

Company Fined a Record \$1.5M for Disposal Violations

DALE WETZEL, Associated Press

BISMARCK, N.D. (AP) — A North Dakota agency assessed a record \$1.525 million fine Wednesday against a well drilling company for putting Stark County drinking water at risk by illegally dumping more than 800,000 gallons of salt water waste into a former oil well.

Halek Operating ND LLC of Dickinson has the right to challenge the fine and ask for a hearing, said Lynn Helms, director of the state Department of Mineral Resources, which regulates the state's oil and gas industry. North Dakota's Industrial Commission, which oversees the department, assessed the fine.

Nathan Garber, whom authorities say ordered the illegal dumping, faces a felony charge of violating disposal rules, which carries a possible five-year prison term.

At Garber's direction, workers tampered with a salt water disposal well southwest of Dickinson so it would pass a state inspection, Helms said. The deception took place "literally in the middle of the night," and was discovered shortly afterward, he said.

Helms said the fine was the largest regulatory penalty ever for violating the commission's waste disposal rules, and the first time anyone had been prosecuted for allegedly breaking them. State law provides a maximum civil fine of \$12,500 a day.

He said additional tests are needed to see whether the incident caused any drinking water contamination.

Garber did not respond to a telephone message left for comment Wednesday. A Bismarck attorney who has represented Garber, Monte Rogneby, declined comment, saying he was unsure whether he was representing Garber in the new case.

Halek Operating's owner, Corey Hunt, declined comment, saying he was not the company's owner when the illegal dumping allegedly took place from December 2011 through last February.

Hunt said the company's owner at the time was Jason Halek, who did not respond to email and telephone messages.

It was unclear Wednesday whether the \$1.525 million fine can be collected. Helms said Halek Operating had \$60,000 in bond coverage, and he did not know the extent of company assets that could be seized to pay the penalty.

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Salt water is a byproduct of oil production. Companies commonly dispose of it by injecting it underground.

Helms said Halek used cement that was inadequate to seal off the hole of the salt water disposal well. The sealing was necessary to prevent the brine from leaking into nearby drinking water.

Helms said at least 20,000 barrels of brine, or more than 800,000 gallons, was illegally dumped. "It represents a willful violation of our rules, and under (state law), criminal charges are appropriate," he said.

After the disposal well flunked a safety test, workers tampered with it to ensure it would pass, Helms said. An inspector soon discovered evidence of the tampering, he said.

Gov. Jack Dalrymple, Agriculture Commissioner Doug Goehring and Attorney General Wayne Stenehjem make up the Industrial Commission. They said the fine and criminal charges were justified, given what they said was the deliberate nature of the violations.

"I think it's essential that we send the message first, to the public, that we're going to take care of our environment, and we're going to proceed vigorously against anybody who violates our laws and our regulations," Stenehjem said.

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