

JAN 24 2022

LA DEPT OF ENV QUALITY
LEGAL DIVISION

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

QES WIRELINE LLC

AI # 2532, 208456

PROCEEDINGS UNDER THE LOUISIANA
ENVIRONMENTAL QUALITY ACT
LA. R.S. 30:2001, ET SEQ.

* Settlement Tracking No.
* SA-RE-21-0065
*
* Enforcement Tracking No.
* RE-PP-18-00105
*
*
*
*
*

SETTLEMENT

The following Settlement is hereby agreed to between KLX Wireline LLC f/k/a QES Wireline LLC (“Respondent”) and the Department of Environmental Quality (“DEQ” or “the Department”), under authority granted by the Louisiana Environmental Quality Act, La. R.S. 30:2001, et seq. (“the Act”).

I

Respondent is a limited liability company that as a reciprocity Radioactive Material Licensee, engaged in a well logging operation at a temporary jobsite located in Uncle Sam, St. James Parish, Louisiana (“the Facility”).

II

On September 11, 2018, the Department issued to Respondent a Notice of Potential Penalty, Enforcement Tracking No. RE-PP-18-00105 (Exhibit 1).

III

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

IV

Nonetheless, Respondent, without making any admission of liability under state or federal statute or regulation, agrees to pay, and the Department agrees to accept, a payment in the amount of FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00), of which One Thousand Two Hundred Eighty and 57/100 Dollars (\$1,280.57) represents the Department's enforcement costs, in settlement of the claims set forth in this agreement. The total amount of money expended by Respondent on cash payments to the Department as described above, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30:2050.7(E)(1).

V

Respondent further agrees that the Department may consider the inspection report(s), the Notice of Potential Penalty and this Settlement for the purpose of determining compliance history in connection with any future enforcement or permitting action by the Department against Respondent, and in any such action Respondent shall be estopped from objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Respondent's compliance history.

VI

This agreement shall be considered a final order of the Secretary for all purposes, including, but not limited to, enforcement under La. R.S. 30:2025(G)(2), and Respondent hereby waives any right to administrative or judicial review of the terms of this agreement, except such review as may be required for interpretation of this agreement in any action by the Department to enforce this agreement.

VII

This settlement is being made in the interest of settling the state's claims and avoiding for both parties the expense and effort involved in litigation or an adjudicatory hearing. In agreeing to the compromise and settlement, the Department considered the factors for issuing civil penalties set forth in La. R. S. 30:2025(E) of the Act.

VIII

As required by law, the Department has submitted this Settlement Agreement to the Louisiana Attorney General for approval or rejection. The Attorney General's concurrence is appended to this Settlement Agreement.

IX

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in St. James Parish, Louisiana. The advertisement, in form and wording approved by the Department, announced the availability of this settlement for public view and comment and the opportunity for a public hearing. Respondent has submitted an original proof-of-publication affidavit and an original public notice to the Department and, as of the date this Settlement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notice.

X

Payment is to be made within ten (10) days from notice of the Secretary's signature. If payment is not received within that time, this Agreement is voidable at the option of the Department. Payments are to be made by check, payable to the Department of Environmental Quality, and mailed or delivered to the attention of Accountant Administrator, Financial Services Division, Department of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303. Each

payment shall be accompanied by a completed Settlement Payment Form (Exhibit A).

XI

In consideration of the above, any claims for penalties are hereby compromised and settled in accordance with the terms of this Settlement.

XII

Each undersigned representative of the parties certifies that he or she is fully authorized to execute this Settlement Agreement on behalf of his or her respective party, and to legally bind such party to its terms and conditions.

KLX WIRELINE LLC F/K/A
OES WIRELINE LLC

BY: [Signature]

(Signature)

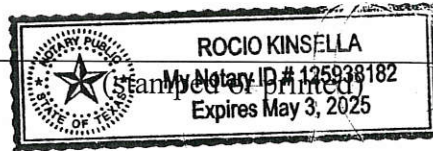
MAX BOOTHILLER

(Printed)

TITLE: VICE-PRESIDENT & SECRETARY

THUS DONE AND SIGNED in duplicate original before me this 19th day of January, 20 22, at Houston, Texas.

[Signature]
NOTARY PUBLIC (ID # 125938182)



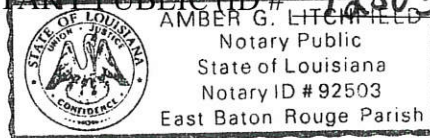
LOUISIANA DEPARTMENT OF
ENVIRONMENTAL QUALITY
Chuck Carr Brown, Ph.D., Secretary

BY: [Signature]
Alaina J. Caga, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 24th day of March, 20 22, at Baton Rouge, Louisiana.

[Signature]

NOTARY PUBLIC (ID # 92503)



(stamped or printed)

Approved: [Signature]
Lourdes Iturralde, Assistant Secretary

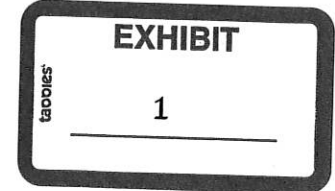
JOHN BEL EDWARDS
GOVERNOR



CHUCK CARR BROWN, Ph.D.
SECRETARY

State of Louisiana

DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE
September 11, 2018



CERTIFIED MAIL (7017 2400 0000 7557 4252)
RETURN RECEIPT REQUESTED

QES WIRELINE LLC
c/o Capitol Corporate Services, Inc.
Agent for Service of Process
8550 United Plaza Building II, Ste. 305
Baton Rouge, LA 70809

**RE: NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. RE-PP-18-00105
AGENCY INTEREST NOS. 2532 & 208456**

Dear Sir/Madam:

On or about October 5, 2017, a field inspection at Mosaic Fertilizer, LLC – Uncle Sam Plant (Agency Interest No. 2532), a temporary jobsite of reciprocity licensee **QES WIRELINE LLC (RESPONDENT)** (Agency Interest No. 208456), a well logging operation, was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Radiation Protection Regulations. The temporary jobsite is located at 7250 Highway 44 in Uncle Sam, St. James Parish, Louisiana.

While the investigation by the Louisiana Department of Environmental Quality (the Department) is not yet complete, the following violations were noted during the course of the inspection:

- A. The Respondent failed to comply with the terms and conditions of the licensing document by failing to establish a restricted area of not less than twenty (20) feet from other job site personnel working area, in violation of LAC 33:XV.320.A.2, Radioactive Material License L06620, and the Respondent's Operating and Emergency Procedures, Section 18.5.2. Specifically, the Respondent set up a restricted area boundary approximately twenty (20) feet in radius; however, at the time of the inspection, the operators of a cement truck were observed to be working within the restricted boundary, approximately ten (10) to twelve (12) feet from the Respondent's temporary jobsite. In correspondence received by the Department on or about April 11, 2018, the Respondent stated that all crews completed a radioactive materials refresher course on or about January 3, 2018. The course was taught again on March 26, 2018, with emphasis placed on procedures designed to achieve

occupational and public doses that are as low as is reasonably achievable (ALARA) and consequences for not following these procedures. Crews were given new "Caution, Radioactive Materials" signs and were advised to use them at all locations where radioactive material is utilized.

- B. The Respondent failed to comply with the terms and conditions of the licensing document by failing to use its survey meter with an open end gamma/beta probe to survey the transport vehicle, in violation of LAC 33:XV.320.A.2, Radioactive Material License L06620, and Respondent's Operating and Emergency Procedures, Section 22.1.2. Specifically, the Well Logging Supervisor, stated that he performed a radiation survey of his vehicle using a Ludlum Model 3 survey instrument, equipped with Model 44-6 end window GM probe, with the end window in the closed window configuration. The survey meter was not used with an open end gamma/beta probe as specified in Operating and Emergency Procedures, Section 22.1.2. In correspondence received by the Department on or about April 11, 2018, the Respondent stated that all crews completed a radioactive materials refresher course on March 26, 2018. The Well Logging Supervisor was retrained in proper use of the survey meter and was issued a certificate of completion and training.
- C. The Respondent failed to comply with the terms and conditions of the licensing document by failing to properly handle a vial containing radioactive material (RAM), in violation of LAC 33:XV.320.A.2, Radioactive Material License L06620, and Respondent's Operating and Emergency Procedures, Section 19.2.1.3.4. Specifically, the inspector noted an uncapped vial shield containing a vial with liquid I-131 residue in an outer compartment of the Respondent's vehicle. The vial was not recapped and placed back in the lead pig, covered, and secured in the transport container as specified in Operating and Emergency Procedures, Section 19.2.1.3.4. In correspondence received by the Department on or about April 11, 2018, the Respondent stated that all crews completed a radioactive materials refresher course on March 26, 2018, which included a review of the inspection findings, emphasis on the importance of rules, policies, and regulations, and the consequences of complacency when working with radioactive sources.
- D. The Respondent failed to comply with the terms and conditions of the licensing document by failing to properly dispose of remaining unused radioactive material upon completion of a tracer or tagging operation, in violation of LAC 33:XV.320.A.2, Radioactive Material License L06620, and Respondent's Operating and Emergency Procedures, Section 18.5.9. Specifically, the inspector noted the RAM label on the uncapped vial shield containing a vial with liquid I-131 residue was dated August 15, 2017. The I-131 residue was from a previous temporary job and had not been returned to the Respondent's facility for secure storage as specified in Operating and Emergency Procedures, Section 18.5.9. In correspondence received by the Department on or about April 11, 2018, the Respondent stated that all crews completed a radioactive materials refresher course on March 26, 2018, which included a review of the inspection findings, emphasis on the importance of rules, policies, and regulations, and the consequences of complacency when working with radioactive sources.
- E. The Respondent failed to comply with all applicable requirements of the U.S. DOT regulations in 49 CFR parts 107, 171-180, and 390-397, appropriate to the mode of

transport, in violation of LAC 33:XV.1504.B. Specifically, the ammunition box in which the Respondent's crew transported RAM was not blocked and braced to prevent shifting during transportation to the temporary job site. In correspondence received by the Department on or about April 11, 2018, the Respondent stated that all crews completed a radioactive materials refresher course on March 26, 2018. The training emphasized that transport containers must be secured during transportation. Additionally, a new bracket was added to the transport vehicle to allow blocking and securing of the radioactive materials transport container.

- F. The Respondent failed to comply with the terms and conditions of the licensing document by failing to classify as waste and place in a plastic bag for transport back to the licensed waste storage facility an absorbent napkin which came in contact with RAM, in violation of LAC 33:XV.320.A.2, Radioactive Material License L06620, and Respondent's Operating and Emergency Procedures, Section 18.5.5. Specifically, the Respondent's crew left a contaminated napkin on the ground which was surveyed to be approximately 20 mR/hr at the surface. The Well Logging Assistant subsequently disposed of the napkin in a plastic bag. In correspondence received by the Department on or about April 11, 2018, the Respondent stated that all crews completed a radioactive materials refresher course on March 26, 2018, which included a review of the inspection findings, emphasis on the importance of rules, policies, and regulations, and the consequences of complacency when working with radioactive sources.
- G. The Respondent failed to use, to the extent practicable, procedures and engineering controls based upon sound radiation protection principles to achieve occupational doses and public doses that are ALARA, in violation of LAC 33:XV.406.B. Specifically, the Respondent failed to implement controls to prevent the spread of radioactive Iodine vapor into the breathing zone. The inspector observed I-131 contaminated nitrile gloves and the aforementioned contaminated napkin stored in an unsealed RAM waste bag within the outer compartment of the transport vehicle. In correspondence received by the Department on or about April 11, 2018, the Respondent stated that all crews completed a radioactive materials refresher course with emphasis on ALARA procedures and consequences for not following such procedures on or about March 26, 2018.
- H. The Respondent failed to ensure that each container of licensed source of radiation bears a durable, clearly visible label bearing the radiation symbol and language to indicate that radioactive materials are enclosed, in violation of LAC 33:XV.453.A. Specifically, the trash bag used to store I-131 contaminated waste and the ammunition box used to transport liquid I-131 vials were not labeled to indicate that they contained RAM. Additionally, the vial shields contained within the ammunition box were not labeled as containing RAM. In correspondence received by the Department on or about April 11, 2018, the Respondent stated that all crews completed a radioactive materials refresher course on March 26, 2018, which included a review of the inspection findings, emphasis on the importance of rules, policies, and regulations, and the consequences of complacency when working with radioactive sources.
- I. The Respondent failed to comply with all applicable requirements of the U.S. DOT regulations in 49 CFR parts 107, 171-180, and 390-397, appropriate to the mode of

transport, in violation of LAC 33:XV.1504.B. Specifically, the ammunition box used for the storage of RAM was not properly labeled with Radioactive Yellow-II labels, as specified in 49 CFR part 172.438(a). In correspondence received by the Department on or about April 11, 2018, the Respondent stated that all crews completed a radioactive materials refresher course on March 26, 2018, which included a review of the inspection findings, emphasis on the importance of rules, policies, and regulations, and the consequences of complacency when working with radioactive sources.

- J. The Respondent failed to comply with all applicable requirements of the U.S. DOT regulations in 49 CFR parts 107, 171-180, and 390-397, appropriate to the mode of transport, in violation of LAC 33:XV.1504.B. Specifically, the ammunition box used for the storage of RAM was not properly marked on the outside "USA DOT 7A Type A", as specified in 49 CFR part 178.350(b). In correspondence received by the Department on or about April 11, 2018, the Respondent stated that all crews completed a radioactive materials refresher course on March 26, 2018, which included a review of the inspection findings, emphasis on the importance of rules, policies, and regulations, and the consequences of complacency when working with radioactive sources.
- K. The Respondent failed to comply with the terms and conditions of the licensing document by posting a copy of form RA-18 that was not signed by the well operator or well operator representative, in violation of LAC 33:XV.320.A.2, Radioactive Material License L06620, and Respondent's Operating and Emergency Procedures, Sections 16.1, 16.1.2, and 16.1.2.3. The posted RA-18 form was not signed, as specified in Operating and Emergency Procedures, Section 16.1.2. In correspondence received by the Department on or about April 11, 2018, the Respondent stated that all crews completed a radioactive materials refresher course on March 26, 2018, which included a review of the inspection findings, emphasis on the importance of rules, policies, and regulations, and the consequences of complacency when working with radioactive sources.

On or about June 7, 2018, a follow-up inspection was conducted at the same temporary jobsite of the Respondent. At the time of the follow-up inspection, the inspector noted the Respondent did not repeat any of the above eleven (11) violations cited during the October 5, 2017 inspection.

Pursuant to La. R.S. 30:2050.3(B), you are hereby notified that the issuance of a penalty assessment is being considered for the violation(s) described herein. Written comments may be filed regarding the violation(s) and the contemplated penalty. If you elect to submit comments, it is requested that they be submitted within ten (10) days of receipt of this notice.

Prior to the issuance of any additional appropriate enforcement action, you may request a meeting with the Department to present any mitigating circumstances concerning the violation(s). If you would like to have such a meeting, please contact Jennifer Boudreaux at (225) 219-3636 within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

The Department is required by La. R.S. 30:2025(E)(3)(a) to consider the gross revenues of the Respondent and the monetary benefits of noncompliance in order to determine whether a penalty will be

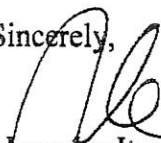
assessed and the amount of such penalty. Please forward the Respondent's most current annual gross revenue statement along with a statement of the monetary benefits of noncompliance for the cited violations to the above named contact person within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**. Include with your statement of monetary benefits the method(s) you utilized to arrive at the sum. If you assert that no monetary benefits have been gained, you are to fully justify this statement. If the Respondent chooses not to submit the requested most current annual gross revenues statement within ten (10) days, it will be viewed by the Department as an admission that the Respondent has the ability to pay the statutory maximum penalty as outlined in La. R.S. 30:2025.

For each violation described herein, the Department reserves the right to seek civil penalties and the right to seek compliance with its rules and regulations in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties and compliance.

The Department assesses civil penalties based on LAC 33:I.Subpart1.Chapter 7. To expedite closure of this **NOTICE OF POTENTIAL PENALTY**, the Respondent may offer a settlement amount to resolve any claim for civil penalties for the violation(s) described herein. The Respondent may offer a settlement amount, but the Department is under no obligation to enter into settlement negotiations. The decision to proceed with a settlement is at the discretion of the Department. The settlement offer amount may be entered on the attached "**NOTICE OF POTENTIAL PENALTY REQUEST TO SETTLE**" form. The Respondent must include a justification of the offer. **DO NOT** submit payment of the offer amount with the form. The Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.

To reduce document handling, please refer to the Enforcement Tracking Number and Agency Interest Number on the front of this document on all correspondence in response to this action.

Sincerely,



Lourdes Iturralde
Assistant Secretary
Office of Environmental Compliance

LI/JMB/jmb
Alt ID No. TX-L06620

c: **QES WIRELINE, LLC**
c/o Michael L. Smith, RSO
801 Cherry Street, Suite 800
Fort Worth, TX 76102

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

ENFORCEMENT DIVISION

POST OFFICE BOX 4312

BATON ROUGE, LOUISIANA 70821-4312

**NOTICE OF POTENTIAL PENALTY
REQUEST TO SETTLE (OPTIONAL)**



Enforcement Tracking No.	RE-PP-18-00105	Contact Name	Jennifer Boudreaux
Agency Interest (AI) No.	2532 & 208456	Contact Phone No.	(225) 219-3636
Alternate ID No.	TX-L06620		
Respondent:	QES WIRELINE, LLC	Facility Name:	Mosaic Fertilizer LLC – Uncle Sam Plant
	c/o Capitol Corporate Services, Inc. Agent for Service of Process	Physical Location:	7250 Highway 44
	8550 United Plaza Building II, Suite 305	City, State, Zip:	Uncle Sam, LA 70792
	Baton Rouge, LA 70809	Parish:	St. James

SETTLEMENT OFFER (OPTIONAL)

(check the applicable option)

The Respondent is not interested in entering into settlement negotiations with the Department with the understanding that the Department has the right to assess civil penalties based on LAC 33:1.Subpart1.Chapter7.

In order to resolve any claim for civil penalties for the violations in **NOTICE OF POTENTIAL PENALTY (RE-PP-18-00105)**, the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures.

In order to resolve any claim for civil penalties for the violations in **NOTICE OF POTENTIAL PENALTY (RE-PP-18-00105)**, the Respondent is interested in entering into settlement negotiations with the Department and offers to pay \$ _____ which shall include LDEQ enforcement costs and any monetary benefit of non-compliance.

- Monetary component = \$ _____
- Beneficial Environmental Project (BEP) component (optional)= \$ _____
- **DO NOT SUBMIT PAYMENT OF THE OFFER WITH THIS FORM- the Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.**

The Respondent has reviewed the violations noted in **NOTICE OF POTENTIAL PENALTY (RE-PP-18-00105)** and has attached a justification of its offer and a description of any BEPs if included in settlement offer.

CERTIFICATION STATEMENT

I certify, under provisions in Louisiana and United States law that provide criminal penalties for false statements, that based on information and belief formed after reasonable inquiry, the statements and information attached and the compliance statement above, are true, accurate, and complete. I also certify that I do not owe outstanding fees or penalties to the Department for this facility or any other facility I own or operate. I further certify that I am either the Respondent or an authorized representative of the Respondent.

Respondent's Signature	Respondent's Printed Name	Respondent's Title
Respondent's Physical Address	Respondent's Phone #	Date

MAIL COMPLETED DOCUMENT TO THE ADDRESS BELOW:

Louisiana Department of Environmental Quality
Office of Environmental Compliance
Enforcement Division
P.O. Box 4312
Baton Rouge, LA 70821
Attn: Jennifer Boudreaux