

Executive Summary – Enforcement Matter – Case No. 41076

National Oilwell Varco, L.P.

RN100211457

Docket No. 2011-0169-IWD-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

IWD

Small Business:

No

Location(s) Where Violation(s) Occurred:

Shaffer West Little York Road Facility, 12950 West Little York Road, approximately one-quarter mile northwest of the intersection of Addicks Fairbanks Road and West Little York Road, Harris County

Type of Operation:

Wastewater treatment plant

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: April 22, 2011

Comments Received: No

Penalty Information

Total Penalty Assessed: \$1,529

Amount Deferred for Expedited Settlement: \$305

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$1,224

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$0

Name of SEP: N/A

Compliance History Classifications:

Person/CN - Average

Site/RN - Average

Major Source: No

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: September 2002

Executive Summary – Enforcement Matter – Case No. 41076
National Oilwell Varco, L.P.
RN100211457
Docket No. 2011-0169-IWD-E

Investigation Information

Complaint Date(s): N/A
Complaint Information: N/A
Date(s) of Investigation: December 14, 2010
Date(s) of NOE(s): January 14, 2011

Violation Information

1) Failed to comply with permitted effluent limitations for ammonia nitrogen and total zinc [TEX. WATER CODE § 26.121(a), 30 TEX. ADMIN. CODE § 305.125(1), and Texas Pollutant Discharge Elimination System ("TPDES") Permit No. WQ0003994000, Effluent Limitations and Monitoring Requirements No. 1].

2) Failed to submit effluent monitoring results at the intervals specified in the permit. Specifically, total zinc daily maximum loading (pounds/day) was not included in the discharge monitoring report ("DMR") submitted for the monitoring period ending November 2009 [30 TEX. ADMIN. CODE §§ 305.125(17) and 319.1 and TPDES Permit No. WQ0003994000, Monitoring and Reporting Requirements No. 1].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

N/A

Technical Requirements:

1. Within 30 days, submit a revised DMR for the monitoring period ending November 2009 that includes total zinc daily maximum loading (pounds/day) data and develop procedures to ensure that future DMRs include all required data;
2. Within 45 days, submit written certification of compliance with Ordering Provision 1; and
3. Within 90 days, submit written certification of compliance with the permitted effluent limitations of TPDES Permit No. WQ0003994000, including specific corrective actions that were implemented at the Facility to achieve compliance and copies of the most current self-reported discharge monitoring reports, demonstrating at least three consecutive months of compliance with all permitted effluent limitations.

Litigation Information

Date Petition(s) Filed: N/A
Date Answer(s) Filed: N/A
SOAH Referral Date: N/A
Hearing Date(s): N/A
Settlement Date: N/A

Executive Summary – Enforcement Matter – Case No. 41076
National Oilwell Varco, L.P.
RN100211457
Docket No. 2011-0169-IWD-E

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Mr. Thomas Jecha, P.G., Enforcement Division, Enforcement Team 3, MC 169, (512) 239-2576; Ms. Laurie Eaves, Enforcement Division, MC 219, (512) 239-4495

TCEQ SEP Coordinator: N/A

Respondent: Mr. Melvin Lehmann, Director of Operations, National Oilwell Varco, L.P., 12950 West Little York Road, Houston, Texas 77041

Ms. Melissa Geigley, Director Global HSE, National Oilwell Varco, L.P., 12950 West Little York Road, Houston, Texas 77041

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

| | | | | | | |
|--------------|-----------------|-------------|------------------|-------------|----------------|--|
| DATES | Assigned | 18-Jan-2011 | Screening | 26-Jan-2011 | EPA Due | |
| | PCW | 27-Jan-2011 | | | | |

RESPONDENT/FACILITY INFORMATION

| | | | |
|-----------------------------|------------------------------|---------------------------|-------|
| Respondent | National Oilwell Varco, L.P. | | |
| Reg. Ent. Ref. No. | RN100211457 | | |
| Facility/Site Region | 12-Houston | Major/Minor Source | Minor |

CASE INFORMATION

| | | | |
|--|-----------------|------------------------------|--------------------|
| Enf./Case ID No. | 41076 | No. of Violations | 2 |
| Docket No. | 2011-0169-IWD-E | Order Type | 1660 |
| Media Program(s) | Water Quality | Government/Non-Profit | No |
| Multi-Media | | Enf. Coordinator | Thomas Jecha, P.G. |
| | | EC's Team | Enforcement Team 3 |
| Admin. Penalty \$ Limit Minimum | \$0 | Maximum | \$10,000 |

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1** **\$1,100**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History **39.0%** Enhancement **Subtotals 2, 3, & 7** **\$429**

Notes: Enhancement for seven months of self-reported effluent violations and two NOVs with dissimilar violations.

Culpability **No** **0.0%** Enhancement **Subtotal 4** **\$0**

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments **Subtotal 5** **\$0**

Economic Benefit **0.0%** Enhancement* **Subtotal 6** **\$0**

Total EB Amounts \$610
Approx. Cost of Compliance \$10,100
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$1,529**

OTHER FACTORS AS JUSTICE MAY REQUIRE **0.0%** **Adjustment** **\$0**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount **\$1,529**

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** **\$1,529**

DEFERRAL **20.0%** Reduction **Adjustment** **-\$305**

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

Notes:

Deferral offered for expedited settlement.

PAYABLE PENALTY **\$1,224**

Screening Date 26-Jan-2011

Docket No. 2011-0169-IWD-E

PCW

Respondent National Oilwell Varco, L.P.

Policy Revision 2 (September 2002)

Case ID No. 41076

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100211457

Media [Statute] Water Quality

Enf. Coordinator Thomas Jecha, P.G.

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

| Component | Number of... | Enter Number Here | Adjust. |
|-------------------------------|--|-------------------|---------|
| NOVs | Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>) | 7 | 35% |
| | Other written NOVs | 2 | 4% |
| Orders | Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>) | 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 (<i>number of judgements or consent decrees meeting criteria</i>) | 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 (<i>number of counts</i>) | 0 | 0% |
| Emissions | Chronic excessive emissions events (<i>number of events</i>) | 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 (<i>number of audits for which notices were submitted</i>) | 0 | 0% |
| | Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>) | 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) 39%

>> 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 seven months of self-reported effluent violations and two NOVs with dissimilar violations.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 39%

Screening Date 26-Jan-2011
Respondent National Oilwell Varco, L.P.
Case ID No. 41076
Reg. Ent. Reference No. RN100211457
Media [Statute] Water Quality
Enf. Coordinator Thomas Jecha, P.G.

Docket No. 2011-0169-IWD-E

PCW

Policy Revision 2 (September 2002)
 PCW Revision October 30, 2008

Violation Number

Rule Cite(s) Tex. Water Code § 26.121(a), 30 Tex. Admin. Code § 305.125(1), and Texas
 Pollutant Discharge Elimination System ("TPDES") Permit No. WQ0003994000,
 Effluent Limitations and Monitoring Requirements No. 1

Violation Description Failed to comply with permitted effluent limitations, as documented during a record
 review conducted on December 14, 2010 (see attached table).

Base Penalty

>> Environmental, Property and Human Health Matrix

| OR | Release | Harm | | | Percent |
|----|-----------|----------------------|----------------------|-------------------------------------|----------------------------------|
| | | Major | Moderate | Minor | |
| | Actual | <input type="text"/> | <input type="text"/> | <input checked="" type="checkbox"/> | <input type="text" value="10%"/> |
| | Potential | <input type="text"/> | <input type="text"/> | <input type="text"/> | |

>> Programmatic Matrix

| | Falsification | Major | Moderate | Minor | Percent |
|--|----------------------|----------------------|----------------------|----------------------|---------------------------------|
| | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text" value="0%"/> |

Matrix Notes

A simplified model was used to evaluate zinc and ammonia nitrogen to determine whether the
 discharged amounts of pollutants exceeded levels protective of human health or the environment.
 As a result of these discharges, human health or the environment has been exposed to
 insignificant amounts of pollutants.

Adjustment

Violation Events

Number of Violation Events Number of violation days

| | | |
|----------------------------|--------------|-------------------------------------|
| mark only one with an x | daily | <input type="text"/> |
| | weekly | <input type="text"/> |
| | monthly | <input type="text"/> |
| | quarterly | <input checked="" type="checkbox"/> |
| | semiannual | <input type="text"/> |
| | annual | <input type="text"/> |
| | single event | <input type="text"/> |

Violation Base Penalty

One quarterly event is recommended.

Good Faith Efforts to Comply

Reduction

| | Before NOV | NOV to EDPRP/Settlement Offer |
|---------------|-------------------------------------|-------------------------------|
| Extraordinary | <input type="text"/> | <input type="text"/> |
| Ordinary | <input type="text"/> | <input type="text"/> |
| N/A | <input checked="" type="checkbox"/> | (mark with x) |

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal

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. 41076
Reg. Ent. Reference No. RN100211457
Media Water Quality
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 | | | | 0.00 | \$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) | \$10,000 | 31-Jul-2010 | 13-Oct-2011 | 1.20 | \$601 | n/a | \$601 |

Notes for DELAYED costs

Estimated cost to evaluate the causes of the effluent violations and to implement necessary rehabilitation to the wastewater treatment system. The date required is the month the first non-compliant excursion was documented and the final date is the expected date of compliance.

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

\$10,000

TOTAL

\$601

Screening Date 26-Jan-2011

Docket No. 2011-0169-IWD-E

PCW

Respondent National Oilwell Varco, L.P.

Policy Revision 2 (September 2002)

Case ID No. 41076

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100211457

Media [Statute] Water Quality

Enf. Coordinator Thomas Jecha, P.G.

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code §§ 305.125(17) and 319.1 and TPDES Permit No. WQ0003994000, Monitoring and Reporting Requirements No. 1

Violation Description

Failed to submit complete effluent monitoring results at the intervals specified in the permit. Specifically, total zinc daily maximum loading (pounds/day) was not included in the discharge monitoring report ("DMR") submitted for the monitoring period ending November 2009.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

| Release | Harm | | | Percent |
|-----------|-------|----------|-------|---------|
| | Major | Moderate | Minor | |
| Actual | | | | 0% |
| Potential | | | | |

>> Programmatic Matrix

| Falsification | Harm | | | Percent |
|---------------|-------|----------|-------|---------|
| | Major | Moderate | Minor | |
| | | | X | 1% |

Matrix Notes

Less than 30% of the rule requirement was not met.

Adjustment \$9,900

\$100

Violation Events

Number of Violation Events 1 Number of violation days 1

| | | |
|-------------------------|--------------|---|
| mark only one with an x | daily | |
| | weekly | |
| | monthly | |
| | quarterly | |
| | semiannual | |
| | annual | |
| | single event | X |

Violation Base Penalty \$100

One single event is recommended.

Good Faith Efforts to Comply

0.0% Reduction \$0

| | 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 for this violation.

Violation Subtotal \$100

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$8

Violation Final Penalty Total \$139

This violation Final Assessed Penalty (adjusted for limits) \$139

Economic Benefit Worksheet

Respondent National Oilwell Varco, L.P.
Case ID No. 41076
Reg. Ent. Reference No. RN100211457
Media Water Quality
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) | \$100 | 20-Dec-2009 | 13-Aug-2011 | 1.65 | \$8 | n/a | \$8 |

Notes for DELAYED costs

Estimated cost to update operational guidance and submit a revised DMR. The date required is the date the monitoring results were due and the final date is the expected date of compliance.

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 \$100

TOTAL \$8

Effluent Limit Violation Table

| | |
|-------------------------|-------------------------------|
| Respondent | National Oilwell Varco, L.P. |
| ID Number(s) | TPDES Permit No. WQ0003994000 |
| Docket Number | 2011-0169-IWD-E |
| Enf. Coordinator | Thomas Jecha, P.G. |

Corresponds to Violation Number: 1

EFFLUENT PARAMETER

| Month/Year | permit limit | | | |
|-------------------|--------------|-------------|------------|------------|
| | NH3-N (DAL) | NH3-N (DML) | Zinc (DAC) | Zinc (DMC) |
| | 0.83 lbs/day | 2.5 lbs/day | 0.296 mg/L | 0.522 mg/L |
| July 2010 | 0.92 | 3.32 | 0.437 | 0.662 |
| August 2010 | c | c | 0.691 | 0.986 |
| September 2010 | c | 2.77 | c | c |

DAL = daily average loading
 DML = daily maximum loading
 DAC = daily average concentration
 DMC = daily maximum concentration

NH3-N = ammonia nitrogen
 lbs/day = pounds per day
 mg/L = milligrams per liter

Compliance History

| | | | |
|-------------------------------------|--|-------------------------------------|-------------------|
| Customer/Respondent/Owner-Operator: | CN602962334 National Oilwell Varco, L.P. | Classification: AVERAGE | Rating: 2.92 |
| Regulated | RN100211457 SHAFFER WEST LITTLE YORK ROAD FACILITY | Classification: AVERAGE | Site Rating: 0.52 |
| ID Number(s): | INDUSTRIAL AND HAZARDOUS WASTE | EPA ID | TXT490014180 |
| | INDUSTRIAL AND HAZARDOUS WASTE | SOLID WASTE REGISTRATION # (SWR) | 32145 |
| | POLLUTION PREVENTION PLANNING | ID NUMBER | P01050 |
| | AIR NEW SOURCE PERMITS | PERMIT | 7961 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 30645 |
| | AIR NEW SOURCE PERMITS | PERMIT | 43334 |
| | AIR NEW SOURCE PERMITS | ACCOUNT NUMBER | HG0509T |
| | AIR NEW SOURCE PERMITS | AFS NUM | 4820100382 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 79811 |
| | WASTEWATER | PERMIT | WQ0003994000 |
| | WASTEWATER | EPA ID | TX0062642 |
| | STORMWATER | PERMIT | TXR05U755 |
| | WATER QUALITY NON PERMITTED | ID NUMBER | R12SW0001 |
| | IHW CORRECTIVE ACTION | SOLID WASTE REGISTRATION # (SWR) | 32145 |
| | UNDERGROUND INJECTION CONTROL | PERMIT | 5X2500042 |
| | AIR EMISSIONS INVENTORY | ACCOUNT NUMBER | HG0509T |

Location: 12950 West Little York Rd, approx 0.25 mi NW of the intersection of Addicks Fairbanks Rd and West Little York Rd, Harris Co. Texas

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: January 25, 2011

Agency Decision Requiring Compliance: Enforcement

Compliance Period: November 25, 2006 to January 25, 2011

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

Name: Thomas Jecha Phone: 239 - 2576

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance? Yes
2. Has there been a (known) change in ownership/operator of the site during the compliance period? Yes
3. If Yes, who is the current owner/operator?

| | |
|--------|------------------------------|
| OWNOPR | Varco, L.P. |
| OWNOPR | |
| OWNOPR | National Oilwell Varco, L.P. |
| OWNOPR | Varco, L. P. |
4. If Yes, who was/were the prior owner(s)/operator(s)? OWN Varco Lp Db a Varco Drilling Equipment
5. When did the change(s) in owner or operator occur? 02/08/2010 OWN Varco Lp Db a Varco Drilling Equipment

Rating Date: 9/1/2010 Repeat Violator: NO

Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgments, 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.)

| | | |
|----|----------|----------|
| | | (549221) |
| 1 | 11/30/06 | |
| 2 | 10/10/07 | (572371) |
| 3 | 3/5/07 | (582892) |
| 4 | 3/21/07 | (582893) |
| 5 | 4/23/07 | (582894) |
| 6 | 5/29/07 | (582895) |
| 7 | 6/25/07 | (582896) |
| 8 | 7/23/07 | (582897) |
| 9 | 1/10/07 | (582898) |
| 10 | 1/29/07 | (582899) |
| 11 | 8/22/07 | (603752) |
| 12 | 10/19/07 | (603753) |
| 13 | 10/19/07 | (603754) |
| 14 | 11/26/07 | (622530) |
| 15 | 11/26/07 | (622531) |
| 16 | 11/26/07 | (622532) |
| 17 | 12/21/07 | (622533) |
| 18 | 1/28/08 | (622534) |
| 19 | 2/27/08 | (674126) |
| 20 | 3/19/08 | (674127) |
| 21 | 5/20/08 | (692421) |
| 22 | 6/19/08 | (692422) |
| 23 | 7/23/08 | (692423) |
| 24 | 8/21/08 | (713541) |
| 25 | 9/29/08 | (713542) |
| 26 | 11/24/08 | (729563) |
| 27 | 11/24/08 | (729564) |
| 28 | 11/24/08 | (729565) |
| 29 | 12/22/08 | (729566) |
| 30 | 1/26/09 | (729567) |
| 31 | 2/26/09 | (752810) |
| 32 | 3/24/09 | (752811) |
| 33 | 5/22/09 | (770439) |
| 34 | 6/15/09 | (770440) |
| 35 | 4/2/10 | (790979) |
| 36 | 5/19/10 | (802773) |
| 37 | 2/22/10 | (810899) |
| 38 | 7/27/09 | (810900) |
| 39 | 8/24/09 | (810901) |
| 40 | 10/8/09 | (810902) |
| 41 | 11/19/09 | (810903) |

42 12/22/09 (810904)
 43 1/20/10 (810905)
 44 3/20/10 (833052)
 45 4/19/10 (833053)
 46 5/24/10 (833054)
 47 7/13/10 (841242)
 48 6/21/10 (846944)
 49 7/23/10 (861440)
 50 10/8/10 (863434)
 51 8/22/10 (867699)
 52 11/19/10 (882253)
 53 11/19/10 (882254)
 54 1/14/11 (884650)
 55 11/19/10 (888720)

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

Date: 11/30/2007 (622533) CN602962334
 Self YES Classification Moderate
 Report? :
 Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
 30 TAC Chapter 305, SubChapter F 305.125(1)
 Description: Failure to meet the limit for one or more permit parameter
 Date: 12/31/2007 (622534) CN602962334
 Self YES Classification Moderate
 Report? :
 Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
 30 TAC Chapter 305, SubChapter F 305.125(1)
 Description: Failure to meet the limit for one or more permit parameter
 Date: 01/31/2008 (674126) CN602962334
 Self YES Classification Moderate
 Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
 30 TAC Chapter 305, SubChapter F 305.125(1)
 Description: Failure to meet the limit for one or more permit parameter
 Date: 04/02/2010 (790979) CN602962334
 Self NO Classification Minor
 Report? :
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(5)
 O.R., pg. 9, No. 1 PERMIT
 Description: Failure to properly maintain the wastewater treatment plant.
 Self NO Classification Minor
 Citation: 30 TAC Chapter 305, SubChapter F 305.125
 O.R., pg. 14, No. 9 PERMIT
 Description: Failure to submit documentation for Other Requirements No. 9 by 14 day deadline.
 Date: 05/20/2010 (802773)
 Self NO Classification Moderate
 Citation: 30 TAC Chapter 101, SubChapter A 101.10(e)
 5C THSC Chapter 382 382.085(b)
 Description: Failure to submit a 2009 Emissions Inventory. CATEGORY B19 (g)(3).
 Date: 07/31/2010 (867699) CN602962334
 Self YES Classification Moderate
 Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
 30 TAC Chapter 305, SubChapter F 305.125(1)
 Description: Failure to meet the limit for one or more permit parameter
 Date: 08/31/2010 (882253) CN602962334

Self YES Classification Moderate

Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)

30 TAC Chapter 305, SubChapter F 305.125(1)

Description: Failure to meet the limit for one or more permit parameter

Date: 09/30/2010 (882254) CN602962334

Self YES Classification Moderate

Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)

30 TAC Chapter 305, SubChapter F 305.125(1)

Description: Failure to meet the limit for one or more permit parameter

Date: 10/31/2010 (888720) CN602962334

Self YES Classification Moderate

Report?

Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)

30 TAC Chapter 305, SubChapter F 305.125(1)

Description: Failure to meet the limit for one or more permit parameter

F. Environmental

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.
RN100211457**

§
§
§
§
§
§

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

**AGREED ORDER
DOCKET NO. 2011-0169-IWD-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. WATER CODE chs. 7 and 26. 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 wastewater treatment plant located at 12950 West Little York Road, approximately one-quarter mile northwest of the intersection of Addicks Fairbanks Road and West Little York Road in Harris County, Texas (the "Facility").
2. The Respondent discharged industrial waste into or adjacent to any water in the state under TEX. WATER CODE ch. 26.
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 January 19, 2011.

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 One Thousand Five Hundred Twenty-Nine Dollars (\$1,529) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid One Thousand Two Hundred Twenty-Four Dollars (\$1,224) of the administrative penalty and Three Hundred Five Dollars (\$305) 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 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.
10. 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.
11. 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 comply with permitted effluent limitations, in violation of TEX. WATER CODE § 26.121(a), 30 TEX. ADMIN. CODE § 305.125(1), and Texas Pollutant Discharge Elimination System ("TPDES") Permit No. WQ0003994000, Effluent Limitations and Monitoring Requirements No. 1, as documented during a record review conducted on December 14, 2010 and shown in the following violation table:

| | NH3-N (DAL) | NH3-N (DML) | Zinc (DAC) | Zinc (DMC) |
|-------------------|--------------|-------------|------------|------------|
| Month/Year | 0.83 lbs/day | 2.5 lbs/day | 0.296 mg/L | 0.522 mg/L |
| July 2010 | 0.92 | 3.32 | 0.437 | 0.662 |
| August 2010 | c | c | 0.691 | 0.986 |
| September 2010 | c | 2.77 | c | c |

DAL = daily average loading, DML = daily maximum loading, DAC = daily average concentration
 DMC = daily maximum concentration, lbs/day = pounds per day, mg/L = milligrams/liter

2. Failed to submit effluent monitoring results at the intervals specified in the permit, in violation of 30 TEX. ADMIN. CODE §§ 305.125(17) and 319.1 and TPDES Permit No. WQ0003994000, Monitoring and Reporting Requirements No. 1, as documented during a record review conducted on December 14, 2010. Specifically, total zinc daily maximum loading (pounds/day) was not included in the discharge monitoring report ("DMR") submitted for the monitoring period ending November 2009.

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. 2011-0169-IWD-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, submit a revised DMR for the monitoring period ending November 2009 that includes total zinc daily maximum loading (pounds/day) data and develop procedures to ensure that future DMRs include all required data, in accordance with TPDES Permit No. WQ0003994000, Monitoring and Reporting Requirements No. 1;
 - b. Within 45 days after the effective date of this Agreed Order, submit written certification of compliance with Ordering Provision No. 2.a., in accordance with Ordering Provision No. 2.c. below; and

- c. Within 90 days after the effective date of this Agreed Order, submit written certification of compliance with the permitted effluent limitations of TPDES Permit No. WQ0003994000, including specific corrective actions that were implemented at the Facility to achieve compliance and copies of the most current self-reported discharge monitoring reports, demonstrating at least three consecutive months of compliance with all permitted effluent limitations. 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 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 fines 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:

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

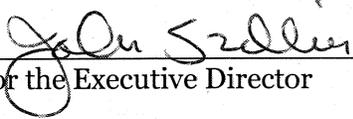
3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Facility operations referenced in this Agreed Order.
4. If the Respondent fails to comply with any 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 separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
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



For the Executive Director

5/12/2011

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.



Signature

3/14/2011

Date

Melvin Lehmann

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

Director of Operations

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.