

**EXECUTIVE SUMMARY - ENFORCEMENT MATTER**

**DOCKET NO.:** 2007-2023-AIR-E **TCEQ ID:** RN100213024 **CASE NO.:** 35121

**RESPONDENT NAME:** National Oilwell Varco, L.P.

<b>ORDER TYPE:</b>		
<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
<b>CASE TYPE:</b>		
<input checked="" type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION
<p><b>SITE WHERE VIOLATION(S) OCCURRED:</b> West Little York Coating Plant, 12100 West Little York Road, Houston, Harris County</p> <p><b>TYPE OF OPERATION:</b> Surface coating facility</p> <p><b>SMALL BUSINESS:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>OTHER SIGNIFICANT MATTERS:</b> There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.</p> <p><b>INTERESTED PARTIES:</b> No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p><b>COMMENTS RECEIVED:</b> The <i>Texas Register</i> comment period expired on June 2, 2008. No comments were received.</p> <p><b>CONTACTS AND MAILING LIST:</b>  <b>TCEQ Attorney/SEP Coordinator:</b> None  <b>TCEQ Enforcement Coordinator:</b> Ms. Audra L. Ruble, Enforcement Division, Enforcement Team 4, MC R-14, (361) 825-3126; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171  <b>Respondent:</b> Mr. Roberto Torres, Plant Manager, National Oilwell Varco, L.P., 10000 Richmond Avenue, Houston, Tx 77042  Mr. Isaac Joseph, President, NOV Tuboscope, 2835 Holmes Road, Houston, Texas 77051  <b>Respondent's Attorney:</b> Not represented by counsel on this enforcement matter</p>		

**VIOLATION SUMMARY CHART:**

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p><b>Type of Investigation:</b>  <input type="checkbox"/> Complaint  <input checked="" type="checkbox"/> Routine  <input type="checkbox"/> Enforcement Follow-up  <input type="checkbox"/> Records Review</p> <p><b>Date(s) of Complaints Relating to this Case:</b> None</p> <p><b>Date of Investigation Relating to this Case:</b> October 9, 2007</p> <p><b>Date of NOV/NOE Relating to this Case:</b> November 27, 2007 (NOE)</p> <p><b>Background Facts:</b> This was a routine investigation.</p> <p><b>AIR</b></p> <p>1) Failed to operate within permitted emission limits. Specifically, for Emission Point Number ("EPN") TO-4, the emission limit for volatile organic compounds ("VOCs") was exceeded each day from March 10-15, 2006. The VOC emissions were 18.07 pounds per hour ("lbs/hr"), 25.04 lbs/hr, 7.86 lbs/hr, 18.30 lbs/hr, 14.40 lbs/hr, and 10.86 lbs/hr, respectively, with a permit limit of 5.74 lbs/hr. As a result of the March 2006 emissions, the tons per year ("tpy") emission limit of 3.42 for VOCs was also exceeded with emissions of 3.50 tpy. For EPN EXTCOATFUG, VOC emissions were 4.53 lbs/hr for the month of July 2006 with a permitted limit of 4.23 lbs/hr. For EPN EXTCOATFUG2, VOC emissions were 5.28 lbs/hr for the months of November and December 2006 with a permitted limit of 3.75 lbs/hr [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4); Air Permit No. 4908, Special Condition 1; Air Operating Permit No. O-01818, Special Condition 6; and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p> <p>2) Failed to maintain records of thermal oxidizer (EPN TO-4) temperatures. Specifically, no monitoring records were available for the periods of May 1 through August 28, 2006 and January 14 through February 7, 2007 [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4); Air Permit</p>	<p><b>Total Assessed:</b> \$12,445</p> <p><b>Total Deferred:</b> \$2,489  <input checked="" type="checkbox"/> Expedited Settlement  <input type="checkbox"/> Financial Inability to Pay</p> <p><b>SEP Conditional Offset:</b> \$0</p> <p><b>Total Paid to General Revenue:</b> \$9,956</p> <p><b>Site Compliance History Classification</b>  <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p><b>Person Compliance History Classification</b>  <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p><b>Major Source:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><b>Applicable Penalty Policy:</b> September 2002</p>	<p><b>Corrective Actions Taken:</b></p> <p>The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:</p> <p>a. Repairs were made to the thermal oxidizer in March 2006 to prevent emission exceedances, and operational changes have been implemented to ensure compliance with permitted limits; and</p> <p>b. A new employee was hired to monitor the thermal oxidizer records in September 2006 and the recorder-printer was replaced in March 2007.</p> <p><b>Ordering Provisions:</b></p> <p>The Order will require the Respondent to:</p> <p>a. Within 30 days after the effective date of this Agreed Order, implement a record keeping system that accurately tracks the number of hours per day that outdoor external varnish is applied and demonstrates compliance with Air Permit No. 4908, Special Condition 9; and</p> <p>b. Within 45 days after the effective date of this Agreed Order, submit written certification and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision a.</p>

<p>No. 4908, Special Condition 11(E); Air Operating Permit No. O-01818, Special Condition 6; and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p> <p>3) Failed to keep complete records of coating operations. Specifically, records for the time period of August 1, 2006 through February 28, 2007 did not reflect the actual hours per day that application of varnish occurred at EPN EXTCOATFUG, so therefore compliance with Air Permit No. 4908, Special Condition 9 could not be determined [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4); Air Permit No. 4908, Special Condition 11(B)(2); Air Operating Permit No. O-01818, Special Condition 6; and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p>		
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Additional ID No(s): HG0539K





# Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision November 6, 2007

**TCEQ**

<b>DATES</b>	<b>Assigned</b>	3-Dec-2007	<b>Screening</b>	17-Dec-2007	<b>EPA Due</b>	7-Oct-2008
	<b>PCW</b>	4-Jan-2008				

<b>RESPONDENT/FACILITY INFORMATION</b>	
<b>Respondent</b>	National Oilwell Varco, L.P.
<b>Reg. Ent. Ref. No.</b>	RN100213024
<b>Facility/Site Region</b>	12-Houston
<b>Major/Minor Source</b>	Major

<b>CASE INFORMATION</b>			
<b>Enf./Case ID No.</b>	35121	<b>No. of Violations</b>	2
<b>Docket No.</b>	2007-2023-AIR-E	<b>Order Type</b>	1660
<b>Media Program(s)</b>	Air	<b>Enf. Coordinator</b>	Audra L. Ruble
<b>Multi-Media</b>		<b>EC's Team</b>	Enforcement Team 4
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$10,000

## Penalty Calculation Section

<b>TOTAL BASE PENALTY (Sum of violation base penalties)</b>	<b>Subtotal 1</b>	<b>\$9,500</b>
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### ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

<b>Compliance History</b>	31% Enhancement	<b>Subtotals 2, 3, &amp; 7</b>	<b>\$2,945</b>
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**Notes**  
The Respondent has received one 1660 Agreed Order, one NOV for the same or similar violations, and three NOV's for non-similar violations in the past five years.

<b>Culpability</b>	No	0% Enhancement	<b>Subtotal 4</b>	<b>\$0</b>
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**Notes**  
The Respondent does not meet the culpability criteria.

<b>Good Faith Effort to Comply</b>	0% Reduction	<b>Subtotal 5</b>	<b>\$0</b>
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	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	X	(mark with x)

**Notes**  
The Respondent does not meet the good faith criteria.

	0% Enhancement*	<b>Subtotal 6</b>	<b>\$0</b>
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Total EB Amounts	\$299	*Capped at the Total EB \$ Amount
Approx. Cost of Compliance	\$4,000	

<b>SUM OF SUBTOTALS 1-7</b>	<b>Final Subtotal</b>	<b>\$12,445</b>
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<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>	0%	<b>Adjustment</b>	<b>\$0</b>
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Reduces or enhances the Final Subtotal by the indicated percentage.

**Notes**

<b>Final Penalty Amount</b>	<b>\$12,445</b>
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<b>STATUTORY LIMIT ADJUSTMENT</b>	<b>Final Assessed Penalty</b>	<b>\$12,445</b>
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<b>DEFERRAL</b>	20% Reduction	<b>Adjustment</b>	<b>-\$2,489</b>
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

**Notes**

Deferral offered for expedited settlement.

<b>PAYABLE PENALTY</b>	<b>\$9,956</b>
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Screening Date 17-Dec-2007

Docket No. 2007-2023-AIR-E

PCW

Respondent National Oilwell Varco, L.P.

Policy Revision 2 (September 2002)

Case ID No. 35121

PCW Revision November 6, 2007

Reg. Ent. Reference No. RN100213024

Media [Statute] Air

Enf. Coordinator Audra L. Ruble

### 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)	1	5%
	Other written NOVs	3	6%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	1	20%
	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 submitted)	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) 31%

>> 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 received one 1660 Agreed Order, one NOV for the same or similar violations, and three NOVs for non-similar violations in the past five years.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 31%

<b>Screening Date</b> 17-Dec-2007	<b>Docket No.</b> 2007-2023-AIR-E	<b>PCW</b>		
<b>Respondent</b> National Oilwell Varco, L.P.	<small>Policy Revision 2 (September 2002)</small>			
<b>Case ID No.</b> 35121	<small>PCW Revision November 6, 2007</small>			
<b>Reg. Ent. Reference No.</b> RN100213024				
<b>Media [Statute]</b> Air				
<b>Enf. Coordinator</b> Audra L. Ruble				
<b>Violation Number</b> <input type="text" value="1"/>				
<b>Rule Cite(s)</b>	30 Tex. Admin. Code §§ 116.115(c) and 122.143(4); Air Permit No. 4908, Special Condition 1; Air Operating Permit No. O-01818, Special Condition 6; and Tex. Health & Safety Code § 382.085(b)			
<b>Violation Description</b>	Failed to operate within permitted emission limits, as documented during an investigation conducted on October 9, 2007. Specifically, for EPN TO-4, the emission limit for volatile organic compounds ("VOCs") was exceeded each day from March 10-15, 2006. The VOC emissions were 18.07 pounds per hour ("lbs/hr"), 25.04 lbs/hr, 7.86 lbs/hr, 18.30 lbs/hr, 14.40 lbs/hr, and 10.86 lbs/hr, respectively, with a permit limit of 5.74 lbs/hr. As a result of the March 2006 emissions, the tons per year ("tpy") VOC emission limit of 3.42 tpy for VOCs was also exceeded with emissions of 3.50 tpy. For EPN EXTCOATFUG, VOC emissions were 4.53 lbs/hr for the month of July 2006 with a permitted limit of 4.23 lbs/hr. For EPN EXTCOATFUG2, VOC emissions were 5.28 lbs/hr for the months of November and December 2006 with a permitted limit of 3.75 lbs/hr.			
<b>Base Penalty</b>		<input type="text" value="\$10,000"/>		
<b>&gt;&gt; Environmental, Property and Human Health Matrix</b>				
OR	<b>Harm</b>			
	<b>Release</b>	<b>Major</b>	<b>Moderate</b>	<b>Minor</b>
	Actual	<input type="text"/>	<input type="text"/>	<input checked="" type="text" value="x"/>
Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	
		<b>Percent</b>	<input type="text" value="25%"/>	
<b>&gt;&gt; Programmatic Matrix</b>				
	<b>Falsification</b>	<b>Major</b>	<b>Moderate</b>	<b>Minor</b>
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
		<b>Percent</b>	<input type="text" value="0%"/>	
<b>Matrix Notes</b>	Human health or the environment was exposed to insignificant amount of pollutants which did not exceed levels that are protective of human health or environmental receptors as a result of the violation.			
		<b>Adjustment</b>	<input type="text" value="\$7,500"/>	
		<input type="text" value="\$2,500"/>		
<b>Violation Events</b>				
<b>Number of Violation Events</b>		<input type="text" value="3"/>	<b>Number of violation days</b>	
		<input type="text" value="123"/>		
<small>mark only one with an x</small>	daily	<input type="text"/>		
	monthly	<input type="text"/>		
	quarterly	<input checked="" type="text" value="x"/>		
	semiannual	<input type="text"/>		
	annual	<input type="text"/>		
	single event	<input type="text"/>		
		<b>Violation Base Penalty</b>		
		<input type="text" value="\$7,500"/>		
Three quarterly events are recommended (one for March from EPN TO-4, one for July from EPN EXTCOATFUG, and one for November and December 2006 from EPN EXCOATFUG2).				
<b>Economic Benefit (EB) for this violation</b>			<b>Statutory Limit Test</b>	
<b>Estimated EB Amount</b>		<input type="text" value="\$242"/>	<b>Violation Final Penalty Total</b>	
		<input type="text" value="\$9,825"/>		
			<b>This violation Final Assessed Penalty (adjusted for limits)</b>	
			<input type="text" value="\$9,825"/>	

## Economic Benefit Worksheet

**Respondent** National Oilwell Varco, L.P.  
**Case ID No.** 35121  
**Reg. Ent. Reference No.** RN100213024  
**Media** Air  
**Violation No.** 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

### Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction	\$2,500	1-Mar-2006	29-Mar-2007	1.1	\$9	\$179	\$188
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)	\$1,000	1-Mar-2006	29-Mar-2007	1.1	\$54	n/a	\$54

#### Notes for DELAYED costs

Estimated cost to perform maintenance on the thermal oxidizer and implement operational changes to ensure compliance with emission limits. Date required is the beginning of the noncompliance period and Final date is when compliance documentation was received.

### 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

\$3,500

TOTAL

\$242

<b>Screening Date</b>	17-Dec-2007	<b>Docket No.</b>	2007-2023-AIR-E	<b>PCW</b>
<b>Respondent</b>	National Oilwell Varco, L.P.	<i>Policy Revision 2 (September 2002)</i>		
<b>Case ID No.</b>	35121	<i>PCW Revision November 6, 2007</i>		
<b>Reg. Ent. Reference No.</b>	RN100213024			
<b>Media [Statute]</b>	Air			
<b>Enf. Coordinator</b>	Audra L. Ruble			

**Violation Number**

**Rule Cite(s)** 30 Tex. Admin. Code §§ 116.115(c) and 122.143(4); Air Permit No. 4908, Special Condition 11(B)(2) and (E); Air Operating Permit No. O-01818, Special Condition 6; and Tex. Health & Safety Code § 382.085(b)

**Violation Description**

Failed to maintain records of thermal oxidizer (EPN TO-4) temperatures and failure to keep complete records of coating operations, as documented during an investigation conducted on October 9, 2007. Specifically, no temperature monitoring records were available for the periods of 5/1/06 to 8/28/06 and 1/14/07 to 2/7/07. Records of coating operations for the time period of 8/1/06 to 2/28/07 did not reflect the actual hours per day that application of varnish occurred at EPN EXTCOATFUG, so therefore compliance with Air Permit No. 4908, Special Condition 9 could not be determined.

**Base Penalty**

**>> Environmental, Property and Human Health Matrix**

OR

Release	Harm			Percent
	Major	Moderate	Minor	
Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0%"/>
Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	

**>> Programmatic Matrix**

Falsification	Major	Moderate	Minor	Percent
<input type="text"/>	<input type="text"/>	<input checked="" type="checkbox"/>	<input type="text"/>	<input type="text" value="10%"/>

**Matrix Notes**

Between 30-70% of the requirement was not met.

**Adjustment**

**Violation Events**

Number of Violation Events   Number of violation days

mark only one with an x

daily	<input type="text"/>
monthly	<input type="text"/>
quarterly	<input type="text"/>
semiannual	<input type="text"/>
annual	<input type="text"/>
single event	<input checked="" type="checkbox"/>

**Violation Base Penalty**

Two single events are recommended (one for each record-keeping violation).

**Economic Benefit (EB) for this violation** **Statutory Limit Test**

Estimated EB Amount  Violation Final Penalty Total

**This violation Final Assessed Penalty (adjusted for limits)**

## Economic Benefit Worksheet

**Respondent:** National Oilwell Varco, L.P.  
**Case ID No.:** 35121  
**Reg. Ent. Reference No.:** RN100213024  
**Media Air**  
**Violation No.:** 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

### Delayed Costs

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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	\$500	1-May-2006	1-Aug-2008	2.3	\$56	n/a	\$56
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 cost to maintain complete records. Date required is the initial date of noncompliance and Final date is when compliance is expected to be achieved.

### Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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

\$500

TOTAL

\$56

# Compliance History

Customer/Respondent/Owner-Operator:	CN602962334 National Oilwell Varco, L.P.	Classification: AVERAGE	Rating: 3.47																																																						
Regulated Entity:	RN100213024 WEST LITTLE YORK COATING PLANT	Classification: AVERAGE	Site Rating: 1.08																																																						
ID Number(s):	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">AIR OPERATING PERMITS</td> <td style="width: 30%;">ACCOUNT NUMBER</td> <td style="width: 20%;">HG0539K</td> </tr> <tr> <td>AIR OPERATING PERMITS</td> <td>PERMIT</td> <td>1818</td> </tr> <tr> <td>INDUSTRIAL AND HAZARDOUS WASTE GENERATION</td> <td>EPA ID</td> <td>TXD000808006</td> </tr> <tr> <td>INDUSTRIAL AND HAZARDOUS WASTE GENERATION</td> <td>SOLID WASTE REGISTRATION # (SWR)</td> <td>31307</td> </tr> <tr> <td>WASTEWATER</td> <td>PERMIT</td> <td>WQ0002104000</td> </tr> <tr> <td>WASTEWATER</td> <td>PERMIT</td> <td>TPDES0075370</td> </tr> <tr> <td>WASTEWATER</td> <td>PERMIT</td> <td>TX0075370</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>PERMIT</td> <td>4908</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>PERMIT</td> <td>5781</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>PERMIT</td> <td>6700</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>PERMIT</td> <td>13474</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>PERMIT</td> <td>33635</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>PERMIT</td> <td>40536</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>ACCOUNT NUMBER</td> <td>HG0539K</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>AFS NUM</td> <td>4820100322</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>REGISTRATION</td> <td>70346</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>REGISTRATION</td> <td>72262</td> </tr> <tr> <td>STORMWATER</td> <td>PERMIT</td> <td>TXR05Q377</td> </tr> </table>			AIR OPERATING PERMITS	ACCOUNT NUMBER	HG0539K	AIR OPERATING PERMITS	PERMIT	1818	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD000808006	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	31307	WASTEWATER	PERMIT	WQ0002104000	WASTEWATER	PERMIT	TPDES0075370	WASTEWATER	PERMIT	TX0075370	AIR NEW SOURCE PERMITS	PERMIT	4908	AIR NEW SOURCE PERMITS	PERMIT	5781	AIR NEW SOURCE PERMITS	PERMIT	6700	AIR NEW SOURCE PERMITS	PERMIT	13474	AIR NEW SOURCE PERMITS	PERMIT	33635	AIR NEW SOURCE PERMITS	PERMIT	40536	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	HG0539K	AIR NEW SOURCE PERMITS	AFS NUM	4820100322	AIR NEW SOURCE PERMITS	REGISTRATION	70346	AIR NEW SOURCE PERMITS	REGISTRATION	72262	STORMWATER	PERMIT	TXR05Q377
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Location:	12100 W LITTLE YORK RD, HOUSTON, TX, 77041																																																								
TCEQ Region:	REGION 12 - HOUSTON																																																								
Date Compliance History Prepared:	December 17, 2007																																																								
Agency Decision Requiring Compliance History:	Enforcement																																																								
Compliance Period:	December 17, 2002 to December 17, 2007																																																								

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: Audra Ruble Phone: 361-825-3126

### 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? National Oilwell Varco, L.P.
  
4. If Yes, who was/were the prior owner(s)? Ico Worldwide, Inc.  
Varco, L.P.
5. When did the change(s) in ownership occur? 02/13/2003  
01/01/2006

### 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 2002-1265-AIR-E
  - Classification: Moderate
  - Citation: 30 TAC Chapter 122, SubChapter B 122.146(2)
  - Description: Failure to submit an annual compliance certification w/in 30 days after the end of the Feb 28, 2001 - Feb 27, 2002 certification period.
  
- 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	01/17/2003	(201154)
2	02/18/2003	(313586)
3	03/17/2003	(201124)
4	04/18/2003	(201129)
5	05/19/2003	(313590)
6	06/16/2003	(313591)
7	07/11/2003	(12373)
8	07/17/2003	(313592)
9	08/04/2003	(118949)
10	08/13/2003	(141222)
11	08/21/2003	(313593)
12	09/19/2003	(313594)
13	10/17/2003	(313595)
14	11/18/2003	(313596)
15	12/17/2003	(313597)
16	01/23/2004	(313598)
17	02/13/2004	(261079)
18	02/23/2004	(313587)
19	03/18/2004	(313588)
20	04/19/2004	(313589)
21	05/17/2004	(359539)
22	06/14/2004	(359540)
23	07/14/2004	(359541)
24	08/19/2004	(251192)
25	09/13/2004	(359542)
26	10/18/2004	(359543)
27	11/18/2004	(386042)
28	01/27/2005	(386043)
29	01/27/2005	(386044)
30	02/18/2005	(444740)
31	03/21/2005	(444741)
32	04/18/2005	(444742)
33	05/18/2005	(444743)
34	06/17/2005	(444744)
35	07/28/2005	(444745)
36	08/19/2005	(444746)
37	09/22/2005	(444747)
38	10/20/2005	(475573)
39	11/21/2005	(475574)
40	01/27/2006	(475575)
41	01/27/2006	(475576)
42	03/01/2006	(475572)
43	03/22/2006	(455606)
44	04/19/2006	(502984)
45	05/19/2006	(502985)
46	06/16/2006	(502986)
47	06/23/2006	(482728)
48	07/14/2006	(525324)
49	09/22/2006	(525325)
50	10/13/2006	(550048)
51	11/16/2006	(550049)
52	12/15/2006	(550050)
53	01/22/2007	(584950)
54	02/20/2007	(584945)
55	03/27/2007	(584946)
56	04/16/2007	(584947)
57	05/22/2007	(584948)
58	06/18/2007	(584949)
59	08/10/2007	(604395)
60	08/20/2007	(604396)
61	08/24/2007	(573489)
62	08/27/2007	(573245)
63	09/06/2007	(570693)
64	09/17/2007	(604397)
65	11/27/2007	(593842)

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

Date: 08/13/2003 (141222)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

Description: Failure to properly collect composite samples.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 319, SubChapter A 319.11(b)

Description: Failure to document compliance sample preservation.

Date: 03/22/2006 (455606)

Self Report? NO Classification: Major

Citation: 30 TAC Chapter 281, SubChapter A 281.25(a)(4)

Description: Failure to obtain a Multi-Sector Industrial General Permit (MSGP) TXR050000 to authorize the discharge of storm water.

Self Report? NO Classification: Moderate

Citation: TWC Chapter 26 26.121(a)(1)

Description: Failure to prevent the unauthorized discharge of wastewater from the Zaplock bell pipe operation. A soap compound used for lubricating the pipe while belling the end was being washed out into containers and some was flowing onto the ground. In addition, there was some oil on the ground under the belling machine.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(9)

Description: Failure to submit a noncompliance notification for the unauthorized discharge of wastewater and oil from the Zaplock bell pipe operation.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 319, SubChapter A 319.7(c)

Description: Failure to report the daily average and the daily maximum flows on the Discharge Monitoring Reports (DMR) for 07/05, 09/05, and 11/05.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

Description: Failure to prevent oil from discharging to the receiving stream. The receiving stream at outfall 001 had an oil sheen on the surface.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 335, SubChapter H 335.261(a)

Description: Failure to properly manage and label universal waste batteries. Three batteries were stored outside, around the site

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter A 335.4(1)

Description: Failure to prevent the discharge or imminent threat of discharge of industrial solid waste or municipal hazardous waste into or adjacent to waters in the state without obtaining authorization for such a discharge from the Texas Commission on Environmental Quality (TCEQ).

Date: 08/27/2007 (573245)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)

30 TAC Chapter 122, SubChapter B 122.145(2)(C)

5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: OP O-1818 General Terms and Conditions

Description: Failure to submit semi-annual deviation report within 30 days of the end of deviation reporting period.

Date: 11/27/2007 (599426)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter E 115.421(a)(9)(A)(iii)

5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to use coating with a VOC content of 3.5 lb VOC per gallon or less for extreme performance coating application.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter E 115.421(a)(9)(A)(iv)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: OP O-01818 Special Condition 1(A)

Description: Failure to use coating with a VOC content of 3.0 lb VOC per gallon or less for other coating operations, including high-bake coatings.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(1)(F)(ii)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: OP O-01818 Special Condition 3(iii)

Description: Failure to conduct quarterly opacity observations for the period of 5/24/2006 through 8/28/2006.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov:

OP O-01818 Special Condition 6

PERMIT Special Condition 11(C)(1)

Description:

Failure to report the hourly emissions as a daily average in the monthly reports from the renewal of Permit 4908 on October 11, 2005 through September 2007.

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  
ENFORCEMENT ACTION  
CONCERNING  
NATIONAL OILWELL VARCO, L.P.  
RN100213024**

§  
§  
§  
§  
§

**BEFORE THE  
TEXAS COMMISSION ON  
ENVIRONMENTAL QUALITY**

## **AGREED ORDER DOCKET NO. 2007-2023-AIR-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 National Oilwell Varco, L.P. ("the Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent appear before the Commission and together stipulate that:

1. The Respondent owns and operates a surface coating facility located at 12100 West Little York Road in Houston, Harris County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Commission and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about December 2, 2007.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Twelve Thousand Four Hundred Forty-Five Dollars (\$12,445) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Nine Thousand Nine Hundred Fifty-Six Dollars (\$9,956) of the administrative penalty and Two Thousand Four Hundred Eighty-Nine Dollars (\$2,489) is deferred contingent upon the Respondent'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 the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.

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 the Respondent 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 the Respondent has implemented the following corrective measures at the Plant:
  - a. Repairs were made to the thermal oxidizer in March 2006 to prevent emission exceedances, and operational changes have been implemented to ensure compliance with permitted limits; and
  - b. A new employee was hired to monitor the thermal oxidizer records in September 2006 and the recorder-printer was replaced in March 2007.
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 the Respondent 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 Plant, the Respondent is alleged to have:

1. Failed to operate within permitted emission limits, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4); Air Permit No. 4908, Special Condition 1; Air Operating Permit No. O-01818, Special Condition 6; and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on October 9, 2007. Specifically, for Emission Point Number ("EPN") TO-4, the emission limit for volatile organic compounds ("VOCs") was exceeded each day from March 10-15, 2006. The VOC emissions were 18.07 pounds per hour ("lbs/hr"), 25.04 lbs/hr, 7.86 lbs/hr, 18.30 lbs/hr, 14.40 lbs/hr, and 10.86 lbs/hr, respectively, with a permit limit of 5.74 lbs/hr. As a result of the March 2006 emissions, the tons per year ("tpy") emission limit of 3.42 tpy for VOCs was also exceeded with emissions of 3.50 tpy. For EPN EXTCOATFUG, VOC emissions were 4.53 lbs/hr for the month of July 2006 with a permitted



limit of 4.23 lbs/hr. For EPN EXTCOATFUG2, VOC emissions were 5.28 lbs/hr for the months of November and December 2006 with a permitted limit of 3.75 lbs/hr.

2. Failed to maintain records of thermal oxidizer (EPN TO-4) temperatures, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4); Air Permit No. 4908, Special Condition 11(E); Air Operating Permit No. O-01818, Special Condition 6; and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on October 9, 2007. Specifically, no monitoring records were available for the periods of May 1 through August 28, 2006 and January 14 through February 7, 2007.
3. Failed to keep complete records of coating operations, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4); Air Permit No. 4908, Special Condition 11(B)(2); Air Operating Permit No. O-01818, Special Condition 6; and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on October 9, 2007. Specifically, records for the time period of August 1, 2006 through February 28, 2007 did not reflect the actual hours per day that application of varnish occurred at EPN EXTCOATFUG, so therefore compliance with Air Permit No. 4908, Special Condition 9 could not be determined.

### III. DENIALS

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

### IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent'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: National Oilwell Varco, L.P., Docket No. 2007-2023-AIR-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. It is further ordered that the Respondent shall undertake the following technical requirements:
  - a. Within 30 days after the effective date of this Agreed Order, implement a record keeping system that accurately tracks the number of hours per day that outdoor external varnish is applied and demonstrates compliance with Air Permit No. 4908, Special Condition 9; and
  - b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering



Provision No. 2.a. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is 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:

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

3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
4. If the Respondent 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, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. 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 the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent 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.



7. 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.
8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, 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

*John S. Sullivan*  
For the Executive Director

5/21/2008  
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 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 failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- 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;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

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

*Isaac Joseph*  
Signature

May 10, 08  
Date

Isaac Joseph  
Name (Printed or typed)  
Authorized Representative of  
National Oilwell Varco, L.P.

President - Nov Tuboscope  
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.

