



**REGION 6**

DALLAS, TX 75270

August 27, 2024

TRANSMITTED VIA EMAIL

Ms. Nicole Payne  
CapturePoint, LLC  
373 Phillips Road  
Shidler, OK 74652  
npayne@capturepointllc.com

Re: Notice of Proposed Administrative Order and Opportunity to Request a Hearing  
Well Number: 82-W6  
EPA Inventory ID: OS0508000  
Docket Number: SDWA-06-2024-1125

Dear Ms. Payne:

Enclosed is a Proposed Administrative Order (Proposed Order) that the Environmental Protection Agency (EPA) intends to issue to CapturePoint, LLC for violation of the Safe Drinking Water Act (SDWA). The violation was identified based on our review of records that we maintain on the referenced injection well. The violation was for failing to successfully demonstrate mechanical integrity and for maintain the injection well in a manner that could allow the movement of fluid that contains contaminants into an Underground Source of Drinking Water. The Proposed Order does not assess a monetary penalty; however, it does require compliance with SDWA requirements. The Proposed Order requires the referenced injection well to comply with certain regulations. EPA requests that you immediately confirm receipt of this e-mail and the attached Order by a response e-mail to Mr. Matthew Rudolph at [rudolph.matthew@epa.gov](mailto:rudolph.matthew@epa.gov).

You have the right to request a hearing regarding the violations alleged in the Proposed Order. Whether or not you request a hearing, we invite you to confer with us informally. If you choose not to request a hearing, we will review any comments on the Proposed Order received from you and the public and determine whether the Proposed Order will be issued as a Final Administrative Order. In the event you choose not to request a hearing within thirty (30) days of your receipt of this Proposed Order, and no public comments are received, EPA shall issue a Final Administrative Order regarding the violations and requiring compliance with the SDWA regulations.

Re: CapturePoint, LLC  
SDWA-06-2024-1125

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Also enclosed is an "Information Sheet" relating to the Small Business Regulatory Enforcement Fairness Act and a "Notice of Registrant's Duty to Disclose" relating to the disclosure of environmental legal proceedings to the Securities and Exchange Commission. The EPA is committed to ensuring compliance with the requirements of the Underground Injection Control program, and my staff will assist you in any way possible.

If you have any questions or wish to discuss the possibility of a settlement of this matter, please contact Matthew Rudolph, of my staff, at (214) 665-6434.

Sincerely,



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CHERYL SEAGER  
Date: 2024.08.27 16:01:29  
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Cheryl T. Seager, Director  
Enforcement and  
Compliance Assurance Division

Enclosures

ec: Mr. Eric Looney, CapturePoint, LLC  
elooney@capturepointllc.com

Mr. Craig Walker, Director, Osage Nation Dept. of Natural Resources (DNR)  
cmwalker@osagenation-nsn.gov

Mr. Adam Trumbly, Superintendent, Bureau of Indian Affairs, Osage Agency  
adam.trumbly@bia.gov



2. At all times relevant to the violations alleged herein, Respondent owned or operated an "injection well" which is a "Class II well" as those terms are defined at 40 C.F.R § 147.2902. The injection well is located in the SW Quarter of Section 35, Township 27 North, Range 05 East, Osage County, Oklahoma, designated as injection Well No. 82-W6 and EPA Inventory Number OS0508000 (the injection well).

3. Respondent is subject to underground injection control (UIC) program requirements set forth at 40 C.F.R. Part 147, Subpart GGG, which are authorized under Section 1421 of the Act, 42 U.S.C. § 300h.

4. Regulations at 40 C.F.R. § 147.2903(a) require that any underground injection is prohibited except as authorized by rule or authorized by a permit issued under the UIC program. The construction or operation of any injection well required to have a permit is prohibited until the permit has been issued. The term "permit" is defined at 40 C.F.R. § 147.2902.

5. Regulations at 40 C.F.R. § 147.2903(b) provide that no owner or operator shall construct, operate, maintain, convert, plug, or abandon any injection well, or conduct any other injection activity, in a manner that allows the movement of fluid containing any contaminant into underground sources of drinking water, if the presence of that contaminant may cause the violation of any primary drinking water regulation under 40 C.F.R. Part 142 or may otherwise adversely affect the health of persons.

6. Regulations at 40 C.F.R. § 147.2909 provide that existing injection wells (wells authorized by the Bureau of Indian Affairs and constructed or completed on or before the effective date of the Osage UIC program) are authorized by rule (ABR). Owners or operators of injection wells authorized by rule must comply with the provisions of 40 C.F.R. §§ 147.2903, 147.2905, 147.2907, and 147.2910 through 147.2915.



7. Regulations at 40 C.F.R. § 147.2912(a) require each ABR injection well to have mechanical integrity. An injection well has mechanical integrity if there are no significant leaks in the casing, tubing, or packer and there is no significant fluid movement into the “Underground Source of Drinking Water” (USDW) through vertical channels adjacent to the wellbore. The term USDW is defined at 40 C.F.R. § 147.2902.

8. The injection well is authorized by rule in accordance with 40 C.F.R. § 147.2909.

9. A review of records maintained by the EPA on this injection well showed the following:

a. This injection well has never demonstrated mechanical integrity. To date, the injection well has not successfully demonstrated mechanical integrity.

b. An annual operation report for the reporting period of April 2023 to March 2024 signed and dated on April 23, 2024, showed the static fluid level in the well to be 124 feet below surface.

10. A static fluid level within 50 feet of the base of the USDW in an injection well without mechanical integrity indicates that fluids inside the injection well could move into the USDW.

11. Therefore, Respondent violated regulations set forth at 40 C.F.R. §§ 147.2903(b), 147.2909, and 147.2912(a) by maintaining the injection well in a manner that could allow the movement of fluid that contains contaminants into an USDW and by failing to successfully demonstrate mechanical integrity.

#### **SECTION 1423(c) PROPOSED COMPLIANCE ORDER**

12. Based on the foregoing findings, and pursuant to the authority of Section 1423(c) of the Act, 42 U.S.C. § 300h-2(c), EPA Region 6 hereby proposes to order Respondent to:

a. Cease use of the injection well for the unauthorized underground injection of fluids, and

- b. Take one of the following actions:
  - i. Repair the injection well and successfully demonstrate mechanical integrity according to regulations at 40 C.F.R. § 147.2912(a) within ninety (90) days after the effective date of a Final Administrative Order; or
  - ii. Complete proper plugging and abandonment in accordance with 40 C.F.R. § 147.2905, within ninety (90) days after the effective date of a Final Administrative Order; or
  - iii. Convert the injection well to production use within ninety (90) days after the effective date of a Final Administrative Order.

13. Submit copies of completed plugging reports or completed work reports showing conversion to production and BIA Osage Agency Forms 139 within 120 days after the effective date of a Final Administrative Order to:

Matthew Rudolph  
rudolph.matthew@epa.gov  
U.S. Environmental Protection Agency  
Water Enforcement Branch (ECDWE)

**NOTICE OF OPPORTUNITY TO REQUEST A HEARING**

14. Respondent may request a hearing to contest the issuance of the Final Administrative Order, pursuant to Section 1423(c)(3)(A) of the Act, 42 U.S.C. § 300h-2(c)(3)(A). Such hearing shall not be subject to section 554 or 556 of Title 5 but shall provide a reasonable opportunity to be heard and to present evidence.

15. A request for a hearing must be made within thirty (30) days of the date of receipt of this Proposed Administrative Order. If you would like to request a hearing on this Proposed Administrative Order, submit the hearing request to the Regional Hearing Clerk (6ORC); U.S.

Environmental Protection Agency, Region 6; 1201 Elm Street, Suite 500; Dallas, Texas 75270-2102.

16. Should a hearing be requested, members of the public who commented on the issuance of this Proposed Administrative Order during the public comment period would have a right to be heard and present evidence at a hearing under Section 1423(c)(3)(C) of the Act, 42 U.S.C. § 300h-2(c)(3)(C).

#### **GENERAL PROVISIONS**

17. Issuance of the Final Administrative Order does not constitute a waiver, suspension, or modification of the requirements of 40 C.F.R. Parts 144, 146, and 147, Subpart GGG, which remain in full force and effect.

18. Issuance of the Final Administrative Order is not an election by EPA to forego any civil or criminal action otherwise authorized under the Act.

19. Violation of the terms of the Final Administrative Order after its effective date or date of final judgment as described in Section 1423(c)(6) of the Act, 42 U.S.C. § 300h-2(c)(6), may subject Respondent to further enforcement action, including a civil action for enforcement of the Final Administrative Order under Section 1423(b) of the Act, 42 U.S.C. § 300h-2(b), and civil and criminal penalties for violations of the compliance terms of the Final Administrative Order under Section 1423(b)(1) and (2) of the Act, 42 U.S.C. § 300h-2(b)(1) and (2).

#### **TAX IDENTIFICATION**

20. For purposes of the identification requirement in Section 162(f)(2)(A)(ii) of the Internal Revenue Code, 26 U.S.C. § 162(f)(2)(A)(ii), and 26 C.F.R. § 1.162-21(b)(2), performance of Paragraphs 12 and 13 is restitution, remediation, or required to come into compliance with the law.

### SETTLEMENT

21. EPA encourages all parties against whom an administrative order is proposed to pursue the possibility of settlement through informal meetings with EPA. Regardless of whether a formal hearing is requested, Respondent may confer informally with EPA about the alleged violations. Respondent may wish to appear at any informal conference or formal hearing personally, by counsel or other representative, or both. To request an informal conference on the matters described in this Proposed Administrative Order, please contact Matthew Rudolph, of my staff, at (214) 665-6434.

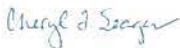
22. If this action does not proceed to a formal hearing, EPA shall issue a Final Administrative Order.

### EFFECTIVE DATE

23. The Final Administrative Order becomes effective thirty (30) days after issuance unless an appeal is taken pursuant to Section 1423(c)(6) of the Act, 42 U.S.C. § 300h-2(c)(6).

August 27, 2024

Date



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Cheryl T. Seager, Director  
Enforcement and  
Compliance Assurance Division



**CERTIFICATE OF SERVICE**

I certify that the foregoing Proposed Administrative Order was sent to the following persons, in the manner specified, on the date below:

Signed Original E-mailed: Regional Hearing Clerk (R6ORC)  
U.S. EPA, Region 6  
1201 Elm Street, Suite 500  
Dallas, TX 75270  
[vaughn.loreana@epa.gov](mailto:vaughn.loreana@epa.gov)

File Stamped Copy  
Transmitted via Email: Ms. Nicole Payne  
CapturePoint, LLC  
373 Phillips Road  
Shidler, OK 74652  
[npayne@capturepointllc.com](mailto:npayne@capturepointllc.com)

Electronic Copy: Ellen Chang  
U.S. EPA, Region 6  
1201 Elm Street, Suite 500  
Dallas, TX 75270  
[chang.ellen@epa.gov](mailto:chang.ellen@epa.gov)

Adam Trumbly, Superintendent  
Bureau of Indian Affairs, Osage Agency  
P.O. Box 1539  
Pawhuska, OK 74056  
[adam.trumbly@bia.gov](mailto:adam.trumbly@bia.gov)

Craig Walker, Director  
Osage Nation Department of Natural Resources  
100 W. Main, Suite 304  
Pawhuska, OK 74056  
[cmwalker@osagenation-nsn.gov](mailto:cmwalker@osagenation-nsn.gov)

Dated: 8/29/2024

Signed: MATTHEW  
RUDOLPH

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Date: 2024.08.29 09:29:29 -05'00'