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UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 6
DALLAS, TEXAS

REGIONAL HEARING CLERK
EPA REGION VI

IN THE MATTER OF:

Weatherford Artificial Lift Systems, LLC
& Weatherford U.S., LP

RESPONDENTS

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Consent Agreement and Final Order
USEPA Docket No. RCRA-06-2022-0958

CONSENT AGREEMENT AND FINAL ORDER

I. PRELIMINARY STATEMENT

1. This Consent Agreement and Final Order ("CAFO") is entered into by the United States Environmental Protection Agency, Region 6 ("EPA" or "Complainant") and Respondents, Weatherford Artificial Lift Systems, LLC and Weatherford U.S., LP ("Respondents" or "Weatherford"). The facilities covered by this CAFO include:

- a) The facility located at 3000 South Business Highway 287 in Decatur, Texas ("Decatur facility") and
- b) The facility located at 19685 IH-37 South in San Antonio, Texas ("San Antonio facility").

2. Notice of this action has been given to the State of Texas, under Section 3008(a)(2) of the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6928(a)(2)¹.

¹ On December 12, 1984, EPA granted final authorization to the State of Texas to operate its hazardous waste management program. 49 Fed. Reg. 48900 (Dec. 12, 1984). Authorization became effective on December 26, 1984. Id. Subsequent state-initiated changes to Texas' hazardous waste regulations have been authorized and incorporated by reference in the Code of Federal Regulations ("C.F.R.") under the Resource Conservation and Recovery Act. See 85 Fed. Reg. 20190 (April 10, 2020); see also 40 C.F.R. 272.2201 (Texas State-administered Program: Final Authorization). Additional revisions to Texas' hazardous and industrial waste regulations took effect on February 3, 2022. (47 Tex. Reg. 318). The 2022 revisions are not authorized by EPA at this time and, therefore, are not part of the federally enforceable

3. For the purpose of this CAFO, Respondents admit the jurisdictional allegations herein; however, Respondents neither admit nor deny the specific factual allegations, the Findings of Fact, and Conclusions of Law contained in this CAFO. This CAFO states a claim upon which relief may be granted.
4. Respondents waive any right to contest the allegations and their right to appeal the proposed final order contained in this CAFO and waive all defenses which have been raised or could have been raised to the claim in the CAFO.
5. The CAFO resolves only those violations which are alleged herein. Complainant acknowledges at this time it knows of no RCRA violations other than as set forth herein, at the Decatur facility and the San Antonio facility.
6. Respondents consent to the issuance of this CAFO as the most appropriate means of resolving EPA's allegations without any adjudication of issues of law or fact, consent to the assessment and payment of the civil penalty in the amount and by the method set out in this CAFO, and consent to the compliance order in this CAFO.

II. JURISDICTION

7. This CAFO is issued by EPA pursuant to Section 3008(a) of RCRA, 42 U.S.C. § 6928(a), as amended by the Hazardous and Solid Waste Amendments of 1984 and is simultaneously commenced and concluded through the issuance of this CAFO under 40 Code of Federal Regulations (C.F.R.) §§ 22.13(b) and 22.18(b)(2) and (3).

program. Except as otherwise provided, all citations in this order are to the "EPA-Approved Texas Statutory and Regulatory Requirements Applicable to the Hazardous Waste Management Program," which was authorized and effective at the time of the violations alleged herein. See 85 Fed. Reg. 20190. The corresponding C.F.R. citations in effect at the time of the alleged violations are also provided. References to these earlier C.F.R. and Texas Administrative Code citations, however, are not intended to limit the scope of the resolution of the alleged violations where a different citation may now apply to same alleged violation.

8. Respondents agree to undertake and complete all actions required by the terms and conditions of this CAFO. In any action by EPA or the United States to enforce the terms of this CAFO, Respondents agree not to contest the authority or jurisdiction of EPA to issue or enforce this CAFO and agree not to contest the validity of this CAFO or its terms or conditions.

III. FINDINGS OF FACT AND CONCLUSIONS OF LAW

9. Respondents are corporations authorized to do business in the State of Texas.
10. Respondents are each a "person" within the meaning of Section 1004(15) of RCRA, 42 U.S.C. § 6903(15), and 30 Texas Admin. Code § 335.2(25), [40 C.F.R. § 260.10].
11. Respondent Weatherford U.S., LP leases and operates the Decatur facility, and Respondent Weatherford Artificial Lift Systems, LLC leases and operates the San Antonio facility.
12. Each Facility markets equipment used for oil and gas extraction and production activities.
13. Each Facility is a "facility" within the meaning of 30 Texas Admin. Code § 335.1(60) [40 C.F.R. § 260.10]. The Decatur and San Antonio facilities are sometimes collectively referred to as the "Facilities."
14. From April through July 2022, EPA conducted a RCRA record review of the Facilities' activities as a generator of hazardous waste.
15. EPA discovered Respondents generated, and offered for transport and treatment, hazardous wastes as defined in 30 Texas Admin. Code § 335.1 (70), [40 C.F.R. §§ 261.21, 261.22, 261.24, and 261.33].
16. Based on its review, EPA determined Respondents generated the hazardous waste streams in quantities that exceeded the threshold amount of kilograms of non-acute hazardous waste in a month, corresponding to Small Quantity Generator status under 30 Texas Admin. Code, Chapter 335, Subchapter C, [40 C.F.R. Part 262], for the periods that such wastes remained onsite.

17. Respondents are a "generator" of "hazardous waste" as those terms are defined in 30 Texas Admin. Code §§ 335.1(66) & (70) [40 C.F.R. § 260.10].
18. As a generator of hazardous waste, Respondents are subject to Sections 3002 and 3010 of RCRA, 42 U.S.C. §§ 6922 and 6930, and the regulations set forth in 30 Texas Admin. Code Chapter 335, Subchapter C, [40 C.F.R Part 262].
19. On June 23, 2022, the EPA conferred with Respondents regarding the violations alleged herein and provided an opportunity for Respondents to submit additional information or materials.
20. Respondents submitted additional materials by correspondence dated June 15, 2022, and July 27, 2022, respectively, that are incorporated herein by reference, and made a part of the Administrative Record.

IV. VIOLATIONS ALLEGED

Claim 1. Notification Requirements

21. The allegations in Paragraphs 1-20 are re-alleged and incorporated herein by reference.
22. Pursuant to Section 3010(a) of RCRA, 42 U.S.C. § 6930(a), any person generating a characteristic or listed hazardous waste shall file with EPA or the authorized state a notification stating the location and general description of such activity and the identified characteristic or listed hazardous waste handled by such person. No identified characteristic or listed hazardous waste subject to this subchapter may be transported, treated, stored, or disposed of unless notification has been given as required by Section 3010(a) of RCRA, 42 U.S.C. § 6930(a).
23. At the time of the Investigation, Respondents, for the applicable years and facilities, did not file with the EPA or the State of Texas, an authorized state, an adequate and timely notification of hazardous waste activities for the Decatur and San Antonio facilities, in violation of Section 3010(a) of RCRA, 42 U.S.C. § 6930(a) and 30 Texas Admin. Code § 335.6(c).

24. On March 20, 2019, Weatherford Artificial Lift Systems, LLC contacted TCEQ in writing notifying it that Weatherford Artificial Lift Systems, LLC would be “disposing of greater than 2,200 lbs. of hazardous waste due to a one-time shipment of off-spec oil field chemical” from the San Antonio facility.
25. On March 27, 2020, Weatherford U.S., LP contacted TCEQ in writing notifying it that Weatherford U.S., LP “will be conducting a one-time disposal event . . . due to the disposal of greater than 2,200 lbs. of off-spec chemicals accumulated during a one-time cleaning event at the Decatur facility.”
26. However, Respondents have both a solid waste registration number and an EPA identification number and were not eligible for Texas’ One-Time Waste Shipment Program. Thus, communications made to TCEQ did not eliminate the requirement that Respondents comply with Section 3010(a) of RCRA, 42 U.S.C. § 6930(a).

Claim 2. Failure to Operate within Stated Generator Status

27. The allegations in Paragraphs 1-26 are realleged and incorporated herein by reference.
28. During the Investigation, EPA determined the Decatur and San Antonio facilities declared their respective generator status as Very Small Quantity Generator.
29. Pursuant to 30 Texas Admin. Code § 335.78(b), [40 C.F.R. § 261.5(b)], as long as a CESQG complies with the applicable requirement under 30 Texas Admin. Code §§ 335.78(e), (f), (g) and (j) and 40 C.F.R. §§ 261.5 (e), (f), (g) and (j), the generator's hazardous waste is not subject to regulation under 30 Texas Admin. Code, Chapter 335, Subchapters C-H and O; 40 C.F.R. Parts 262 through 268; 40 C.F.R. Parts 270 and 124; and the requirements of Section 3010 of RCRA, 42 U.S.C. § 6930.

30. Respondents did not operate within their designated status at the Decatur and San Antonio facilities, exceeding their declared CESQG status and operating in some instances as Small Quantity Generators in violation of one or more of the requirements for Small and Large Quantity Generators under 30 Texas Admin. Code, Chapter 335, Subchapter C, [40 C.F.R. § 262.34].

V. COMPLIANCE ORDER

31. Pursuant to RCRA § 3008(a), 42 U.S.C. § 6928(a), Respondents are hereby ordered to take the following actions, and within sixty (60) calendar days of the effective date of this CAFO, Respondents shall provide in writing the following:

- A. Respondents shall certify to U.S. EPA, as set forth in ¶ 31, they have assessed all their solid waste streams at the Decatur and San Antonio facilities to determine the accurate waste codes and have developed and implemented standard operating procedures ("SOPs") to ensure that Respondents are operating the Decatur and San Antonio facilities in compliance with RCRA and the regulations promulgated thereunder, including, but not limited to, procedures for: (a) making hazardous waste determinations; (b) managing hazardous wastes; (c) reporting, transporting, and disposing of hazardous waste; (d) preparing its manifests; and (e) meeting the requirements of the land disposal requirements;
- B. Respondents shall certify they have accurately and adequately complied with their RCRA Section 3010 notifications for the Decatur and San Antonio facilities and within the prescribed time period; and
- C. Respondents shall provide, with their certification, a copy of Respondents' SOPs as described in subparagraph A above.

32. In all instances in which this CAFO requires written submission to EPA, the submittal made by

Respondents shall be signed by an owner or officer of the Respondents and shall include the following certification:

"I certify under the penalty of law that this document and all its attachments were prepared by me or under my direct supervision in accordance with a system designed to assure that qualified personnel properly gathered and evaluated 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 fine and imprisonment for knowing violations."

Copies of all documents required by this CAFO shall be sent to the following:

U.S. EPA, Region 6
1201 Elm Street, Suite 500
Enforcement and Compliance Assurance Division (ECDSR)
ATTN: Erin Young-Dahl
Dallas, Texas 75270-2102

Where required, notice shall be sent electronically by email or telephone to Enforcement Officer Erin Young-Dahl, respectively at youngdahl.erin@epa.gov or at 214-665-3166.

VI. TERMS OF SETTLEMENT

A. Penalty Provisions

33. Pursuant to the authority granted in Section 3008 of RCRA, 42 U.S.C. § 6928, and upon consideration of the entire record herein, including the above referenced Findings of Fact and Conclusions of Law, which are hereby adopted and made a part hereof, upon the seriousness of the alleged violations, and Respondents' good faith efforts to comply with the applicable regulations, it is ordered that Respondents be assessed a combined civil penalty of Seventy-six Thousand Five Hundred Sixty and No/100 Dollars (\$76,560.00).
34. The penalty shall be paid within thirty (30) calendar days of the effective date of this CAFO and made payable to the Treasurer United States.

Weatherford Artificial Lift Systems, LLC & Weatherford U.S., LP
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35. The EPA web address, <https://www.epa.gov/financial/additional-instructions-making-payments-epa>, provides a list of options available for transmitting payment of penalties.

Options for payment include:

- A. Electronic payments via Pay.gov. <https://www.pay.gov/public/form/start/11751879>
- B. Remittance by Regular Mail, U.S. Postal Mail (including certified mail) or U.S. Postal

Service Express Mail. The check should be remitted to:

U.S. Environmental Protection Agency
Fines and Penalties
Cincinnati Finance Center
P.O. Box 979077
St. Louis, Missouri 63197-9000

- C. Overnight Mail (non-U.S. Postal Service), the check should be remitted to:

U.S. Bank
Government Lockbox 979077
U.S. EPA Fines and Penalties
1005 Convention Plaza
SL-MO-C2-GL
St. Louis, Missouri 63101
314-418-1028

- D. Wire Transfer:

Federal Reserve Bank of New York
ABA: 021030004
Account No. 68010727
SWIFT address = FRNYUS33
33 Liberty Street
New York, NY 10045

The case name and docket number (**In the Matter of Weatherford Artificial Lift Systems, LLC and Weatherford U.S., LP, Docket No. RCRA-06-2022-0958**) shall be clearly documented on or within the chosen method of payment to ensure proper credit.

36. The Respondents shall send a simultaneous notice of such payment to the following:

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Lorena S. Vaughn
Regional Hearing Clerk (ORC)
U.S. EPA, Region 6
1201 Elm Street, Suite 500
Dallas, Texas 75270-2102

U.S. EPA, Region 6
1201 Elm Street, Suite 500
Enforcement and Compliance Assurance Division (ECDSR)
ATTN: Erin Young-Dahl
Dallas, Texas 75270-2102

Respondents' adherence to this request will ensure proper credit is given when penalties are received by EPA.

37. Pursuant to 31 U.S.C. § 3717 and 40 C.F.R. § 13.11, unless otherwise prohibited by law, EPA will assess interest and late payment penalties on outstanding debts owed to the United States and a charge to cover the cost of processing and handling a delinquent claim. Interest on the civil penalty assessed in this CAFO will begin to accrue on the effective date of the CAFO and will be recovered by EPA on any amount of the civil penalty that is not paid within thirty (30) calendar days of the civil penalty's due date and will be assessed at the rate of the United States Treasury tax and loan rate in accordance with 40 C.F.R. § 13.11(a).
38. Moreover, the costs of the Agency's administrative handling overdue debts will be charged and assessed monthly throughout the period the debt is overdue. 40 C.F.R. § 13.11(b). EPA will also assess a \$15.00 administrative handling charge for administrative costs on unpaid penalties for the thirty (30) day period after the payment is due and an additional \$15.00 for each subsequent thirty (30) day period the penalty remains unpaid. In addition, a penalty charge of up to six percent (6%) per year will be assessed monthly on any portion of the debt which remains delinquent more than ninety (90) days. 40 C.F.R. § 13.11(b). Should a penalty charge on the debt be required, it shall accrue from the first day payment is delinquent. 31 C.F.R. § 901.9(d). Other penalties for failure to make a payment may also apply.

39. For purposes of the identification requirement in Section 162(f)(2)(A)(ii) of the Internal Revenue Code, 26 U.S.C. § 162(f)(2)(A)(ii), and 26 C.F.R. § 162-21(b)(2), performance of the Compliance Order and payment of the civil penalty are restitution, remediation, or required to come into compliance with the law.

B. Costs

40. Each party shall bear its own costs and attorney's fees. Furthermore, Respondents specifically waive their right to seek reimbursement of their costs and attorney's fees under the Equal Access to Justice Act (5 U.S.C. § 504), as amended by the Small Business Regulatory Enforcement Fairness Act (P.L. 04-121), and any regulations promulgated pursuant to those Acts.

C. Termination and Satisfaction

41. When Respondents believe they have complied with all the requirements of this CAFO, including compliance with the Compliance Order and payment of the civil penalty, Respondents shall also certify this in writing and in accordance with the certification language set forth in Section V (Compliance Order). Unless the EPA, Region 6 objects in writing within sixty (60) days of EPA's receipt of Respondents' certification, then this CAFO is terminated on the basis of Respondents' certification.

D. Effective Date of Settlement

42. This CAFO shall become effective upon filing with the Regional Hearing Clerk.

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**THE UNDERSIGNED PARTIES CONSENT TO THE ENTRY OF THIS CONSENT
AGREEMENT AND FINAL ORDER:**

FOR THE RESPONDENTS:

Date: 11/7/22

David Morris
Weatherford Artificial Lift Systems, LLC

Date: 11/7/22

David Morris
Weatherford U.S., LP

FOR THE COMPLAINANT:

Cheryl T. Seager

Digitally signed by CHERYL
SEAGER
Date: 2022.11.07 16:14:59
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Cheryl T. Seager
Director
Enforcement and
Compliance Assurance Division
U.S. EPA, Region 6

FINAL ORDER

Pursuant to the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, 40 C.F.R. Part 22, the foregoing CAFO is hereby ratified. This Final Order shall not in any case affect the right of EPA or the United States to pursue appropriate injunctive or other equitable relief or criminal sanctions for any violations of law. This Final Order shall resolve only those causes of action alleged herein. Nothing in this Final Order shall be construed to waive, extinguish, or otherwise affect Respondents' (or its officers, agents, servants, employees, successors, or assigns) obligation to comply with all applicable federal, state, and local statutes and regulations, including the regulations that were the subject of this action. Respondents are ordered to comply with the terms of settlement and the civil penalty payment instructions as set forth in the CAFO. Pursuant to 40 C.F.R. § 22.31(b) this Final Order shall become effective upon filing with the Regional Hearing Clerk.

THOMAS
RUCKI

Digitally signed by THOMAS RUCKI
DN: c=US, o=U.S. Government, ou=Environmental
Protection Agency, cn=THOMAS RUCKI
6.8.2342.19200300.100.1.1468001003655804
Date: 2022.11.08 09:55:03 -0500

Thomas Rucki
Regional Judicial Officer

Weatherford Artificial Lift Systems, LLC & Weatherford U.S., LP
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CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Consent Agreement and Final Order was delivered to the Regional Hearing Clerk, U.S. EPA - Region 6, 1201 Elm Street, Suite 500, Dallas, Texas 75270-2102, and that a true and correct copy was sent this day in the following manner to the email addresses:

Copy via Email to Complainant:

george.elizabeth.a@epa.gov

Copy via Email to Respondents:

raddison@munsch.com

ELIZABETH
GEORGE

Digitally signed by
ELIZABETH GEORGE
Date: 2022.11.08 10:29:19
-06'00'

Elizabeth George
Office of Regional Counsel