EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NO.: 2007-1733-AIR-E **TCEQ ID:** RN104960158 **CASE NO.:** 35227

RESPONDENT NAME: DCP Midstream, LP

ORDER TYPE:		
__1660 AGREED ORDER	X FINDINGS AGREED ORDER	__FINDINGS ORDER FOLLOWING SOAH HEARING
__FINDINGS DEFAULT ORDER	__SHUTDOWN ORDER	__IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
__AMENDED ORDER	__EMERGENCY ORDER	
CASE TYPE:		
X AIR	__MULTI-MEDIA (check all that apply)	__INDUSTRIAL AND HAZARDOUS WASTE
__PUBLIC WATER SUPPLY	__PETROLEUM STORAGE TANKS	__OCCUPATIONAL CERTIFICATION
__WATER QUALITY	__SEWAGE SLUDGE	__UNDERGROUND INJECTION CONTROL
__MUNICIPAL SOLID WASTE	__RADIOACTIVE WASTE	__DRY CLEANER REGISTRATION

SITE WHERE VIOLATION(S) OCCURRED: West Waddell Compressor Station, located 23 miles southwest of the intersection of Interstate 20 and US Highway 385 on the south side of Odessa Drive to Exit 93, then south 12.2 miles on Ranch Road 1053, then east 0.5 mile on Sandhills Ranch Road, then north 0.8 mile on Sand hills Headquarters Road, then east 0.6 mile on Shumm Road, Crane County

TYPE OF OPERATION: Compressor station

SMALL BUSINESS: ___ Yes __X No

OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.

INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.

COMMENTS RECEIVED: The *Texas Register* comment period expired on June 23, 2008. No comments were received.

CONTACTS AND MAILING LIST:

TCEQ Attorney/SEP Coordinator: Ms. Melissa Keller, SEP Coordinator, Enforcement Division, MC 219, (512) 239-1768
TCEQ Enforcement Coordinator: Ms. Suzanne Walrath, Enforcement Division, Enforcement Team 3, (512) 239-2134, MC 149; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171
Respondent: Mr. Gregory Kardos, Western Region Environmental Manager, DCP Midstream, LP, 10 Desta Drive, Suite 400, Midland, Texas 79705
Mr. Denny Dean, Vice President of Operations, DCP Midstream, LP, 10 Desta Drive, Suite 400, Midland, Texas 79705
Respondent's Attorney: Not represented by counsel on this enforcement matter

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
Type of Investigation: ___ Complaint ___ Routine ___ Enforcement Follow-up X Records Review **Date(s) of Complaints Relating to this Case:** None **Date of Investigation Relating to this Case:** April 11, 2007 **Date of NOV/NOE Relating to this Case:** January 17, 2008 (NOE) **Background Facts:** This was a routine record review. **AIR** 1) Failure to report Emissions Event No. 85610 within 24 hours after the discovery of the emissions event. Specifically, the report was submitted 25 hours and 32 minutes after the event occurred [30 TEX. ADMIN. CODE § 101.201(a)(1)(B), and TEX. HEALTH & SAFETY CODE § 382.085(b)]. 2) Failure prevent the unauthorized release of air contaminants into the atmosphere from the emergency flare. The events did not meet the demonstration criteria necessary to present an affirmative defense for the unauthorized emissions [30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F), 122.143(4), Standard Permit No. 79063, Federal Operating Permit ("FOP") No. O2913, and TEX. HEALTH & SAFETY CODE § 382.085(b)]. 3) Failure to prevent the unauthorized release of air contaminants into the atmosphere from the emergency flare. Since the emission events were avoidable, and determined to be excessive, the demonstrations in 30 TEX. ADMIN CODE § 101.222 necessary to present an affirmative defense were not met. [30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F), 122.143(4), Standard Permit No. 79063, FOP No. O2913, and TEX. HEALTH & SAFETY CODE § 382.085(b)].	**Total Assessed:** $72,600 **Total Deferred:** $0 __Expedited Settlement __Financial Inability to Pay **SEP Conditional Offset:** $36,300 **Total Paid to General Revenue:** $36,300 **Site Compliance History Classification** __ High X Average __ Poor **Person Compliance History Classification** __ High X Average __ Poor **Major Source:** X Yes ___ No **Applicable Penalty Policy:** September 2002 **Findings Orders Justification:** These emissions events were deemed excessive because the Respondent was responsible for the release of 150,496.31 pounds of sulfur dioxide ("SO_2") during the 27 reportable events, and this amount converts to 75.24 tons of SO_2 in 98 days of operation. This amount exceeded the permitted increment of 40 tons.	**Corrective Actions Taken:** The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant: a. On January 3, 2007, in response to Emissions Event No. 85610, the field operator removed the liquids from the field scrubber and restarted the engines extinguishing the flare; b. On January 3, 2007, in response to Emissions Event No. 85638, the field operator repaired the fuel gas system to Engine No. 1; c. On January 5, 2007, in response to Emissions Event No. 85671, the mechanics on site performed maintenance as quickly as possible while the station was down, tuning was performed on the suction control valve to allow it to compensate when more than one engine is down. Additionally, other auxiliary control equipment was also tuned to actual field conditions during this downtime, then Engines 2, 3, and 4 were placed back on line, terminating the release; d. On January 6, 2007, in response to Emissions Event No. 85718, the field operator removed the liquid from the scrubber and adjusted the automatic dump valve and placed the engine back on line terminating the release; e. On January 7, 2007, in response to Emissions Event No. 85721, the field operator adjusted the oil level controller to accurately reflect the actual oil level, and Engine No. 2 was placed back online, terminating the release; f. On January 9, 2007, in response to Emissions Event No. 85783, the field operator adjusted the oil level controller and called a mechanic to repair the pump. Once the pump was repaired, the engines were refilled and put back on line; g. On January 10, 2007, in response to Emissions Event No. 85880, Engine No. 1 was repaired and placed back into service;

		h. On January 11, 2007, in response to Emissions Event No. 85930, the field operator restarted Engine No. 3, and tuned the controls to enable it to operate at a reduced load. Additionally, it was discovered that a fouled spark plug was the cause of the problem, and it was replaced; i. On January 12, 2007, in response to Emissions Event No. 85974, the field operator manually started a gas powered air compressor, restored control air to the flare control valve, and replaced the starter relay; j. On January 18, 2007, in response to Emissions Event No. 86170, the field operator replaced the vibration switch; k. On January 21, 2007, in response to Emissions Event No. 86244, the field operator repaired the broken block nipple to prevent Engine No. 2 from losing oil, a hot alignment on the engine-compressor coupling was performed, and the coupling was realigned for optimum performance; l. On February 3, 2007, in response to Emissions Event No. 86823, the field operator repaired the wire on the compressor vibration switch, and relocated the vibration switches to prevent continued chaffing and failure of the associated wiring. Additionally, the operator also contacted a technician to troubleshoot and repair the SCADA alarm system; m. On February 7, 2007, in response to Emissions Event No. 86976, Engine No. 2 was shut down, and belts were ordered and installed upon delivery. Once all repairs were completed, the engine was restarted; n. On February 9, 2007, in response to Emissions Event No. 87074, it was determined that Engine No. 1 would need to be down for an extended period of time for repairs, so gas was shut down until the engine could be repaired. When enough gas was shut out of the booster, the flaring stopped; o. On February 11, 2007, in response to Emissions Event No. 87104, maintenance on Engine No. 2 was completed as quickly as possible and it was restarted and put back online, but Engine No. 1 was left down until additional bracing could be installed to eliminate the vibration induced stresses that led to metal fatigue cracking;

		p. On February 13, 2007, in response to Emissions Event No. 87220, the technician refastened two loose wires in the control panel, and after finding no further problems, the operator put the engine back online and stopped the flaring; q. On February 23, 2007, in response to Emissions Event No. 87582, the operator minimized the flaring by re-inventorying the compressor with oil, and a mechanic replaced the starter; r. On March 5, 2007, in response to Emissions Event No. 87939, the operator had the producer shut in some of the gas to compensate for Engine No. 2 being down, performed maintenance on the pump solenoid, reset the ESD valves, and restarted the engine; s. On March 8, 2007, in response to Emissions Event No. 88097, the field operator replaced the faulty proximity switch, and placed Engine No. 1 back online. Additionally, a technician repaired a bare spot on a shorted wire associated with the compressor vibration sensor, and secured the wires associated with the sensor to prevent the grounding problem from recurring; t. On March 9, 2007, in response to Emissions Event No. 88002, the plant shut down and performed a tie in of a rental engine/compressor. Additionally, the gas was shut in to minimize the amount of natural gas that was flared; u. On March 10, 2007, in response to Emissions Event No. 88146, the mechanic repaired the camshaft lobe and cam follower guide; v. On March 11, 2007, in response to Emissions Event No. 88168, the mechanic replaced the cam guide, and restarted the engine; w. On March 13, 2007, in response to Emissions Event No. 88267, the field operator cleaned and adjusted the sensitivity switch on the level controller, and adjusted the switch. Additionally, the liquids were removed from the scrubber and the engine was restarted; x. On March 17, 2007, in response to Emissions Event No. 88445, the field operator replaced the fouled spark plugs, repaired the ignition coil, and restarted the engine;

		y. On March 31, 2007, in response to Emissions Event No. 89066, the field operator repaired the tubing leak associated with the cooling system on Engine No. 2, filled the cooling system with water, and restarted the engine. In addition, the hose was replaced on Engine No. 4, and its cooling system was refilled with water and restarted; z. On April 8, 2007, in response to Emissions Event No. 89418, the field operator repaired the leak in the cooling system on Engine No. 3, and bled the air out of the jacket water system. The water level was restored to the proper level, and Engine No. 3 was restarted to normal operations. In addition, after the oil level was restored to the proper level in the rental unit, this engine was restarted to normal operations; aa. On April 10, 2007, in response to Emissions Event No. 89502, the field operator installed a new pump on Engine No. 2, and a new belt tensioner was installed on Engine No. 1; and bb. On November 16, 2007, submitted a Corrective Action Plan ("CAP") in response to these emissions events, which was approved by the Midland Regional Office on December 14, 2007. **Ordering Provisions:** 1) The Order will require the Respondent to implement and complete a Supplemental Environmental Project (SEP). (See SEP Attachment A) 2) The Order will also require the Respondent to: a) Within 30 days after the effective date of this Agreed Order, conduct and complete training of all plant personnel responsible for submitting reports, specifically personnel responsible for the submittal of emissions event reports, detailing all proper procedures that should be followed; b. Respond completely and adequately, as determined by the Executive Director, to all written requests for information concerning the submitted CAP within 15 days after the date of such requests, or by any other deadline specified in writing; c. Implement the CAP in accordance with

		the approved schedule; d) Within 45 days after the effective date of this Agreed Order, submit written certification to demonstrate compliance with Ordering Provision 2.a.; and e. Upon completion of CAP implementation, submit written certification to demonstrate compliance with Ordering Provisions 2.b. and 2.c.

Additional ID No(s).: CYA002B

Attachment A
Docket Number: 2007-1733-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	**DCP Midstream, LP**
Payable Penalty Amount:	**Seventy-Two Thousand Six Hundred Dollars ($72,600)**
SEP Amount:	**Thirty-Six Thousand Three Hundred Dollars ($36,300)**
Type of SEP:	**Pre-approved**
Third-Party Recipient:	**Texas Association of Resource Conservation and Development Areas, Inc. (RC&D)-Household Hazardous Waste Clean-Up**
Location of SEP:	**Crane County**

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

A. Project

The Respondent shall contribute the SEP Amount to the Third-Party Recipient pursuant to the agreement between the Third-Party Recipient and the TCEQ. Specifically, the contribution will be used to provide local residents with a means of properly disposing household hazardous wastes such as paint, thinners, pesticides, oil and gas, corrosive cleaners, and fertilizers in one day collection events. SEP monies will be used to pay for the associated labor, materials, and disposal costs. Citizens will not be charged disposal fees. The project is administered in accordance with TCEQ guidance on household hazardous waste and in compliance with federal, state, and local environmental laws and regulations. All dollars contributed will be used solely for the direct cost of the project and no portion will be spent on administrative costs.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by providing a means of properly disposing household hazardous waste which might otherwise be disposed of in storm drains, the sewage system, or other means detrimental to the environment.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Texas Association of Resource Conservation and Development Areas, Inc.
1716 Briarcrest Drive, Suite 510
Bryan, Texas 77802

3. Records and Reporting

Concurrent with the payment of the SEP Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division
Attention: SEP Coordinator, MC 219
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

Texas Commission on Environmental Quality
Financial Administration Division, Revenues
Attention: Cashier, MC 214
P.O. Box 13088
Austin, Texas 78711-3088

The Respondent shall also mail a copy of the check to the TCEQ SEP Coordinator at the address in Section 3 above.

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.

Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002) — *PCW Revision November 6, 2007*

TCEQ

DATES Assigned: 17-Dec-2007 | PCW: 11-Feb-2008 | Screening: 19-Dec-2007 | EPA Due: 13-Oct-2008

RESPONDENT/FACILITY INFORMATION

Respondent	DCP Midstream, LP
Reg. Ent. Ref. No.	RN104960158
Facility/Site Region	7-Midland
Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	35227	No. of Violations	3
Docket No.	2007-1733-AIR-E	Order Type	Findings
Media Program(s)	Air	Enf. Coordinator	Suzanne Walrath
Multi-Media		EC's Team	Enforcement Team 3

Admin. Penalty $ Limit Minimum: $0 | Maximum: $10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) — *Subtotal 1*: $72,600

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History — 0% Enhancement — *Subtotals 2, 3, & 7*: $0

Notes: The Respondent has not had any enforcement actions within the last five years.

Culpability: No — 0% Enhancement — *Subtotal 4*: $0

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply — 0% Reduction — *Subtotal 5*: $0

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

Notes: The Respondent does not meet the good faith criteria.

0% Enhancement* — *Subtotal 6*: $0

**Capped at the Total EB $ Amount*

Total EB Amounts: $2,812
Approx. Cost of Compliance: $35,150

SUM OF SUBTOTALS 1-7 — *Final Subtotal*: $72,600

OTHER FACTORS AS JUSTICE MAY REQUIRE: 0% — *Adjustment*: $0

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount: $72,600

STATUTORY LIMIT ADJUSTMENT — *Final Assessed Penalty*: $72,600

DEFERRAL: 0% Reduction — *Adjustment*: $0

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

Notes: No deferral recommended for Findings Orders.

PAYABLE PENALTY: $72,600

Screening Date 19-Dec-2007 **Docket No.** 2007-1733-AIR-E **PCW**

Policy Revision 2 (September 2002)

PCW Revision November 6, 2007

Respondent DCP Midstream, LP

Case ID No. 35227

Reg. Ent. Reference No. RN104960158

Media [Statute] Air

Enf. Coordinator Suzanne Walrath

Compliance History Worksheet

>> Compliance History *Site* Enhancement (Subtotal 2)

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

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

Adjustment Percentage (Subtotal 2) 0%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

The Respondent has not had any enforcement actions within the last five years.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 0%

Screening Date 19-Dec-2007 **Docket No.** 2007-1733-AIR-E **PCW**

Policy Revision 2 (September 2002)

PCW Revision November 6, 2007

Respondent DCP Midstream, LP

Case ID No. 35227

Reg. Ent. Reference No. RN104960158

Media [Statute] Air

Enf. Coordinator Suzanne Walrath

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 101.201(a)(1)(B), and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to report Emissions Event No. 85610 within 24 hours after the discovery of the emissions event. Specifically, the report was submitted 25 hours and 32 minutes after the event occurred.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

	Release	Harm: Major	Moderate	Minor
OR	Actual			
	Potential			

Percent 0%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor
			x

Percent 1%

Matrix Notes: Less than 30% of the rule requirement was not met.

Adjustment $9,900

$100

Violation Events

Number of Violation Events: 1 — 1 Number of violation days

mark only one with an x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $100

One single event is recommended for the one report that was not submitted timely, as documented by the record review conducted on April 11, 2007.

Economic Benefit (EB) for this violation

Estimated EB Amount $0

Statutory Limit Test

Violation Final Penalty Total $100

This violation Final Assessed Penalty (adjusted for limits) $100

Economic Benefit Worksheet

Respondent DCP Midstream, LP
Case ID No. 35227
Reg. Ent. Reference No. RN104960158
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Item Description	No commas or $						
Delayed Costs							
Equipment				0.0	$0	$0	$0
Buildings				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0
Engineering/construction				0.0	$0	$0	$0
Land				0.0	$0	n/a	$0
Record Keeping System				0.0	$0	n/a	$0
Training/Sampling				0.0	$0	n/a	$0
Remediation/Disposal				0.0	$0	n/a	$0
Permit Costs	$150	3-Jan-2007	4-Jan-2007	0.0	$0	n/a	$0
Other (as needed)				0.0	$0	n/a	$0
Notes for DELAYED costs	This cost represents the amount for timely submittal of one emissions event report, beginning on the day the event occurred, and ending on the date compliance was achieved.						
Avoided Costs	ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)						
Disposal				0.0	$0	$0	$0
Personnel				0.0	$0	$0	$0
Inspection/Reporting/Sampling				0.0	$0	$0	$0
Supplies/equipment				0.0	$0	$0	$0
Financial Assurance [2]				0.0	$0	$0	$0
ONE-TIME avoided costs [3]				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0
Notes for AVOIDED costs							

Approx. Cost of Compliance $150

TOTAL $0

Screening Date 19-Dec-2007 **Docket No.** 2007-1733-AIR-E **PCW**

Policy Revision 2 (September 2002)

PCW Revision November 6, 2007

Respondent DCP Midstream, LP

Case ID No. 35227

Reg. Ent. Reference No. RN104960158

Media [Statute] Air

Enf. Coordinator Suzanne Walrath

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(b)(2)(F), 122.143(4), Standard Permit No. 79063, Federal Operating Permit ("FOP") No. O2913, and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to prevent the unauthorized release of air contaminants into the atmosphere from the emergency flare. Since the emissions events were avoidable, and determined to be excessive, the demonstrations in 30 Tex. Admin Code § 101.222 necessary to present an affirmative defense were not met. See attached table.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

	Release	Harm: Major	Moderate	Minor
OR	Actual			x
	Potential			

Percent 25%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes: Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors.

Adjustment $7,500

$2,500

Violation Events

Number of Violation Events 25 — 25 Number of violation days

mark only one with an x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $62,500

Twenty-five single events are recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $2,453

Statutory Limit Test

Violation Final Penalty Total $62,500

This violation Final Assessed Penalty (adjusted for limits) $62,500

Economic Benefit Worksheet

Respondent DCP Midstream, LP
Case ID No. 35227
Reg. Ent. Reference No. RN104960158
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Item Description	No commas or $						
Delayed Costs							
Equipment				0.0	$0	$0	$0
Buildings				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0
Engineering/construction				0.0	$0	$0	$0
Land				0.0	$0	n/a	$0
Record Keeping System				0.0	$0	n/a	$0
Training/Sampling				0.0	$0	n/a	$0
Remediation/Disposal				0.0	$0	n/a	$0
Permit Costs				0.0	$0	n/a	$0
Other (as needed)	$30,000	3-Jan-2007	22-Aug-2008	1.6	$2,453	n/a	$2,453

Notes for DELAYED costs: These are estimated costs for repairs and time for Plant personnel to complete repairs to the West Waddell Compressor Station, beginning on the date of the first emissions event, and ending on the projected date of compliance.

Avoided Costs — ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	$0	$0	$0
Personnel				0.0	$0	$0	$0
Inspection/Reporting/Sampling				0.0	$0	$0	$0
Supplies/equipment				0.0	$0	$0	$0
Financial Assurance [2]				0.0	$0	$0	$0
ONE-TIME avoided costs [3]				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0

Notes for AVOIDED costs:

Approx. Cost of Compliance: $30,000

TOTAL: $2,453

Screening Date 19-Dec-2007 **Docket No.** 2007-1733-AIR-E **PCW**

Policy Revision 2 (September 2002)

PCW Revision November 6, 2007

Respondent DCP Midstream, LP

Case ID No. 35227

Reg. Ent. Reference No. RN104960158

Media [Statute] Air

Enf. Coordinator Suzanne Walrath

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(b)(2)(F), 122.143(4), Standard Permit No. 79063, FOP No. O2913, and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to prevent the unauthorized release of air contaminants into the atmosphere from the emergency flare. Since the emissions events were avoidable, and determined to be excessive, the demonstrations in 30 Tex. Admin Code § 101.222 necessary to present an affirmative defense were not met. See attached table.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

OR	Harm			
Release	Major	Moderate	Minor	
Actual		x		
Potential				

Percent 50%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes: Human health or the environment has been exposed to significant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors.

Adjustment $5,000

$5,000

Violation Events

Number of Violation Events 2 — 2 Number of violation days

mark only one with an x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $10,000

Two single events are recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $359

Statutory Limit Test

Violation Final Penalty Total $10,000

This violation Final Assessed Penalty (adjusted for limits) $10,000

Economic Benefit Worksheet

Respondent DCP Midstream, LP
Case ID No. 35227
Reg. Ent. Reference No. RN104960158
Media Air
Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Item Description	No commas or $						
Delayed Costs							
Equipment				0.0	$0	$0	$0
Buildings				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0
Engineering/construction				0.0	$0	$0	$0
Land				0.0	$0	n/a	$0
Record Keeping System				0.0	$0	n/a	$0
Training/Sampling				0.0	$0	n/a	$0
Remediation/Disposal				0.0	$0	n/a	$0
Permit Costs				0.0	$0	n/a	$0
Other (as needed)	$5,000	17-Mar-2007	22-Aug-2008	1.4	$359	n/a	$359
Notes for DELAYED costs	See Economic Benefit for Violation No. 2.						
Avoided Costs	ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)						
Disposal				0.0	$0	$0	$0
Personnel				0.0	$0	$0	$0
Inspection/Reporting/Sampling				0.0	$0	$0	$0
Supplies/equipment				0.0	$0	$0	$0
Financial Assurance [2]				0.0	$0	$0	$0
ONE-TIME avoided costs [3]				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0
Notes for AVOIDED costs							

Approx. Cost of Compliance	$5,000	TOTAL	$359

DCP MIDSTREAM, LP, RN104960158
DOCKET NO. 2007-1733-AIR-E
EMISSIONS EVENT CHARTS, CASE NO. 35227

VIOLATION 2 ON THE PENALTY CALCULATION WORKSHEET				
Date	**Event # EPN**	**Standard Permit and FOP Limits for the Emergency Flare**	**Duration**	**Pollutants Released**
1/3/2007	#85610 FLARE	<0.01 tpy-Volatile Organic Compounds ("VOCs") 0.01 tpy-NOx 0.04 tpy-CO	2 hrs., 30 min.	1,510 lbs. of carbon monoxide ("CO"), 45.21 lbs. of hydrogen sulfide ("H_2S"), 855.22 lbs. of natural gas, 379.25 lbs. of nitrogen oxides ("NOx"), 4,163.77 lbs. of sulfur dioxide ("SO_2")
1/3/2007	#85638 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	20 hrs., 30 min.	1,571.20 lbs. of CO, 47.02 lbs. of H_2S, 889.64 lbs. of natural gas, 394.51 lbs. of NOx, 4,331.34 lbs. of SO_2
1/5/2007	#85671 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	3 hrs.	441.66 lbs. of CO, 13.22 lbs. of H_2S, 250.05 lbs. of natural gas, 110.90 lbs. of NOx, 1,217.53 lbs. of SO_2
1/6/2007	#85718 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	7 hrs.	129.36 lbs. of CO, 6.11 lbs. of H_2S, 51.93 lbs. of natural gas, 32.48 lbs. of NOx, 562.74 lbs. of SO_2
1/7/2007	#85721 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	1 hr., 15 min.	182.97 lbs. of CO, 8.64 lbs. of H_2S, 72.07 lbs. of natural gas, 45.94 lbs. of NOx, 796 lbs. of SO_2
1/9/2007	#85783 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	4 hrs., 25 min.	980.56 lbs. of CO, 46.31 lbs. H_2S, 386.20 lbs. of natural gas, 246.21 lbs. NOx, 4,265.72 lbs. of SO_2
1/10/2007	#85880 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	15 hrs., 30 min.	1,771.44 lbs. of CO, 83.67 lbs. H_2S, 695.28 lbs. of natural gas, 444.79 lbs. NOx, 7,706.29 lbs. of SO_2
1/11/2007	#85930 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	5 hrs., 15 min.	738.66 lbs. of CO, 22.11 lbs. of H_2S, 418.24 lbs. of natural gas, 185.47 lbs. of NOx, 2,036.28 lbs. of SO_2
1/12/2007	#85974 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	2 hrs.	384.05 lbs. of CO, 18.14 lbs. of H_2S, 151.26 lbs. of natural gas, 96.43 lbs. of NOx, 1,670.72 lbs. of SO_2
1/18/2007	#86170 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	4 hrs., 40 min.	261.61 lbs. of CO, 7.83 lbs. of H_2S, 148.12 lbs. of natural gas, 721.18 lbs. of SO_2
1/21/2007	#86244 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	2 hrs.	360.59 lbs. of CO, 17.03 lbs. of H_2S, 141.153 lbs. of natural gas, 90.54 lbs. of NOx, 1,568.66 lbs. of SO_2

2/3/2007	#86823 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	10 hrs., 10 min.	1,288.20 lbs. of CO, 60.84 lbs. of H_2S, 505.61 lbs. of natural gas, 323.46 lbs. of NOx, 5,604.04 lbs. of SO_2
2/7/2007	#86976 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	7 hrs., 45 min.	1,061.66 lbs. of CO, 50.14 lbs. of H_2S, 416.70 lbs. of natural gas, 266.57 lbs. of NOx, 4,618.52 lbs. of SO_2
2/9/2007	#87074 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	5 hrs., 45 min.	415.55 CO, 19.63 lbs. of H_2S, 163.10 lbs. of natural gas, 104.34 lbs. of NOx, 1,807.76 of SO_2
2/11/2007	#87104 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	4 hrs., 25 min.	790.88 lbs. of CO, 37.35 lbs. of H_2S, 310.42 lbs. of natural gas, 198.58 lbs. of NOx, 3,440.57 lbs. of SO_2
2/13/2007	#87220 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	2 hrs. , 10 min.	658.84 lbs. of CO, 31.12 lbs. of H_2S, 258.59 lbs. of natural gas, 165.43 lbs. of NOx, 2,866.17 lbs. of SO_2
2/23/2007	#87582 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	4 hrs., 20 min.	632.03 lbs. of CO, 29.85 lbs. of H_2S, 248.07 lbs. of natural gas, 158.70 lbs. of NOx, 2,749.54 lbs. of SO_2
3/5/2007	#87939 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	5 hrs., 20 min.	843.83 lbs. of CO, 39.85 lbs. of H_2S, 331.20 lbs. of natural gas, 211.88 lbs. of NOx, 3,670.92 lbs. of SO_2
3/8/2007	#88097 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	4 hrs.	321.04 lbs. of CO, 15.16 lbs. of H_2S, 126.01 lbs. of natural gas, 80.61 lbs. of NOx, 1,396.64 lbs. of SO_2
3/9/2007	#88002 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	1 hr., 45 min.	361.93 lbs. of CO, 17.09 lbs. of H_2S, 142.06 lbs. of natural gas, 90.88 lbs. of NOx, 1,574.50 lbs. of SO_2
3/10/2007	#88146 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	12 hrs., 5 min.	916.21 lbs. of CO, 43.27 lbs. of H_2S, 359.61 lbs. of natural gas, 230.05 lbs. of NOx, 3,985.81 lbs. of SO_2
3/11/2007	#88168 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	1 hr.	211.79 lbs. of CO, 10 lbs. of H_2S, 83.13 lbs. of natural gas, 53.18 lbs. of NOx, 921.37 lbs. of SO_2
3/13/2007	#88267 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	1 hr., 50 min.	160.86 lbs. of CO, 7.60 lbs. of H_2S, 63.14 lbs. of natural gas, 40.39 lbs. of NOx, 699.78 lbs. of SO_2
3/31/2007	#89066 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	4 hrs., 1 min.	312.33 lbs. of CO, 14.75 lbs. of H_2S, 122.59 lbs. of natural gas, 78.42 lbs. of NOx, 1,358.73 lbs. of SO_2
4/8/2007	#89418 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	2 hrs.	142.76 lbs. of CO, 6.74 lbs. of H_2S, 56.03 lbs. of natural gas, 35.85 lbs. of NOx, 621.05 lbs. of SO_2

VIOLATION 3 ON THE PENALTY CALCULATION WORKSHEET				
Date	Event # EPN	Standard Permit and FOP Limits for the Emergency Flare	Duration	Pollutants Released
3/17/2007	#88445 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	7 hrs.	5,473.16 lbs. of CO, 258.50 lbs. of H_2S, 2,148.20 lbs. of natural gas, 1,374.26 lbs. of NOx, 23,809.89 lbs. of SO_2
4/10/2007	#89502 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	14 hrs.	1,934.97 lbs. of CO, 91.39 lbs. of H_2S, 759.47 lbs. of natural gas, 485.86 lbs. of NOx, 8,417.72 lbs. of SO_2

Compliance History

Customer/Respondent/Owner-Operator:	CN601229917	DCP Midstream, LP	Classification: AVERAGE	Rating: 2.77
Regulated Entity:	RN104960158	WEST WADDELL COMPRESSOR STATION	Classification: AVERAGE BY DEFAULT	Site Rating: 3.01

ID Number(s):	AIR NEW SOURCE PERMITS	REGISTRATION	79063
	AIR NEW SOURCE PERMITS	AFS NUM	4810300054
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	CYA002B
	AIR OPERATING PERMITS	PERMIT	2913

Location: Located 23 miles southwest of the intersection of Interstate 20 and US Highway 385 on the south side of Odessa Drive to exit 93, then south 12.2 miles on Ranch Road 1053, then east 0.5 mile on Sandhills Ranch Road, then north 0.8 mile on Sandhills Headquarter Road, then east 0.6 mile on Shumm Road in Crane County

Rating Date: September 01 07 Repeat Violator: NO

TCEQ Region: REGION 07 - MIDLAND

Date Compliance History Prepared: October 23, 2007

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: October 23, 2002 to October 23, 2007

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

Name: Suzanne Walrath Phone: 512/239-2134

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership of the site during the compliance period? No
3. If Yes, who is the current owner? N/A
4. if Yes, who was/were the prior owner(s)? N/A
5. When did the change(s) in ownership occur? N/A

Components (Multimedia) for the Site :

A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.

N/A

B. Any criminal convictions of the state of Texas and the federal government.

N/A

C. Chronic excessive emissions events.

N/A

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

1 10/15/2007 (557052)

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

F. Environmental audits.

N/A

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

IN THE MATTER OF AN ENFORCEMENT ACTION CONCERNING DCP MIDSTREAM, LP RN104960158	§ § § § §	**BEFORE THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY**

AGREED ORDER
DOCKET NO. 2007-1733-AIR-E

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding DCP Midstream, LP ("the Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent, presented this agreement to the Commission.

The Respondent understands that it has certain procedural rights at certain points in the enforcement process, including, but not limited to, the right to formal notice of violations, notice of an evidentiary hearing, the right to an evidentiary hearing, and a right to appeal. By entering into this Agreed Order, the Respondent agrees to waive all notice and procedural rights.

It is further understood and agreed that this Order represents the complete and fully-integrated settlement of the parties. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable. The duties and responsibilities imposed by this Agreed Order are binding upon the Respondent.

The Commission makes the following Findings of Fact and Conclusions of Law:

I. FINDINGS OF FACT

1. The Respondent owns and operates a compressor station located 23 miles southwest of the intersection of Interstate 20 and US Highway 385 on the south side of Odessa Drive to exit 93, then south 12.2 miles on Ranch Road 1053, then east 0.5 mile on Sandhills Ranch Road, then north 0.8 mile on Sandhills Headquarter Road, then east 0.6 mile on Shumm Road in Crane County, Texas (the "Plant").

2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).

3. During an investigation on April 11, 2007, TCEQ staff documented that the Respondent failed to report Emissions Event No. 85610 within 24 hours after the discovery of the emissions event. Specifically, the report was submitted 25 hours and 32 minutes after the event occurred.

4. During an investigation on April 11, 2007, TCEQ staff documented that the Respondent failed to prevent the unauthorized release of air contaminants into the atmosphere from the emergency flare. Since the emissions events were avoidable, and determined to be excessive, the demonstrations in 30 TEX. ADMIN CODE § 101.222 necessary to present an affirmative defense were not met. See table below.

VIOLATION 2 ON THE PENALTY CALCULATION WORKSHEET				
Date	**Event # EPN**	**Standard Permit and Federal Operating Permit ("FOP") Limits for the Emergency Flare**	**Duration**	**Pollutants Released**
1/3/2007	#85610 FLARE	<0.01 tpy-Volatile Organic Compounds ("VOCs") 0.01 tpy-NOx 0.04 tpy-CO	2 hrs., 30 min.	1,510 lbs. of carbon monoxide ("CO"), 45.21 lbs. of hydrogen sulfide ("H_2S"), 855.22 lbs. of natural gas, 379.25 lbs. of nitrogen oxides ("NOx"), 4,163.77 lbs. of sulfur dioxide ("SO_2")
1/3/2007	#85638 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	20 hrs., 30 min.	1,571.20 lbs. of CO, 47.02 lbs. of H_2S, 889.64 lbs. of natural gas, 394.51 lbs. of NOx, 4,331.34 lbs. of SO_2
1/5/2007	#85671 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	3 hrs.	441.66 lbs. of CO, 13.22 lbs. of H_2S, 250.05 lbs. of natural gas, 110.90 lbs. of NOx, 1,217.53 lbs. of SO_2
1/6/2007	#85718 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	7 hrs.	129.36 lbs. of CO, 6.11 lbs. of H_2S, 51.93 lbs. of natural gas, 32.48 lbs. of NOx, 562.74 lbs. of SO_2
1/7/2007	#85721 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	1 hr., 15 min.	182.97 lbs. of CO, 8.64 lbs. of H_2S, 72.07 lbs. of natural gas, 45.94 lbs. of NOx, 796 lbs. of SO_2
1/9/2007	#85783 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	4 hrs., 25 min.	980.56 lbs. of CO, 46.31 lbs. H_2S, 386.20 lbs. of natural gas, 246.21 lbs. NOx, 4,265.72 lbs. of SO_2
1/10/2007	#85880 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	15 hrs., 30 min.	1,771.44 lbs. of CO, 83.67 lbs. H_2S, 695.28 lbs. of natural gas, 444.79 lbs. NOx, 7,706.29 lbs. of SO_2
1/11/2007	#85930 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	5 hrs., 15 min.	738.66 lbs. of CO, 22.11 lbs. of H_2S, 418.24 lbs. of natural gas, 185.47 lbs. of NOx, 2,036.28 lbs. of SO_2
1/12/2007	#85974 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	2 hrs.	384.05 lbs. of CO, 18.14 lbs. of H_2S, 151.26 lbs. of natural gas, 96.43 lbs. of NOx, 1,670.72 lbs. of SO_2
1/18/2007	#86170 FLARE	<0.01 tpy-VOCs, 0.01 tpy-NOx 0.04 tpy-CO	4 hrs., 40 min.	261.61 lbs. of CO, 7.83 lbs. of H_2S, 148.12 lbs. of natural gas, 721.18 lbs. of SO_2
1/21/2007	#86244 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	2 hrs.	360.59 lbs. of CO, 17.03 lbs. of H_2S, 141.153 lbs. of natural gas, 90.54 lbs. of NOx, 1,568.66 lbs. of SO_2

2/3/2007	#86823 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	10 hrs., 10 min.	1,288.20 lbs. of CO, 60.84 lbs. of H_2S, 505.61 lbs. of natural gas, 323.46 lbs. of NOx, 5,604.04 lbs. of SO_2
2/7/2007	#86976 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	7 hrs., 45 min.	1,061.66 lbs. of CO, 50.14 lbs. of H_2S, 416.70 lbs. of natural gas, 266.57 lbs. of NOx, 4,618.52 lbs. of SO_2
2/9/2007	#87074 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	5 hrs., 45 min.	415.55 CO, 19.63 lbs. of H_2S, 163.10 lbs. of natural gas, 104.34 lbs. of NOx, 1,807.76 of SO_2
2/11/2007	#87104 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	4 hrs., 25 min.	790.88 lbs. of CO, 37.35 lbs. of H_2S, 310.42 lbs. of natural gas, 198.58 lbs. of NOx, 3,440.57 lbs. of SO_2
2/13/2007	#87220 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	2 hrs. , 10 min.	658.84 lbs. of CO, 31.12 lbs. of H_2S, 258.59 lbs. of natural gas, 165.43 lbs. of NOx, 2,866.17 lbs. of SO_2
2/23/2007	#87582 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	4 hrs., 20 min.	632.03 lbs. of CO, 29.85 lbs. of H_2S, 248.07 lbs. of natural gas, 158.70 lbs. of NOx, 2,749.54 lbs. of SO_2
3/5/2007	#87939 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	5 hrs., 20 min.	843.83 lbs. of CO, 39.85 lbs. of H_2S, 331.20 lbs. of natural gas, 211.88 lbs. of NOx, 3,670.92 lbs. of SO_2
3/8/2007	#88097 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	4 hrs.	321.04 lbs. of CO, 15.16 lbs. of H_2S, 126.01 lbs. of natural gas, 80.61 lbs. of NOx, 1,396.64 lbs. of SO_2
3/9/2007	#88002 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	1 hr., 45 min.	361.93 lbs. of CO, 17.09 lbs. of H_2S, 142.06 lbs. of natural gas, 90.88 lbs. of NOx, 1,574.50 lbs. of SO_2
3/10/2007	#88146 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	12 hrs., 5 min.	916.21 lbs. of CO, 43.27 lbs. of H_2S, 359.61 lbs. of natural gas, 230.05 lbs. of NOx, 3,985.81 lbs. of SO_2
3/11/2007	#88168 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	1 hr.	211.79 lbs. of CO, 10 lbs. of H_2S, 83.13 lbs. of natural gas, 53.18 lbs. of NOx, 921.37 lbs. of SO_2
3/13/2007	#88267 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	1 hr., 50 min.	160.86 lbs. of CO, 7.60 lbs. of H_2S, 63.14 lbs. of natural gas, 40.39 lbs. of NOx, 699.78 lbs. of SO_2

3/31/2007	#89066 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	4 hrs., 1 min.	312.33 lbs. of CO, 14.75 lbs. of H_2S, 122.59 lbs. of natural gas, 78.42 lbs. of NOx, 1,358.73 lbs. of SO_2
4/8/2007	#89418 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	2 hrs.	142.76 lbs. of CO, 6.74 lbs. of H_2S, 56.03 lbs. of natural gas, 35.85 lbs. of NOx, 621.05 lbs. of SO_2

5. During an investigation on April 11, 2007, TCEQ staff documented that the Respondent failed to prevent the unauthorized release of air contaminants into the atmosphere from the emergency flare. Since the emissions events were avoidable, and determined to be excessive, the demonstrations in 30 TEX. ADMIN CODE § 101.222 necessary to present an affirmative defense were not met. See table below.

VIOLATION 3 ON THE PENALTY CALCULATION WORKSHEET				
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3/17/2007	#88445 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	7 hrs.	5,473.16 lbs. of CO, 258.50 lbs. of H_2S, 2,148.20 lbs. of natural gas, 1,374.26 lbs. of NOx, 23,809.89 lbs. of SO_2
4/10/2007	#89502 FLARE	<0.01 tpy-VOCs 0.01 tpy-NOx 0.04 tpy-CO	14 hrs.	1,934.97 lbs. of CO, 91.39 lbs. of H_2S, 759.47 lbs. of natural gas, 485.86 lbs. of NOx, 8,417.72 lbs. of SO_2

6. The Respondent received notice of the violations on January 22, 2008.

7. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:

   a. On January 3, 2007, in response to Emissions Event No. 85610, the field operator removed the liquids from the field scrubber and restarted the engines extinguishing the flare;

   b. On January 3, 2007, in response to Emissions Event No. 85638, the field operator repaired the fuel gas system to Engine No. 1;

   c. On January 5, 2007, in response to Emissions Event No. 85671, the mechanics on site performed maintenance as quickly as possible while the station was down, tuning was performed on the suction control valve to allow it to compensate when more than one engine is down. Additionally, other auxiliary control equipment was also tuned to actual field conditions during this downtime, then Engines 2, 3, and 4 were placed back online, terminating the release;

d. On January 6, 2007, in response to Emissions Event No. 85718, the field operator removed the liquid from the scrubber and adjusted the automatic dump valve and placed the engine back online terminating the release;

e. On January 7, 2007, in response to Emissions Event No. 85721, the field operator adjusted the oil level controller to accurately reflect the actual oil level, and Engine No. 2 was placed back online, terminating the release;

f. On January 9, 2007, in response to Emissions Event No. 85783, the field operator adjusted the oil level controller and called a mechanic to repair the pump. Once the pump was repaired, the engines were refilled and put back online;

g. On January 10, 2007, in response to Emissions Event No. 85880, Engine No. 1 was repaired and placed back into service;

h. On January 11, 2007, in response to Emissions Event No. 85930, the field operator restarted Engine No. 3, and tuned the controls to enable it to operate at a reduced load. Additionally, it was discovered that a fouled spark plug was the cause of the problem, and it was replaced;

i. On January 12, 2007, in response to Emissions Event No. 85974, the field operator manually started a gas powered air compressor, restored control air to the flare control valve, and replaced the starter relay;

j. On January 18, 2007, in response to Emissions Event No. 86170, the field operator replaced the vibration switch;

k. On January 21, 2007, in response to Emissions Event No. 86244, the field operator repaired the broken block nipple to prevent Engine No. 2 from losing oil, a hot alignment on the engine-compressor coupling was performed, and the coupling was realigned for optimum performance;

l. On February 3, 2007, in response to Emissions Event No. 86823, the field operator repaired the wire on the compressor vibration switch, and relocated the vibration switches to prevent continued chaffing and failure of the associated wiring. Additionally, the operator also contacted a technician to troubleshoot and repair the SCADA alarm system;

m. On February 7, 2007, in response to Emissions Event No. 86976, Engine No. 2 was shut down, and belts were ordered and installed upon delivery. Once all repairs were completed, the engine was restarted;

n. On February 9, 2007, in response to Emissions Event No. 87074, it was determined that Engine No. 1 would need to be down for an extended period of time for repairs, so gas was shut down until the engine could be repaired. When enough gas was shut out of the booster, the flaring stopped;

o. On February 11, 2007, in response to Emissions Event No. 87104, maintenance on Engine No. 2 was completed as quickly as possible and it was restarted and put back online, but Engine No. 1 was left down until additional bracing could be installed to eliminate the vibration induced stresses that led to metal fatigue cracking;

p. On February 13, 2007, in response to Emissions Event No. 87220, the technician refastened two loose wires in the control panel, and after finding no further problems, the operator put the engine back on line and stopped the flaring;

q. On February 23, 2007, in response to Emissions Event No. 87582, the operator minimized the flaring by re-inventorying the compressor with oil, and a mechanic replaced the starter;

r. On March 5, 2007, in response to Emissions Event No. 87939, the operator had the producer shut in some of the gas to compensate for Engine No. 2 being down, performed maintenance on the pump solenoid, reset the ESD valves, and restarted the engine;

s. On March 8, 2007, in response to Emissions Event No. 88097, the field operator replaced the faulty proximity switch, and placed Engine No. 1 back online. Additionally, a technician repaired a bare spot on a shorted wire associated with the compressor vibration sensor, and secured the wires associated with the sensor to prevent the grounding problem from recurring;

t. On March 9, 2007, in response to Emissions Event No. 88002, the plant shut down and performed a tie in of a rental engine/compressor. Additionally, the gas was shut in to minimize the amount of natural gas that was flared;

u. On March 10, 2007, in response to Emissions Event No. 88146, the mechanic repaired the camshaft lobe and cam follower guide;

v. On March 11, 2007, in response to Emissions Event No. 88168, the mechanic replaced the cam guide, and restarted the engine;

w. On March 13, 2007, in response to Emissions Event No. 88267, the field operator cleaned and adjusted the sensitivity switch on the level controller, and adjusted the switch. Additionally, the liquids were removed from the scrubber and the engine was restarted;

x. On March 17, 2007, in response to Emissions Event No. 88445, the field operator replaced the fouled spark plugs, repaired the ignition coil, and restarted the engine;

y. On March 31, 2007, in response to Emissions Event No. 89066, the field operator repaired the tubing leak associated with the cooling system on Engine No. 2, filled the cooling system with water, and restarted the engine. In addition, the hose was replaced on Engine No. 4, and its cooling system was refilled with water and restarted;

z. On April 8, 2007, in response to Emissions Event No. 89418, the field operator repaired the leak in the cooling system on Engine No. 3, and bled the air out of the jacket water system. The water level was restored to the proper level, and Engine No. 3 was restarted to normal operations. In addition, after the oil level was restored to the proper level in the rental unit, this engine was restarted to normal operations;

aa. On April 10, 2007, in response to Emissions Event No. 89502, the field operator installed a new pump on Engine No. 2, and a new belt tensioner was installed on Engine No. 1; and

bb. On November 16, 2007, submitted a Corrective Action Plan ("CAP") in response to these emissions events, which was approved by the Midland Regional Office on December 14, 2007.

II. CONCLUSIONS OF LAW

1. The Respondent is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7 and the rules of the Commission.

2. As evidenced by Findings of Fact No. 3, the Respondent failed to report Emissions Event No. 85610 within 24 hours after the discovery of the emissions event, in violation of 30 TEX. ADMIN. CODE § 101.201(a)(1)(B), and TEX. HEALTH & SAFETY CODE § 382.085(b).

3. As evidenced by Findings of Fact No. 4, the Respondent failed to prevent the unauthorized release of air contaminants into the atmosphere from the emergency flare, in violation of 30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F), 122.143(4), Standard Permit No. 79063, FOP No. O2913, and TEX. HEALTH & SAFETY CODE § 382.085(b).

4. As evidenced by Findings of Fact No. 5, the Respondent failed to prevent the unauthorized release of air contaminants into the atmosphere from the emergency flare, in violation of 30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F), 122.143(4), Standard Permit No. 79063, FOP No. O2913, and TEX. HEALTH & SAFETY CODE § 382.085(b).

5. Pursuant to TEX. WATER CODE § 7.051, the Commission has the authority to assess an administrative penalty against the Respondent for violations of the Texas Water Code and the Texas Health and Safety Code within the Commission's jurisdiction; for violations of rules adopted under such statutes; or for violations of orders or permits issued under such statutes.

6. An administrative penalty in the amount of Seventy-Two Thousand Six Hundred Dollars ($72,600) is justified by the facts recited in this Agreed Order, and considered in light of the factors set forth in TEX. WATER CODE § 7.053. The Respondent has paid Thirty-Six Thousand Three Hundred Dollars ($36,300) of the administrative penalty. Thirty-Six Thousand Three Hundred Dollars ($36,300) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

III. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. The Respondent is assessed an administrative penalty in the amount of Seventy-Two Thousand Six Hundred Dollars ($72,600) as set forth in Section II, Paragraph 6 above, for violations of TCEQ rules and state statutes. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order completely resolve the violations set forth by this Agreed Order in this action. However, the Commission shall not be constrained in any manner from requiring corrective actions or penalties for other violations that are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: DCP Midstream, LP, Docket No. 2007-1733-AIR-E" to:

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

2. The Respondent shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section II, Paragraph 6 in Conclusions of Law, Thirty-Six Thousand Three Hundred Dollars ($36,300) of the assessed administrative penalty shall be offset with the condition that the Respondent implement the SEP defined in Attachment A, incorporated herein by reference. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.

3. The Respondent shall undertake the following technical requirements:

   a. Within 30 days after the effective date of this Agreed Order, conduct and complete training of all Plant personnel responsible for submitting reports, specifically personnel responsible for the submittal of emissions event reports, detailing all proper procedures that should be followed;

   b. Respond completely and adequately, as determined by the Executive Director, to all written requests for information concerning the submitted CAP within 15 days after the date of such requests, or by any other deadline specified in writing;

   c. Implement the CAP in accordance with the approved schedule;

   d. Within 45 days after the effective date of this Agreed Order, submit written certification to demonstrate compliance with Ordering Provision 3.a.; and

   e. Upon completion of CAP implementation, submit written certification to demonstrate compliance with Ordering Provisions 3.b. and 3.c.

   The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

   "I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is 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."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Air Section Manager
Midland Regional Office
Texas Commission on Environmental Quality
3300 North A Street, Building 4, Suite 107
Midland, Texas 79705-5404

4. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.

5. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.

6. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.

7. The Executive Director may refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings without notice to the Respondent if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.

8. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.

9. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.

10. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by

facsimile transmission to the other parties, which shall constitute an original signature for all purposes.

11. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties. By law, the effective date of this Agreed Order is the third day after the mailing date, as provided by 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

_____
For the Commission

_____ 9/4/2008
For the Executive Director Date

I, the undersigned, have read and understand the attached Agreed Order in the matter of DCP Midstream, LP. I am authorized to agree to the attached Agreed Order on behalf of DCP Midstream, LP, and do agree to the specified terms and conditions. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I understand that by entering into this Agreed Order, DCP Midstream, LP waives certain procedural rights, including, but not limited to, the right to formal notice of violations addressed by this Agreed Order, notice of an evidentiary hearing, the right to an evidentiary hearing, and the right to appeal. I agree to the terms of the Agreed Order in lieu of an evidentiary hearing. This Agreed Order constitutes full and final adjudication by the Commission of the violations set forth in this Agreed Order.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

_____ April 2, 2008
Signature Date

_____ VP Operations
Name (Printed or typed) Title
Authorized Representative of
DCP Midstream, LP

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

Attachment A
Docket Number: 2007-1733-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	**DCP Midstream, LP**
Payable Penalty Amount:	**Seventy-Two Thousand Six Hundred Dollars ($72,600)**
SEP Amount:	**Thirty-Six Thousand Three Hundred Dollars ($36,300)**
Type of SEP:	**Pre-approved**
Third-Party Recipient:	**Texas Association of Resource Conservation and Development Areas, Inc. (RC&D)-Household Hazardous Waste Clean-Up**
Location of SEP:	**Crane County**

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

A. Project

The Respondent shall contribute the SEP Amount to the Third-Party Recipient pursuant to the agreement between the Third-Party Recipient and the TCEQ. Specifically, the contribution will be used to provide local residents with a means of properly disposing household hazardous wastes such as paint, thinners, pesticides, oil and gas, corrosive cleaners, and fertilizers in one day collection events. SEP monies will be used to pay for the associated labor, materials, and disposal costs. Citizens will not be charged disposal fees. The project is administered in accordance with TCEQ guidance on household hazardous waste and in compliance with federal, state, and local environmental laws and regulations. All dollars contributed will be used solely for the direct cost of the project and no portion will be spent on administrative costs.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by providing a means of properly disposing household hazardous waste which might otherwise be disposed of in storm drains, the sewage system, or other means detrimental to the environment.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Texas Association of Resource Conservation and Development Areas, Inc.
1716 Briarcrest Drive, Suite 510
Bryan, Texas 77802

3. Records and Reporting

Concurrent with the payment of the SEP Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division
Attention: SEP Coordinator, MC 219
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

Texas Commission on Environmental Quality
Financial Administration Division, Revenues
Attention: Cashier, MC 214
P.O. Box 13088
Austin, Texas 78711-3088

The Respondent shall also mail a copy of the check to the TCEQ SEP Coordinator at the address in Section 3 above.

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.