

EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NO.: 2009-0647-AIR-E TCEQ ID: RN102229572 CASE NO.: 37612

RESPONDENT NAME: DCP Midstream, LP

ORDER TYPE:		
<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
CASE TYPE:		
<input checked="" type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION
<p>SITE WHERE VIOLATION(S) OCCURRED: Pegasus Gas Plant, approximately 18 miles south of Interstate Highway 20, on the west side of Farm-to-Market Road 1788, Midland County</p> <p>TYPE OF OPERATION: Natural gas processing plant</p> <p>SMALL BUSINESS: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.</p> <p>INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on November 9, 2009. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: None TCEQ Enforcement Coordinator: Mr. Terry Murphy, Enforcement Division, Enforcement Team 4, MC 149, (512) 239-5025; Ms. Cari-Michel La Caille, Enforcement Division, MC 219, (512) 239-1387 Respondent: Mr. Gregory C. Kardos, Environmental Manager, DCP Midstream, LP, 10 Desta Drive, Suite 400W, Midland, Texas 79705 Mr. Jerry Barnhill, Vice President EH&S, DCP Midstream, LP, 10 Desta Drive, Suite 400W, Midland, Texas 79705 Respondent's Attorney: Not represented by counsel on this enforcement matter</p>		

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input checked="" type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: April 14, 2009</p> <p>Date of NOV/NOE Relating to this Case: April 27, 2009 (NOE)</p> <p>Background Facts: This was a routine investigation.</p> <p>AIR</p> <p>Failure to demonstrate that Engine 35 (Emissions Point Number ["EPN"] ENGN-35) and Engine 36 (EPN ENG-36) were operating within the limitations established during performance testing. Specifically, Table 6, Item 4.a.iv. of 40 CODE OF FEDERAL REGULATIONS § 63.6640(a), requires the Respondent to measure the pressure drop across the engines' catalyst once per month and demonstrate that the pressure drop is within the operating limitations established during the engines' performance testing, but the Respondent reported that the pressure drop data was not available for the month of April 2008, and therefore, could not make this demonstration for that month [30 TEX. ADMIN. CODE § 101.20(2), 40 CODE OF FEDERAL REGULATIONS § 63.6640(a), and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>	<p>Total Assessed: \$2,460</p> <p>Total Deferred: \$492 <input checked="" type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$0</p> <p>Total Paid to General Revenue: \$1,968</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Corrective Actions Taken:</p> <p>The Executive Director recognizes that the Respondent, on May 14, 2009, completed improvements to its system designed to ensure the measurement and recording of catalyst pressure drops.</p>

Additional ID No(s): ML0020D



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

DATES	Assigned	4-May-2009		
	PCW	1-Jun-2009	Screening	7-May-2009
	EPA Due			

RESPONDENT/FACILITY INFORMATION			
Respondent	DCP Midstream, LP		
Reg. Ent. Ref. No.	RN102229572		
Facility/Site Region	7-Midland	Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	37612	No. of Violations	1
Docket No.	2009-0647-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Terry Murphy
		EC's Team	Enforcement Team 4
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) *Subtotal 1*

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History Enhancement *Subtotals 2, 3, & 7*

Notes: The penalty was enhanced by one 1660-style agreed order, one NOV for the same or similar violations, and five NOV's for dissimilar violations. The penalty was reduced by two NOAs.

Culpability Enhancement *Subtotal 4*

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments *Subtotal 5*

Economic Benefit Enhancement *Subtotal 6*

Total EB Amounts	\$104
Approx. Cost of Compliance	\$2,000

*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 *Final Subtotal*

OTHER FACTORS AS JUSTICE MAY REQUIRE *Adjustment*

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount

STATUTORY LIMIT ADJUSTMENT *Final Assessed Penalty*

DEFERRAL Reduction *Adjustment*

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

Notes

Deferral offered for expedited settlement.

PAYABLE PENALTY

Screening Date 7-May-2009

Docket No. 2009-0647-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 2 (September 2002)

Case ID No. 37612

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102229572

Media [Statute] Air

Enf. Coordinator Terry Murphy

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)	1	5%
	Other written NOVs	5	10%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	1	20%
	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)	2	-2%
	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) 33%

>> **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 penalty was enhanced by one 1660-style agreed order, one NOV for the same or similar violations, and five NOVs for dissimilar violations. The penalty was reduced by two NOAs.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 33%

Screening Date 7-May-2009	Docket No. 2009-0647-AIR-E	PCW		
Respondent DCP Midstream, LP		<small>Policy Revision 2 (September 2002)</small>		
Case ID No. 37612		<small>PCW Revision October 30, 2008</small>		
Reg. Ent. Reference No. RN102229572				
Media [Statute] Air				
Enf. Coordinator Terry Murphy				
Violation Number <input type="text" value="1"/>				
Rule Cite(s)	30 Tex. Admin. Code § 101.20(2), 40 Code of Federal Regulations § 63.6640(a), and Tex. Health & Safety Code § 382.085(b)			
Violation Description	Failed to demonstrate that Engine 35 (Emissions Point Number ["EPN"] ENGN-35) and Engine 36 (EPN ENG-36) were operating within the limitations established during performance testing. Specifically, Table 6, Item 4.a.iv. of 40 Code of Federal Regulations § 63.6640(a), requires the Respondent to measure the pressure drop across the engines' catalyst once per month and demonstrate that the pressure drop is within the operating limitations established during the engines' performance testing, but the Respondent reported that the pressure drop data was not available for the month of April 2008, and therefore, could not make this demonstration for that month.			
	Base Penalty	<input type="text" value="\$10,000"/>		
>> Environmental, Property and Human Health Matrix				
OR	Harm			
	Release	Major	Moderate	Minor
	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Potential	<input type="text"/>	<input type="text"/>	<input checked="" type="checkbox"/>
				Percent <input type="text" value="10%"/>
>> Programmatic Matrix				
	Falsification	Major	Moderate	Minor
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
				Percent <input type="text" value="0%"/>
Matrix Notes	Human health or the environment could have been exposed to insignificant amounts of pollutants not exceeding levels protective of human health or environmental receptors as a result of the violations.			
	Adjustment	<input type="text" value="\$9,000"/>		
		<input type="text" value="\$1,000"/>		
Violation Events				
	Number of Violation Events	<input type="text" value="2"/>	Number of violation days	
		<input type="text" value="30"/>		
	<i>mark only one with an x</i>	daily	<input type="text"/>	
		weekly	<input type="text"/>	
		monthly	<input type="text"/>	
		quarterly	<input type="text"/>	
		semiannual	<input type="text"/>	
		annual	<input type="text"/>	
		single event	<input checked="" type="checkbox"/>	
			Violation Base Penalty <input type="text" value="\$2,000"/>	
	Two single events are recommended, one for each of the engines.			
Good Faith Efforts to Comply		10.0% Reduction	<input type="text" value="\$200"/>	
		<small>Before NOV</small>	<small>NOV to EDRP/Settlement Offer</small>	
	Extraordinary	<input type="text"/>	<input type="text"/>	
	Ordinary	<input type="text"/>	<input checked="" type="checkbox"/>	
	N/A	<small>(mark with x)</small>		
Notes	The Respondent completed corrective actions on May 14, 2009, and the NOE is dated April 27, 2009.			
		Violation Subtotal	<input type="text" value="\$1,800"/>	
Economic Benefit (EB) for this violation		Statutory Limit Test		
	Estimated EB Amount	<input type="text" value="\$104"/>	Violation Final Penalty Total	
			<input type="text" value="\$2,460"/>	
		This violation Final Assessed Penalty (adjusted for limits)		
		<input type="text" value="\$2,460"/>		

Economic Benefit Worksheet

Respondent DCP Midstream, LP
Case ID No. 37612
Reg. Ent. Reference No. RN102229572
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling	\$2,000	30-Apr-2008	14-May-2009	1.04	\$104	n/a	\$104
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated costs to provide improvements to the sampling/recording system. The Date Required is the last day of the violation month, and the Final Date is the date the Respondent implemented improvements to the sampling/recording system.

Avoided Costs

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

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$2,000

TOTAL:

\$104

Compliance History Report

Customer/Respondent/Owner-Operator: CN601229917 DCP Midstream, LP Classification: AVERAGE Rating: 2.68
 Regulated Entity: RN102229572 PEGASUS GAS PLANT Classification: AVERAGE Site Rating: 20.81

ID Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	ML0020D
	AIR OPERATING PERMITS	PERMIT	675
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	ML0020D
	AIR NEW SOURCE PERMITS	PERMIT	18466
	AIR NEW SOURCE PERMITS	PERMIT	19094
	AIR NEW SOURCE PERMITS	PERMIT	20215
	AIR NEW SOURCE PERMITS	PERMIT	20647
	AIR NEW SOURCE PERMITS	PERMIT	20669
	AIR NEW SOURCE PERMITS	PERMIT	20751
	AIR NEW SOURCE PERMITS	PERMIT	20981
	AIR NEW SOURCE PERMITS	PERMIT	21327
	AIR NEW SOURCE PERMITS	PERMIT	22065
	AIR NEW SOURCE PERMITS	PERMIT	22968
	AIR NEW SOURCE PERMITS	PERMIT	23072
	AIR NEW SOURCE PERMITS	PERMIT	24926
	AIR NEW SOURCE PERMITS	PERMIT	24570
	AIR NEW SOURCE PERMITS	PERMIT	25795
	AIR NEW SOURCE PERMITS	PERMIT	28009
	AIR NEW SOURCE PERMITS	PERMIT	29508
	AIR NEW SOURCE PERMITS	PERMIT	31304
	AIR NEW SOURCE PERMITS	PERMIT	30877
	AIR NEW SOURCE PERMITS	REGISTRATION	19686
	AIR NEW SOURCE PERMITS	EPA ID	PSDTX819
	AIR NEW SOURCE PERMITS	AFS NUM	4832900008
	AIR NEW SOURCE PERMITS	PERMIT	71491
	AIR NEW SOURCE PERMITS	PERMIT	73414
	AIR NEW SOURCE PERMITS	REGISTRATION	19094
	AIR NEW SOURCE PERMITS	REGISTRATION	20215
	AIR NEW SOURCE PERMITS	REGISTRATION	20647
	AIR NEW SOURCE PERMITS	REGISTRATION	20669
	AIR NEW SOURCE PERMITS	REGISTRATION	20751
	AIR NEW SOURCE PERMITS	REGISTRATION	20981
	AIR NEW SOURCE PERMITS	REGISTRATION	21327
	AIR NEW SOURCE PERMITS	REGISTRATION	22968
	AIR NEW SOURCE PERMITS	REGISTRATION	23072
	AIR NEW SOURCE PERMITS	REGISTRATION	24570
	AIR NEW SOURCE PERMITS	REGISTRATION	28009
	AIR NEW SOURCE PERMITS	REGISTRATION	24926
	AIR NEW SOURCE PERMITS	REGISTRATION	25795
	AIR NEW SOURCE PERMITS	REGISTRATION	29508
	AIR NEW SOURCE PERMITS	REGISTRATION	30877
	AIR NEW SOURCE PERMITS	REGISTRATION	31304
	AIR NEW SOURCE PERMITS	REGISTRATION	86308
	PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	1650050

Location: Approximately 18 miles south of Interstate Highway 20, on the west side of Farm-to-Market Road 1788, Midland County

TCEQ Region: REGION 07 - MIDLAND

Date Compliance History Prepared: May 04, 2009

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: May 04, 2004 to May 04, 2009

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

Name: Terry Murphy Phone: (512) 239-5025

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/operator of the site during the compliance period? Yes

3. If Yes, who is the current owner/operator? DCP Midstream, LP
4. If Yes, who was/were the prior owner(s)/operator(s) ? United Fuel & Energy Corporation
5. When did the change(s) in owner or operator occur? 01/01/2008
6. Rating Date: 9/1/2008 Repeat Violator: NO

Components (Multimedia) for the Site :

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

Effective Date: 03/08/2008

ADMINORDER 2007-0940-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter O 106.352
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to comply with emissions limitations specified in the Standard Exemption 72 registration that was submitted on August 31, 2001. Specifically, the registered limitations for storage tank SOT -TNK1 were 4.07 tons per year ("tpy") of VOCs, and the calculated emissions are 50.62 tpy.

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.136(b)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to identify Tank 45 and Tank 46 as having 40 CFR Part 60 Subpart Kb applicability. Specifically, this applicability was not included in the Title V permit application nor did the applicant seek to submit relevant facts or to correct the information no later than 60 days after discovering the error.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
40 CFR Chapter 1, SubChapter C, PT 60, SubPT KB 60.112b(a)(3)(ii)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to install controls required by 40 CFR Part 60 Subpart Kb on Tank 45 and Tank 46 when the tanks were converted from pressure tank service to atmospheric tank service on January 7, 2003. Specifically, the tanks have no vapor recovery units installed and are venting directly to the atmosphere.

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.136(b)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to include the Compliance Assurance Monitoring (CAM) applicability for ENG-35 and ENG-36 [as required by 40 CFR 64.2(a)] on the Title V permit renewal application that was submitted on February 5, 2005.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-4(b)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to conduct post-activation follow-up monitoring for pressure relief valves as required.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 116, SubChapter F 116.620(a)(12)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(3)(ii)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to have a program in place to verify that sufficient supplemental fuel gas is supplied to the waste gas to the flare to ensure the BTU value is sufficient for sustained combustion.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(3)(i)(B)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to maintain proper documentation to demonstrate compliance with the flare stack velocity.

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

N/A

C. Chronic excessive emissions events.

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

1 06/24/2004 (277709)

2	02/07/2006	(454724)
3	03/20/2006	(459074)
4	04/19/2006	(463103)
5	05/25/2006	(467037)
6	06/23/2006	(484023)
7	08/08/2006	(485149)
8	06/05/2007	(557989)
9	09/20/2007	(594933)
10	02/12/2008	(618115)
11	04/07/2008	(641582)
12	05/19/2008	(671069)
13	06/18/2008	(683687)
14	03/10/2009	(726251)
15	04/21/2009	(741683)
16	04/28/2009	(742935)

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

Date: 03/17/2006 (459074)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)(1)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to prevent unauthorized emissions during incident 69017 when the RE allowed the makeup water for the amine system to freeze during cold weather.

Date: 05/25/2006 (467037)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to prevent unauthorized emissions from a non-reportable emissions event that began on November 15, 2004 at 1230 hours and ended at 2000 hours. Also, failure to prevent unauthorized emissions for a non-reportable emissions event that was caused by personnel error and was, therefore, preventable.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-3(a)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.486(c)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to maintain required records of leaks determined to exist by auditory, visual, and olfactory monitoring pursuant to 40 Code of Federal Regulations 60.482.

Date: 07/24/2007 (569778)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(A)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to include deviations for the lack of required controls on Tank 45 and Tank 46 and for failure to include their 40 CFR Part 60 Subpart Kb applicability in the Title V permit application. The deviation periods began on January 7, 2003 and continued until December 31, 2005. They were included in the deviation report for the report period that began January 1, 2006. The deviations should have been included on the appropriate deviation reports during that time period.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT KKK 60.632(a)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to conduct leak detection and repair monitoring on the pressure packing for Units 13 and 14, on a panel board, and on a methanol tank's piping as required by 40 CFR 60.630.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.487(a)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to submit the 40 CFR Part 60 Subpart KKK semi-annual report for the report period that began on September 1, 2004 and that ended on February 28, 2005. Additionally, the Region 7 files did not contain the report for the report period that began on March 1, 2005 and that ended on August 31, 2005.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.487(c)(3)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to list three process unit shutdowns in the September, 2005 semi-annual report as required by 40 CFR Part 60 Subpart KKK.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-8(a)
5C THSC Chapter 382, SubChapter A 382.085(b)

Description: Failure to conduct audio, visual, and olfactory (AVO) monitoring of the ethylene glycol coolant system as required by 40 CFR 63.760.

Date: 05/19/2008 (671069)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT ZZZZ 63.6640(a)
5C THSC Chapter 382 382.085(b)

Description: The failure to record the pressure drop across the catalyst (delta p readings) for Engine 35 (EPN: ENG-35) and Engine 36 (EPN: ENG-36) for the month of November, 2007.

Date: 03/02/2009 (726251)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)
5C THSC Chapter 382 382.085(b)

Description: Failure to submit final report no later than the two weeks of the end of the emissions event. This is an alleged violation of 30 TAC 101.201(b). When the RE failed to submit the final report properly under 30 TAC 101.201(b), the unauthorized emissions became ineligible for exemption. This results in an alleged violation of THSC 382.085(b) for failure to prevent the release of unauthorized emissions into the air of the State of Texas.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)
5C THSC Chapter 382 382.085(b)

Description: Failure to submit initial notification no later than the 24 hours of the initial discovery of the emissions event. This is an alleged violation of 30 TAC 101.201(a)(1)(B). When the RE failed to submit the initial notification properly under 30 TAC 101.201(a)(1)(B), the unauthorized emissions became ineligible for exemption. This results in an alleged violation of THSC 382.085(b) for failure to prevent the release of unauthorized emissions into the air of the State of Texas.

Date: 04/27/2009 (742935)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(A)
5C THSC Chapter 382 382.085(b)

Description: The failure to include recordable maintenance, startup, and shutdown events associated with compressor blow downs as deviations on the two semiannual deviation reports for calendar year 2007.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Description: Failure to maintain flare observations for two weeks during March, 2008 and for one week during May, 2008.

F. Environmental audits.

Notice of Intent Date: 09/14/2006 (334676)

No DOV Associated

Notice of Intent Date: 10/27/2008 (722322)

No DOV Associated

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
RN102229572**

§
§
§
§
§

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2009-0647-AIR-E

I. JURISDICTION AND STIPULATIONS

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 appear before the Commission and together stipulate that:

1. The Respondent owns and operates a natural gas processing plant located approximately 18 miles south of Interstate Highway 20, on the west side of Farm-to-Market Road 1788, in Midland County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Commission and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about May 2, 2009.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Two Thousand Four Hundred Sixty Dollars (\$2,460) is assessed by the Commission in settlement of the violations alleged in Section II

("Allegations"). The Respondent has paid One Thousand Nine Hundred Sixty-Eight Dollars (\$1,968) of the administrative penalty and Four Hundred Ninety-Two Dollars (\$492) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director of the TCEQ and the Respondent have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director recognizes that the Respondent, on May 14, 2009, completed improvements to its system designed to ensure the measurement and recording of catalyst pressure drops.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. 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.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have failed to demonstrate that Engine 35 (Emissions Point Number ["EPN"] ENGN-35) and Engine 36 (EPN ENG-36) were operating within the limitations established during performance testing, in violation of 30 TEX. ADMIN. CODE § 101.20(2), 40 CODE OF FEDERAL REGULATIONS § 63.6640(a), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on April 14, 2009. Specifically, Table 6, Item 4.a.iv. of 40 CODE OF FEDERAL REGULATIONS § 63.6640(a), requires the Respondent to measure the pressure drop across the engines' catalyst once per month and demonstrate that the pressure drop is within the operating limitations established during the engines' performance testing, but the Respondent reported that the pressure drop data was not available for the month of April 2008, and therefore, could not make this demonstration for that month.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: DCP Midstream, LP, Docket No. 2009-0647-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 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.
3. 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.
4. This Agreed Order may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreed Order may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes under this Agreed Order.
5. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

DCP Midstream, LP
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SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

John Srdinar
For the Executive Director

10/9/2009
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

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

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

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

Terry Baerthill
Signature

July 20, 2009
Date

Terry Baerthill
Name (Printed or typed)
Authorized Representative of
DCP Midstream, LP

VP EH&S
Title

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