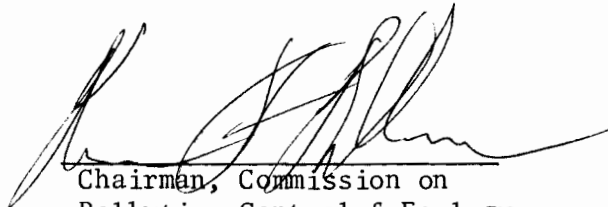


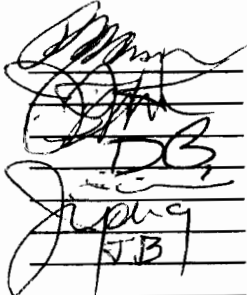
MINUTE ORDER NO. 87-01

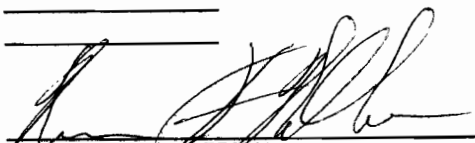
Upon review of the above-captioned matter, the Commission hereby modifies the Administrative Order issued by the Director in this matter on November 6, 1986, a copy of which is attached hereto, to the extent that the Commission finds that the evidence herein justifies the imposition of a civil penalty in the amount of \$5000 for the violation found in paragraph 3 of the Findings of Fact and a civil penalty in the amount of \$2500 for the violation found in paragraph 4 of the Findings of Fact for a total penalty of \$7500 to be paid within thirty (30) days of the date hereof and otherwise affirms the Administrative Order of the Director and adopts the Findings and Conclusions therein.

SO ORDERED.

  
Chairman, Commission on  
Pollution Control & Ecology

COMMISSIONERS

  
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CHAIRMAN

SUBMITTED BY: Phillip Deisch

DATE PASSED: 1-23-87

ARKANSAS DEPARTMENT OF POLLUTION CONTROL AND ECOLOGY

IN THE MATTER OF:  
HENRY CORLEY d/b/a  
NEVADA OIL OPERATORS  
PERMIT NO. 540

LIS 86-014

ADMINISTRATIVE ORDER

This Administrative Order is issued pursuant to the authority of the Arkansas Water and Air Pollution Control Act (Act 472 of 1949, as amended; Ark. Stat. Ann. §§ 82-1901 et seq.) and the regulations promulgated thereunder. An evidentiary hearing was held in this matter on September 18, 1986, before Mr. Jeff Davis, Jr., Hearing Officer. The Department was represented by Mr. Phillip Deisch, Chief Counsel, and Henry Corley d/b/a Nevada Oil Operators was represented by Mr. William I. Prewett, Attorney at Law. Based upon the evidence introduced at said hearing, the briefs and arguments of counsel, and the Recommended Decision of the Hearing Officer, the Director hereby makes and issues the following findings, conclusions, and Order herein.

FINDINGS OF FACT

1. On April 2, 1986, Henry Corley d/b/a Nevada Oil Operators was the operator of the C. Y. Hubbard No. 2 saltwater disposal system in the Troy Field in Nevada County, Arkansas.

2. On April 2, 1986, an agent of Nevada Oil Operators intentionally disconnected a dresser sleeve in the saltwater flow line from the pump and collector tank to the underground injection well which was a part of the saltwater disposal system of the C. Y. Hubbard No. 2 unit, and said act allowed salt water to flow onto the ground in the area of the unit in an amount in excess of 1660 barrels per day and such water contained chlorides in concentration of 1030 parts per million (p.p.m.) chlorides and such salt water was an industrial waste under the Act.

3. Said discharge of salt water onto the ground adversely affected, or at least threatened to affect adversely, the surface water and the groundwater of the state and also caused a runoff of salt water into Black Creek in Nevada County, Arkansas, and thereby constituted the placing of wastes in a location where it was likely to cause pollution of the waters of the State of Arkansas in violation of the Arkansas Water and Air Pollution Control Act (Act 472 of 1949, as amended; Ark. Stat. Ann. §§ 82-1901 et seq.), specifically Ark. Stat. Ann. § 82-1908.

4. On April 2, 1986, Nevada Oil Operators by the intentional discharge of salt water operated the salt water disposal system for the C. Y. Hubbard No. 2 unit in Troy Field in Nevada County, Arkansas, in violation of paragraph 4 of Permit No. 540, issued by the Arkansas Department of Pollution Control and Ecology and thereby violated the Arkansas Water and Air Pollution Control Act, Act 472 of 1949, as amended;

Ark. Stat. Ann. § 82-1901 et seq., specifically Ark. Stat. Ann. § 82-1908.

CONCLUSIONS OF LAW

1. The Arkansas Class II, Section 1425, Underground Injection Control Program and the Amended Memorandum of Understanding between the Arkansas Oil & Gas Commission and the Arkansas Department of Pollution Control & Ecology in no way prevents the Arkansas Department of Pollution Control and Ecology from enforcing the Arkansas Water and Air Pollution Control Act, Act 472 of 1949, as amended, Ark. Stat. Ann. §§ 82-1901 et seq.

2. When salt water from oil production is discharged on the ground and pollutes or threatens to pollute the waters of the state, the Arkansas Department of Pollution Control and Ecology has jurisdiction to enforce civil penalties for such violation, as well as to enforce civil penalties for the separate violation on operating a salt water disposal system in violation of the permit issued by said Department.

3. The fact that the same conduct is both a violation of the salt water disposal system's operating permit and also an act of pollution under another section of the Act does not prevent the Arkansas Department of Pollution Control and Ecology from enforcement of a civil penalty for both violations.

4. The Arkansas Water and Air Pollution Control Act and Regulation No. 8 promulgated thereunder create a constitutional system for administrative enforcement of violations of the Act and under the law such administrative system does not include the right to a trial by jury.

5. On April 2, 1986, Nevada Oil Operators violated the Arkansas Water and Air Pollution Control Act by placing wastes in a location where they were likely to pollute the waters of the state and by its failure to operate a permitted salt water disposal system in the proper manner by causing at least 1660 barrels of salt water to be discharged on the ground near the C. Y. Hubbard No. 2 salt water disposal system in Troy Field in Nevada County, Arkansas.

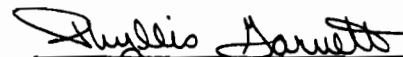
ORDER

Henry Corley, d/b/a Nevada Oil Operators is hereby ordered to pay Two Thousand Dollars (\$2,000.00) as a civil penalty to the Arkansas Department of Pollution Control and Ecology for placing wastes in a location likely to cause pollution of the waters of the State of Arkansas and to pay Five Hundred Dollars (\$500.00) to the Arkansas Department of Pollution Control and Ecology as a civil penalty for violating Arkansas Department of Pollution Control and Ecology Permit No. 540 for the C. Y. Hubbard No. 2 unit in Troy Field in Nevada County, Arkansas, being in the aggregate a total of Two Thousand Five Hundred Dollars (\$2,500.00), payment of which shall be made within thirty (30) days of the date hereof.

OPPORTUNITY FOR COMMISSION REVIEW

Henry Corley d/b/a Nevada Oil Operators may request review of this Order by the Commission on Pollution Control and Ecology by making written application for such review within thirty (30) days of the date of issuance of this Order in accordance with Section 7, Part V, Regulation No. 8: Administrative Procedures.

SO ORDERED this 6<sup>th</sup> day of November, 1986.

  
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Director