



Ohio Department of Natural Resources

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Richard J. Simmers, Chief
Division of Oil and Gas Resources Management
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ORDER BY THE CHIEF

March 10, 2015

ORDER NO. 2015-67

TO: Anchor Drilling Fluids USA, Inc.
2400-A Clark Avenue
Wellsville, OH 43968

RE: Anchor Drilling Fluids USA, Inc. Wellsville Location
Columbiana County

SUBJECT: Cease Recycling Operations

Pursuant to Ohio Revised Code Sections 1509.03(D) and 1509.22, the Chief of the Division of Oil and Gas Resources Management ("Chief" or "Division") issues the following Order:

BACKGROUND:

- (1) Anchor Drilling Fluids USA, Inc. ("Anchor Drilling Fluids") conducts recycling operations at 2400-A Clark Avenue, Wellsville, Ohio 43968 ("Anchor Drilling Wellsville Location").
- (2) Division (B)(2)(a) of R.C. 1509.22 states, in pertinent part, that "On and after January 1, 2014, no person shall store, recycle, treat, process, or dispose of in this state brine or other waste substances associated with the exploration, development, well stimulation, production operations, or plugging of oil and gas resources without an order or a permit issued under this section or section 1509.06 or 1509.21 of the Revised Code or rules adopted under any of those sections."
- (3) The Division received an application from Anchor Drilling Fluids on August 11, 2014, requesting authorization to recycle drilling fluids at the Anchor Drilling Wellsville Location. After review, the Division determined that Anchor Drilling's proposed operations did not require a permit or order under R.C. 1509.22(B)(2)(a) because Anchor Drilling Fluids was manufacturing new drilling muds, and was not proposing to accept used drilling muds or other oil and gas related waste substances. The Division informed Anchor Drilling Fluids of its decision in an October 24, 2014 letter; however, in that letter, the Division clearly stated

that its determination that permit or order is not necessary for the Anchor Drilling Fluids Wellsville Location was subject to change based on the activities at the site.

- (4) On February 13, 2015, Division staff inspected the Anchor Drilling Fluids Wellsville Location, in response to a citizen inquiry, and discovered that the Anchor Drilling Fluids Wellsville Location was accepting used drilling mud previously stored at an Anchor Drilling Fluids Location in Hammondsville, Ohio, and recycling the used drilling mud at the Anchor Drilling Fluids Wellsville Location for further use at oil and gas horizontal well sites.
- (5) As of the date of this Chief's Order, Anchor Drilling Fluids has not received a permit or order from the Division to treat, process, store, or recycle brine or other waste substances at the Anchor Drilling Fluids Wellsville Location.

FINDINGS:

The Chief finds that Anchor Drilling Fluids is recycling brine or other waste substances associated with the exploration, development, well stimulation, production operations, or plugging of oil and gas resources at the Anchor Drilling Fluids Wellsville Location without an order or permit in violation of R.C. 1509.22(B)(2)(a).

ORDER:

IT IS HEREBY ORDERED:

- (1) Anchor Drilling Fluids shall cease all operations at the Anchor Drilling Fluids Wellsville Location and remove all brine and other waste substances from the Anchor Drilling Fluids Wellsville Location within fourteen (14) days of receipt of this Chief's Order.
- (2) Anchor Drilling Fluids shall remediate any contamination, as necessary, at the Anchor Drilling Fluids Wellsville Location and shall restore the site to its previous condition.
- (3) Anchor Drilling Fluids shall not store, recycle, treat, process, or dispose of brine and other waste substances associated with the exploration, development, well stimulation, production operations, or plugging of oil and gas resources at the Anchor Drilling Fluids Wellsville Location until Anchor Drilling Fluids receives a Chief's Order from the Division authorizing the storage, recycling, treating, processing, or disposing of brine or other waste substances.

March 10, 2015
Date

Richard J. Simmers
Richard J. Simmers, Chief
Division of Oil and Gas Resources Management

Addressee is hereby notified that this action is final and effective and may be appealed pursuant to Section 1509.36 of the Ohio Revised Code. If the Order is appealed to the Ohio Oil and Gas Commission, the appeal must be in writing and must set forth the Orders complained of and the grounds upon which the appeal is based. Such appeal must be filed with the Oil and Gas Commission, 2045 Morse Road, Building H-3, Columbus, Ohio 43229-6693, within thirty (30) days after receipt of this Order.

In addition, within three (3) days after the appeal is filed with the Oil and Gas Commission, notice of the filing must be submitted to Richard J. Simmers, Chief, Division of Oil and Gas Resources Management, Ohio Department of Natural Resources, 2045 Morse Road, Building F, Columbus, Ohio 43229-6693.

CERTIFIED MAIL No:

91 7199 9991 7034 1915 1638

cc: Eric Vendel, Legal Counsel, DOGRM
Tom Hill, Region Supervisor
Steve Opritza, Permitting Manager
Engineering Section
Joshua Schiering, Columbiana County Oil and Gas Inspector