EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NO.: 2006-1072-MWD-E **TCEQ ID:** RN100869957 **CASE NO.:** 30507

RESPONDENT NAME: SEC Energy Products & Services, L.P.

ORDER TYPE:

X 1660 AGREED ORDER	__FINDINGS AGREED ORDER	__AMENDED ORDER	__IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
__SHUTDOWN ORDER	__FINDINGS DEFAULT ORDER	__EMERGENCY ORDER	

CASE TYPE:

__AGRICULTURE	__AIR	__INDUSTRIAL AND HAZARDOUS WASTE	__MUNICIPAL SOLID WASTE
__OCCUPATIONAL CERTIFICATION	__PETROLEUM STORAGE TANKS	__PUBLIC WATER SUPPLY	__RADIOACTIVE WASTE
__MULTI-MEDIA (check all that apply)	__SEWAGE SLUDGE	__UNDERGROUND INJECTION CONTROL	__USED OIL
__USED OIL FILTER	X WATER QUALITY		

SITE WHERE VIOLATION(S) OCCURRED: SEC Energy Products & Services, 9523 Fairbanks-North Houston Road, Harris County

TYPE OF OPERATION: Wastewater treatment facility

SMALL BUSINESS: ___ Yes __x__ No

OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.

INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.

COMMENTS RECEIVED: The *Texas Register* comment period expired on January 15, 2007. No comments were received.

CONTACTS AND MAILING LIST:

TCEQ Attorney/SEP Coordinator: Ms. Melissa Keller, Enforcement Division, MC 219, (512) 239-1768
TCEQ Enforcement Coordinator: Ms. Catherine Albrecht, Enforcement Division, Enforcement Section I, MC R-12, (713) 767-3672; Mr. Steven Lopez, Enforcement Division, MC 219, (512) 239-1896
Central Office Investigator: Ms. Teresa Arroyo, Enforcement Division, Compliance Monitoring Section V, MC 224, (512) 239-5643
Respondent: Mr. Gary Hyde, Director, SEC General Holdings, LLC, SEC Energy Products & Services, L.P., 9523 Fairbanks-North Houston Road, Houston, Texas 77064
Respondent's Attorney: Not represented by counsel on this enforcement matter

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
Type of Investigation: __ Complaint __ Routine __ Enforcement Follow-up _X_ Records Review **Date of Complaint Relating to this Case:** None **Date of Investigation Relating to this Case:** June 30, 2006 **Date of NOE Relating to this Case:** July 13, 2006 (NOE) **Background Facts:** This was a routine record review. Two violations were documented. **WATER** 1) Failed to comply with permit limits [30 TEX. ADMIN. CODE § 305.125(1), Texas Pollutant Discharge Elimination System ("TPDES") Permit No. WQ0012443001, Effluent Limitations and Monitoring Requirements No. 1, and TEX. WATER CODE § 26.121(a)]. 2) Failed to submit monitoring results at the intervals specified in the permit [30 TEX. ADMIN. CODE §§ 305.125(a) and 319.7(d) and TPDES Permit No. WQ0012443001, Monitoring and Reporting Requirements No. 1].	**Total Assessed:** $40,508 **Total Deferred:** $8,102 _X_ Expedited Settlement __ Financial Inability to Pay **SEP Conditional Offset:** $16,203 **Total Paid to General Revenue:** $16,203 **Site Compliance History Classification:** __High _X_ Avg. __Poor **Person Compliance History Classification:** __High _X_ Avg. __Poor **Major Source:** __ Yes _X_ No **Applicable Penalty Policy:** September 2002	**Corrective Actions Taken:** 1) The Executive Director recognizes that SEC has implemented the following corrective measures at the Facility: a. On July 1, 2006, began conducting an engineering assessment of the capabilities of the Facility to maintain compliance with the permit effluent limitations; b. On July 27, 2006, submitted the discharge monitoring reports for December 2005 through March 2006 with the monitoring data specified in the permit; and c. On October 19, 2006, submitted a major permit amendment application to the TCEQ for the installation of a new wastewater treatment plant to provide increased plant capacity and improved treatment capabilities. **Ordering Provisions:** 2) The Order will require the Respondent to implement and complete a Supplemental Environmental Project (SEP). (See SEP Attachment A). 3) The Order will also require the Respondent to: a. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the permit application within 30 days after the date of such requests or by any other deadline specified in writing; and b. Within 180 days after the effective date of this Agreed Order, submit written certification of compliance with the permitted effluent limitations of TPDES Permit No. WQ0012443001. The certification shall include detailed supporting documentation including receipts, and/or other records to demonstrate compliance.

Attachment A
Docket Number: 2006-1072-MWD-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	**SEC Energy Products & Services, L.P.**
Payable Penalty Amount:	**Thirty-Two Thousand Four Hundred Six Dollars ($32,406)**
SEP Amount:	**Sixteen Thousand Two Hundred Three Dollars ($16,203)**
Type of SEP:	**Pre-approved**
Third-Party Recipient:	**Galveston Bay Foundation-"Marsh Mania"**
Location of SEP:	**Harris County**

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

A. Project

The Respondent will contribute to Galveston Bay Restoration "Marsh Mania" in Harris County. The contribution will be used in accordance with the ***Supplemental Environmental Project Agreement between the Galveston Bay Foundation and the Texas Commission on Environmental Quality***. SEP monies will be used to restore shoreline elevations, growing plants for shoreline restoration, and planting new habitat. Historic subsidence and erosion have resulted in shoreline elevations which are too low to support vegetation. This project will seek to raise elevations by scraping and terracing. Scraping involves the use of earthmoving equipment to grade an eroded, bluff-like shoreline so that it slopes gradually towards the water resulting in the ability of plant growth. Terracing uses earthmoving equipment to create small levees by burrowing and stacking sediment in shallow water. The high elevation can then be planted with emergent vegetation. SEP monies will be used to pay for the direct costs of the implementation of the project, including material, equipment, and labor costs.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by providing food and shelter for a variety of native fish, shellfish, birds, and mammals. The marshes will also result in the reduction of pollution by filtering particulates and excess nutrients from runoff. In addition, the new habitat will protect shorelines from erosion and will help reduce the effects of flooding.

C. Minimum Expenditure

Respondent shall contribute at least the SEP Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Mr. Bob Stokes, President
Galveston Bay Foundation
17234-A Highway 3
Wester, Texas 77598

3. Records and Reporting

Concurrent with the payment of the SEP Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division
Attention: SEP Coordinator, MC 219
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

Texas Commission on Environmental Quality
Financial Administration Division, Revenues
Attention: Cashier, MC 214
P.O. Box 13088
Austin, Texas 78711-3088

The Respondent shall also mail a copy of the check to the TCEQ SEP Coordinator at the address in Section 3 above.

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.

Penalty Calculation Worksheet (PCW)

TCEQ

Policy Revision 2 (September 2002) *PCW Revision May 19, 2005*

DATES					
Assigned	17-Jul-2006				
PCW	24-Aug-2006	Screening	27-Jul-2006	EPA Due	

RESPONDENT/FACILITY INFORMATION

Respondent	SEC Energy Products & Services, L.P.		
Reg. Ent. Ref. No.	RN100869957		
Facility/Site Region	12-Houston	Major/Minor Source	Minor Source

CASE INFORMATION

Enf./Case ID No.	30507	No. of Violations	3
Docket No.	2006-1072-MWD-E	Order Type	1660
Media Program(s)	Water Quality	Enf. Coordinator	Catherine Albrecht
Multi-Media		EC's Team	Enforcement Team 1
Admin. Penalty $ Limit Minimum	$0	Maximum	$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) *Subtotal 1* $16,400

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History 160% Enhancement *Subtotals 2, 3, & 7* $26,240

Notes: The respondent has two NOVs for same or similar violations, 22 self-reported violations, and two agreed orders with denial of liability for this facility during the last five years.

Culpability No 0% Enhancement *Subtotal 4* $0

Notes: The respondent does not meet culpability criteria.

Good Faith Effort to Comply 0% Reduction *Subtotal 5* $0

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	x	*(mark with a small x)*

Notes: The respondent does not meet good faith criteria.

Economic Benefit 0% Enhancement* *Subtotal 6* $0

**Capped at the Total EB $ Amount*

Total EB Amounts	$2,630
Approx. Cost of Compliance	$20,400

SUM OF SUBTOTALS 1-7 Final Subtotal $42,640

OTHER FACTORS AS JUSTICE MAY REQUIRE 5% Reduction Adjustment -$2,132

Reduces or enhances the Final Subtotal by the indicated percentage. *(Enter number only; e.g. -30 for -30%.)*

Notes: Recommend reduction in the penalty so that monthly self-reported violations don't overly impact the penalty amount and to prevent double-enhancement of the penalty amount for same violations in NOV that were self-reported.

Final Penalty Amount $40,508

STATUTORY LIMIT ADJUSTMENT Final Assessed Penalty $40,508

DEFERRAL 20% Reduction Adjustment -$8,102

Reduces the Final Assessed Penalty by the indicted percentage. *(Enter number only; e.g. 20 for 20% reduction.)*

Notes: Deferral offered for expedited settlement.

PAYABLE PENALTY $32,406

Screening Date	27-Jul-2006	**Docket No.** 2006-1072-MWD-E	**PCW**
Respondent	SEC Energy Products & Services, L.P.		*Policy Revision 2 (September 2002)*
Case ID No.	30507		*PCW Revision May 19, 2005*
Reg. Ent. Reference No.	RN100869957		
Media [Statute]	Water Quality		
Enf. Coordinator	Catherine Albrecht		

Compliance History Worksheet

>> Compliance History *Site* Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action *(number of NOVs meeting criteria)*	24	120%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability *(number of orders meeting criteria)*	2	40%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government *(number of judgements or consent decrees meeting criteria)*	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government *(number of counts)*	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 *(number of audits for which notices were*	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 *(number of audits for which violations were disclosed)*	0	0%
		Please Enter Yes or No	
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) **160%**

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) **0%**

>> Compliance History *Person* Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) **0%**

>> Compliance History Summary

Compliance History Notes: The respondent has two NOVs for same or similar violations, 22 self-reported violations, and two agreed orders with denial of liability for this facility during the last five years.

Total Adjustment Percentage (Subtotals 2, 3, & 7) **160%**

PCW

Policy Revision 2 (September 2002)
PCW Revision May 19, 2005

Screening Date	27-Jul-2006
Docket No.	2006-1072-MWD-E
Respondent	SEC Energy Products & Services, L.P.
Case ID No.	30507
Reg. Ent. Reference No.	RN100869957
Media [Statute]	Water Quality
Enf. Coordinator	Catherine Albrecht
Violation Number	1
Primary Rule Cite(s)	30 Tex. Admin. Code § 305.125(1), TPDES Permit No. WQ0012443001, Effluent Limitations and Monitoring Requirements No. 1, and Tex. Water Code § 26.121(a)
Secondary Rule Cite(s)	
Violation Description	Failure to comply with permit limits from October 2005 through March 2006. See attached table.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual		x	
Potential			

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent

Matrix Notes: Failure to comply with permit limits resulted in the exposure of a significant amount of contaminants which did not exceed levels protective of human health and the environment based on the evaluation of the distance the low volume discharge traveled through a series of drainage ditches before reaching a perennial tributary of White Oak Bayou.

Adjustment -$7,500

Base Penalty Subtotal $2,500

Violation Events

Number of Violation Events: 6

mark only one use a small x

daily	
monthly	x
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty $15,000

Six monthly events are recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $2,620

Statutory Limit Test

Violation Final Penalty Total $37,050

This violation Final Assessed Penalty (adjusted for limits) $37,050

Economic Benefit Worksheet

Respondent: SEC Energy Products & Services, L.P.
Case ID No.: 30507
Reg. Ent. Reference No.: RN100869957
Media [Statute]: Water Quality
Violation No.: 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost (No commas or $)	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Delayed Costs							
Equipment				0.0	$0	$0	$0
Buildings				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0
Engineering/construction	$20,000	01-Jul-2005	15-May-2007	1.9	$125	$2,495	$2,620
Land				0.0	$0	n/a	$0
Record Keeping System				0.0	$0	n/a	$0
Training/Sampling				0.0	$0	n/a	$0
Remediation/Disposal				0.0	$0	n/a	$0
Permit Costs				0.0	$0	n/a	$0
Other (as needed)				0.0	$0	n/a	$0
Notes for DELAYED costs	Estimated costs of completing the engineering evaluation of the Facility and implementing corrective actions to achieve and maintain permit compliance. Date required is the first violation month. Final date is the projected date of compliance.						
Avoided Costs	ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)						
Disposal				0.0	$0	$0	$0
Personnel				0.0	$0	$0	$0
Inspection/Reporting/Sampling				0.0	$0	$0	$0
Supplies/equipment				0.0	$0	$0	$0
Financial Assurance [2]				0.0	$0	$0	$0
ONE-TIME avoided costs [3]				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0
Notes for AVOIDED costs							

Approx. Cost of Compliance: $20,000

TOTAL: $2,620

PCW

Policy Revision 2 (September 2002)
PCW Revision May 19, 2005

Screening Date	27-Jul-2006
Docket No.	2006-1072-MWD-E
Respondent	SEC Energy Products & Services, L.P.
Case ID No.	30507
Reg. Ent. Reference No.	RN100869957
Media [Statute]	Water Quality
Enf. Coordinator	Catherine Albrecht
Violation Number	2
Primary Rule Cite(s)	30 Tex. Admin. Code § 305.125(1), TPDES Permit No. WQ0012443001, Effluent Limitations and Monitoring Requirements No. 1, and Tex. Water Code § 26.121(a)
Secondary Rule Cite(s)	
Violation Description	Failure to comply with permit limits during July 2005. See attached table.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			x
Potential			

Percent 10%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent

Matrix Notes: A simplified model was use to evaluate the effects of contaminants on human health and the environment. Failure to comply with permit limits resulted in the exposure of an insignificant amount of contaminants which did not exceed levels protective of human health and the environment.

Adjustment -$9,000

Base Penalty Subtotal $1,000

Violation Events

Number of Violation Events 1

mark only one use a small x	
daily	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty $1,000

One quarterly event is recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $0

Statutory Limit Test

Violation Final Penalty Total $2,470

This violation Final Assessed Penalty (adjusted for limits) $2,470

Economic Benefit Worksheet

Respondent: SEC Energy Products & Services, L.P.
Case ID No.: 30507
Reg. Ent. Reference No.: RN100869957
Media [Statute]: Water Quality
Violation No.: 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost (No commas or $)	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Delayed Costs							
Equipment				0.0	$0	$0	$0
Buildings				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0
Engineering/construction				0.0	$0	$0	$0
Land				0.0	$0	n/a	$0
Record Keeping System				0.0	$0	n/a	$0
Training/Sampling				0.0	$0	n/a	$0
Remediation/Disposal				0.0	$0	n/a	$0
Permit Costs				0.0	$0	n/a	$0
Other (as needed)				0.0	$0	n/a	$0
Notes for DELAYED costs	Estimated costs of compliance included in the economic benefit calculation for violation 1.						
Avoided Costs	ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)						
Disposal				0.0	$0	$0	$0
Personnel				0.0	$0	$0	$0
Inspection/Reporting/Sampling				0.0	$0	$0	$0
Supplies/equipment				0.0	$0	$0	$0
Financial Assurance [2]				0.0	$0	$0	$0
ONE-TIME avoided costs [3]				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0
Notes for AVOIDED costs							

Approx. Cost of Compliance: $0

TOTAL: $0

PCW

Policy Revision 2 (September 2002)
PCW Revision May 19, 2005

Screening Date	27-Jul-2006
Docket No.	2006-1072-MWD-E
Respondent	SEC Energy Products & Services, L.P.
Case ID No.	30507
Reg. Ent. Reference No.	RN100869957
Media [Statute]	Water Quality
Enf. Coordinator	Catherine Albrecht
Violation Number	3
Primary Rule Cite(s)	30 Tex. Admin. Code §§ 305.125(1) and 319.7(d) and TPDES Permit No. WQ0012443001, Monitoring and Reporting Requirements No. 1
Secondary Rule Cite(s)	
Violation Description	Failure to submit monitoring results by the date specified by the permit. Specifically, discharge monitoring reports (DMRs) with the required monitoring results were not submitted for December 2005 through March 2006 by the 20th day of the following month for each DMR.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

Release	Harm: Major	Moderate	Minor
Actual			
Potential			

OR

Percent

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
			x

Percent 1%

Matrix Notes: Less than 30% of the rule was not met by not submitting the DMRs on time.

Adjustment -$9,900

Base Penalty Subtotal $100

Violation Events

Number of Violation Events: 4

mark only one use a small x	
daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $400

Four monthly events are recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $10

Statutory Limit Test

Violation Final Penalty Total $988

This violation Final Assessed Penalty (adjusted for limits) $988

Economic Benefit Worksheet

Respondent: SEC Energy Products & Services, L.P.
Case ID No.: 30507
Reg. Ent. Reference No.: RN100869957
Media [Statute]: Water Quality
Violation No.: 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost (No commas or $)	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Delayed Costs							
Equipment				0.0	$0	$0	$0
Buildings				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0
Engineering/construction				0.0	$0	$0	$0
Land				0.0	$0	n/a	$0
Record Keeping System	$400	20-Jan-2006	27-Jul-2006	0.5	$10	n/a	$10
Training/Sampling				0.0	$0	n/a	$0
Remediation/Disposal				0.0	$0	n/a	$0
Permit Costs				0.0	$0	n/a	$0
Other (as needed)				0.0	$0	n/a	$0
Notes for DELAYED costs	Estimated costs of preparing and submitting the DMRs based on $100 per month. Date required is date the December 2005 DMR was due. Final date is the date the delinquent DMRs were submitted.						
Avoided Costs	ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)						
Disposal				0.0	$0	$0	$0
Personnel				0.0	$0	$0	$0
Inspection/Reporting/Sampling				0.0	$0	$0	$0
Supplies/equipment				0.0	$0	$0	$0
Financial Assurance [2]				0.0	$0	$0	$0
ONE-TIME avoided costs [3]				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0
Notes for AVOIDED costs							

Approx. Cost of Compliance: $400

TOTAL: $10

Respondent: SEC Energy Products & Services, L.P.
ID Number: RN100869957
Docket Number: 2006-1072-MWD-E
Enf. Coordinator: Catherine Albrecht

Corresponds to Violation Numbers: 1 and 2

EFFLUENT PARAMETER

Permit Limit

	Jul-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06
NH3-N Dly Avg Limit of 3.0 (in mg/L)	4.11	26.98	19.48	21.4	19.2	22.28	15.58
NH3-N Single Grab Limit of 15.0 (in mg/L)	c	45.40	37.50	50.6	38.1	35.4	38.0
NH3-N Dly Avg Limit of 0.060 (in lbs/day)	c	0.09	c	0.204	0.204	0.424	0.244
TSS Dly Avg Limit of 15.0 (in mg/L)	c	c	28.18	115.7	43.1	18.0	31.7
TSS Single Grab Limit of 60.0 (in mg/L)	c	c	c	232.0	c	c	114.0
TSS Dly Avg Limit of 0.30 (in lbs/day)	c	c	c	2.03	0.616	0.789	0.846
CBOD Dly Avg Limit of 10.0 (in mg/L)	c	c	12.0	26.4	c	c	c
CBOD Single Grab Limit of 35.0 (in mg/L)	c	c	c	88.0	c	c	c
CBOD Dly Avg Limit of 0.20 (in lbs/day)	c	c	c	0.255	c	0.222	0.213
Flow Dly Avg Limit of 0.0024 (in MGD)	c	c	c	c	c	0.00343	0.00262

Abbreviations:
Ammonia-Nitrogen ("NH3-N"), Total Suspended Solids ("TSS"); Carbonaceous Biochemical Oxygen Demand, Five-Day ("CBOD"); Daily Average ("Dly Avg"); milligrams per liter ("mg/L"); pounds per day ("lbs/day"); million gallons per day ("MGD"); and compliant ("c")

Compliance History

Customer/Respondent/ Owner-Operator:	CN602953531	SEC Energy Products & Services, L.P.	Classification: AVERAGE Rating: 2.11
Regulated Entity:	RN100869957	SEC ENERGY PRODUCTS & SERVICES	Classification: AVERAGE Site Rating: 2.11

ID Number(s):			
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	HG2284G
	VOLUNTARY CLEANUP PROGRAM	ID NUMBER	969
	PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	1011907
	WASTEWATER	PERMIT	WQ0012443001
	WASTEWATER	EPA ID	TPDES0088676
	WASTEWATER	PERMIT	TX0088676
	WASTEWATER LICENSING	LICENSE	WQ0012443001
	WATER LICENSING	LICENSE	1011907
	STORMWATER	PERMIT	TXR05L106

Location: 9523 FAIRBANKS-NORTH HOUSTON ROAD, HARRIS CO

Rating Date: September 01 05
Repeat Violator: NO

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: August 7, 2006
Agency Decision Requiring Compliance History: Enforcement
Compliance Period: August 7, 2001 to August 7, 2006

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History
Name: Catherine Albrecht Phone: (713) 767-3672

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership of the site during the compliance period? Yes
3. If Yes, who is the current owner? SEC Energy Products & Services, L.P.
4. If Yes, who was/were the prior owner(s)? Superior Derrick Services, Inc.
5. When did the change(s) in ownership occur? 03/01/2005

Components (Multimedia) for the Site :

A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.

Effective Date: 10/10/2003 ADMINORDER 2003-0208-IWD-E
Classification: Moderate
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)
Rqmt Prov: No. 1 PERMIT
Description: Failed to comply with permitted effluent limits.
Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
Rqmt Prov: No. 7c PERMIT
Description: Failure to submit noncompliance notifications for effluent violations which deviated from the permitted effluent limit by more than 40%.

Effective Date: 12/30/2005 ADMINORDER 2005-0269-MWD-E
Classification: Moderate
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)
Description: Failed to comply with permitted effluent limits.

B. Any criminal convictions of the state of Texas and the federal government.

N/A

C. Chronic excessive emissions events.

N/A

D. The approval dates of investigations. (CCEDS Inv. Track. No.)

1	02/25/2002 (210958)
2	02/28/2003 (210959)
3	11/05/2002 (IE0018936001001)
4	03/25/2002 (210961)
5	03/24/2003 (210962)
6	04/22/2002 (210965)
7	10/22/2003 (248380)
8	04/22/2003 (210966)
9	02/11/2005 (345824)
10	05/22/2002 (210969)
11	12/30/2002 (16151)
12	06/24/2002 (210972)
13	02/23/2004 (317695)
14	07/17/2006 (486420)
15	07/25/2002 (210975)
16	03/19/2004 (317698)
17	08/20/2001 (210977)
18	04/19/2004 (317699)
19	08/23/2002 (210978)
20	05/23/2003 (317701)
21	09/21/2001 (210980)
22	09/24/2002 (210981)
23	06/20/2003 (317703)
24	10/09/2001 (210983)
25	10/21/2002 (210984)
26	07/18/2003 (317705)
27	08/29/2003 (317707)
28	11/19/2001 (210987)
29	10/27/2003 (317710)
30	07/29/2005 (445609)
31	12/21/2001 (210990)
32	11/21/2002 (317711)
33	10/20/2005 (445610)
34	12/18/2002 (210991)
35	11/24/2003 (317712)
36	10/24/2005 (445611)
37	12/17/2003 (317714)
38	01/23/2004 (317715)
39	01/18/2002 (210994)
40	01/27/2003 (210995)
41	05/28/2003 (49737)
42	07/24/2006 (488018)
43	06/28/2005 (398028)
44	02/21/2005 (387212)
45	03/21/2005 (387213)
46	01/21/2005 (387214)
47	05/17/2005 (381163)
48	11/01/2005 (432373)
49	12/12/2005 (477264)
50	04/18/2006 (477265)
51	04/26/2005 (424965)
52	01/03/2006 (477266)
53	05/23/2005 (424966)
54	01/14/2005 (344959)

55	05/24/2004 (361522)
56	06/24/2005 (424967)
57	06/21/2004 (361523)
58	07/21/2004 (361524)
59	08/20/2004 (361525)
60	09/15/2003 (361526)
61	09/20/2004 (361527)
62	12/18/2003 (257955)
63	10/22/2004 (361528)
64	11/22/2004 (361529)
65	12/21/2004 (361530)
66	07/05/2006 (466633)
67	07/14/2006 (484962)
69	07/27/2006
70	07/27/2006
71	07/27/2006
72	07/27/2006

E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

Date: 01/31/2002 (210958)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter

Date: 01/31/2003 (210959)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter

Date: 02/28/2002 (210961)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter

Date: 02/28/2003 (210962)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter

Date: 03/31/2002 (210965)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter

Date: 04/30/2002 (210969)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter

Date: 05/31/2002 (210972)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter

Date: 01/31/2004 (317695)

Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter

Date: 02/29/2004 (317698)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter

Date: 02/11/2005 (345824)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
Description: Failure to maintain compliance with the permitted effluent limits for Ammonia-Nitrogen (NH3-N).
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 305, SubChapter F 305.125(5)
Description: Failure to maintain an intruder resistant fence.

Date: 05/31/2003 (317703)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter

Date: 11/30/2002 (210991)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter

Date: 12/31/2001 (210994)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter

Date: 12/31/2002 (210995)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter

Date: 10/22/2003 (248380)
Self Report? NO Classification: Moderate
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)(1)
Description: Failure to prevent the unauthorized discharge of untreated and partially treated wastewater at the wastewater treatment facility.

Date: 12/31/2004 (387214)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter

Date: 07/31/2005 (445611)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter

Date: 10/31/2005 (477265)

Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter

Date: 11/30/2005 (477266)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter

Date: 09/30/2004 (361528)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter

Date: 12/31/2005
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter

Date: 01/31/2006
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter

Date: 02/28/2006
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter

Date: 03/31/2006
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter

F. Environmental audits.
N/A

G. Type of environmental management systems (EMSs).
N/A

H. Voluntary on-site compliance assessment dates.
N/A

I. Participation in a voluntary pollution reduction program.
N/A

J. Early compliance.
N/A

Sites Outside of Texas
N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

IN THE MATTER OF AN	§	**BEFORE THE**
ENFORCEMENT ACTION	§	
CONCERNING	§	
SEC ENERGY PRODUCTS &	§	**TEXAS COMMISSION ON**
SERVICES, L.P.	§	
RN100869957	§	**ENVIRONMENTAL QUALITY**

AGREED ORDER
DOCKET NO. 2006-1072-MWD-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding SEC Energy Products & Services, L.P. ("SEC") under the authority of TEX. WATER CODE chs. 7 and 26. The Executive Director of the TCEQ, through the Enforcement Division, and SEC appear before the Commission and together stipulate that:

1. SEC owns and operates a wastewater treatment facility located at 9523 Fairbanks-North Houston Road in Harris County, Texas (the "Facility").

2. SEC has caused, suffered, allowed or permitted the discharge of any waste or the performance of any activity in violation of TEX. WATER CODE ch. 26 or any rule, permit, or order of the Commission.

3. The Commission and SEC agree that the Commission has jurisdiction to enter this Agreed Order, and that SEC is subject to the Commission's jurisdiction.

4. SEC received notice of the violations alleged in Section II ("Allegations") on or about July 18, 2006.

5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by SEC of any violation alleged in Section II ("Allegations"), nor of any statute or rule.

6. An administrative penalty in the amount of Forty Thousand Five Hundred Eight Dollars ($40,508) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). SEC has paid Sixteen Thousand Two Hundred Three Dollars ($16,203) of the administrative penalty and Eight Thousand One Hundred Two Dollars ($8,102) is deferred contingent upon SEC's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If SEC fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require SEC to pay all or part of the deferred penalty. Sixteen Thousand Two Hundred Three Dollars

($16,203) shall be conditionally offset by SEC's completion of a Supplemental Environmental Project.

7. Any notice and procedures which might otherwise be authorized or required in this action are waived in the interest of a more timely resolution of the matter.

8. The Executive Director of the TCEQ and SEC have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.

9. The Executive Director recognizes that SEC has implemented the following corrective measures at the Facility:

   a. On July 1, 2006, began conducting an engineering assessment of the capabilities of the Facility to maintain compliance with the permit effluent limitations;

   b. On July 27, 2006, submitted the discharge monitoring reports ("DMRs") for December 2005 through March 2006 with the monitoring data specified in the permit; and

   c. On October 19, 2006, submitted a major permit amendment application to the TCEQ for the installation of a new wastewater treatment plant to provide increased plant capacity and improved treatment capabilities.

10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that SEC has not complied with one or more of the terms or conditions in this Agreed Order.

11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.

12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Facility, SEC is alleged to have:

1. Failed to comply with permit limits, as listed below, in violation of 30 TEX. ADMIN. CODE § 305.125(1), Texas Pollutant Discharge Elimination System ("TPDES") Permit No. WQ0012443001, Effluent Limitations and Monitoring Requirements No. 1, and TEX. WATER CODE § 26.121(a), as documented during a record review conducted on June 30, 2006:

	Jul-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06
NH3-N Dly Avg Limit of 3.0 (in mg/L)	4.11	26.98	19.48	21.4	19.2	22.28	15.58
NH3-N Single Grab Limit of 15.0 (in mg/L)	c	45.40	37.50	50.6	38.1	35.4	38.0
NH3-N Dly Avg Limit of 0.060 (in lbs/day)	c	0.09	c	0.204	0.204	0.424	0.244
TSS Dly Avg Limit of 15.0 (in mg/L)	c	c	28.18	115.7	43.1	18.0	31.7
TSS Single Grab Limit of 60.0 (in mg/L)	c	c	c	232.0	c	c	114.0
TSS Dly Avg Limit of 0.30 (in lbs/day)	c	c	c	2.03	0.616	0.789	0.846
CBOD Dly Avg Limit of 10.0 (in mg/L)	c	c	12.0	26.4	c	c	c
CBOD Single Grab Limit of 35.0 (in mg/L)	c	c	c	88.0	c	c	c
CBOD Dly Avg Limit of 0.20 (in lbs/day)	c	c	c	0.255	c	0.222	0.213
Flow Dly Avg Limit of 0.0024 (in MGD)	c	c	c	c	c	0.00343	0.00262

Abbreviations:
Ammonia-Nitrogen ("NH3-N"), Total Suspended Solids ("TSS"); Carbonaceous Biochemical Oxygen Demand, Five-Day ("CBOD"); Daily Average ("Dly Avg"); milligrams per liter ("mg/L"); pounds per day ("lbs/day"); million gallons per day ("MGD"); and compliant ("c")

2. Failed to submit monitoring results at the intervals specified in the permit, in violation of 30 TEX. ADMIN. CODE §§ 305.125(a) and 319.7(d) and TPDES Permit No. WQ0012443001, Monitoring and Reporting Requirements No. 1, as documented during a record review conducted on June 30, 2006.

III. DENIALS

SEC generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that SEC pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and SEC's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: SEC Energy Products & Services, L.P., Docket No. 2006-1072-MWD-E" to:

   Financial Administration Division, Revenues Section
   Attention: Cashier's Office, MC 214
   Texas Commission on Environmental Quality
   P.O. Box 13088
   Austin, Texas 78711-3088

2. SEC shall implement and complete a Supplemental Environmental Project ("SEP") in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6 above Sixteen Thousand Two Hundred Three Dollars ($16,203) of the assessed administrative penalty shall be offset with the condition that SEC implement the SEP defined in Attachment A, incorporated herein by reference. SEC's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.

3. It is further ordered that SEC shall undertake the following technical requirements:

   a. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the permit application within 30 days after the date of such requests or by any other deadline specified in writing; and

   b. Within 180 days after the effective date of this Agreed Order, submit written certification of compliance with the permitted effluent limitations of TPDES Permit No. WQ0012443001. The certification shall, include detailed supporting documentation including receipts, and/or other records to demonstrate compliance, be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Manager, Water Section
Houston Regional Office
Texas Commission on Environmental Quality
5425 Polk Avenue, Suite H
Houston, Texas 77023-1486

4. The provisions of this Agreed Order shall apply to and be binding upon SEC. SEC is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Facility operations referenced in this Agreed Order.

5. If SEC fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, SEC's failure to comply is not a violation of this Agreed Order. SEC shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. SEC shall notify the Executive Director within seven days after SEC becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.

6. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by SEC shall be made in writing to the Executive Director. Extensions are not effective until SEC receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.

7. This Agreed Order, issued by the Commission, shall not be admissible against SEC in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.

8. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.

9. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to SEC, or three days after the date on which the Commission mails notice of the Order to SEC, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

For the Executive Director

2/8/07
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity, if any, indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that my failure to comply with the Ordering Provisions, if any, in this order and/or my failure to timely pay the penalty amount, may result in:

- A negative impact on my compliance history;
- Greater scrutiny of any permit applications submitted by me;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions against me;
- Automatic referral to the Attorney General's Office of any future enforcement actions against me; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

Signature

Nov 13, 2006
Date

GARY HYDE
Name (Printed or typed)
Authorized Representative of
SEC Energy Products & Services, L.P.

VP SALES
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.

Attachment A
Docket Number: 2006-1072-MWD-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	**SEC Energy Products & Services, L.P.**
Payable Penalty Amount:	**Thirty-Two Thousand Four Hundred Six Dollars ($32,406)**
SEP Amount:	**Sixteen Thousand Two Hundred Three Dollars ($16,203)**
Type of SEP:	**Pre-approved**
Third-Party Recipient:	**Galveston Bay Foundation-"Marsh Mania"**
Location of SEP:	**Harris County**

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

A. Project

The Respondent will contribute to Galveston Bay Restoration "Marsh Mania" in Harris County. The contribution will be used in accordance with the ***Supplemental Environmental Project Agreement between the Galveston Bay Foundation and the Texas Commission on Environmental Quality***. SEP monies will be used to restore shoreline elevations, growing plants for shoreline restoration, and planting new habitat. Historic subsidence and erosion have resulted in shoreline elevations which are too low to support vegetation. This project will seek to raise elevations by scraping and terracing. Scraping involves the use of earthmoving equipment to grade an eroded, bluff-like shoreline so that it slopes gradually towards the water resulting in the ability of plant growth. Terracing uses earthmoving equipment to create small levees by burrowing and stacking sediment in shallow water. The high elevation can then be planted with emergent vegetation. SEP monies will be used to pay for the direct costs of the implementation of the project, including material, equipment, and labor costs.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by providing food and shelter for a variety of native fish, shellfish, birds, and mammals. The marshes will also result in the reduction of pollution by filtering particulates and excess nutrients from runoff. In addition, the new habitat will protect shorelines from erosion and will help reduce the effects of flooding.

C. Minimum Expenditure

Respondent shall contribute at least the SEP Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Mr. Bob Stokes, President
Galveston Bay Foundation
17234-A Highway 3
Wester, Texas 77598

3. Records and Reporting

Concurrent with the payment of the SEP Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division
Attention: SEP Coordinator, MC 219
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

Texas Commission on Environmental Quality
Financial Administration Division, Revenues
Attention: Cashier, MC 214
P.O. Box 13088
Austin, Texas 78711-3088

The Respondent shall also mail a copy of the check to the TCEQ SEP Coordinator at the address in Section 3 above.

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.