

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

NATIONAL OILWELL VARCO, L.P.

AI # 17632, 4832

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

* **Settlement Tracking No.**
* **SA-AE-20-0044**
*
* **Enforcement Tracking Nos.**
* **AE-CN-14-00075**
* **AE-CN-18-00752**
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SETTLEMENT AGREEMENT

The following Settlement Agreement is hereby agreed to between National Oilwell Varco, L.P. (“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 partnership that owns and/or operates facilities located in Amelia, Assumption Parish, Louisiana (“the Facilities”).

II

On February 23, 2015, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement Tracking No. AE-CN-14-00075 (Exhibit 1).

On December 20, 2019, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement Tracking No. AE-CN-18-00752 (Exhibit 2).

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 TWO HUNDRED FIFTY-TWO THOUSAND AND NO/100 DOLLARS (\$252,000.00), of which Four Thousand Twenty-Four and 23/100 Dollars (\$4,024.23) represents the Department's enforcement costs, in settlement of the claims set forth in this Settlement 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), permit record(s), the Consolidated Compliance Orders & Notices of Potential Penalty and this Settlement Agreement 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 Settlement 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 Settlement Agreement in any action by the Department to enforce this Settlement Agreement.

VII

This Settlement Agreement 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 Agreement, 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 Assumption Parish, Louisiana. The advertisement, in form and wording approved by the Department, announced the availability of this Settlement Agreement 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 Agreement 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 Settlement 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 attached hereto.

XI

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

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.

NATIONAL OILWELL VARCO, L.P.

BY: _____
(Signature)

(Printed)

TITLE: _____

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20 _____, at _____.

NOTARY PUBLIC (ID # _____)

(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Roger W. Gingles, Secretary

BY: _____
Celena J. Cage, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20 _____, at Baton Rouge, Louisiana.

NOTARY PUBLIC (ID # _____)

(stamped or printed)

Approved:  _____
Celena J. Cage, Assistant Secretary



BOBBY JINDAL
GOVERNOR

PEGGY M. HATCH
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

February 23, 2015

CERTIFIED MAIL (7005 1820 0002 2361 5873)
RETURN RECEIPT REQUESTED

NATIONAL OILWELL VARCO, L.P.
c/o C T Corporation System
Agent for Service of Process
5615 Corporate Blvd, Suite 400B
Baton Rouge, LA 70808

**RE: CONSOLIDATED COMPLIANCE ORDER
& NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-CN-14-00075
AGENCY INTEREST NO. 17632**

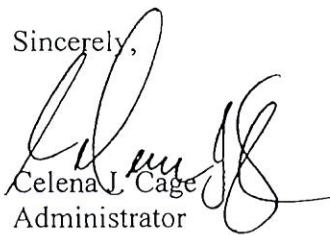
Dear Sir:

Pursuant to the Louisiana Environmental Quality Act (La. R.S. 30:2001, et seq.), the attached **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is hereby served on **NATIONAL OILWELL VARCO, L.P. (RESPONDENT)** for the violations described therein.

Compliance is expected within the maximum time period established by each part of the **COMPLIANCE ORDER**. The violations cited in the **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** could result in the issuance of a civil penalty or other appropriate legal actions.

Any questions concerning this action should be directed to Antoinette Cobb at (225) 219-3072.

Sincerely,


Celena J. Cage
Administrator
Enforcement Division

CJC/AFC/afc
Alt ID No. 0200-00019
Attachment



c: National Oilwell Varco, L.P.
c/o Mr. Edgard Ochoa, HSE Manager
P.O. Box 1349
Amelia, LA 70341

**STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE**

| | | |
|--|--|---|
| <p>IN THE MATTER OF</p> <p>NATIONAL OILWELL VARCO, L.P. ASSUMPTION PARISH ALT ID NO. 0200-00019</p> <p>PROCEEDINGS UNDER THE LOUISIANA ENVIRONMENTAL QUALITY ACT, La. R.S. 30:2001, ET SEQ.</p> | <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> | <p>ENFORCEMENT TRACKING NO.</p> <p style="text-align: center;">AE-CN-14-00075</p> <p>AGENCY INTEREST NO.</p> <p style="text-align: center;">17632</p> |
|--|--|---|

CONSOLIDATED
COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY

The following **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is issued to **NATIONAL OILWELL VARCO, L.P. (RESPONDENT)** by the Louisiana Department of Environmental Quality (the Department), under the authority granted by the Louisiana Environmental Quality Act (the Act), La. R.S. 30:2001, et seq., and particularly by La. R.S. 30:2025(C), 30:2050.2 and 30:2050.3(B).

FINDINGS OF FACT

I.

The Respondent owns and/or operates Amelia South Coating Plant (facility), a pipe coating facility, located at 2112 Louisiana Highway 662 North in Amelia, Assumption Parish, Louisiana. The facility operates or has operated under the authority of the following Title V Permits:

| Title V Permit | Effective Date | Effective Expiration Date |
|----------------|----------------|---------------------------|
| 0200-00019-V3 | 01/25/13 | 06/01/16 |
| 0200-00019-V2 | 06/01/11 | 01/24/13 |
| 0200-00019-V1 | 12/29/06 | 05/31/11 |

In Title V Permit No. 0200-0019-V2, 40 CFR 63.11173(f) is applicable to EQT 0041 8B-93 Custom Area Fugitives. Specific Requirement 156 of the aforementioned permit states the facility has to ensure all painters have certified that they have completed training in the proper spray application methods and associated setup and maintenance. Title V Permit No. 0200-00019-V3 eliminated the use of all liquid spray coatings that contain chromium compounds. Eliminating the use of spray coating containing chromium compounds made the facility exempt from 40 CFR 63.111739(e)(1) Subpart HHHHHH.

II.

On or about June 21, 2012, March 5, 2014, and March 11, 2014, Full Compliance Evaluation Inspections were conducted at the facility. On or about January 22, 2014, June 20, 2014, and January 14, 2015, file reviews of the Respondent's records were conducted. The inspections and file reviews were to determine the degree of compliance with the Act, the Air Quality Regulations, and all applicable permits. While the Department's investigation is not complete, the following violations found in paragraphs III-VII of the Findings of Fact portion of this enforcement action were noted during the course of the inspections and subsequent file reviews.

III.

The Respondent reported the following deviations from permitted operating parameters:

| | REPORT (date) | PERMIT NUMBER | EMISSION POINT | INCIDENT DATE (duration) | OPERATING PARAMETER | POLLUTANTS INVOLVED | REPORTED CAUSE | REGULATORY OF PERMIT REQUIREMENTS |
|----|--|---------------|-----------------------------------|--------------------------------|---|---------------------|--|---|
| A. | 2011 2 nd Semiannual Monitoring Report (03/31/12) | 0200-00019-V2 | CRG 0004 CTNG-RTO EQT 0049 RTO | 07/01/11-12/31/11 (3792 hours) | Determine the effectiveness of the capture system | VOC | The effectiveness of the capture points and RTO have not been determined or tested | Specific Requirements 53, 54, 176, 178, 180 LAC 33:III.2123 |
| | 2012 1 st Semiannual Monitoring Report (09/30/12) | 0200-00019-V2 | | 01/01/12-06/30/12 (4368 hours) | | | | |
| | 2012 2 nd Semiannual Monitoring Report (03/28/13) | 0200-00019-V2 | | 07/01/12-12/31/12 (2520 hours) | | | | |
| | 2013 1 st Semiannual Monitoring Report (09/30/13) | 0200-00019-V3 | | 01/01/13-06/30/13 (2520 hours) | | | | |
| | 2013 2 nd Semiannual Monitoring Report (03/31/14) | 0200-00019-V3 | | 07/01/13-12/31/13 (2520 hours) | | | | Specific Requirements 52, 53, 143, 146, 150 LAC 33:III.2123 |

| | REPORT (date) | PERMIT NUMBER | EMISSION POINT | INCIDENT DATE (duration) | OPERATING PARAMETER | POLLUTANTS INVOLVED | REPORTED CAUSE | REGULATORY OR PERMIT REQUIREMENTS |
|----|--|---------------|--------------------------------------|--|---|---------------------|--|--|
| | 2014 1 st Semiannual Monitoring Report (09/29/14) | 0200-00019-V3 | CRG 0004 CTNG-RTO EQT 0049 RTO | 01/01/14-06/30/14 (2520 hours) | Determine the effectiveness of the capture system | VOC | The effectiveness of the capture points and RTO have not been determined or tested | Specific Requirements 52, 53, 143, 146, 150 LAC 33:III.2123 |
| B. | 2012 1 st Semiannual Monitoring Report (09/30/12) | 0200-00019-V2 | CRG 0004 CTNG-RTO | 01/01/12-06/30/12 (4368 hours) | Install, properly operate, and/or maintain all proposed control measures and/or equipment | VOC | Emission capturing equipment not operated or maintained properly | LAC 33:III.905 |
| C. | 2011 2 nd Semiannual Monitoring Report (03/31/12) | 0200-00019-V2 | EQT 0041 8B-93 Custom Area Fugitives | 07/01/11-12/31/11 (1598 hours) | 80 % or greater control efficiency for VOC; Route emissions from the area to the regenerative thermal oxidizer(RTO) | VOC | The custom area is currently not controlled by the RTO | Specific Requirements 162, 164, LAC 33:III.2123.D.1 |
| | 2012 1 st Semiannual Monitoring Report (09/30/12) | 0200-00019-V2 | | 01/01/12-06/30/12 (4368 hours) | | | | |
| | 2012 2 nd Semiannual Monitoring Report (03/28/13) | 0200-00019-V2 | | 07/01/12-12/31/12 (2520 hours) | | | | |
| | 2013 1 st Semiannual Monitoring Report (09/30/13) | 0200-00019-V3 | | 01/01/13-06/30/13 (2520 hours) | | | | |
| | 2013 2 nd Semiannual Monitoring Report (03/31/14) | 0200-00019-V3 | | 07/01/13-12/31/13 (2520 hours) | | | | |
| | 2014 1 st Semiannual Monitoring Report (09/29/14) | 0200-00019-V3 | | 01/01/14-06/30/14 (2520 hours) | | | | Specific Requirements 130, 132 LAC 33:III.2123.D.1 |
| D. | 2011 2 nd Semiannual Monitoring Report (03/31/12) | 0200-00019-V2 | EQT 0042 8C-93 Custom Spray Lance | 07/01/11-12/31/11 (Not operated in 2011) | 80 % or greater control efficiency for VOC; Route emissions from the area to the RTO | VOC | The custom area is currently not controlled by the RTO | Specific Requirements 165, 167 LAC 33:III.2123.D.1 |
| | 2012 1 st Semiannual Monitoring Report (09/30/12) | 0200-00019-V2 | | 01/01/12-06/30/12 (4368 hours) | | | | |
| | 2012 2 nd Semiannual Monitoring Report (03/28/13) | 0200-00019-V2 | | 07/01/12-12/31/12 (2520 hours) | | | | |

| | REPORT (date) | PERMIT NUMBER | EMISSION POINT | INCIDENT DATE (duration) | OPERATING PARAMETER | POLLUTANTS INVOLVED | REPORTED CAUSE | REGULATORY or PERMIT REQUIREMENTS |
|----|--|---------------|--|--------------------------------|--|---------------------|--|---|
| | 2013 1 st Semiannual Monitoring Report (09/30/13) | 0200-00019-V3 | EQT 0042 8C-93 Custom Spray Lance | 01/01/13-06/30/13 (2520 hours) | 80 % or greater control efficiency for VOC; Route emissions from the area to the RTO | VOC | The custom area is currently not controlled by the RTO | Specific Requirements 133, 135 LAC 33:III.2123.D.1 |
| | 2013 2 nd Semiannual Monitoring Report (03/31/14) | 0200-00019-V3 | | 07/01/13-12/31/13 (2520 hours) | | | | |
| | 2014 1 st Semiannual Monitoring Report (09/29/14) | 0200-00019-V3 | | 01/01/14-06/30/14 (2520 hours) | | | | |
| E. | 2011 2 nd Semiannual Monitoring Report (03/31/12) | 0200-00019-V2 | Entire facility 8B-93 NOVASU | 07/01/11-12/31/11 (3792 hours) | 40 CFR Subpart HHHHHH: Liquid spray coatings contain Chromium compounds | HAPs | Tuboscope eliminated use of coatings that triggered applicability, but the change has not been reflected in the permit | Specific Requirements 157, 236, 248 |
| | 2012 1 st Semiannual Monitoring Report (09/30/12) | | | 01/01/12-06/30/12 (4368 hours) | | | | |
| F. | 2011 2 nd Semiannual Monitoring Report (03/31/12) | 0200-00019-V2 | EQT 0014 25-97 Solvent Thread Cleaning | 07/01/11-07/31/11 (55 hours) | Emissions limits to be kept below permitted level | VOC | The amount of recovered solvent not properly accounted for in calculation | Specific Requirement 221 |

Each failure to operate according to permitted requirements is a violation of any applicable permit and associated requirement(s) listed above, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

IV.

The Respondent reported the following annual emission exceedances:

| REPORT (date) | PERMIT NUMBER | EMISSION POINT | INCIDENT DATE (duration) | POLLUTANT(S) | PERMITTED EMISSION LIMIT (tpy) | QUANTITY REPORTED (tpy) | REGULATORY or PERMIT REQUIREMENTS |
|--|---------------|----------------------|--------------------------------|------------------|--------------------------------|-------------------------|-----------------------------------|
| 2012 2 nd Semiannual Monitoring Report (03/28/13) | 0200-00019-V2 | Blast Cap (GRP 0003) | 07/01/12-12/31/12 (2520 hours) | PM ₁₀ | 5.65 | 5.92 | Specific Requirement 273 |

This emission exceedance is a violation of any applicable permit and associated requirement(s) listed above, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and 30:2057(A)(2).

V.

The Respondent reported the following hourly emission exceedances:

| | REPORT (date) | PERMIT NUMBER | EMISSION POINT | INCIDENT DATE (duration) | POLLUTANT(S) | PERMITTED EMISSION LIMIT (max lb/hr) | ACTUAL EMISSION RATE (lb/hr) | REPORTED CAUSE |
|----|--|---------------|---|-------------------------------|--------------|--------------------------------------|------------------------------|--|
| A. | 2009 2 nd Semiannual Monitoring Report (03/31/10) | 0200-00019-V1 | EQT 0041 8B-93 Custom Area Fugitives | 07/01/09-07/31/09 (199 hours) | MEK | 0.96 | 1.35 | Use of material with higher component compositions |
| | | | | | Toluene | 0.08 | 0.09 | |
| B. | 2009 2 nd Semiannual Monitoring Report (03/31/10) | 0200-00019-V1 | EQT 0041 8B-93 Custom Area Fugitives | 11/01/09-11/30/09 (179 hours) | MEK | 0.96 | 1.03 | Use of material with higher component compositions |
| | | | | | Toluene | 0.08 | 0.60 | |
| C. | 2010 2 nd Semiannual Monitoring Report (03/31/11) | 0200-00019-V1 | EQT 0041 8B-93 Custom Area Fugitives | 07/01/10-07/31/10 (74 hours) | MEK | 0.96 | 1.08 | Use of material with higher component compositions |
| | | | | | MIBK | 0.42 | 0.86 | |
| | | | | | Toluene | 0.08 | 1.54 | |
| D. | 2010 2 nd Semiannual Monitoring Report (03/31/11) | 0200-00019-V1 | EQT 0041 8B-93 Custom Area Fugitives | 09/01/10-12/31/10 (58 hours) | Xylene | 0.40 | 0.43 | Use of material with higher component compositions |
| E. | 2010 2 nd Semiannual Monitoring Report (03/31/11) | 0200-00019-V1 | EQT 0041 8B-93 Custom Area Fugitives | 09/01/10-12/31/10 (116 hours) | Ethylbenzene | 0.03 | 0.05 | Use of material with higher component compositions |
| F. | 2010 2 nd Semiannual Monitoring Report (03/31/11) | 0200-00019-V1 | EQT 0041 8B-93 Custom Area Fugitives | 09/01/10-12/31/10 (475 hours) | MEK | 0.96 | 3.10 | Use of material with higher component compositions |
| | | | | | MIBK | 0.42 | 2.75 | |
| | | | | | Formaldehyde | 0.04 | 0.19 | |
| | | | | | Phenol | 0.04 | 0.19 | |
| F. | 2010 2 nd Semiannual Monitoring Report (03/31/11) | 0200-00019-V1 | EQT 0041 8B-93 Custom Area Fugitives | 09/01/10-12/31/10 (475 hours) | Toluene | 0.08 | 3.51 | Use of material with higher component compositions |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| G. | 2010 2 nd Semiannual Monitoring Report (03/31/11) | 0200-00019-V1 | EQT 0041 8B-93 Custom Area Fugitives | 09/01/10-12/31/10 (337 hours) | n-butanol | 0.17 | 0.36 | Use of material with higher component compositions |
| H. | 2010 2 nd Semiannual Monitoring Report (03/31/11) | 0200-00019-V1 | EQT 0041 8B-93 Custom Area Fugitives | 09/01/10-12/31/10 (116 hours) | Methanol | 0.04 | 0.07 | Use of material with higher component compositions |
| I. | 2010 2 nd Semiannual Monitoring Report (03/31/11) | 0200-00019-V1 | EQT 0042 8C-93 Custom Prime Spray Lance | 09/01/10-09/30/10 (63 hours) | MEK | 0.05 | 0.08 | Use of material with higher component compositions |

| | REPORT (date) | PERMIT NUMBER | EMISSION POINT | INCIDENT DATE (duration) | POLLUTANT(S) | PERMITTED EMISSION LIMIT (max lb/hr) | ACTUAL EMISSION RATE(lb/hr) | REPORTED CAUSE |
|----|--|--------------------------------|---|-------------------------------|-------------------------|--------------------------------------|-----------------------------|--|
| J. | 2010 2 nd Semiannual Monitoring Report (03/31/11) | 0200-00019-V1 | EQT 0002 13-93 Prime Coating Lance | 11/01/10-12/31/10 (316 hours) | n-butanol | 1.36 | 1.48 | Use of material with higher component compositions |
| K. | 2011 1 st Semiannual Monitoring Report (09/30/11) | 0200-00019-V1 | EQT 0035 5-82 Top Coat | 01/01/11-04/30/11 | VOC (697 hours) | 9.26 | 11.06 | Use of material with higher component compositions |
| | | | | | MIBK(406 hours) | 1.47 | 2.50 | |
| | | | | | n-butanol (619 hours) | 0.65 | 1.76 | |
| | | | | | Phenol (441 hours) | 0.35 | 0.59 | |
| | | | | | Toluene (256 hours) | 2.20 | 2.50 | |
| L. | 2011 1 st Semiannual Monitoring Report (09/30/11) | 0200-00019-V1 | EQT 0041 8B-93 Custom Area Fugitives | 01/01/11-05/31/11 | Ethylbenzene (35 hours) | 0.03 | 0.06 | Use of material with higher component compositions |
| | | | | | Formaldehyde (35 hours) | 0.04 | 1.16 | |
| | | | | | Methanol (35 hours) | 0.04 | 1.16 | |
| | | | | | n-butanol (35 hours) | 0.17 | 3.57 | |
| | | | | | Phenol (35 hours) | 0.04 | 1.16 | |
| | | | | | Xylene (35 hours) | 0.40 | 0.43 | |
| | | | | | MEK (521 hours) | 0.96 | 1.21 | |
| | | | | | Toluene (585 hours) | 0.08 | 0.11 | |
| M. | 2011 1 st Semiannual Monitoring Report (09/30/11) | 0200-00019-V1 0200-00019-V2 | EQT 0014 25-97 Solvent Thread Cleaning | 01/01/11-06/30/11 (384 hours) | VOC | 3.55 | 7.90 | Use of material with higher component compositions |

Each emission exceedance is a violation of any applicable permit and associated requirement(s) listed above, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and 30:2057(A)(2).

VI.

The Respondent reported the following training deviations:

| REPORT (date) | PERMIT NUMBER | EMISSION POINT | INCIDENT DATE (duration) | TRAINING REQUIREMENT | POLLUTANTS RELEASED | REPORTED CAUSE | REGULATORY or PERMIT REQUIREMENTS |
|--|---------------|---|--------------------------------|--|---------------------|---|---|
| 2011 2 nd Semiannual Monitoring Report (03/31/12) | 0200-00019-V2 | EQT 0041 8B-93 Custom Area Fugitives | 07/01/11-12/31/11 (1598 hours) | Ensure all painters have certified they have completed proper training | VOC | All painters in the custom area are not certified | 40 CFR 63.11173(f) Specific Requirement 156 |
| 2012 1 st Semiannual Monitoring Report (09/30/12) | | | 01/01/12-06/30/12 (4368 hours) | | | | |
| 2012 2 nd Semiannual Monitoring Report (03/28/13) | | | 07/01/12-12/31/12 (2520 hours) | | | | |
| 2013 1 st Semiannual Monitoring Report (09/30/13) | | | 01/01/13-01/24/13 | | | | |

Each failure to ensure painters received the proper training is a violation of any applicable and associated requirement(s) listed above, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1).

VII.

The Respondent failed to meet the following reporting requirements:

| | REPORT (date) | PERMIT NUMBER | REPORTING REQUIREMENT | DUE DATE | SUBMITAL DATE | REGULATORY or PERMIT REQUIREMENTS |
|----|--|---------------|--|--|--|--|
| A. | 2010 2 nd Semiannual Monitoring Report 03/31/11 | 0200-00019-V1 | Excess emissions to be reported on a quarterly basis | December 31, 2010 March 31, 2011 June 30, 2011 | Reports not submitted for the 10/01/10-03/31/11 period | Specific Requirement 284 LAC 33:III.501.C.4 La. R.S. 30:2057(A)(2) |
| B. | 2012 1 st Semiannual Monitoring Report | 0200-00019-V2 | Report due annually by September 30 for the preceding period encompassing January through July | September 30, 2012 | Postmarked October 1, 2012 | Specific Requirement 273 LAC 33:III.501.C.4 |

Each failure to meet reporting requirements is a violation of applicable permit and associated requirement(s) listed above, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

COMPLIANCE ORDER

Based on the foregoing, the Respondent is **hereby ordered**:

I.

To take, immediately upon receipt of this **COMPLIANCE ORDER**, any and all steps necessary to meet and maintain compliance with the Air Regulations, including but not limited to Title V Air Permit No. 0200-00019-V3.

II.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, the quarterly excess emissions reports for the October 1, 2010 to March 31, 2011 reporting period.

III.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a detailed schedule outlining when the emissions from EQT0041 8B-93 Custom Area Fugitives and EQT 0042 8C-93 Custom Spray Lance will be controlled by EQT 0049 Regenerative Thermal Oxidizer.

IV.

To immediately implement and adhere to the plan described in Paragraph III of this **COMPLIANCE ORDER** once approved by the Department.

V.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a written report that includes a detailed description of the circumstances surrounding the cited violations and actions taken or to be taken to achieve compliance with the Order Portion of this **COMPLIANCE ORDER**. This report and all other reports or information required to be submitted to the Enforcement Division by this **COMPLIANCE ORDER** shall be submitted to:

Office of Environmental Compliance
Post Office Box 4312
Baton Rouge, Louisiana 70821-4312
Attn: Antoinette Cobb
Re: Enforcement Tracking No. AE-CN-14-00075
Agency Interest No. 17632

THE RESPONDENT SHALL FURTHER BE ON NOTICE THAT:

I.

The Respondent has a right to an adjudicatory hearing on a disputed issue of material fact or of law arising from this **COMPLIANCE ORDER**. This right may be exercised by filing a written request with the Secretary no later than thirty (30) days after receipt of this **COMPLIANCE ORDER**.

II.

The request for an adjudicatory hearing shall specify the provisions of the **COMPLIANCE ORDER** on which the hearing is requested and shall briefly describe the basis for the request. This request should reference the Enforcement Tracking Number and Agency Interest Number, which are located in the upper right-hand corner of the first page of this document and should be directed to the following:

Department of Environmental Quality
Office of the Secretary
Post Office Box 4302
Baton Rouge, Louisiana 70821-4302
Attn: Hearings Clerk, Legal Division
Re: Enforcement Tracking No. AE-CN-14-00075
Agency Interest No. 17632

III.

Upon the Respondent's timely filing a request for a hearing, a hearing on the disputed issue of material fact or of law regarding this **COMPLIANCE ORDER** may be scheduled by the Secretary of the Department. The hearing shall be governed by the Act, the Administrative Procedure Act (La. R.S. 49:950, et seq.), and the Department's Rules of Procedure. The Department may amend or supplement this **COMPLIANCE ORDER** prior to the hearing, after providing sufficient notice and an opportunity for the preparation of a defense for the hearing.

IV.

This **COMPLIANCE ORDER** shall become a final enforcement action unless the request for hearing is timely filed. Failure to timely request a hearing constitutes a waiver of the Respondent's right to a hearing on a disputed issue of material fact or of law under Section 2050.4 of the Act for the violation(s) described herein.

V.

The Respondent's failure to request a hearing or to file an appeal or the Respondent's withdrawal of a request for hearing on this **COMPLIANCE ORDER** shall not preclude the Respondent from

contesting the findings of facts in any subsequent penalty action addressing the same violation(s), although the Respondent is estopped from objecting to this **COMPLIANCE ORDER** becoming a permanent part of its compliance history.

VI.

Civil penalties of not more than twenty-seven thousand five hundred dollars (\$27,500) for each day of violation for the violation(s) described herein may be assessed. For violations which occurred on August 15, 2004, or after, civil penalties of not more than thirty-two thousand five hundred dollars (\$32,500) may be assessed for each day of violation. The Respondent's failure or refusal to comply with this **COMPLIANCE ORDER** and the provisions herein will subject the Respondent to possible enforcement procedures under La. R.S. 30:2025, which could result in the assessment of a civil penalty in an amount of not more than fifty thousand dollars (\$50,000) for each day of continued violation or noncompliance.

VII.

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

NOTICE OF POTENTIAL PENALTY

I.

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.

II.

Prior to the issuance of additional appropriate enforcement action(s), 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 Antoinette Cobb at (225) 219-3072 within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

III.

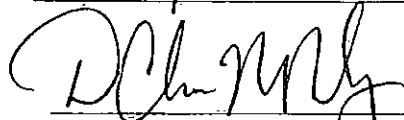
The Department is required by La. R.S. 30:2025(E)(3)(a) to consider the gross revenues of the Respondent and the monetary benefits of noncompliance to determine whether a penalty will be assessed and the amount of such penalty. Please forward the Respondent's most current annual gross

revenue statement along with a statement of the monetary benefits of noncompliance for the cited violation(s) 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 that statement.

IV.

This **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is effective upon receipt.

Baton Rouge, Louisiana, this 13 day of February, 2015.



D. Chance McNeely
Assistant Secretary
Office of Environmental Compliance

Copies of a request for a hearing and/or related correspondence should be sent to:

Louisiana Department of Environmental Quality
Office of Environmental Compliance
Enforcement Division
P.O. Box 4312
Baton Rouge, LA 70821-4312
Attention: Antoinette Cobb



JOHN BEL EDWARDS
GOVERNOR

CHUCK CARR BROWN, PH.D.
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

December 20, 2019

CERTIFIED MAIL (7012 2210 0001 1915 8718)
RETURN RECEIPT REQUESTED

NATIONAL OILWELL VARCO, L.P.
c/o C T Corporation System
Agent for Service of Process
3867 Plaza Tower Drive
Baton Rouge, LA 70816

**RE: CONSOLIDATED COMPLIANCE ORDER
& NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-CN-18-00752
AGENCY INTEREST NOS. 4832 & 17632**

Dear Sir/Madam:

Pursuant to the Louisiana Environmental Quality Act (La. R.S. 30:2001, et seq.), the attached **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is hereby served on **NATIONAL OILWELL VARCO, L.P. (RESPONDENT)** for the violation(s) described therein.

Compliance is expected within the maximum time period established by each part of the **COMPLIANCE ORDER**. The violation(s) cited in the **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** could result in the issuance of a civil penalty or other appropriate legal actions.

Any questions concerning this action should be directed to Antoinette Cobb at (225) 219-3072 or via email at antoinette.cobb@la.gov.

Sincerely,

Celena J. Cage
Administrator
Enforcement Division

CJC/AFC/afc
Alt ID Nos. 0200-00019 & 0200-00027
Attachment



c: National Oilwell Varco, L.P.
c/o Guillermo Flores, Environmental Manager
P.O. Box 1349
Amelia, LA 70340

**STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE**

| | | |
|---|---|---------------------------------|
| IN THE MATTER OF | * | |
| | * | |
| NATIONAL OILWELL VARCO, L.P. ASSUMPTION PARISH ALT ID NOS. 0200-00019, 0200-00027 | * | ENFORCEMENT TRACKING NO. |
| | * | |
| | * | AE-CN-18-00752 |
| | * | |
| PROCEEDINGS UNDER THE LOUISIANA ENVIRONMENTAL QUALITY ACT, La. R.S. 30:2001, ET SEQ. | * | AGENCY INTEREST NOS. |
| | * | |
| | * | 4832 & 17632 |

**CONSOLIDATED
COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY**

The following **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is issued to **NATIONAL OILWELL VARCO, L.P. (RESPONDENT)** by the Louisiana Department of Environmental Quality (the Department), under the authority granted by the Louisiana Environmental Quality Act (the Act), La. R.S. 30:2001, et seq., and particularly by La. R.S. 30:2025(C), 30:2050.2 and 30:2050.3(B).

FINDINGS OF FACT

I.

The Respondent owns and/or operates the Amelia North Coating Plant [Agency Interest No. 4832] (the Facility), a specialty coating facility, located at 1844 Louisiana Highway 662 in Amelia, Assumption Parish, Louisiana. The Facility operates or has operated under the authority of the following Title V Air Permits:

| PERMIT NO. | ISS. DATE | PERMIT EXPIRATION DATE |
|---------------|------------|------------------------|
| 0200-00027-V4 | 04/12/2019 | 04/12/2024 |
| 0200-00027-V3 | 06/25/2014 | 06/25/2019 |

II.

On or about January 30, 2018, and February 7, 2018, the Department conducted a Full Compliance Evaluation (FCE) Inspection. The Department issued a Warning Letter, Enforcement Tracking No. AE-L-18-00752 dated October 4, 2018, to inform the Respondent of the areas of concern noted during the FCE Inspection. The Respondent submitted a response to the Warning Letter dated November 1, 2018, and an updated response dated June 17, 2019. According to the responses, there are both operational and technical factors affecting demonstration of the capture system effectiveness. Additional testing and implementing preventative measures, e.g. replacement of the curtains on the primer and topcoat ovens to provide better closure of the oven doors, are ongoing. The Respondent will notify the Department of the official demonstration testing date. On or about September 9, 2019, a subsequent file review was conducted. The FCE Inspection and file review were conducted to determine the Respondent's degree of compliance with the Act, the Air Quality Regulations, and all applicable permits. While the investigation and/or review is not complete, the Department noted the violations found in Paragraph III of the Findings of Fact portion of this enforcement action.

III.

The Respondent reported the following violations of permitted operating parameters:

| Case No. | Permit No. | Section | Violation | Start Date | End Date | Hours | Notes | Reference |
|----------|---------------|---------------------------------|--|-----------------------|------------|---------------|--|---|
| A. | 0200-00027-V3 | ARE 0006 General Solvent Use | 2016 1 st Semiannual Monitoring Report (09/26/2016) | 01/01/2016-06/30/2016 | 06/30/2016 | (3816 hours) | Equipment/operational data recordkeeping by electronic | LAC 33:III.2123.F, Specific Requirement 2 |
| | | | 2016 2 nd Semiannual Monitoring Report- Revised (08/01/2018) | 07/01/2016-12/31/2016 | 12/31/2016 | (3816 hours) | | |
| | | | 2017 1 st Semiannual Monitoring Report- Resubmission (08/01/2018) | 01/01/2017-06/30/2017 | 06/30/2017 | (3816 hours) | | |
| | | | 2017 2 nd Semiannual Monitoring Report (03/22/2018) | 07/01/2017-12/31/2017 | 12/31/2017 | (3,816 hours) | | |
| | | | 2018 1 st Semiannual Monitoring Report (09/24/2018) | 01/01/2018-06/30/2018 | 06/30/2018 | (3816 hours) | | |
| | | | 2018 2 nd Semiannual Monitoring Report (03/28/2019) | 07/01/2018-12/31/2018 | 12/31/2018 | (3816 hours) | | |

| | | | | | | | |
|----|--|-------------------|--|--|---|--|---|
| B. | 2016 1 st Semiannual Monitoring Report (09/26/2016) | 0200-00027- V3 | ARE 0006 General Solvent Use | 01/01/2016- 06/30/2016 (3816 hours) | Comply with the requirements of LAC 33:III.2123 as soon as practicable, but in no event later than one year from the promulgation of the regulation revision, if subject to LAC 33:III.2123 as a result of a revision of LAC 33:III.2123 | Due to customer demands, the plant does not operate with sustained liquid coating operations. Most production has been in powder coating lines and liquid line operation has been very limited and sporadic, again due to economic conditions | LAC 33:III.2123.1 Specific Requirement 3 |
| | 2016 2 nd Semiannual Monitoring Report- Revised (08/01/2018) | | | 07/01/2016- 12/31/2016 (3816 hours) | | | |
| | 2017 1 st Semiannual Monitoring Report- Resubmission (08/01/2018) | | | 01/01/2017- 06/30/2017 (3816 hours) | | | |
| | 2017 2 nd Semiannual Monitoring Report (03/22/2018) | | | 07/01/2017- 12/31/2017 (3,816 hours) | | | |
| | 2018 1 st Semiannual Monitoring Report (09/24/2018) | | | 01/01/2018- 06/30/2018 (3816 hours) | | | |
| | 2018 2 nd Semiannual Monitoring Report (03/28/2019) | | | 07/01/2018- 12/31/2018 (3816 hours) | | | |
| C. | 2016 1 st Semiannual Monitoring Report (09/26/2016) | 0200-00027- V3 | CRG 0006 ARE 0001- 0003 Liquid Coating Stations #1- #3 | 01/01/2016- 06/30/2016 (3,816 hours) | Determine the effectiveness of the capture system using the procedures specified in LAC 33:III.2123.E.6 | Due to customer demands, the plant does not operate with sustained liquid coating operations. Most production has been in powder coating lines and liquid line operation has been very limited and sporadic, again due to economic conditions | LAC 33:III.2123.D.1, Specific Requirement 48 |
| | 2016 2 nd Semiannual Monitoring Report- Revised (08/01/2018) | | | 07/01/2016- 12/31/2016 (3,816 hours) | | | |
| | 2017 1 st Semiannual Monitoring Report- Resubmission (08/01/2018) | | | 01/01/2017- 06/30/2017 (3,816 hours) | | | |
| | 2017 2 nd Semiannual Monitoring Report (03/22/2018) | | | 07/01/2017- 12/31/2017 (3,816 hours) | | | |
| | 2018 1 st Semiannual Monitoring Report (09/24/2018) | | | 01/01/2018- 06/30/2018 (3,816 hours) | | | |
| | 2018 2 nd Semiannual Monitoring Report (03/28/2019) | | | 07/01/2018- 12/31/2018 (3,816 hours) | | | |

| | | | | | | | |
|----|--|-------------------|--|--|--|--|---|
| D. | 2016 1 st Semiannual Monitoring Report (09/26/2016) | 0200-00027- V3 | CRG 0006 ARE 0001- 0003 Liquid Coating Stations #1- #3 | 01/01/2016- 06/30/2016 (3,816 hours) | VOC, Total >=80% control efficiency | Due to customer demands, the plant does not operate with sustained liquid coating operations. Most production has been in powder coating lines and liquid line operation has been very limited and sporadic, again due to economic conditions | LAC 33:III.2123.D.1, Specific Requirement 49 |
| | 2016 2 nd Semiannual Monitoring Report- Revised (08/01/2018) | | | 07/01/2016- 12/31/2016 (3,816 hours) | | | |
| | 2017 1 st Semiannual Monitoring Report- Resubmission (08/01/2018) | | | 01/01/2017- 06/30/2017 (3,816 hours) | | | |
| | 2017 2 nd Semiannual Monitoring Report (03/22/2018) | | | 07/01/2017- 12/31/2017 (3,816 hours) | | | |
| | 2018 1 st Semiannual Monitoring Report (09/24/2018) | | | 01/01/2018- 06/30/2018 (3,816 hours) | | | |
| | 2018 2 nd Semiannual Monitoring Report (03/28/2019) | | | 07/01/2018- 12/31/2018 (3,816 hours) | | | |
| E. | 2016 1 st Semiannual Monitoring Report (09/26/2016) | 0200-00027- V3 | CRG 0006 ARE 0001- 0003 Liquid Coating Stations #1- #3 | 01/01/2016- 06/30/2016 (3,816 hours) | Comply with the requirements of LAC 33:III.2123 as soon as practicable, but in no event later than one year from promulgation of the regulation revision, if subject to LAC 33:III.2123 as a result of a revision of LAC 33:III.2123 | Due to customer demands, the plant does not operate with sustained liquid coating operations. Most production has been in powder coating lines and liquid line operation has been very limited and sporadic, again due to economic conditions | LAC 33:III.2123.F, Specific Requirement 51 |
| | 2016 2 nd Semiannual Monitoring Report- Revised (08/01/2018) | | | 07/01/2016- 12/31/2016 (3,816 hours) | | | |
| | 2017 1 st Semiannual Monitoring Report- Resubmission (08/01/2018) | | | 01/01/2017- 06/30/2017 (3,816 hours) | | | |
| | 2017 2 nd Semiannual Monitoring Report (03/22/2018) | | | 07/01/2017- 12/31/2017 (3,816 hours) | | | |
| | 2018 1 st Semiannual Monitoring Report (09/24/2018) | | | 01/01/2018- 06/30/2018 (3,816 hours) | | | |
| | 2018 2 nd Semiannual Monitoring Report (03/28/2019) | | | 07/01/2018- 12/31/2018 (3,816 hours) | | | |

| | | | | | | | |
|----|--|-------------------|--|--|--|--|--|
| F. | 2016 1 st Semiannual Monitoring Report (09/26/2016) | 0200-00027- V3 | CRG 0006 ARE 0001- 0003 Liquid Coating Stations #1- #3 | 01/01/2016- 06/30/2016 (3,816 hours) | Comply with the requirements of LAC 33:III.2123 as soon as practicable, but in no event later than one year from the promulgation of the regulation revision. | Due to customer demands, the plant does not operate with sustained liquid coating operations. Most production has been in powder coating lines and liquid line operation has been very limited and sporadic, again due to economic conditions | LAC 33:III.2123.H Specific Requirement 52 |
| | 2016 2 nd Semiannual Monitoring Report- Revised (08/01/2018) | | | 07/01/2016- 12/31/2016 (3,816 hours) | | | |
| | 2017 1 st Semiannual Monitoring Report- Resubmission (08/01/2018) | | | 01/01/2017- 06/30/2017 (3,816 hours) | | | |
| | 2017 2 nd Semiannual Monitoring Report (03/22/2018) | | | 07/01/2017- 12/31/2017 (3,816 hours) | | | |
| | 2018 1 st Semiannual Monitoring Report (09/24/2018) | | | 01/01/2018- 06/30/2018 (3,816 hours) | | | |
| | 2018 2 nd Semiannual Monitoring Report (03/28/2019) | | | 07/01/2018- 12/31/2018 (3,816 hours) | | | |
| G. | 2016 1 st Semiannual Monitoring Report (09/26/2016) | 0200-00027- V3 | CRG 0006 ARE 0001- 0003 Liquid Coating Stations #1- #3 | 01/01/2016- 06/30/2016 (3,816 hours) | Each coating line (C1, C2, and C3) pre- controlled VOC, Total <100 tons/yr. | Due to customer demands, the plant does not operate with sustained liquid coating operations. Most production has been in powder coating lines and liquid line operation has been very limited and sporadic, again due to economic conditions | Specific Requirement 53 |
| | 2016 2 nd Semiannual Monitoring Report- Revised (08/01/2018) | | | 07/01/2016- 12/31/2016 (3,816 hours) | | | |
| | 2017 1 st Semiannual Monitoring Report- Resubmission (08/01/2018) | | | 01/01/2017- 06/30/2017 (3,816 hours) | | | |
| | 2017 2 nd Semiannual Monitoring Report (03/22/2018) | | | 07/01/2017- 12/31/2017 (3,816 hours) | | | |
| | 2018 1 st Semiannual Monitoring Report (09/24/2018) | | | 01/01/2018- 06/30/2018 (3,816 hours) | | | |
| | 2018 2 nd Semiannual Monitoring Report (03/28/2019) | | | 07/01/2018- 12/31/2018 (3,816 hours) | | | |

| | | | | | | | |
|----|--|---------------|----------|-------------------------------------|---|---|--|
| H. | 2018 1 st Semiannual Monitoring Report (09/24/2018) | 0200-00027-V2 | CRG 0003 | 06/15/2018-08/21/2018 (1,608 hours) | Use and diligently maintain all emission control equipment in proper working order according to the manufacturer's specifications whenever any emissions are being generated that can be controlled by the facility, even if the ambient air quality standard in affected areas are not exceeded. | A hole was noted with an unknown cause in the duct work of Dust Collector No. 2 | LAC 33:III.1329.H, Specific Requirement 37 |
|----|--|---------------|----------|-------------------------------------|---|---|--|

Each failure to operate according to permitted requirements is a violation of any applicable permit and associated requirement(s) listed above, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and 30:2057(A)(2).

IV.

The Respondent owns and/or operates the Amelia South Coating Plant [Agency Interest No. 17632] (the Facility), a pipe coating facility, located at 2112 Louisiana Highway 662 North in Amelia, Assumption Parish, Louisiana. The Facility operates or has operated under the authority of the following Title V Permits:

| PERMIT NO. | ISSUE DATE | PERMIT EXPIRATION DATE |
|---------------|------------|------------------------|
| 0200-00019-V4 | 06/28/2016 | 06/28/2021 |
| 0200-00019-V3 | 01/25/2013 | 06/01/2016 |

V.

On or about January 30, 2018 and February 7, 2018, the Department conducted a Full Compliance Evaluation (FCE) Inspection. The Department issued a Warning Letter, Enforcement Tracking No. AE-L-18-00957 dated December 11, 2018, to inform the Respondent of the areas of concern noted during the FCE Inspection. The Respondent submitted a response to the Warning Letter dated January 2, 2019. On or about September 9, 2019, a subsequent file review was conducted. The FCE Inspection and file review were conducted to determine the Respondent's degree of compliance with the Act, the Air Quality Regulations, and all applicable permits. While the investigation and/or review is not complete, the Department noted the violations found in Paragraph VI of the Findings of Fact portion of this enforcement action.

VI.

The Respondent reported the following violations of permitted operating parameters:

| | | | | | | | |
|----|--|---------------|--|--|--|---|--|
| A. | 2016 1 st Semiannual Monitoring Report (09/26/2016) | 0200-00019-V3 | CRG 0004 EQT 0001, EQT 0002, EQT 0012 EQT 0035 CTNG- RTO Coating Operations | 01/01/2016- 06/28/2016 (2,520 hours) | Determine the effectiveness of the capture system using the procedures specified in LAC 33:III.2123.E.6 | The effectiveness of the capture points and RTO have not been determined or tested. | LAC 33:III.2123.D.1, Specific Requirement 52 |
| B. | 2016 1 st Semiannual Monitoring Report (09/26/2016) | 0200-00019-V3 | CRG 0004 EQT 0001, EQT 0002, EQT 0012 EQT 0035 CTNG- RTO Coating Operations | 01/01/2016- 06/28/2016 (2,520 hours) | Determine compliance with LAC 33:III.2123.A,C, and D by applying the test methods specified in LAC 33:III.2123.E.1 through E.6, as appropriate | The effectiveness of the capture points and RTO have not been determined or tested. | LAC 33:III.2123.E Specific Requirement 53 |
| C. | 2016 1 st Semiannual Monitoring Report (09/26/2016) | 0200-00019-V3 | EQT 0049 RTO- Regenerative Thermal Oxidizer | 01/01/2016- 06/28/2016 (2,520 hours) | Determine the effectiveness of the capture system using the procedures specified in LAC 33:III.2123.E.6 | The effectiveness of the capture points and RTO have not been determined or tested. | LAC 33:III.2123, Specific Requirement 143 |
| D. | 2016 1 st Semiannual Monitoring Report (09/26/2016) | 0200-00019-V3 | EQT 0049 RTO- Regenerative Thermal Oxidizer | 01/01/2016- 06/28/2016 (2,520 hours) | Determine compliance with LAC 33:III.2123.A,C, and D by applying the test methods specified in LAC 33:III.2123.E.1 through E.6, as appropriate | The effectiveness of the capture points and RTO have not been determined or tested. | LAC 33:III.2123, Specific Requirement 146 |
| E. | 2016 1 st Semiannual Monitoring Report (09/26/2016) | 0200-00019-V3 | EQT 0049 RTO- Regenerative Thermal Oxidizer | 01/01/2016- 06/28/2016 (2,520 hours) | Comply with all applicable provisions in LAC 33:III.2123 and Good Housekeeping Practices as MACT | The effectiveness of the capture points and RTO have not been determined or tested. | LAC 33:III.2123, Specific Requirement 150 |
| F. | 2016 1 st Semiannual Monitoring Report (09/26/2016) | 0200-00019-V3 | EQT 0041 88-93 Custom Area Fugitives | 01/01/2016- 06/28/2016 (2,520 hours) | VOC, Total >= 80% control efficiency | The custom area was not controlled by the RTO. | LAC 33:III.2123.D.1, Specific Requirement 130 |

| | | | | | | | |
|----|--|---------------|--|-------------------------------------|---|--|---|
| G. | 2016 1 st Semiannual Monitoring Report (09/26/2016) | 0200-00019-V3 | EQT 0041 8B-93 Custom Area Fugitives | 01/01/2016-06/28/2016 (2,520 hours) | Control emissions of toxic air pollutants to a degree that constitutes Maximum Achievable Control Technology (MACT) as approved by DEQ. MACT is determined to be compliance routing emissions to the regenerative thermal oxidizer (RTO). | The custom area was not controlled by the RTO. | LAC 33:III.5109.A.1, Specific requirement 132 |
| H. | 2016 1 st Semiannual Monitoring Report (09/26/2016) | 0200-00019-V3 | EQT 0042 8C-93 Custom Spray Lance | 01/01/2016-06/28/2016 (2,520 hours) | VOC, Total >= 80% control efficiency | The custom area was not controlled by the RTO. | LAC 33:III.2123.D.1, Specific Requirement 133 |
| I. | 2016 1 st Semiannual Monitoring Report (09/26/2016) | 0200-00019-V3 | EQT 0042 8C-93 Custom Spray Lance | 01/01/2016-06/28/2016 (2,520 hours) | Control emissions of toxic air pollutants to a degree that constitutes Maximum Achievable Control Technology (MACT) as approved by DEQ. MACT is determined to be compliance routing emissions to the regenerative thermal oxidizer (RTO). | The custom area was not controlled by the RTO. | LAC 33:III.5109.A.1, Specific Requirement 135 |

Each failure to operate according to permitted requirements is a violation of any applicable permit and associated requirement(s) listed above, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and 30:2057(A)(2). In a Title V Part 70 Permit Renewal and Minor Modification Application dated November 30, 2015, notified the Department that several plant processes and associated equipment were shut down or would be shut down by June 30, 2016, due to low production levels. The Respondent proposed the following permit modifications: 1) removal of all shutdown equipment and associated emission points; 2) changes in usage rate and/or updated compositions of authorized coatings; 3) permit emissions from additional

coatings; and 4) permit a usage rate cap. Title V Permit No. 0200-00019-V4 was issued on June 28, 2016, authorizing the proposed modifications.

COMPLIANCE ORDER

Based on the foregoing, the Respondent is hereby ordered:

I.

To take, immediately upon receipt of this **COMPLIANCE ORDER**, any and all steps necessary to meet and maintain compliance with the Act, the Air Quality Regulations, and all applicable permits.

II.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a written report detailing the measures implemented or to be implemented to achieve compliance with LAC 33:III.Chapter 21. Control of Emission of Organic Compounds as related to Paragraph III.A-H of the **FINDINGS OF FACT** portion of the action.

III.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a written report that includes a detailed description of the circumstances surrounding the cited violations and actions taken or to be taken to achieve compliance with the Order Portion of this **COMPLIANCE ORDER**. This report and all other reports or information required to be submitted to the Enforcement Division by this **COMPLIANCE ORDER** shall be submitted to:

Office of Environmental Compliance
Post Office Box 4312
Baton Rouge, Louisiana 70821-4312
Attn: **Antoinette Cobb**
Re: **Enforcement Tracking No. AE-CN-18-00752**
Agency Interest Nos. 4832 & 17632

THE RESPONDENT SHALL FURTHER BE ON NOTICE THAT:

I.

The Respondent has a right to an adjudicatory hearing on a disputed issue of material fact or of law arising from this **COMPLIANCE ORDER**. This right may be exercised by filing a written request with the Secretary no later than thirty (30) days after receipt of this **COMPLIANCE ORDER**.

II.

The request for an adjudicatory hearing shall specify the provisions of the **COMPLIANCE ORDER** on which the hearing is requested and shall briefly describe the basis for the request. This request should reference the Enforcement Tracking Number and Agency Interest Number, which are located in the upper right-hand corner of the first page of this document and should be directed to the following:

Department of Environmental Quality
Office of the Secretary
Post Office Box 4302
Baton Rouge, Louisiana 70821-4302
Attn: Hearings Clerk, Legal Division
Re: Enforcement Tracking No. AE-CN-18-00752
Agency Interest Nos. 4832 & 17632

III.

Upon the Respondent's timely filing a request for a hearing, a hearing on the disputed issue of material fact or of law regarding this **COMPLIANCE ORDER** may be scheduled by the Secretary of the Department. The hearing shall be governed by the Act, the Administrative Procedure Act (La. R.S. 49:950, et seq.), and the Division of Administrative Law (DAL) Procedural Rules. The Department may amend or supplement this **COMPLIANCE ORDER** prior to the hearing, after providing sufficient notice and an opportunity for the preparation of a defense for the hearing.

IV.

This **COMPLIANCE ORDER** shall become a final enforcement action unless the request for hearing is timely filed. Failure to timely request a hearing constitutes a waiver of the Respondent's right to a hearing on a disputed issue of material fact or of law under Section 2050.4 of the Act for the violation(s) described herein.

V.

The Respondent's failure to request a hearing or to file an appeal or the Respondent's withdrawal of a request for hearing on this **COMPLIANCE ORDER** shall not preclude the Respondent from contesting the findings of facts in any subsequent penalty action addressing the same violation(s), although the Respondent is estopped from objecting to this **COMPLIANCE ORDER** becoming a permanent part of its compliance history.

VI.

Civil penalties of not more than twenty-seven thousand five hundred dollars (\$27,500) for each day of violation for the violation(s) described herein may be assessed. For violations which occurred on

August 15, 2004, or after, civil penalties of not more than thirty-two thousand five hundred dollars (\$32,500) may be assessed for each day of violation. The Respondent's failure or refusal to comply with this **COMPLIANCE ORDER** and the provisions herein will subject the Respondent to possible enforcement procedures under La. R.S. 30:2025, which could result in the assessment of a civil penalty in an amount of not more than fifty thousand dollars (\$50,000) for each day of continued violation or noncompliance.

VII.

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

NOTICE OF POTENTIAL PENALTY

I.

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.

II.

Prior to the issuance of additional appropriate enforcement action(s), 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 Antoinette Cobb at (225) 219-3072 within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

III.

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 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 violation(s) 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 that 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.


IV.

The Department assesses civil penalties based on LAC 33:I.Subpart1.Chapter7. To expedite closure of this **NOTICE OF POTENTIAL PENALTY** portion, 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 "**CONSOLIDATED COMPLIANCE ORDER AND NOTICE OF POTENTIAL PENALTY REQUEST TO CLOSE**" 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.

V.

This **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is effective upon receipt.

Baton Rouge, Louisiana, this 20th day of December, 2019.



Lourdes Iturralde
Assistant Secretary
Office of Environmental Compliance

Copies of a request for a hearing and/or related correspondence should be sent to:

Louisiana Department of Environmental Quality
Office of Environmental Compliance
Enforcement Division
P.O. Box 4312
Baton Rouge, LA 70821-4312
Attention: Antoinette Cobb



LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
 OFFICE OF ENVIRONMENTAL COMPLIANCE
 ENFORCEMENT DIVISION
 POST OFFICE BOX 4312
 BATON ROUGE, LOUISIANA 70821-4312

CONSOLIDATED COMPLIANCE ORDER &
 NOTICE OF POTENTIAL PENALTY
 REQUEST TO CLOSE

| | | | |
|---------------------------|---|---------------------|--|
| Enforcement Tracking No. | AE-CN-18-00752 | Contact Name | Antoinette Cobb |
| Agency Interest (AI) Nos. | 4362 & 17632 | Contact Phone No. | (225) 219-3072 |
| Alternate ID Nos. | 0200-00019 & 0200-00027 | | |
| Respondent: | National Oilwell Varco, L.P. | Facility Names: | Amelia North Coating Plant Amelia South Coating Plant |
| | c/o C T Corporation System | Physical Locations: | 1844 Louisiana Highway 662 2112 Louisiana Highway 662 |
| | Agent for Service of Process | | |
| | 3867 Plaza Tower Drive Baton Rouge, LA 70816 | City, State, Zip: | Amelia, LA, 70340 |
| | Parish: | Assumption | |

STATEMENT OF COMPLIANCE

| STATEMENT OF COMPLIANCE | Date Completed | Copy Attached? |
|--|----------------|----------------|
| A written report was submitted in accordance with Paragraph III of the "Order" portion of the COMPLIANCE ORDER. | | |
| All necessary documents were submitted to the Department within 30 days of receipt of the COMPLIANCE ORDER in accordance with Paragraph(s) II of the "Order" portion of the COMPLIANCE ORDER. | | |
| All necessary documents were submitted to the Department within 45 days of receipt of the COMPLIANCE ORDER in accordance with Paragraph(s) ? of the "Order" portion of the COMPLIANCE ORDER. | | |
| All necessary documents were submitted to the Department within 90 days of receipt of the COMPLIANCE ORDER in accordance with Paragraph(s) ? of the "Order" portion of the COMPLIANCE ORDER. | | |
| All items in the "Findings of Fact" portion of the COMPLIANCE ORDER were addressed and the facility is being operated to meet and maintain the requirements of the "Order" portion of the COMPLIANCE ORDER. Final compliance was achieved as of: | | |

SETTLEMENT OFFER (OPTIONAL)

(check the applicable option)

| | |
|--------------------------|---|
| <input type="checkbox"/> | 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. |
| <input type="checkbox"/> | In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (AE-CN-18-00752), the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures. |
| <input type="checkbox"/> | In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (AE-CN-18-00752), 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. <ul style="list-style-type: none"> • 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. |
| <input type="checkbox"/> | The Respondent has reviewed the violations noted in NOTICE OF POTENTIAL PENALTY (AE-CN-18-00752) and has attached a justification of its offer and a description of any BEPs if included in settlement offer. |

| CERTIFICATION STATEMENT | | |
|--|----------------------------------|---------------------------|
| <p><i>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.</i></p> | | |
| | | |
| 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: | | |
| <p>Louisiana Department of Environmental Quality Office of Environmental Compliance Enforcement Division P.O. Box 4312 Baton Rouge, LA 70821 Attn: Antoinette Cobb</p> | | |