1900.

Sincerely,

A handwritten signature in black ink, appearing to read 'G. R. Savage', written in a cursive style.

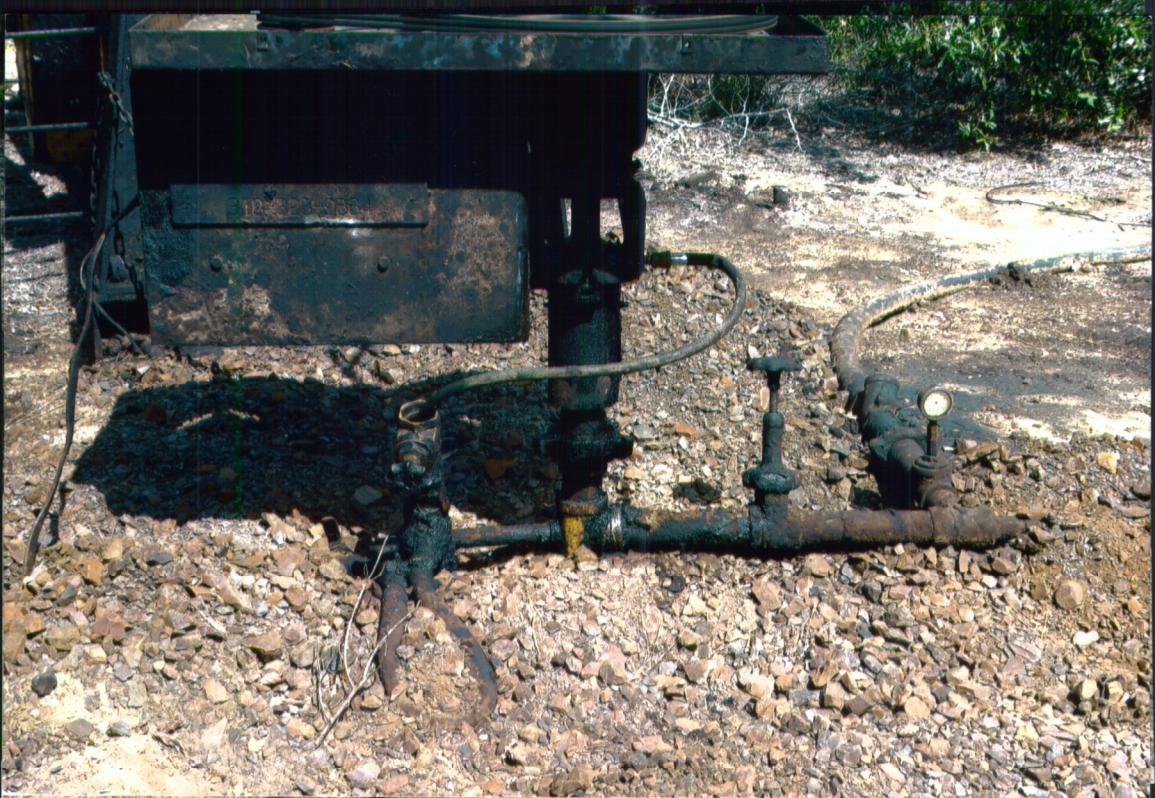
Gary R Savage

FAITH ENERGY, LLC
SW. WILL SVILLE
S.W.D NO. 3
P.0323-WG-SW
S19 T11S R21W



S W Willisville SWD #3

(Photo #1)



J E McKinney #1
(Photo #2)



J A Alder #4

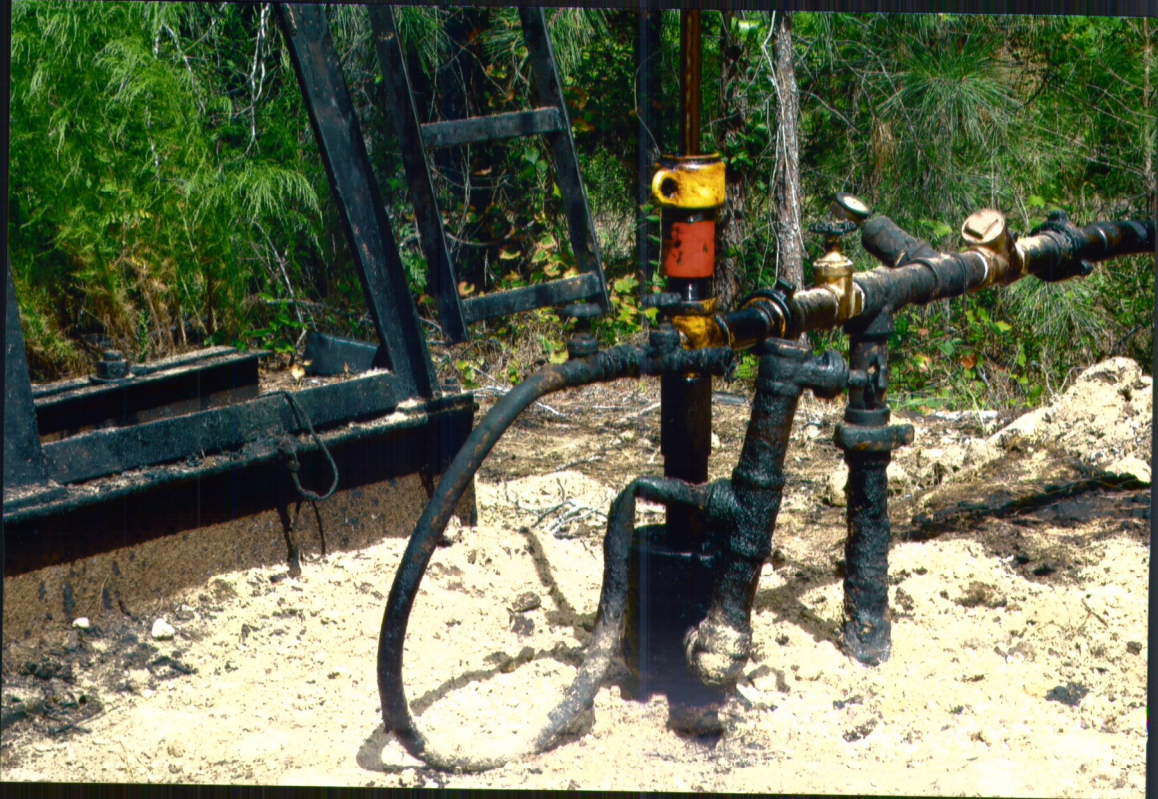
(Photo #5)



J A Alder Tank Battery
(Photo #6)



S W Willisville SWD #1 TB
(Photo #7)



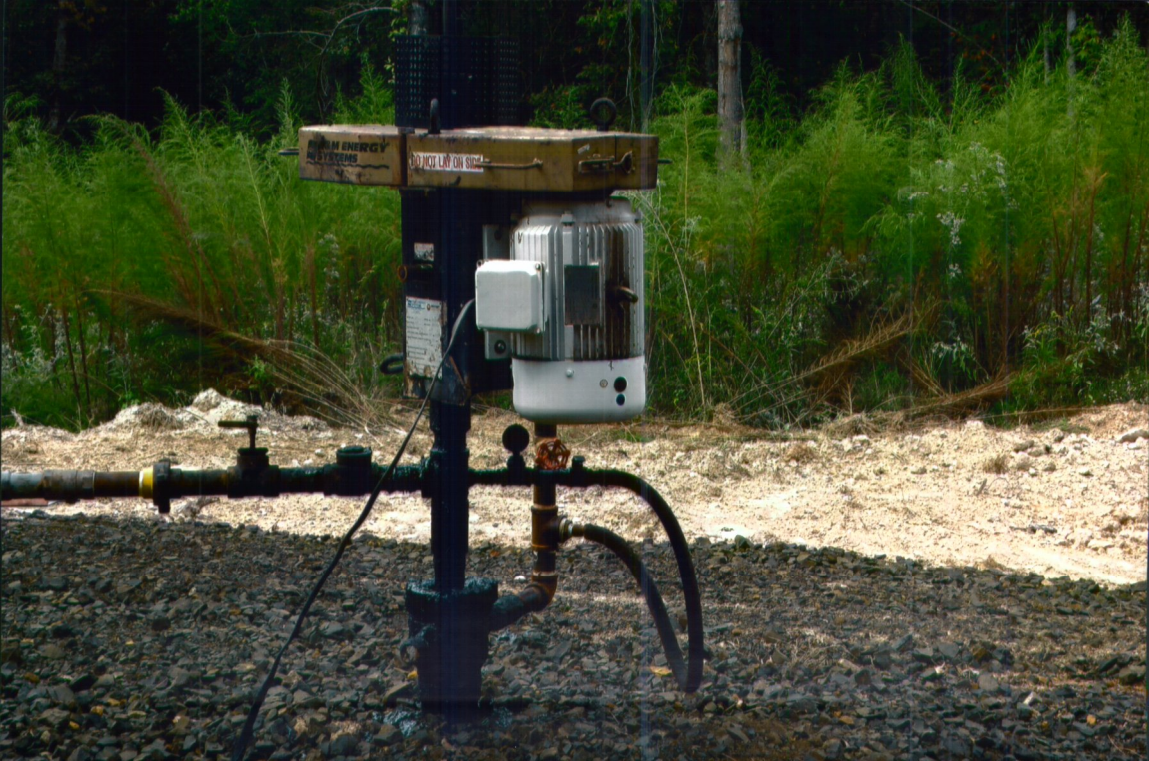
J A Alder #8
(Photo #11)



Warmack Montgomery TB
(Photo #12)

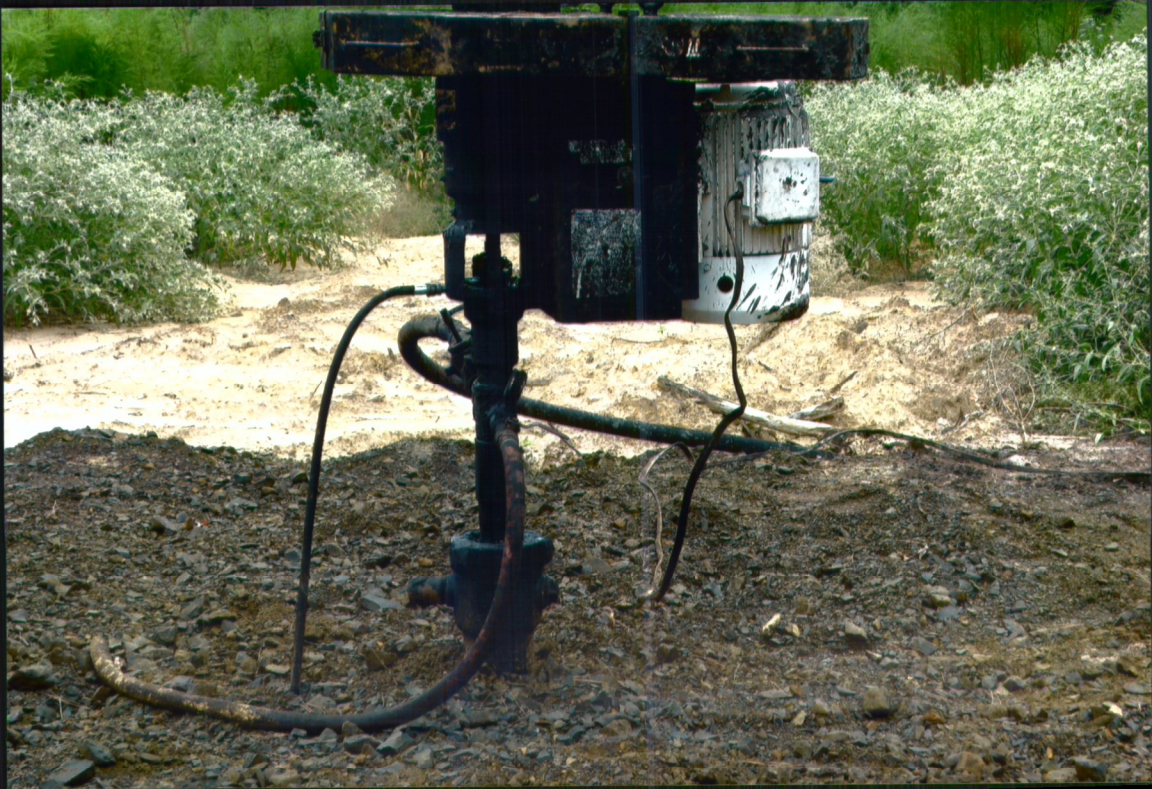


T E Ellis #5
(Photo #13)



T E Ellis #6

(Photo #14)



T E Ellis #7

(Photo #15)



Phillips A TB

(Photo #16)

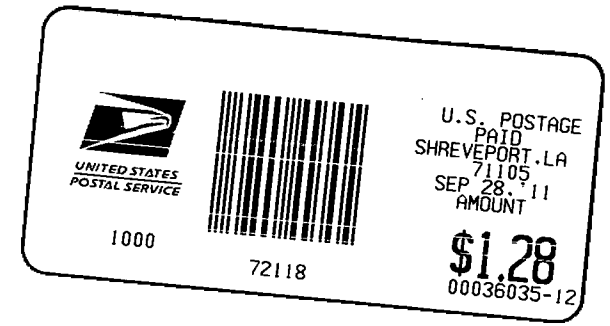


Fed. Land Bank #1
(Photo #17)



Phillips Saltwater TB
(Photo #18)

Faith Energy LLC
7330 Fern Ave #403
Sport LA 71105



ABEQ
5301 Northshore Dr.
North Little Rock, AR
72118-5317

ADEQ

ARKANSAS
Department of Environmental Quality

October 6, 2011

Gary Savage
Faith Energy, LLC
7330 Fern Ave. # 403
Shreveport, LA 71105

RE: AFIN: 50-00062 Permit Tracking No.: 0323-WG-SW-1
S. W. Willisville SWD System

Dear Mr. Savage:

The Department has received your response to the August 10, 2011 inspection of your facility by our District Field Inspector, Connery Salter. The Department expects the corrective actions taken will be maintained to ensure consistent compliance with the requirements of the permit. Acceptance of this response by the Department does not preclude any future enforcement action deemed necessary at this site or any other site.

The Department will keep the inspection and response on file. If future violations occur that require enforcement action, the Department will consider the inspection and response as required by the Pollution Control and Ecology Commission Regulation No. 7, Civil Penalties. This regulation requires the Department to consider the past history of your site and how expeditiously the violations were addressed in determining any civil penalty that may be necessary for any future violations.

If we need further information concerning this matter, we will contact you. Thank you for your attention to this matter. Should you have any questions, feel free to contact me at 501-682-0667 or you may e-mail me at carlsonm@adeq.state.ar.us.

Sincerely,



Michelle Carlson
Enforcement Analyst
Water Division Enforcement Branch