

**Executive Summary – Enforcement Matter – Case No. 47573**  
**National Oilwell Varco, L.P.**  
**RN102602307**  
**Docket No. 2013-1673-AIR-E**

**Order Type:**

1660 Agreed Order

**Findings Order Justification:**

N/A

**Media:**

AIR

**Small Business:**

No

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

NOV Mission Products San Angelo, 6738 U.S. Highway 87 North, San Angelo, Tom  
Green County

**Type of Operation:**

Storage tank manufacturing plant

**Other Significant Matters:**

Additional Pending Enforcement Actions: No

Past-Due Penalties: Yes

Other: N/A

Interested Third-Parties: None

**Texas Register Publication Date:** January 10, 2014

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$14,625

**Amount Deferred for Expedited Settlement:** \$2,925

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

**Total Paid to General Revenue:** \$11,700

**Total Due to General Revenue:** \$0

Payment Plan: N/A

**SEP Conditional Offset:** \$0

Name of SEP: N/A

**Compliance History Classifications:**

Person/CN - Satisfactory

Site/RN - Unsatisfactory

**Major Source:** Yes

**Statutory Limit Adjustment:** N/A

**Applicable Penalty Policy:** September 2011

**Executive Summary – Enforcement Matter – Case No. 47573  
National Oilwell Varco, L.P.  
RN102602307  
Docket No. 2013-1673-AIR-E**

***Investigation Information***

**Complaint Date(s):** N/A  
**Complaint Information:** N/A  
**Date(s) of Investigation:** July 17, 2013  
**Date(s) of NOE(s):** August 15, 2013

***Violation Information***

1. Failed to report all instances of deviations. Specifically, the deviation related to a Notice of Violation issued on August 15, 2012 was not included as a deviation in the semi-annual deviation report for the July 1, 2012 through December 31, 2012 reporting period [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), TEX. HEALTH & SAFETY CODE § 382.085(b), and Federal Operating Permit ("FOP") No. 02820, General Terms and Conditions ("GTC")].
2. Failed to submit the permit compliance certification ("PCC") no later than 30 days after the end of the certification period. Specifically, the PCC for the period of January 1, 2012 through June 30, 2012 was due by July 30, 2012 but was not submitted until September 13, 2013, 410 days late [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(1) and (2), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. 02820, GTC].

***Corrective Actions/Technical Requirements***

**Corrective Action(s) Completed:**

N/A

**Technical Requirements:**

The Order will require the Respondent to:

- a. Within 30 days, implement procedures designed to ensure that semi-annual deviation reports and PCCs are complete, accurate, and submitted within 30 days after the end of each reporting period; and
- b. Within 45 days, submit written certification demonstrating compliance with Ordering Provision a.

***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. 47573**  
**National Oilwell Varco, L.P.**  
**RN102602307**  
**Docket No. 2013-1673-AIR-E**

***Contact Information***

**TCEQ Attorney:** N/A

**TCEQ Enforcement Coordinator:** Katie Hargrove, Enforcement Division,  
Enforcement Team 4, MC 149, (512) 239-2569; Candy Garrett, Enforcement Division,  
MC 219, (512) 239-1456

**TCEQ SEP Coordinator:** N/A

**Respondent:** Russel J. Waters, Operations Manager, National Oilwell Varco, L.P.,  
P.O. Box 3287, San Angelo, Texas 76902

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





# Penalty Calculation Worksheet (PCW)

Policy Revision 3 (September 2011)

PCW Revision August 3, 2011

TCEQ

<b>DATES</b>	<b>Assigned</b>	19-Aug-2013	<b>Screening</b>	5-Sep-2013	<b>EPA Due</b>	12-Jul-2014
	<b>PCW</b>	5-Sep-2013				

## RESPONDENT/FACILITY INFORMATION

<b>Respondent</b>	National Oilwell Varco, L.P.		
<b>Reg. Ent. Ref. No.</b>	RN102602307		
<b>Facility/Site Region</b>	8-San Angelo	<b>Major/Minor Source</b>	Major

## CASE INFORMATION

<b>Enf./Case ID No.</b>	47573	<b>No. of Violations</b>	2
<b>Docket No.</b>	2013-1673-AIR-E	<b>Order Type</b>	1660
<b>Media Program(s)</b>	Air	<b>Government/Non-Profit</b>	No
<b>Multi-Media</b>		<b>Enf. Coordinator</b>	Katie Hargrove
		<b>EC's Team</b>	Enforcement Team 4
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$25,000

## Penalty Calculation Section

**TOTAL BASE PENALTY (Sum of violation base penalties)** **Subtotal 1** **\$7,500**

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

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

**Compliance History** **95.0%** Enhancement **Subtotals 2, 3, & 7** **\$7,125**

Notes: Enhancement for one final judgment with denial of liability, two agreed orders with denial of liability and repeat violator status.

**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: \$71  
Approx. Cost of Compliance: \$1,000  
\*Capped at the Total EB \$ Amount

**SUM OF SUBTOTALS 1-7** **Final Subtotal** **\$14,625**

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

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

**Final Penalty Amount** **\$14,625**

**STATUTORY LIMIT ADJUSTMENT** **Final Assessed Penalty** **\$14,625**

**DEFERRAL** **20.0%** Reduction **Adjustment** **-\$2,925**

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** **\$11,700**

Screening Date 5-Sep-2013

Docket No. 2013-1673-AIR-E

PCW

Respondent National Oilwell Varco, L.P.

Policy Revision 3 (September 2011)

Case ID No. 47573

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN102602307

Media [Statute] Air

Enf. Coordinator Katie Hargrove

### 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 (number of NOVs meeting criteria)	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	2	40%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgements or consent decrees meeting criteria)	1	30%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	0	0%

Please Enter Yes or No

Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2)

>> Repeat Violator (Subtotal 3)

Adjustment Percentage (Subtotal 3)

>> Compliance History Person Classification (Subtotal 7)

Adjustment Percentage (Subtotal 7)

>> Compliance History Summary

Compliance History Notes

Enhancement for one final judgment with denial of liability, two agreed orders with denial of liability and repeat violator status.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7)

>> Final Compliance History Adjustment

Final Adjustment Percentage \*capped at 100%

Screening Date 5-Sep-2013

Docket No. 2013-1673-AIR-E

PCW

Respondent National Oilwell Varco, L.P.

Policy Revision 3 (September 2011)

Case ID No. 47573

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN102602307

Media [Statute] Air

Enf. Coordinator Katie Hargrove

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(A), Tex. Health & Safety Code § 382.085(b), and Federal Operating Permit ("FOP") No. O2820, General Terms and Conditions ("GTC")

Violation Description

Failed to report all instances of deviations. Specifically, the deviation related to a Notice of Violation issued on August 15, 2012 was not included as a deviation in the semi-annual deviation report for the July 1, 2012 through December 31, 2012 reporting period.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 15.0%

Matrix Notes

100% of the rule requirement was not met.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

218 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

mark only one with an x

Violation Base Penalty \$3,750

One single event is recommended.

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 \$3,750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$29

Violation Final Penalty Total \$7,313

This violation Final Assessed Penalty (adjusted for limits) \$7,313

# Economic Benefit Worksheet

**Respondent** National Oilwell Varco, L.P.  
**Case ID No.** 47573  
**Reg. Ent. Reference No.** RN102602307  
**Media** Air  
**Violation No.** 1

Percent Interest	Years of Depreciation
5.0	15

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

**Delayed Costs**

Equipment				0.00	\$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	\$500	30-Jan-2013	30-Mar-2014	1.16	\$29	n/a	\$29
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 implement procedures designed to ensure that semi-annual deviation reports are complete, and timely submitted. The Date Required is the date the deviation report was due and the final date is the expected 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 \$500

**TOTAL** \$29

**Screening Date** 5-Sep-2013  
**Respondent** National Oilwell Varco, L.P.  
**Case ID No.** 47573

**Docket No.** 2013-1673-AIR-E

**PCW**

Policy Revision 3 (September 2011)  
 PCW Revision August 3, 2011

**Reg. Ent. Reference No.** RN102602307

**Media [Statute]** Air

**Enf. Coordinator** Katie Hargrove

**Violation Number** 2

**Rule Cite(s)** 30 Tex. Admin. Code §§ 122.143(4) and 122.146(1) and (2), Tex. Health & Safety Code § 382.085(b), and FOP No. 02820, GTC

**Violation Description** Failed to submit the permit compliance certification ("PCC") no later than 30 days after the end of the certification period. Specifically, the PCC for the period of January 1, 2012 through June 30, 2012 was due by July 30, 2012 but was not submitted until September 13, 2013, 410 days late.

**Base Penalty** \$25,000

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

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

**Percent** 0.0%

>> **Programmatic Matrix**

Falsification	Harm		
	Major	Moderate	Minor
	X		

**Percent** 15.0%

Matrix Notes

100% of the rule requirement was not met.

**Adjustment** \$21,250

\$3,750

**Violation Events**

Number of Violation Events 1

402 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

**Violation Base Penalty** \$3,750

One single event is recommended.

**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 meet the good faith criteria for this violation.

**Violation Subtotal** \$3,750

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

**Statutory Limit Test**

**Estimated EB Amount** \$42

**Violation Final Penalty Total** \$7,313

**This violation Final Assessed Penalty (adjusted for limits)** \$7,313

# Economic Benefit Worksheet

**Respondent** National Oilwell Varco, L.P.  
**Case ID No.** 47573  
**Reg. Ent. Reference No.** RN102602307  
**Media** Air  
**Violation No.** 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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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	\$500	30-Jul-2012	30-Mar-2014	1.67	\$42	n/a	\$42
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 PCC and to implement procedures designed to ensure that PCC reports are complete and timely submitted. The Date Required was the due date for the PCC and the Final Date is the estimated 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

\$500

**TOTAL**

\$42

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To request a more accessible version of this report, please contact the TCEQ Help Desk at (512) 239-4357.



# TCEQ Compliance History Report

**PUBLISHED** Compliance History Report for CN602962334, RN102602307, Rating Year 2012 which includes Compliance History (CH) components from September 1, 2007, through August 31, 2012.

**Customer, Respondent, or Owner/Operator:** CN602962334, National Oilwell Varco, L.P. **Classification:** SATISFACTORY **Rating:** 16.87

**Regulated Entity:** RN102602307, NOV MISSION PRODUCTS SAN ANGELO **Classification:** UNSATISFACTORY **Rating:** 258.94

**Complexity Points:** 6 **Repeat Violator:** YES

**CH Group:** 14 - Other

**Location:** 6738 US HIGHWAY 87 NORTH, SAN ANGELO, TX 76901-5512, TOM GREEN COUNTY

**TCEQ Region:** REGION 08 - SAN ANGELO

**ID Number(s):**

**INDUSTRIAL AND HAZARDOUS WASTE EPA ID**  
TXR000035519

**AIR NEW SOURCE PERMITS ACCOUNT NUMBER** TG02530

**AIR NEW SOURCE PERMITS AFS NUM** 4845100030

**STORMWATER PERMIT** TXR05AX60

**AIR OPERATING PERMITS PERMIT** 2820

**WASTEWATER PERMIT** 2E0000168

**INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE**  
REGISTRATION # (SWR) 80773

**AIR NEW SOURCE PERMITS PERMIT** 74024

**AIR NEW SOURCE PERMITS REGISTRATION** 87867

**AIR OPERATING PERMITS ACCOUNT NUMBER** TG02530

**WASTEWATER PERMIT** 2E0000079

**AIR EMISSIONS INVENTORY ACCOUNT NUMBER**  
TG02530

**POLLUTION PREVENTION PLANNING ID NUMBER**  
P06764

**Compliance History Period:** September 01, 2007 to August 31, 2012 **Rating Year:** 2012 **Rating Date:** 09/01/2012

**Date Compliance History Report Prepared:** August 21, 2013

**Agency Decision Requiring Compliance History:** Enforcement

**Component Period Selected:** August 21, 2008 to August 21, 2013

**TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.**

**Name:** Katie Hargrove

**Phone:** (512) 239-2569

**Site and Owner/Operator History:**

- 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** for #2, who is the current owner/operator? N/A
- 4) If **YES** for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If **YES**, when did the change(s) in owner or operator occur? N/A

**Components (Multimedia) for the Site Are Listed in Sections A - J**

**A. Final Orders, court judgments, and consent decrees:**

1 Effective Date: 09/25/2008 COURTORDER (Final Judgement-Agreed Order With Denial)

Classification: Major

Citation: 30 TAC Chapter 335, SubChapter Q 335.473

30 TAC Chapter 335, SubChapter Q 335.474

30 TAC Chapter 335, SubChapter Q 335.475

Description: Failing to generate and update as necessary a Source Reduction Waste Minimization Plan. Conner Steel is required to generate and maintain this plan not only because it has been either a large quantity or small quantity

hazardous waste generator but also because it is a TRI Form R reporter. (9.3)

Classification: Major

Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)

30 TAC Chapter 335, SubChapter C 335.69(e)

30 TAC Chapter 335, SubChapter E 335.112(a)

Description: Failing to properly manage two 55-gallon drums of ignitable acetone/styrene waste mixture that (1) were placed in the alley less than 50 feet from the facility property line; (2) did not have the proper closure to prevent air emissions; (3) did not remain closed except when adding or removing waste; (4) were not properly labeled; and (5) were not removed from near the satellite accumulation area. [8.7(1)through (5)]

Classification: Major

Citation: 30 TAC Chapter 335, SubChapter C 335.69(d)(1)

30 TAC Chapter 335, SubChapter C 335.69(d)(2)

Description: Allowing containers in the fiberglass tank department storing waste acetone to remain uncovered and volatilize overnight. (8.8)

Classification: Major

Citation: 30 TAC Chapter 335, SubChapter A 335.2(a)

30 TAC Chapter 335, SubChapter A 335.4

Description: Unauthorized and/or improper discharge, disposal, and storage of various wastes. [See Detailed Description for complete listing. 7.3(1)-9]]

Classification: Major

Citation: 30 TAC Chapter 335, SubChapter A 335.4

Description: Failing to properly manage industrial solid waste by managing fire residue in a mangled fiberglass tank and thereby allowing the fire residue waste to discharge to the environment. (7.5)

Classification: Major

Citation: 30 TAC Chapter 335, SubChapter C 335.62

30 TAC Chapter 335, SubChapter R 335.503

30 TAC Chapter 335, SubChapter R 335.513

Description: Failing to perform a hazardous waste determinations and a non-hazardous solid waste classification on sandblast waste. (8.4)

Classification: Major

Citation: 30 TAC Chapter 335, SubChapter C 335.62

30 TAC Chapter 335, SubChapter R 335.503

30 TAC Chapter 335, SubChapter R 335.513

Description: Fail to perform a haz. waste determination and a non-haz. solid waste classif. on the following: 1 wastewater f/ fire residue managed in a fiberglass tks.; 2 fiberglass tk. air filters; 3 paint booth air filters; 4 paint cont. absorbent; 5 cont. paint waste found in the paint booth; 6 waste welding slag; 7 wastewater f/ the plasma cutting machine; 8 plant trash; 9 office trash; 10 florescent bulbs; 11 waste leaking f/ the 3-gal.; 12 fire resid. waste found in 3 55-gal. conts. (8.6 (1-18)).

Classification: Major

Citation: 30 TAC Chapter 335, SubChapter C 335.62

30 TAC Chapter 335, SubChapter R 335.503

30 TAC Chapter 335, SubChapter R 335.513

Description: Failing to perform a hazardous waste determinations and a non-hazardous solid waste classification on waste resin overspray and hydrostatic test water discharged to the alley. (8.5)

Classification: Minor

Citation: 30 TAC Chapter 335, SubChapter A 335.10(b)

Description: Failing to properly complete a manifests AR-1070868 and 3512672. Manifest AR-1070868 did not contain Conner Steel's phone number, the transporter information, or the TCEQ waste code. Manifest 3512672 did not identify a TCEQ transporter ID, a second transporter phone number, or the correct EPA identification number for Conner Steel. (8.11)

Classification: Major

Citation: 30 TAC Chapter 335, SubChapter A 335.9(a)(1)

Description: Failing to (1) maintain most records of hazardous and industrial solid waste activities regarding the quantities generated, stored, processed, and disposed of on-site or shipped off-site for storage, processing, or disposal; and (2) provide the TCEQ investigator records of the location of hazardous waste accumulation areas. (9.4)

Classification: Major

Citation: 30 TAC Chapter 335, SubChapter O 335.431(c)

Description: Failing to maintain a record of LDR forms relating to wastes shipped on manifests AR1070868, S01058315, and 3512672. (9.6)

Classification: Minor

Citation: 30 TAC Chapter 324, SubChapter A 324.1

Description: failing to label two containers of used oil, which were found in the metal storage yard and sandblasting storage area, with the words "used oil". (8.12)

Classification: Major

Citation: 30 TAC Chapter 335, SubChapter A 335.4

Description: Storing hazardous acetone/styrene resin waste mixture in two open 55-gallon containers in an alley adjacent to residential homes and accessible to children. (7.4)  
Classification: Major  
Citation: 30 TAC Chapter 335, SubChapter A 335.6

Description: Generating more than 100 kg of hazardous waste in January 2005 but failing to notify TCEQ of this activity. (8.3)  
Classification: Minor  
Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(4)  
30 TAC Chapter 335, SubChapter E 335.112(a)(1)

Description: Failing to maintain a record of the names, job titles, and job descriptions for each employee in a position related to hazardous waste management. (9.5)  
Classification: Minor  
Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(4)  
30 TAC Chapter 335, SubChapter E 335.112(a)(3)

Description: Failing (1) to make arrangements with state and local emergency response agencies regarding their response to potential incidents at the facility as required in a Contingency Plan; (2) to list all emergency equipment available on-site, the location of such equipment, and a description of such equipment in the Contingency Plan; (3) to submit a copy of the Contingency Plan to all state and local agencies providing emergency response. [8.9(1)-(3)]  
Classification: Minor  
Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(4)  
30 TAC Chapter 335, SubChapter E 335.112(a)(2)

Description: Failing to educate the police department, fire department, all potential emergency responders, and the hospital on the layout of the facility, the properties of hazardous waste handled at the facility, possible evacuation routes, and the types of injuries or illness that could occur (8.10)  
Classification: Moderate  
Citation: 30 TAC Chapter 111, SubChapter B 111.201

Description: Conducting unauthorized outdoor burning of which the TCEQ investigator observed the ashes and remnant material in two barrels. (10.3)  
Classification: Major  
Citation: 30 TAC Chapter 335, SubChapter A 335.2(a)

Description: Treating hazardous waste without authorization and by improperly disposing of hazardous waste. Conner Steel treated hazardous waste when it allowed acetone to volatilize by leaving acetone containers open to the environment and spraying acetone onto paper during resin gun cleaning. Connor Steel improperly disposed of hazardous waste by placing acetone waste paper in the dumpster intended for disposal at the City of San Angelo Landfill. (7.6)  
Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
Rqmt Prov:Permit No 74024, Special Condition 10 PERMIT  
SPECIAL CONDITION 13 PERMIT

Description: Failing to store all used solvents in sealed containers until removed from site, reused, or recycled and waste resin in closed containers. The TCEQ investigator observed two uncovered 55-gallon drums of acetone/styrene resin waste mixture in the alley, which were placed there one week prior to site visit in order to allow the acetone to volatilize. (10.4)  
Classification: Major  
Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)(1)

Description: Failing to obtain authorization prior to increasing emissions from the surface coating activities in the paint booth. The documented average weekly VOC emissions from surface coating was greater than 500 pounds per week for the 2005 calendar year, thus exceeding the Permit by Rule requirements.(10.5)  
Classification: Minor  
Citation: 30 TAC Chapter 106, SubChapter S 106.433(8)

Description: Failing to maintain a monthly report for the paint booth representing the actual hours of operation each day, and emissions in pounds per hour, pounds per day, pounds per week and tons emitted from the booth during the previous twelve months. (10.7)  
Classification: Major  
Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)(1)

Description: Failing to obtain authorization prior to constructing and operating blast cleaning operations, a facility that emits air contaminants. (10.6)  
Classification: Major  
Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)(1)  
Rqmt Prov:IV. 2(a) - (f) ORDER

Description: Performing unauthorized outside sand blasting operations without registering the operations and obtaining site approval as required under 30 T.A.C. 106.452(2) or obtaining a permit under 30 T.A.C. 116.111. (10.11)  
Classification: Major  
Citation: 30 TAC Chapter 116, SubChapter B 116.116(a)(1)

Description: Failing to obtain authorization for emissions from surface coating activities in the fiberglass tank manufacturing building.(10.10)  
Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)(1)

Rqmt Prov:Permit Number 74024, General Condition 1 PERMIT

Description: Failing to operate the fiberglass tank manufacturing facility as specified in the application for permit. Specifically, emissions from the fiberglass manufacturing building were not being exhausted through filters which abate particulates at 95% efficiency. (10.9)

Classification: Major

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)(1)

Description: Failing to obtain a permit amendment for annual styrene emissions greater than what is authorized under Permit Number 74024. (10.12)

Classification: Major

Citation: 5C THC Chapter 382, SubChapter D 382.085(a)

Description: Causing styrene emissions tending to be injurious to residential areas surrounding the facility. (10.8)

- 2 Effective Date: 06/15/2009 ADMINORDER 2008-1679-AIR-E (1660 Order-Agreed Order With Denial)  
Classification: Moderate  
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
30 TAC Chapter 122, SubChapter B 122.146(1)  
30 TAC Chapter 122, SubChapter B 122.146(2)  
5C THSC Chapter 382 382.085(b)  
Rqmt Prov:Permit No. O-2820, Special Condition 7 OP  
Description: Failure to certify compliance with the terms and conditions of the Title V permit for at least each 12-month period  
Classification: Moderate  
Citation: 30 TAC Chapter 113, SubChapter C 113.960  
30 TAC Chapter 116, SubChapter B 116.115(c)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT MMMM 63.3890(b)(1)  
5C THSC Chapter 382 382.085(b)  
Rqmt Prov:Permit No. 74024, Special Condition 4 PERMIT  
Description: Failure to limit organic Hazardous Air Pollutant (HAP) emissions to the atmosphere to limits established in 40 CFR 63, Subpart MMMM from surface coating activities
- 3 Effective Date: 10/17/2011 ADMINORDER 2010-1443-IHW-E (1660 Order-Agreed Order With Denial)  
Classification: Moderate  
Citation: 30 TAC Chapter 335, SubChapter A 335.4  
Description: Failure to prevent the unauthorized disposal of industrial solid waste.  
Classification: Moderate  
Citation: 30 TAC Chapter 335, SubChapter C 335.62  
30 TAC Chapter 335, SubChapter R 335.503(a)  
30 TAC Chapter 335, SubChapter R 335.513(c)  
40 CFR Chapter 262, SubChapter I, PT 262, SubPT A 262.11  
Description: Failure to conduct hazardous waste determinations and waste classifications.  
Classification: Moderate  
Citation: 30 TAC Chapter 335, SubChapter H 335.262(c)(2)  
Description: Failure to properly close containers used to store universal waste except when adding or removing waste.  
Classification: Moderate  
Citation: 30 TAC Chapter 335, SubChapter H 335.262(c)(1)  
30 TAC Chapter 335, SubChapter H 335.262(c)(2)  
40 CFR Chapter 273, SubChapter I, PT 273, SubPT B 273.15(c)(1)  
Description: Failure to properly label containers used to store universal waste.  
Classification: Minor  
Citation: 30 TAC Chapter 335, SubChapter A 335.6(c)  
Description: Failure to properly update the Notice of Registration (NOR).

**B. Criminal convictions:**

N/A

**C. Chronic excessive emissions events:**

N/A

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

Item 1 March 23, 2009 (739359)

Item 2	July 22, 2009	(762995)
Item 3	December 04, 2009	(784505)
Item 4	February 18, 2010	(792156)
Item 5	February 24, 2011	(900352)

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

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

N/A

**F. Environmental audits:**

N/A

**G. Type of environmental management systems (EMSs):**

N/A

**H. Voluntary on-site compliance assessment dates:**

N/A

**I. Participation in a voluntary pollution reduction program:**

N/A

**J. Early compliance:**

N/A

**Sites Outside of Texas:**

N/A



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
NATIONAL OILWELL VARCO,  
L.P.  
RN102602307**

§  
§  
§  
§  
§

**BEFORE THE  
TEXAS COMMISSION ON  
ENVIRONMENTAL QUALITY**

**AGREED ORDER  
DOCKET NO. 2013-1673-AIR-E**

**I. JURISDICTION AND STIPULATIONS**

On \_\_\_\_\_, 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. ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a storage tank manufacturing plant at 6738 U.S. Highway 87 North in San Angelo, Tom Green County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Executive Director 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 August 20, 2013.
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 Fourteen Thousand Six Hundred Twenty-Five Dollars (\$14,625) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Eleven Thousand Seven

Hundred Dollars (\$11,700) of the administrative penalty and Two Thousand Nine Hundred Twenty-Five Dollars (\$2,925) 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 and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
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 Plant, the Respondent is alleged to have:

1. Failed to report all instances of deviations, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), TEX. HEALTH & SAFETY CODE § 382.085(b), and Federal Operating Permit ("FOP") No. O2820, General Terms and Conditions ("GTC"), as documented during an investigation conducted on July 17, 2013. Specifically, the deviation related to a Notice of Violation issued on August 15, 2012 was not included as a deviation in the semi-annual deviation report for the July 1, 2012 through December 31, 2012 reporting period.
2. Failed to submit the permit compliance certification ("PCC") no later than 30 days after the end of the certification period, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(1) and (2), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. O2820, GTC, as documented during an investigation conducted on July 17, 2013. Specifically, the PCC for the period of January 1, 2012 through June 30, 2012 was due by July 30, 2012 but was not submitted until September 13, 2013, 410 days late.

### 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. 2013-1673-AIR-E" to:

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

2. It is further ordered that the Respondent shall undertake the following technical requirements:
  - a. Within 30 days after the effective date of this Agreed Order, implement procedures designed to ensure that semi-annual deviation reports and PCCs are complete, accurate, and submitted within 30 days after the end of each reporting period; and
  - b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2.a. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that 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:

Air Section Manager  
San Angelo Regional Office  
Texas Commission on Environmental Quality  
622 South Oakes, Suite K  
San Angelo, Texas 76903-7013

3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
7. This 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.

## SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

\_\_\_\_\_  
For the Commission

Pam Tronier

For the Executive Director

4/2/14

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.

RJ Waters  
Signature

11/22/13  
Date

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

Operations Manager  
Title

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