

**EXECUTIVE SUMMARY - ENFORCEMENT MATTER**

**DOCKET NO.:** 2010-0324-MSW-E **TCEQ ID:** RN101628501 **CASE NO.:** 39246

**RESPONDENT NAME:** National Oilwell Varco, L.P. dba NOV Tuboscope

<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 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 checked="" type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION
<p><b>SITE WHERE VIOLATION(S) OCCURRED:</b> NOV Tuboscope, located at North Mustang Drive, one mile north of 15th Street, Denver City, Yoakum County</p> <p><b>TYPE OF OPERATION:</b> Sucker rod cleaning and inspection facility</p> <p><b>SMALL BUSINESS:</b> <input checked="" type="checkbox"/> Yes <input 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 July 26, 2010. 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. Danielle Porras, Enforcement Division, Enforcement Team 7, MC R-12, (713) 767-3682; Ms. Laurie Eaves, Enforcement Division, MC 219, (512) 239-4495  <b>Respondent:</b> Mr. Richard Castillo, Manager, NOV Tuboscope, 7090 Parkwood Circle Drive, Houston, Texas 77036                      Mr. Isaac Joseph, President, National Oilwell Varco, L.P., 7090 Parkwood Circle Drive, Houston, Texas 77036  <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 type="checkbox"/> Routine  <input type="checkbox"/> Enforcement Follow-up  <input checked="" 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> February 16 and March 10, 2010</p> <p><b>Date of NOV/NOE Relating to this Case:</b> February 19, 2010 (NOE)</p> <p><b>Background Facts:</b> These were records reviews.</p> <p><b>WASTE</b></p> <p>1) Failure to prevent unauthorized disposal of municipal solid waste ("MSW"). Specifically, the MSW included 320 barrels (approximately 13,440 gallons) of kerosene-contaminated wastewater that were disposed in injection wells that are not authorized to receive the waste [30 TEX. ADMIN. CODE § 330.15(c)].</p> <p>2) Failure to pay outstanding fees for TCEQ Financial Account Nos. 0314758N, 20025493, 20025498, 20025500, 20025501, 20025506, 20033022, and 23003404 for the 2010 fiscal year [30 TEX. ADMIN. CODE § 330.675(6)].</p>	<p><b>Total Assessed:</b> \$25,839</p> <p><b>Total Deferred:</b> \$5,167  <input 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> \$20,672</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 type="checkbox"/> Yes <input checked="" 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 on January 4, 2010, the Respondent provided evidence to the Lubbock Regional Office that an authorized transporter has been retained for future disposal of the kerosene waste.</p> <p><b>Ordering Provisions:</b></p> <p>The Order will require the Respondent to, within 30 days after the effective date of this Agreed Order, submit payment for outstanding fees including any associated penalties and interest.</p>

Additional ID No(s): 70895



# Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

<b>DATES</b>	Assigned	22-Feb-2010	Screening	2-Mar-2010	EPA Due	
	PCW	10-May-2010				

<b>RESPONDENT/FACILITY INFORMATION</b>			
Respondent	National Oilwell Varco, L.P. dba NOV Tuboscope		
Reg. Ent. Ref. No.	RN101628501		
Facility/Site Region	2-Lubbock	Major/Minor Source	Minor

<b>CASE INFORMATION</b>			
Enf./Case ID No.	39246	No. of Violations	2
Docket No.	2010-0324-MSW-E	Order Type	1660
Media Program(s)	Municipal Solid Waste	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Danielle Porras
		EC's Team	Enforcement Team 7
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$10,000

## Penalty Calculation Section

**TOTAL BASE PENALTY (Sum of violation base penalties)** **Subtotal 1**

### ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

**Compliance History**  **Subtotals 2, 3, & 7**

Notes

**Culpability**   **Subtotal 4**

Notes

**Good Faith Effort to Comply Total Adjustments** **Subtotal 5**

**Economic Benefit**  **Subtotal 6**

Total EB Amounts   
 Approx. Cost of Compliance  \*Capped at the Total EB \$ Amount

**SUM OF SUBTOTALS 1-7** **Final Subtotal**

**OTHER FACTORS AS JUSTICE MAY REQUIRE**  **Adjustment**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

**Final Penalty Amount**

**STATUTORY LIMIT ADJUSTMENT** **Final Assessed Penalty**

**DEFERRAL**  Reduction **Adjustment**

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

Notes

**PAYABLE PENALTY**

Screening Date 2-Mar-2010

Docket No. 2010-0324-MSW-E

PCW

Respondent National Oilwell Varco, L.P. dba NOV Tuboscope

Policy Revision 2 (September 2002)

Case ID No. 39246

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN101628501

Media [Statute] Municipal Solid Waste

Enf. Coordinator Danielle Porras

### 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)	0	0%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	0	0%
	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 judgments 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%
<i>Please Enter Yes or No</i>			
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) 2%

>> 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

Enhancement for one NOV with dissimilar violations.

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

Screening Date 2-Mar-2010

Docket No. 2010-0324-MSW-E

PCW

Respondent National Oilwell Varco, L.P. dba NOV Tuboscope

Policy Revision 2 (September 2002)

Case ID No. 39246

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN101628501

Media [Statute] Municipal Solid Waste

Enf. Coordinator Danielle Porras

Violation Number

1

Rule Cite(s)

30 Tex. Admin. Code § 330.15(c)

Violation Description

Failed to prevent unauthorized disposal of municipal solid waste ("MSW"). Specifically, the MSW included 320 barrels (approximately 13,440 gallons) of kerosene-contaminated wastewater that were disposed in injection wells that are not authorized to receive the waste.

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

0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment

\$9,000

\$1,000

Violation Events

Number of Violation Events

1

14

Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

Violation Base Penalty

\$1,000

One quarterly event is recommended from the February 16, 2010 record review to the March 2, 2010 screening date.

Good Faith Efforts to Comply

25.0% Reduction

\$250

Extraordinary

Before NOV

NOV to EDDRP/Settlement

Ordinary

X

N/A

(mark with x)

Notes

The Respondent came into compliance on January 4, 2010, prior to the NOV dated February 19, 2010.

Violation Subtotal

\$750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount

\$25,069

Violation Final Penalty Total

\$25,839

This violation Final Assessed Penalty (adjusted for limits)

\$25,839

## Economic Benefit Worksheet

**Respondent** National Oilwell Varco, L.P. dba NOV Tuboscope  
**Case ID No.** 39246  
**Reg. Ent. Reference No.** RN101628501  
**Media** Municipal Solid Waste  
**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
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No commas or \$

**Delayed Costs**

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

**Avoided Costs**

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

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]	\$21,883	8-May-2007	21-Jul-2009	3.12	\$3,386	\$21,683	\$25,069
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

The avoided cost was calculated as the difference between the actual cost paid by the Respondent for disposal of waste at an unauthorized facility (\$2,509) and the estimated cost for disposal at an authorized disposal facility (\$24,192). The Date Required is the first date the Respondent disposed of waste in the wells and the Final Date is the last date the Respondent disposed of waste in the wells.

Approx. Cost of Compliance

\$21,683

TOTAL

\$25,069

Screening Date 2-Mar-2010

Docket No. 2010-0324-MSW-E

PCW

Respondent National Oilwell Varco, L.P. dba NOV Tuboscope

Policy Revision 2 (September 2002)

Case ID No. 39246

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN101028501

Media [Statute] Municipal Solid Waste

Enf. Coordinator Danielle Porras

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code § 330.675(6)

Violation Description

Failed to pay outstanding non-hazardous waste generation and general stormwater permit fees for TCEQ Financial Account Nos. 0314758N, 20025493, 20025498, 20025500, 20025501, 20025506, 20033022, and 23003404 for the 2010 fiscal year.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

No penalty is calculated for this violation.

Adjustment \$10,000

\$0

Violation Events

Number of Violation Events

Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty \$0

No additional administrative penalty was calculated for this violation as penalties and interest will be assessed on the next fee billing.

Good Faith Efforts to Comply

0.0% Reduction

\$0

Before NOV NOV to EDPRP/Settlement Offer

Extraordinary		
Ordinary		
N/A		(mark with x)

Notes

Violation Subtotal \$0

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$0

This violation Final Assessed Penalty (adjusted for limits) \$0

# Economic Benefit Worksheet

**Respondent:** National Oilwell Varco, L.P. dba NOV Tuboscope

**Case ID No.** 39246

**Reg. Ent. Reference No.** RN101628501

**Media** Municipal Solid Waste

**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**

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

N/A

**Avoided Costs**

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

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$0

TOTAL

\$0

# Compliance History Report

Customer/Respondent/Owner-Operator:	CN602962334 National Oilwell Varco, L.P.	Classification: Average	Rating: 2.76
Regulated Entity:	RN101628501 NOV Tuboscope	Classification: Average By Default	Site Rating: 3.01
ID Number(s):	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	70895
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD981595325
	AIR NEW SOURCE PERMITS	REGISTRATION	71955
	AIR NEW SOURCE PERMITS	PERMIT	81213
Location:	N MUSTANG DRIVE, 1 MI N OF 15TH STREET DENVER CITY, TX		
TCEQ Region:	REGION 02 - LUBBOCK		
Date Compliance History Prepared:	March 02, 2010		
Agency Decision Requiring Compliance History:	Enforcement		
Compliance Period:	March 02, 2005 to March 02, 2010		
TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History			
Name:	<u>Danielle Porras</u>	Phone:	<u>(512) 239-2602</u>

## 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/operator of the site during the compliance period? No
3. If Yes, who is the current owner/operator? N/A
4. If Yes, who was/were the prior owner(s)/operator(s) ? N/A
5. When did the change(s) in owner or operator occur? N/A
6. Rating Date: 9/1/2009 Repeat Violator: NO

## Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.  
N/A
- 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	11/03/2009	(780611)	
2	02/17/2010	(792353)	
- E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)
 

Date:	11/03/2009 (780611)	CN602962334	
Self	NO	Classification:	Minor
Citation:	30 TAC Chapter 335, SubChapter C 335.62 40 CFR Chapter 262, SubChapter I, PT 262, SubPT A 262.11		
Description:	The RE failed to conduct hazardous waste determinations for spent acidic rust remover, spent alkaline stripper, acid water waste, kerosene vat wash out waste water, steel shot abrasive blast, wash bay sump sludge, wash bay waste water, spent rust inhibitor, plant trash, and office trash.		
- 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.  
DBA NOV TUBOSCOPE  
RN101628501**

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**BEFORE THE  
TEXAS COMMISSION ON  
ENVIRONMENTAL QUALITY**

## **AGREED ORDER DOCKET NO. 2010-0324-MSW-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. dba NOV Tuboscope ("the Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 361 and TEX. WATER CODE chs. 5 and 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 sucker rod cleaning and inspection facility at North Mustang Drive, one mile north of 15th Street in Denver City, Yoakum County, Texas (the "Facility").
2. The Facility involves or involved the management of municipal solid waste ("MSW") as defined in TEX. HEALTH & SAFETY CODE ch. 361.
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 February 24, 2010.
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 Twenty-Five Thousand Eight Hundred Thirty-Nine Dollars (\$25,839) is assessed by the Commission in settlement of the violations alleged in Section

II ("Allegations"). The Respondent has paid Twenty Thousand Six Hundred Seventy-Two Dollars (\$20,672) of the administrative penalty and Five Thousand One Hundred Sixty-Seven Dollars (\$5,167) 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 on January 4, 2010, the Respondent provided evidence to the Lubbock Regional Office that an authorized transporter has been retained for future disposal of the kerosene waste.
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 Facility, the Respondent is alleged to have:

1. Failed to prevent unauthorized disposal of MSW, in violation of 30 TEX. ADMIN. CODE § 330.15(c), as documented during a record review conducted on February 16, 2010. Specifically, the MSW included 320 barrels (approximately 13,440 gallons) of kerosene-contaminated wastewater that were disposed in injection wells that are not authorized to receive the waste.
2. Failed to pay outstanding fees for TCEQ Financial Account Nos. 0314758N, 20025493, 20025498, 20025500, 20025501, 20025506, 20033022, and 23003404 for the 2010 fiscal year, in violation of 30 TEX. ADMIN. CODE § 330.675(6), as documented during a record review conducted on March 10, 2010.

### 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. dba NOV Tuboscope, Docket No. 2010-0324-MSW-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 within 30 days after the effective date of this Agreed Order, the Respondent shall submit payment for outstanding fees including any associated penalties and interest with the notation, "National Oilwell Varco, L.P. dba NOV Tuboscope, Account Nos. 0314758N, 20025493, 20025498, 20025500, 20025501, 20025506, 20033022, and 23003404 " to the address listed in Ordering Provision 1.
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 Facility 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 Agreed Order may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreed Order may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes under this Agreed Order.
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 Zrolin  
For the Executive Director

\_\_\_\_\_  
Date 7/1/2010

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 27, 2010  
Date

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

President  
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.

