

**Executive Summary – Enforcement Matter – Case No. 41784**  
**Coil Tubing Services, L.L.C.**  
**RN103934329**  
**Docket No. 2011-0916-MLM-E**

**Order Type:**

1660 Agreed Order

**Findings Order Justification:**

N/A

**Media:**

MLM - MSW, WQ

**Small Business:**

No

**Location(s) Where Violation(s) Occurred:**

Coil Tubing Services, located approximately 1,000 feet east of Country Club Road and north of County Road No. 342, approximately two miles east of Alice, Jim Wells County

**Type of Operation:**

Truck washing facility

**Other Significant Matters:**

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

**Texas Register Publication Date:** December 23, 2011

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$16,904

**Amount Deferred for Expedited Settlement:** \$3,380

**Amount Deferred for Financial Inability to Pay:** \$0

**Total Paid to General Revenue:** \$13,524

**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

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**Docket No. 2011-0916-MLM-E**

***Investigation Information***

**Complaint Date(s):** N/A

**Complaint Information:** N/A

**Date(s) of Investigation:** March 21, 2011

**Date(s) of NOE(s):** May 18, 2011

***Violation Information***

1. Failed to comply with permitted effluent limits for oil and grease and chemical oxygen demand [TEX. WATER CODE § 26.121(a)(1), 30 TEX. ADMIN. CODE § 305.125(1), and Texas Pollutant Discharge Elimination System (“TPDES”) Permit No. WQ0004589000, Effluent Limitations and Monitoring Requirements No. 1].
2. Failed to timely submit discharge monitoring reports (“DMRs”) for the monitoring periods ending April 30, 2010, June 30, 2010, September 30, 2010, and February 28, 2011 [30 TEX. ADMIN. CODE §§ 305.125(1) and (17) and 319.7(d), and TPDES Permit No. WQ0004589000, Monitoring and Reporting Requirements No. 1].
3. Failed to assure the quality of all measurements through the use of blanks, standards, duplicates analyses, and spikes. Specifically, the pH meter was not calibrated each day samples were analyzed with a minimum of two standards which bracket the pH values of the sample and the buffer solutions were expired [30 TEX. ADMIN. CODE §§ 305.125(1) and (11)(A), 319.6 and 319.9(d), and TPDES Permit No. WQ0004589000, Monitoring and Reporting Requirements No. 2].
4. Failed to maintain records of monitoring activities, which include the date and time the analysis was performed. Specifically, the date and time the pH was analyzed were not included in the records of monitoring activities [30 TEX. ADMIN. CODE §§ 305.125(1) and (11)(C) and 319.7(a) and TPDES Permit No. WQ0004589000, Monitoring and Reporting Requirements No. 3(c)(iii)].
5. Failed to accurately calculate effluent results. Specifically, the daily average and the daily maximum values for total suspended solids (“TSS”), chemical oxygen demand (“COD”), and oil and grease were not calculated correctly. The grab sample result was used as the daily average and daily maximum [30 TEX. ADMIN. CODE §§ 305.125(1) and 319.5(f), and TPDES Permit No. WQ0004589000, Definitions and Standard Permit Conditions No. 2(a) and (c)].
6. Failed to calibrate the flowmeter by a trained person at plant start-up and as often thereafter as necessary to ensure accuracy, but not less often than annually. Specifically, at the time of the investigation, there was no documentation to indicate that the flowmeter had been calibrated [30 TEX. ADMIN. CODE § 305.125(1) and TPDES Permit No. WQ0004589000, Monitoring and Reporting Requirements No. 5].

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7. Failed to include all results in the calculation and reporting of the values submitted on the DMRs. Specifically, the Respondent sampled TSS, COD, and Oil and Grease three times a month; however, only the results from two samples were used to calculate the monthly average [30 TEX. ADMIN. CODE §§ 305.125(1) and 319.5(e) and TPDES Permit No. WQ0004589000, Monitoring and Reporting Requirements No. 4].

8. Failed to submit noncompliance notification reports for effluent violations that deviated from the permitted effluent limits by more than 40%. Specifically, a noncompliance notification was not submitted for the COD daily average and daily maximum exceedences for the month of December 2010 [30 TEX. ADMIN. CODE § 305.125(1) and TPDES Permit No. WQ0004589000, Monitoring and Reporting Requirements No. 7.c.].

9. Failed to monitor effluent at intervals specified in the permit. Specifically, the pH minimum and maximum were not consistently monitored on a weekly basis [30 TEX. ADMIN. CODE §§ 305.125(1) and (11)(A) and 319.5(b), and TPDES Permit No. WQ0004589000, Monitoring and Reporting Requirements No. 3.a.].

10. Failed to dispose of municipal solid waste at an authorized facility. Specifically, during the 2010 calendar year, approximately 19,530 gallons of waste were disposed of at unauthorized facilities. Approximately 6,510 gallons were disposed of at a commercial injection/disposal well authorized by the Railroad Commission (“RRC”) for salt water and approximately 13,020 gallons were disposed of at a commercial surface disposal facility authorized by the RRC for water-based drilling fluid [30 TEX. ADMIN. CODE §§ 305.125(1) and 330.15(c) and TPDES Permit No. WQ0004589000, Operational Requirements No. 12].

***Corrective Actions/Technical Requirements***

**Corrective Action(s) Completed:**

The Respondent has implemented the following corrective measures at the Facility:

- a. By January 31, 2011, achieved compliance with the permitted effluent limits by providing additional oversight and improving operations;
- b. By March 23, 2011, submitted revised DMRs to the TCEQ for the monitoring periods ending January 31, 2010 through January 31, 2011. The revised DMRs included the correct daily average and daily maximum concentrations for TSS, COD, and oil and grease;
- c. By April 8, 2011, updated operational procedures and conducted employee training to ensure that the DMRs are submitted in a timely manner;
- d. By May 3, 2011, updated operational procedures and conducted employee training to ensure that the date and time of pH analysis is included in the monitoring records and

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to ensure that the pH meter is calibrated each day that samples are analyzed using a minimum of two standards which bracket the pH values of the samples. In addition, purchased pH standard solutions used in calibrating the pH meter;

e. By May 11, 2011:

i. Submitted a noncompliance report for the monitoring period ending December, 31, 2010; and

ii. Began monitoring the effluent for pH on a weekly basis; and

iii. By May 12, 2011, installed a new flowmeter at the Facility.

**Technical Requirements:**

The Order will require the Respondent to:

a. Immediately, cease disposing of waste at unauthorized facilities;

b. Within 30 days:

i. Submit written certification of compliance with Ordering Provision a.; and

ii. Update operational guidance and conduct employee training to ensure that waste is disposed of at authorized facilities;

c. Within 45 days, submit certification of compliance with Ordering Provision b.ii.

***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

***Contact Information***

**TCEQ Attorney:** N/A

**TCEQ Enforcement Coordinator:** Heather Brister, Enforcement Division, Enforcement Team 1, MC R-09, (254) 761-3034; Debra Barber, Enforcement Division, MC 219, (512) 239-0412

**TCEQ SEP Coordinator:** N/A

**Respondent:** Houston Frazier, President, Coil Tubing Services, L.L.C., P.O. Box 451, Alice, Texas 78333

Ray Reyna, Area Manager, Coil Tubing Services, L.L.C., P.O. Box 451, Alice, Texas 78333

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**Respondent's Attorney: N/A**





# Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

<b>DATES</b>	Assigned	23-May-2011	Screening	31-May-2011	EPA Due	
	PCW	31-May-2011				

<b>RESPONDENT/FACILITY INFORMATION</b>						
Respondent	Coil Tubing Services, L.L.C.					
Reg. Ent. Ref. No.	RN103934329					
Facility/Site Region	14-Corpus Christi	Major/Minor Source	Minor			

<b>CASE INFORMATION</b>						
Enf./Case ID No.	41784	No. of Violations	11			
Docket No.	2011-0916-MLM-E	Order Type	1660			
Media Program(s)	Water Quality	Government/Non-Profit	No			
Multi-Media	Municipal Solid Waste	Enf. Coordinator	Heather Brister			
		EC's Team	Enforcement Team 1			
Admin. Penalty \$	Limit Minimum	\$0	Maximum	\$10,000		

## Penalty Calculation Section

**TOTAL BASE PENALTY (Sum of violation base penalties)** **Subtotal 1** **\$14,000**

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

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

**Compliance History** **15.0%** Enhancement **Subtotals 2, 3, & 7** **\$2,100**

Notes: Enhancement for three months of self-reported effluent 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** **\$2,250**

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

Total EB Amounts \$3,376  
Approx. Cost of Compliance \$7,845  
\*Capped at the Total EB \$ Amount

**SUM OF SUBTOTALS 1-7** **Final Subtotal** **\$13,850**

**OTHER FACTORS AS JUSTICE MAY REQUIRE** **22.1%** **Adjustment** **\$3,054**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes: Recommended enhancement to capture the avoided cost associated with Violation Nos. 7, 10 and 11.

**Final Penalty Amount** **\$16,904**

**STATUTORY LIMIT ADJUSTMENT** **Final Assessed Penalty** **\$16,904**

**DEFERRAL** **20.0%** Reduction **Adjustment** **-\$3,380**

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

Notes: Deferral offered for expedited settlement.

**PAYABLE PENALTY** **\$13,524**

**Screening Date** 31-May-2011

**Docket No.** 2011-0916-MLM-E

**PCW**

**Respondent** Coil Tubing Services, L.L.C.

Policy Revision 2 (September 2002)

**Case ID No.** 41784

PCW Revision October 30, 2008

**Reg. Ent. Reference No.** RN103934329

**Media [Statute]** Water Quality

**Enf. Coordinator** Heather Brister

### 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> )	3	15%
	Other written NOVs	0	0%
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%
<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)** 15%

>> **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 three months of self-reported effluent violations.

**Total Adjustment Percentage (Subtotals 2, 3, & 7)** 15%

Screening Date 31-May-2011

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PCW

Respondent Coil Tubing Services, L.L.C.

Policy Revision 2 (September 2002)

Case ID No. 41784

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN103934329

Media [Statute] Water Quality

Enf. Coordinator Heather Brister

Violation Number 1

Rule Cite(s) Tex. Water Code § 26.121(a)(1), 30 Tex. Admin. Code § 305.125(1), and Texas Pollutant Discharge Elimination System ("TPDES") Permit No. WQ0004589000, Effluent Limitations and Monitoring Requirements No. 1

Violation Description Failed to comply with permitted effluent limits, as documented during an investigation conducted on March 21, 2011. See attached table.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual		X		25%
	Potential				

>> Programmatic Matrix

Matrix Notes	Falsification	Harm			Percent
		Major	Moderate	Minor	
					0%

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

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1 31 Number of violation days

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

Violation Base Penalty \$2,500

One monthly event is recommended for the month of December 2010.

Good Faith Efforts to Comply

25.0% Reduction \$625

Before NOV NOV to EDPRP/Settlement Offer

Extraordinary	
Ordinary	X
N/A	(mark with x)

Notes The Respondent achieved compliance by January 31, 2011.

Violation Subtotal \$1,875

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$63

Violation Final Penalty Total \$2,746

This violation Final Assessed Penalty (adjusted for limits) \$2,746

# Economic Benefit Worksheet

**Respondent** Coil Tubing Services, L.L.C.  
**Case ID No.** 41784  
**Reg. Ent. Reference No.** RN103934329  
**Media** Water Quality  
**Violation No.** 1

<b>Percent Interest</b>	<b>Years of Depreciation</b>
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)	\$1,500	31-Mar-2010	31-Jan-2011	0.84	\$63	n/a	\$63

Notes for DELAYED costs

Estimated cost to provide additional oversight and improve operations. Date required is the initial month of noncompliance. Final date is the 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

\$1,500

**TOTAL**

\$63

Screening Date 31-May-2011

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PCW

Respondent Coil Tubing Services, L.L.C.

Policy Revision 2 (September 2002)

Case ID No. 41784

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN103934329

Media [Statute] Water Quality

Enf. Coordinator Heather Brister

Violation Number 2

Rule Cite(s)

Tex. Water Code § 26.121(a)(1), 30 Tex. Admin. Code § 305.125(1), and TPDES Permit No. WQ0004589000, Effluent Limitations and Monitoring Requirements No. 1

Violation Description

Failed to comply with permitted effluent limits, as documented during an investigation conducted on March 21, 2011. See attached table.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 10%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 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

31 Number of violation days

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$1,000

One quarterly event is recommended for the quarter containing the month of March 2010.

Good Faith Efforts to Comply

25.0% Reduction

\$250

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

Notes The Respondent achieved compliance by January 31, 2011.

Violation Subtotal \$750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$1,098

This violation Final Assessed Penalty (adjusted for limits) \$1,098

## Economic Benefit Worksheet

**Respondent** Coil Tubing Services, L.L.C.  
**Case ID No.** 41784  
**Reg. Ent. Reference No.** RN103934329  
**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)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

See Economic Benefit for Violation No. 1.

### 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

Screening Date 31-May-2011

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PCW

Respondent Coil Tubing Services, L.L.C.

Policy Revision 2 (September 2002)

Case ID No. 41784

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN103934329

Media [Statute] Water Quality

Enf. Coordinator Heather Brister

Violation Number 3

Rule Cite(s)

30 Tex. Admin. Code §§ 305.125(1) and (17) and 319.7(d), and TPDES Permit No. WQ0004589000, Monitoring and Reporting Requirements No. 1

Violation Description

Failed to timely submit discharge monitoring reports ("DMRs") for the monitoring periods ending April 30, 2010; June 30, 2010; September 30, 2010; and February 28, 2011, as documented during an investigation conducted on March 21, 2011.

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
			x

Percent 1%

Matrix Notes

At least 70% of the rule requirement was met.

Adjustment \$9,900

\$100

Violation Events

Number of Violation Events 4

376 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

mark only one with an x

Violation Base Penalty \$400

Four single events are recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$100

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

Notes The Respondent achieved compliance on April 8, 2011.

Violation Subtotal \$300

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$5

Violation Final Penalty Total \$439

This violation Final Assessed Penalty (adjusted for limits) \$439

## Economic Benefit Worksheet

**Respondent** Coil Tubing Services, L.L.C.  
**Case ID No.** 41784  
**Reg. Ent. Reference No.** RN103934329  
**Media** Water Quality  
**Violation No.** 3

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	\$100	20-May-2010	8-Apr-2011	0.88	\$4	n/a	\$4
Training/Sampling	\$250	21-Mar-2011	8-Apr-2011	0.05	\$1	n/a	\$1
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

Estimated cost to submit the DMRs and to update operational procedures and conduct employee training to ensure that DMRs are submitted in a timely manner. Dates required are the date the first DMR was due and the investigation date. Final date is the date the Respondent began submitting DMRs in a timely manner.

### 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

\$350

**TOTAL**

\$5

Screening Date 31-May-2011

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PCW

Respondent Coil Tubing Services, L.L.C.

Policy Revision 2 (September 2002)

Case ID No. 41784

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN103934329

Media [Statute] Water Quality

Enf. Coordinator Heather Brister

Violation Number 4

Rule Cite(s) 30 Tex. Admin. Code §§ 305.125(1) and (11)(A), 319.6 and 319.9(d), and TPDES Permit No. WQ0004589000, Monitoring and Reporting Requirements No. 2

Violation Description Failed to assure the quality of all measurements through the use of blanks, standards, duplicates analyses, and spikes, as documented during an investigation conducted on March 21, 2011. Specifically, the pH meter was not calibrated each day samples were analyzed with a minimum of two standards which bracket the pH values of the sample and the buffer solutions used for calibrations were expired.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				10%
Potential		x		

>> Programmatic Matrix

Falsification	Harm			Percent
	Major	Moderate	Minor	
				0%

Matrix Notes Human health or the environment will or could be exposed to significant amounts of pollutants which would 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 43 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 investigation date (March 21, 2011) to the compliance date (May 3, 2011).

Good Faith Efforts to Comply

25.0% Reduction

\$250

	Before NOV	NOV to EDRP/ Settlement Offer
	Extraordinary	
Ordinary	x	
N/A		(mark with x)

Notes The Respondent achieved compliance on May 3, 2011.

Violation Subtotal \$750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$2

Violation Final Penalty Total \$1,098

This violation Final Assessed Penalty (adjusted for limits) \$1,098

## Economic Benefit Worksheet

**Respondent** Coil Tubing Services, L.L.C.  
**Case ID No.** 41784  
**Reg. Ent. Reference No.** RN103934329  
**Media** Water Quality  
**Violation No.** 4

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	\$250	21-Mar-2011	3-May-2011	0.12	\$1	n/a	\$1
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$100	21-Mar-2011	3-May-2011	0.12	\$1	n/a	\$1

Notes for DELAYED costs

Estimated cost to update operational procedures and conduct employee training to ensure that the pH meter is calibrated each day that samples are analyzed using a minimum of two standards which bracket the pH values of the samples and to purchase new standard solutions used in calibrating the pH meter. Date required is the investigation date. Final date is the 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

\$350

**TOTAL**

\$2

Screening Date 31-May-2011

Docket No. 2011-0916-MLM-E

PCW

Respondent Coil Tubing Services, L.L.C.

Policy Revision 2 (September 2002)

Case ID No. 41784

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN103934329

Media [Statute] Water Quality

Enf. Coordinator Heather Brister

Violation Number 5

Rule Cite(s)

30 Tex. Admin. Code §§ 305.125(1) and (11)(C) and 319.7(a) and TPDES Permit No. WQ0004589000, Monitoring and Reporting Requirements No. 3(c)(iii)

Violation Description

Failed to maintain records of monitoring activities, which include the date and time the analysis was performed, as documented during an investigation conducted on March 21, 2011. Specifically, the date and time the pH was analyzed were not included in the records of monitoring activities.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>> Programmatic Matrix

Falsification	Harm		
	Major	Moderate	Minor
			x

Percent 1%

Matrix Notes

At least 70% of the rule requirement was met.

Adjustment \$9,900

\$100

Violation Events

Number of Violation Events 1

43 Number of violation days

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

25.0% Reduction

\$25

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

Notes The Respondent achieved compliance on May 3, 2011.

Violation Subtotal \$75

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$1

Violation Final Penalty Total \$110

This violation Final Assessed Penalty (adjusted for limits) \$110

## Economic Benefit Worksheet

**Respondent** Coil Tubing Services, L.L.C.  
**Case ID No.** 41784  
**Reg. Ent. Reference No.** RN103934329  
**Media** Water Quality  
**Violation No.** 5

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	\$250	21-Mar-2011	3-May-2011	0.12	\$1	n/a	\$1
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

Estimated cost to ensure that monitoring activities include the date and time in which sample analyses were conducted. Date required is the investigation date. Final date is the 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

\$250

**TOTAL**

\$1

**Screening Date** 31-May-2011  
**Respondent** Coil Tubing Services, L.L.C.  
**Case ID No.** 41784  
**Reg. Ent. Reference No.** RN103934329  
**Media [Statute]** Water Quality  
**Enf. Coordinator** Heather Brister

**Docket No.** 2011-0916-MLM-E

**PCW**

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

**Violation Number** 6

**Rule Cite(s)** 30 Tex. Admin. Code §§ 305.125(1) and 319.5(f), and TPDES Permit No. WQ0004589000, Definitions and Standard Permit Conditions No. 2(a) and (c)

**Violation Description**

Failed to accurately calculate effluent results, as documented during an investigation conducted on March 21, 2011. Specifically, the daily average and the daily maximum values for total suspended solids ("TSS"), chemical oxygen demand ("COD"), and oil and grease were not calculated correctly. The grab sample result was used as the daily average and daily maximum.

**Base Penalty** \$10,000

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

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential		X	

**Percent** 10%

**>> Programmatic Matrix**

Falsification	Major	Moderate	Minor

**Percent** 0%

Matrix Notes

Human health or the environment will or could be exposed to significant amounts of pollutants which would 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

2 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 investigation date (March 21, 2011) to the compliance date (March 23, 2011).

**Good Faith Efforts to Comply**

25.0% Reduction

\$250

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

Notes The Respondent achieved compliance on March 23, 2011.

**Violation Subtotal** \$750

**Economic Benefit (EB) for this violation**

**Statutory Limit Test**

**Estimated EB Amount** \$20

**Violation Final Penalty Total** \$1,098

**This violation Final Assessed Penalty (adjusted for limits)** \$1,098

## Economic Benefit Worksheet

**Respondent** Coil Tubing Services, L.L.C.  
**Case ID No.** 41784  
**Reg. Ent. Reference No.** RN103934329  
**Media** Water Quality  
**Violation No.** 6

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)	\$325	1-Jan-2010	23-Mar-2011	1.22	\$20	n/a	\$20

Notes for DELAYED costs

Estimated cost to revise and re-submit the DMRs, calculated at \$25 per DMR. Date required is the first month of noncompliance. Final date is the 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

\$325

**TOTAL**

\$20

Screening Date 31-May-2011

Docket No. 2011-0916-MLM-E

PCW

Respondent Coil Tubing Services, L.L.C.

Policy Revision 2 (September 2002)

Case ID No. 41784

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN103934329

Media [Statute] Water Quality

Enf. Coordinator Heather Brister

Violation Number 7

Rule Cite(s) 30 Tex. Admin. Code § 305.125(1) and TPDES Permit No. WQ0004589000, Monitoring and Reporting Requirements No. 5

Violation Description Failed to calibrate the flowmeter by a trained person at plant start-up and as often thereafter as necessary to ensure accuracy, but not less often than annually, as documented during an investigation conducted on March 21, 2011. Specifically, at the time of the investigation, there was no documentation to indicate that the flowmeter had been calibrated.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				5%
Potential			x	

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes Human health or the environment will or could be exposed to insignificant amounts of pollutants which would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$9,500

\$500

Violation Events

	1	52	Number of violation days
mark only one with an x	daily		
	weekly		
	monthly		
	quarterly		
	semiannual		
	annual		
single event	x		

Violation Base Penalty \$500

One single event is recommended.

Good Faith Efforts to Comply

	25.0%	Reduction	\$125
		Before NOV	NOV to EDRP/Settlement Offer
Extraordinary			
Ordinary	x		
N/A		(mark with x)	

Notes The Respondent achieved compliance on May 12, 2011.

Violation Subtotal \$375

Economic Benefit (EB) for this violation

Estimated EB Amount \$556

Statutory Limit Test

Violation Final Penalty Total \$549

This violation Final Assessed Penalty (adjusted for limits) \$549

## Economic Benefit Worksheet

**Respondent** Coil Tubing Services, L.L.C.  
**Case ID No.** 41784  
**Reg. Ent. Reference No.** RN103934329  
**Media** Water Quality  
**Violation No.** 7

Percent Interest	Years of Depreciation
5.0	15

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

### Delayed Costs

Equipment	\$1,500	21-Mar-2011	12-May-2011	0.14	\$1	\$14	\$15
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

Estimated cost to install a new flowmeter at the Facility. Date required is the investigation date. Final date is the compliance date.

### 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)	\$494	21-Mar-2010	21-Mar-2011	1.92	\$47	\$494	\$541

Notes for AVOIDED costs

Avoided cost to calibrate the flow meter. Date required is one year prior to the investigation date. Final date is the investigation date.

Approx. Cost of Compliance

\$1,994

**TOTAL**

\$556

Screening Date 31-May-2011

Docket No. 2011-0916-MLM-E

PCW

Respondent Coil Tubing Services, L.L.C.

Policy Revision 2 (September 2002)

Case ID No. 41784

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN103934329

Media [Statute] Water Quality

Enf. Coordinator Heather Brister

Violation Number 8

Rule Cite(s) 30 Tex. Admin. Code §§ 305.125(1) and 319.5(e), and TPDES Permit No. WQ0004589000, Monitoring and Reporting Requirements No. 4

Violation Description Failed to include all results in the calculation and reporting of the values submitted on the DMRs, as documented during an investigation conducted on March 21, 2011. Specifically, the Respondent sampled TSS, COD, and Oil and Grease three times a month; however, only the results from two samples were used to calculate the monthly average.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				10%
Potential		x		

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes Human health or the environment will or could be exposed to significant amounts of pollutants which would 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

		1	2	Number of violation days	
mark only one with an x	daily				Violation Base Penalty \$1,000
	weekly				
	monthly				
	quarterly		x		
	semiannual				
	annual				
	single event				

One quarterly event is recommended from the investigation date (March 21, 2011) to the compliance date (March 23, 2011).

Good Faith Efforts to Comply

25.0% Reduction \$250

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

Notes The Respondent achieved compliance on March 23, 2011.

Violation Subtotal \$750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$1,098

This violation Final Assessed Penalty (adjusted for limits) \$1,098

## Economic Benefit Worksheet

**Respondent** Coil Tubing Services, L.L.C.  
**Case ID No.** 41784  
**Reg. Ent. Reference No.** RN103934329  
**Media** Water Quality  
**Violation No.** 8

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

See Economic Benefit for Violation No. 6.

### 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

**TOTAL**

Screening Date 31-May-2011

Docket No. 2011-0916-MLM-E

PCW

Respondent Coil Tubing Services, L.L.C.

Policy Revision 2 (September 2002)

Case ID No. 41784

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN103934329

Media [Statute] Water Quality

Enf. Coordinator Heather Brister

Violation Number 9

Rule Cite(s)

30 Tex. Admin. Code § 305.125(1) and TPDES Permit No. WQ0004589000, Monitoring and Reporting Requirements No. 7.c

Violation Description

Failed to submit noncompliance notification reports for effluent violations that deviated from the permitted effluent limits by more than 40%, as documented during an investigation conducted on March 21, 2011. Specifically, a noncompliance notification was not submitted for the COD daily average and daily maximum exceedences for the month of December 2010.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>> Programmatic Matrix

Falsification	Harm		
	Major	Moderate	Minor
	x		

Percent 10%

Matrix Notes

100% of the rule requirement was not met.

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 1

51 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

mark only one with an x

Violation Base Penalty \$1,000

One single event is recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$250

	Before NOV	NOV to EDRP/ Settlement Offer
Extraordinary		
Ordinary	x	
N/A		(mark with x)

Notes The Respondent achieved compliance on May 11, 2011.

Violation Subtotal \$750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$1

Violation Final Penalty Total \$1,098

This violation Final Assessed Penalty (adjusted for limits) \$1,098

## Economic Benefit Worksheet

**Respondent** Coil Tubing Services, L.L.C.  
**Case ID No.** 41784  
**Reg. Ent. Reference No.** RN103934329  
**Media** Water Quality  
**Violation No.** 9

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)	\$75	20-Jan-2011	11-May-2011	0.30	\$1	n/a	\$1

Notes for DELAYED costs

Estimated cost to submit a noncompliance report to the TCEQ. Date required is the date the report was due. Final date is the compliance date.

### 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 \$75

**TOTAL** \$1

Screening Date 31-May-2011

Docket No. 2011-0916-MLM-E

PCW

Respondent Coil Tubing Services, L.L.C.

Policy Revision 2 (September 2002)

Case ID No. 41784

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN103934329

Media [Statute] Water Quality

Enf. Coordinator Heather Brister

Violation Number 10

Rule Cite(s)

30 Tex. Admin. Code §§ 305.125(1) and (11)(A) and 319.5(b), and TPDES Permit No. WQ0004589000, Monitoring and Reporting Requirements No. 3.a

Violation Description

Failed to monitor effluent at intervals specified in the permit, as documented during an investigation conducted on March 21, 2011. Specifically, the pH minimum and maximum were not consistently monitored on a weekly basis.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			X

Percent 5%

>> Programmatic Matrix

Falsification	Harm		
	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment will or could be exposed to insignificant amounts of pollutants which would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$9,500

\$500

Violation Events

Number of Violation Events 1

51 Number of violation days

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

Violation Base Penalty \$500

One single event is recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$125

	Before NOV	NOV to EDRP/Settlement Offer
Extraordinary		
Ordinary	X	
N/A		(mark with x)

Notes The Respondent achieved compliance on May 11, 2011.

Violation Subtotal \$375

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$212

Violation Final Penalty Total \$549

This violation Final Assessed Penalty (adjusted for limits) \$549

## Economic Benefit Worksheet

**Respondent** Coil Tubing Services, L.L.C.  
**Case ID No.** 41784  
**Reg. Ent. Reference No.** RN103934329  
**Media** Water Quality  
**Violation No.** 10

<b>Percent Interest</b>	<b>Years of Depreciation</b>
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)	\$250	21-Mar-2011	11-May-2011	0.14	\$2	n/a	\$2

Notes for DELAYED costs

Estimated cost to ensure the pH of the effluent is being monitored on a weekly basis. Date required is the date of the investigation. Final date is the 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)	\$200	21-Mar-2011	11-May-2011	1.06	\$11	\$200	\$211

Notes for AVOIDED costs

Avoided cost for not sampling pH on a weekly basis. Date required is the date of the investigation. Final date is the date of compliance.

Approx. Cost of Compliance

\$450

**TOTAL**

\$212

Screening Date 31-May-2011

Docket No. 2011-0916-MLM-E

PCW

Respondent Coil Tubing Services, L.L.C.

Policy Revision 2 (September 2002)

Case ID No. 41784

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN103934329

Media [Statute] Water Quality

Enf. Coordinator Heather Brister

Violation Number 11

Rule Cite(s)

30 Tex. Admin. Code §§ 305.125(1) and 330.15(c) and TPDES Permit No. WQ0004589000, Operational Requirements No. 12

Violation Description

Failed to dispose of municipal solid waste at an authorized facility, as documented during an investigation conducted on March 21, 2011. Specifically, during the 2010 calendar year, approximately 19,530 gallons of waste were disposed of at unauthorized facilities. Approximately 6,510 gallons were disposed of at a commercial injection/disposal well authorized by the Railroad Commission ("RRC") for salt water and approximately 13,020 gallons were disposed of at a commercial surface disposal facility authorized by the RRC for water-based drilling fluid.

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 5

71 Number of violation days

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

Violation Base Penalty \$5,000

Five single events are recommended; one for each trip ticket during the 2010 calendar year.

Good Faith Efforts to Comply

0.0% Reduction

\$0

	Before NOV	NOV to EDRP/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 \$5,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$2,302

Violation Final Penalty Total \$7,018

This violation Final Assessed Penalty (adjusted for limits) \$7,018

# Economic Benefit Worksheet

**Respondent** Coil Tubing Services, L.L.C.  
**Case ID No.** 41784  
**Reg. Ent. Reference No.** RN103934329  
**Media** Water Quality  
**Violation No.** 11

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	\$250	1-Jan-2010	31-Jan-2012	2.08	\$26	n/a	\$26
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

Estimated cost to update operational guidance and conduct employee training to ensure that waste is disposed of at authorized facilities. Date required is the first of 2010. Final date is the anticipated 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)	\$2,101	1-Jan-2010	31-Dec-2010	1.92	\$201	\$2,101	\$2,302

Notes for AVOIDED costs

Avoided cost to dispose of waste at an authorized facility, calculated as the difference between the actual cost paid to dispose of waste at an unauthorized facility (\$1,414) and the estimated cost for disposal at an authorized facility (\$3,515). Date required is the first of 2010. Final date is the end of 2010.

Approx. Cost of Compliance

\$2,351

**TOTAL**

\$2,328

**Effluent Limit Violation Table** table rev.

<b>Respondent</b>	Coil Tubing Services, L.L.C.
<b>ID Number(s)</b>	TPDES Permit No. WQ0004589000
<b>Docket Number</b>	2011-0916-MLM-E
<b>Enf. Coordinator</b>	Heather Brister

**Corresponds to Violation Number:** 1

<b>EFFLUENT PARAMETER</b>			
<b>Permit Limit</b>			
	Oil and Grease Daily Average Concentration 15 Milligrams per Liter	Chemical Oxygen Demand Daily Average Concentration 150 Milligrams per Liter	Chemical Oxygen Demand Daily Maximum Concentration 200 Milligrams per Liter
<b>Month/Year</b>			
March 2010	16	c	c
December 2010	c	1872.8	5500

c = compliant



# Compliance History

Customer/Respondent/Owner-Operator: CN602441859 Coil Tubing Services, L. L. C. Classification: AVERAGE Rating: 2.26  
Regulated Entity: RN103934329 COIL TUBING SERVICES Classification: AVERAGE Site Rating: 0.78  
ID Number(s): WASTEWATER PERMIT WQ0004589000  
WASTEWATER EPA ID TX0125636  
STORMWATER PERMIT TXR05Q212

Location: Located approximately 1,000 feet east of Country Club Road and north of County Road No. 342, approximately two miles east of Alice, Jim Wells County, Texas

TCEQ Region: REGION 14 - CORPUS CHRISTI

Date Compliance History Prepared: August 09, 2011

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: August 9, 2006 to August 9, 2011

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

Name: Heather Brister Phone: (254) 761-3034

## 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: 9/1/2010 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.
- C. Chronic excessive emissions events.
- D. The approval dates of investigations. (CCEDS Inv. Track. No.)

1	09/26/2006	(513676)
2	08/22/2006	(529150)
3	09/20/2006	(529151)
4	10/19/2006	(552172)
5	11/20/2006	(552173)
6	02/22/2007	(589711)
7	03/22/2007	(589712)
8	04/13/2007	(589713)
9	05/18/2007	(589714)
10	06/11/2007	(589715)
11	08/01/2007	(589716)
12	01/18/2007	(589717)
13	01/22/2007	(589718)
14	07/09/2007	(605988)
15	08/31/2007	(605989)
16	10/02/2007	(605990)
17	02/11/2008	(612127)
18	10/31/2007	(633559)
19	12/03/2007	(633560)
20	01/03/2008	(633561)
21	01/31/2008	(677820)
22	03/01/2008	(677821)
23	04/03/2008	(677822)
24	05/06/2008	(696637)
25	06/06/2008	(696638)
26	07/07/2008	(696639)
27	08/04/2008	(718343)
28	09/02/2008	(718344)
29	10/03/2008	(718345)
30	11/03/2008	(718346)
31	12/01/2008	(733590)
32	01/06/2009	(733591)
33	02/10/2009	(756750)
34	03/05/2009	(756751)
35	04/09/2009	(756752)

36 05/05/2009 (773619)  
 37 06/02/2009 (773620)  
 38 02/02/2010 (821133)  
 39 07/14/2009 (821134)  
 40 08/04/2009 (821135)  
 41 09/14/2009 (821136)  
 42 10/06/2009 (821137)  
 43 11/04/2009 (821138)  
 44 12/01/2009 (821139)  
 45 01/05/2010 (821140)  
 46 03/03/2010 (836671)  
 47 04/06/2010 (836672)  
 48 06/07/2010 (836673)  
 49 06/07/2010 (848042)  
 50 07/21/2010 (862484)  
 51 11/19/2010 (889927)  
 52 12/17/2010 (898345)  
 53 01/18/2011 (904185)  
 54 03/23/2011 (911057)  
 55 05/18/2011 (914159)  
 56 03/23/2011 (918344)  
 57 04/08/2011 (931246)  
 58 03/23/2011 (931247)  
 59 03/23/2011 (931248)  
 60 11/19/2010 (931249)  
 61 05/03/2011 (940067)  
 62 06/11/2011 (947469)

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

Date: **01/31/2010** (821133) CN602441859  
 Self Report? 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: **03/31/2010** (836672) CN602441859  
 Self Report? 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: **12/31/2010** (904185) CN602441859  
 Self Report? 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

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  
COIL TUBING SERVICES, L.L.C.  
RN103934329**

**§ BEFORE THE  
§  
§ TEXAS COMMISSION ON  
§  
§ ENVIRONMENTAL QUALITY**

**AGREED ORDER  
DOCKET NO. 2011-0916-MLM-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 Coil Tubing Services, L.L.C. ("the Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 361 and 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 truck washing facility located approximately 1,000 feet east of Country Club Road and north of County Road No. 342, approximately two miles east of Alice, Jim Wells County, Texas (the "Facility").
2. The Respondent has discharged municipal waste into or adjacent to any water in the state under TEX. WATER CODE ch. 26.
3. The Facility involves or involved the management of municipal solid waste as defined in TEX. HEALTH & SAFETY CODE ch. 361.
4. 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.
5. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about May 23, 2011.
6. 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.

7. An administrative penalty in the amount of Sixteen Thousand Nine Hundred Four Dollars (\$16,904) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Thirteen Thousand Five Hundred Twenty-Four Dollars (\$13,524) of the administrative penalty and Three Thousand Three Hundred Eighty Dollars (\$3,380) 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.
8. 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.
9. 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.
10. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Facility:
  - a. By January 31, 2011, achieved compliance with the permitted effluent limits by providing additional oversight and improving operations;
  - b. By March 23, 2011, submitted revised discharge monitoring reports ("DMRs") to the TCEQ for the monitoring periods ending January 31, 2010 through January 31, 2011. The revised DMRs included the correct daily average and daily maximum concentrations for total suspended solids ("TSS"), chemical oxygen demand ("COD"), and oil and grease;
  - c. By April 8, 2011, updated operational procedures and conducted employee training to ensure that the DMRs are submitted in a timely manner;
  - d. By May 3, 2011, updated operational procedures and conducted employee training to ensure that the date and time of pH analysis is included in the monitoring records and to ensure that the pH meter is calibrated each day that samples are analyzed using a minimum of two standards which bracket the pH values of the samples. In addition, purchased pH standard solutions used in calibrating the pH meter;
  - e. By May 11, 2011:
    - i. Submitted a noncompliance report for the monitoring period ending December, 31, 2010; and
    - ii. Began monitoring the effluent for pH on a weekly basis; and
  - f. By May 12, 2011, installed a new flowmeter at the Facility.

11. 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.
12. 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.
13. 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 limits, in violation of TEX. WATER CODE § 26.121(a)(1), 30 TEX. ADMIN. CODE § 305.125(1), and Texas Pollutant Discharge Elimination System ("TPDES") Permit No. WQ0004589000, Effluent Limitations and Monitoring Requirements No. 1, as documented during a record review conducted on March 21, 2011 and as shown in the table below:

<b>EFFLUENT PARAMETER</b>			
<i>Permit Limit</i>			
	Oil and Grease Daily Average Concentration 15 Milligrams per Liter	Chemical Oxygen Demand Daily Average Concentration 150 Milligrams per Liter	Chemical Oxygen Demand Daily Maximum Concentration 200 Milligrams per Liter
<b><i>Month/Year</i></b>			
March 2010	16	c	c
December 2010	c	1872.8	5500

c = compliant

2. Failed to timely submit DMRs for the monitoring periods ending April 30, 2010; June 30, 2010; September 30, 2010; and February 28, 2011, in violation of 30 TEX. ADMIN. CODE §§ 305.125(1) and (17) and 319.7(d), and TPDES Permit No. WQ0004589000, Monitoring and Reporting Requirements No. 1, as documented during an investigation conducted on March 21, 2011.
3. Failed to assure the quality of all measurements through the use of blanks, standards, duplicates analyses, and spikes, in violation of 30 TEX. ADMIN. CODE §§ 305.125(1) and (11)(A), 319.6 and 319.9(d), and TPDES Permit No. WQ0004589000, Monitoring and Reporting Requirements No. 2, as documented during an investigation conducted on March 21, 2011. Specifically, the pH meter was not calibrated each day samples were analyzed with a minimum of two standards which bracket the pH values of the sample and the buffer solutions were expired.

4. Failed to maintain records of monitoring activities, which include the date and time the analysis was performed, in violation of 30 TEX. ADMIN. CODE §§ 305.125(1) and (11)(C) and 319.7(a) and TPDES Permit No. WQ0004589000, Monitoring and Reporting Requirements No. 3(c)(iii), as documented during an investigation conducted on March 21, 2011. Specifically, the date and time the pH was analyzed were not included in the records of monitoring activities.
5. Failed to accurately calculate effluent results, in violation of 30 TEX. ADMIN. CODE §§ 305.125(1) and 319.5(f), and TPDES Permit No. WQ0004589000, Definitions and Standard Permit Conditions No. 2(a) and (c), as documented during an investigation conducted on March 21, 2011. Specifically, the daily average and the daily maximum values for TSS, COD, and oil and grease were not calculated correctly. The grab sample result was used as the daily average and daily maximum.
6. Failed to calibrate the flowmeter by a trained person at plant start-up and as often thereafter as necessary to ensure accuracy, but not less often than annually, in violation of 30 TEX. ADMIN. CODE § 305.125(1) and TPDES Permit No. WQ0004589000, Monitoring and Reporting Requirements No. 5, as documented during an investigation conducted on March 21, 2011. Specifically, at the time of the investigation, there was no documentation to indicate that the flowmeter had been calibrated.
7. Failed to include all results in the calculation and reporting of the values submitted on the DMRs, in violation of 30 TEX. ADMIN. CODE §§ 305.125(1) and 319.5(e) and TPDES Permit No. WQ0004589000, Monitoring and Reporting Requirements No. 4, as documented during an investigation conducted on March 21, 2011. Specifically, the Respondent sampled TSS, COD, and Oil and Grease three times a month; however, only the results from two samples were used to calculate the monthly average.
8. Failed to submit noncompliance notification reports for effluent violations that deviated from the permitted effluent limits by more than 40%, in violation of 30 TEX. ADMIN. CODE § 305.125(1) and TPDES Permit No. WQ0004589000, Monitoring and Reporting Requirements No. 7.c, as documented during an investigation conducted on March 21, 2011. Specifically, a noncompliance notification was not submitted for the COD daily average and daily maximum exceedences for the month of December 2010.
9. Failed to monitor effluent at intervals specified in the permit, in violation of 30 TEX. ADMIN. CODE §§ 305.125(1) and (11)(A) and 319.5(b), and TPDES Permit No. WQ0004589000, Monitoring and Reporting Requirements No. 3.a, as documented during an investigation conducted on March 21, 2011. Specifically, the pH minimum and maximum were not consistently monitored on a weekly basis.
10. Failed to dispose of municipal solid waste at an authorized facility, in violation of 30 TEX. ADMIN. CODE §§ 305.125(1) and 330.15(c) and TPDES Permit No. WQ0004589000, Operational Requirements No. 12, as documented during an investigation conducted on March 21, 2011. Specifically, during the 2010 calendar year, approximately 19,530 gallons of waste were disposed of at unauthorized facilities. Approximately 6,510 gallons were disposed of at a commercial injection/disposal well authorized by the Railroad Commission ("RRC") for salt water and approximately 13,020 gallons were disposed of at

a commercial surface disposal facility authorized by the RRC for water-based drilling fluid.

### 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 7 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: Coil Tubing Services, L.L.C., Docket No. 2011-0916-MLM-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. Immediately upon the effective date of this Agreed Order, cease disposing of waste at unauthorized facilities;
  - b. Within 30 days after the effective date of this Agreed Order:
    - i. Submit written certification of compliance with Ordering Provision No. 2.a, in accordance with Ordering Provision No. 2.d. below; and
    - ii. Update operational guidance and conduct employee training to ensure that waste is disposed of at authorized facilities;
  - c. Within 45 days after the effective date of this Agreed Order, submit certification of compliance with Ordering Provision No. 2.b.ii, in accordance with Ordering Provision No. 2.d. below; and
  - d. The certification of compliance required by Ordering Provision Nos. 2.b.i and 2.c shall be notarized by a State of Texas Notary Public and include the following certification language and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance:

"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  
Corpus Christi Regional Office  
Texas Commission on Environmental Quality  
6300 Ocean Drive, Suite 1200  
Corpus Christi, Texas 78412-5503

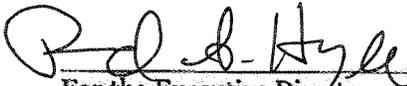
3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Facility operations referenced in this Agreed Order.
4. If the Respondent fails to comply with any 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

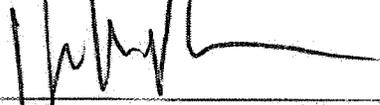
3/23/12  
\_\_\_\_\_  
Date

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

10/28/11  
\_\_\_\_\_  
Date

HOUSTON FRAZIER  
\_\_\_\_\_  
Name (Printed or typed)  
Authorized Representative of  
Coil Tubing Services, L.L.C.

PRESIDENT CTS NAWM  
\_\_\_\_\_  
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.