

EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO.: 2010-0830-AIR-E **TCEQ ID:** RN100219278 **CASE NO.:** 39735
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: Encontrado Treater, located on the right-hand side of Harris Road, twelve miles on the paved road past the fork in Harris Road, which is thirteen miles south on Farm-to-Market Road 1673 from the intersection of United States Highway 67 and Farm-to-Market Road 1673, near Iraan, Crockett County</p> <p>TYPE OF OPERATION: 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 September 27, 2010. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: None TCEQ Enforcement Coordinator: Mr. Kirk Schoppe, Enforcement Division, Enforcement Team 4, MC 149, (512) 239-0489; Ms. Laurie Eaves, Enforcement Division, MC 219, (512) 239-4495 Respondent: Mr. Gregory Kardos, Environmental Manager, DCP Midstream, LP, 10 Desta Drive, Suite 400 West, Midland, Texas 79705 Mr. Ronnie D. Trammell, Vice President Operations-West Region, DCP Midstream, LP, 10 Desta Drive, Suite 400 West, 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: March 29, 2010</p> <p>Date of NOV/NOE Relating to this Case: May 4, 2010 (NOE)</p> <p>Background Facts: This was a routine investigation.</p> <p>AIR</p> <p>Failed to comply with the emissions limitation for the acid gas flare (Emission Point No. ("EPN") AGFLR-2). Specifically, the Respondent exceeded the maximum rate of 29 pounds per hour ("lbs/hr") of hydrogen sulfide ("H₂S") content in the combined flow to EPN AGFLR-2 on May 30, 2009 at a rate of 36.35 lbs/hr, on May 31, 2009 at a rate of 30.07 lbs/hr, on June 9, 2009 at a rate of 30.07 lbs/hr, on June 16, 2009 at a rate of 29.62 lbs/hr, on July 8, 2009 at a rate of 29.94 lbs/hr, and on July 9, 2009 at a rate of 31.00 lbs/hr [30 TEX. ADMIN. CODE § 116.115(b)(2)(F) and (c), TEX. HEALTH & SAFETY CODE § 382.085(b), and New Source Review Permit No. 18370, Special Conditions 7 and 8].</p>	<p>Total Assessed: \$3,075</p> <p>Total Deferred: \$615 <input checked="" type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$0</p> <p>Total Paid (Due) to General Revenue: \$2,460</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Site 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, by July 9, 2009, the Respondent installed and began operating an amine treater to reduce the H₂S content of the gas prior to injection.</p>

Additional ID No(s): CZ0042B



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

DATES	Assigned	10-May-2010		
	PCW	19-May-2010	Screening	20-May-2010
			EPA Due	

RESPONDENT/FACILITY INFORMATION			
Respondent	DCP Midstream, LP		
Reg. Ent. Ref. No.	RN100219278		
Facility/Site Region	8-San Angelo	Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	39735	No. of Violations	1
Docket No.	2010-0830-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Kirk Schoppe
		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

Culpability Enhancement *Subtotal 4*

Notes

Good Faith Effort to Comply Total Adjustments *Subtotal 5*

Economic Benefit Enhancement* *Subtotal 6*

Total EB Amounts
 Approx. Cost of Compliance *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

PAYABLE PENALTY

Screening Date 20-May-2010

Docket No. 2010-0830-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 2 (September 2002)

Case ID No. 39735

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100219278

Media [Statute] Air

Enf. Coordinator Kirk Schoppe

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	2	4%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	2	40%
	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)	1	-1%
	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) 48%

>> 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 due to one similar NOV, two dissimilar NOVs, and two Agreed Orders with denial of liability. The penalty was reduced due to one NOI.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 48%

Screening Date 20-May-2010

Docket No. 2010-0830-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 2 (September 2002)

Case ID No. 39735

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100219278

Media [Statute] Air

Enf. Coordinator Kirk Schoppe

Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code § 116.115(b)(2)(F) and (c), and Tex. Health & Safety Code § 382.085(b), New Source Review Permit No. 18370, Special Conditions 7 and 8

Violation Description

Failed to comply with the emissions limitation for the acid gas flare (Emission Point No. ("EPN") AGFLR-2), as documented during an investigation conducted on March 28, 2010. Specifically, the Respondent exceeded the maximum rate of 29 pounds per hour ("lbs/hr") of hydrogen sulfide ("H2S") content in the combined flow to EPN AGFLR-2 on May 30, 2009 at a rate of 36.35 lbs/hr, on May 31, 2009 at a rate of 30.07 lbs/hr, on June 9, 2009 at a rate of 30.07 lbs/hr, on June 16, 2009 at a rate of 29.62 lbs/hr, on July 8, 2009 at a rate of 29.94 lbs/hr, and on July 9, 2009 at a rate of 31.00 lbs/hr.

Base Penalty

\$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent

25%

>> Programmatic Matrix

Falsification	Harm		
	Major	Moderate	Minor

Percent

0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which did not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment

\$7,500

\$2,500

Violation Events

Number of Violation Events

1

6

Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

Violation Base Penalty

\$2,500

One quarterly event is recommended for the May 30, 2009 through July 9, 2009 emission exceedances.

Good Faith Efforts to Comply

25.0% Reduction

\$625

Before NOV NOV to EDRP/Settlement

Extraordinary	
Ordinary	X
N/A	(mark with x)

Notes

The Respondent returned to compliance on July 9, 2009 and the NOE is dated May 4, 2010.

Violation Subtotal

\$1,875

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount

\$8

Violation Final Penalty Total

\$3,075

This violation Final Assessed Penalty (adjusted for limits)

\$3,075

Economic Benefit Worksheet

Respondent: DCP Midstream, LP

Case ID No.: 39735

Req. Ent. Reference No.: RN100219278

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	\$1,500	30-May-2009	9-Jul-2009	0.11	\$8	n/a	\$8
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 cost for additional oversight and management practices designed to ensure proper operation and maintenance practices are followed for the acid gas flare. Date Required is based on the first date of noncompliance and the Final Date is the date of compliance.

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

\$1,500

TOTAL

\$8

Compliance History Report

Customer/Respondent/Owner-Operator: CN601229917 DCP Midstream, LP Classification: AVERAGE Rating: 2.57
Regulated Entity: RN100219278 ENCONTRADO TREATER Classification: AVERAGE Site Rating: 7.86

ID Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	CZ0042B
	AIR OPERATING PERMITS	PERMIT	2593
	AIR NEW SOURCE PERMITS	PERMIT	18370
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	CZ0042B
	AIR NEW SOURCE PERMITS	EPA ID	PSDTX734
	AIR NEW SOURCE PERMITS	AFS NUM	4810500029
	AIR NEW SOURCE PERMITS	REGISTRATION	83174
	AIR EMISSIONS INVENTORY	ACCOUNT NUMBER	CZ0042B

Location: ON THE RIGHT-HAND SIDE OF HARRIS ROAD, TWELVE MILES ON THE PAVED ROAD PAST THE FORK IN HARRIS ROAD, WHICH IS THIRTEEN MILES SOUTH ON FM 1673 FROM THE INTERSECTION OF US HWY 67 AND FM 1673 NEAR IRAAN, CROCKETT COUNTY, TEXAS

TCEQ Region: REGION 08 - SAN ANGELO
Date Compliance History Prepared: May 11, 2010
Agency Decision Requiring Compliance History: Enforcement
Compliance Period: May 11, 2005 to May 11, 2010
TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History
Name: Kirk Schoppe Phone: 239 - 0489

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? No
3. If Yes, who is the current owner/operator? N/A
4. If Yes, who was/were the prior owner(s)/operator(s)? N/A
5. When did the change(s) in owner or operator occur? N/A
6. Rating Date: 9/1/2009 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: 04/03/2008 ADMINORDER 2007-1171-AIR-E
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: 18370 PERMIT

Description: failed to prevent unauthorized emissions and failed to take actions necessary to ensure that the 29 lbs/hr H2S limit is not exceeded. DCP failed to maintain the 29 lbs/hr H2S content in the combined flow, to the acid gas flare, Emissions Point Number AGFLR-2, for a period of 44 days. As a result, the daily average sulfur dioxide emissions rate from the flare exceeded the Maximum Allowable Emission Rate Table ("MAERT") of 56.90 lbs/hr for 24 days, and the daily average H2S emissions rate from th

Effective Date: 02/22/2010

ADMINORDER 2009-0994-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: Special Conditions 6 and 9 PERMIT

Description: Failure to measure and calculate hydrogen sulfide (H₂S) content in the combined stream to the acid gas flare (EPN AGFLR-2) at least four times per hour at all times that sour gas is being processed and calculate and record total average lb/hr of sulfur dioxide emissions (SO₂) each day from EPN AGFLR-2

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	11/08/2005	(435766)
2	08/22/2007	(564301)
3	08/20/2007	(609263)
4	09/28/2007	(596089)
5	12/18/2007	(612317)
6	05/29/2009	(747193)
7	09/02/2009	(767974)
8	04/16/2010	(798915)
9	05/04/2010	(797511)

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

Date: 09/28/2007 (596089)

CN601229917

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
SOP 2593(3)(A)(iii) OP

Description: Failure to conduct an observation for visible emissions on all stationary vents constructed after January 31, 1972 at least once during each 3-month period

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter C 122.217(a)(2)

Description: Failure to submit a Title V minor permit revision application containing the information required in 30 TAC 122.216 before a minor permit revision change is operated

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter A 106.8(c)(1)
30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.144(3)
SOP O2593(11) OP
SOP O2593(6) OP

Description: Failure to maintain a copy of the Title V Permit and all records related to requirements listed in the permit at the site

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
NSR Permit Number 18370, SC 6 PA
SOP O2593(5) OP

Description: Failure to measure and calculate hydrogen sulfide (H₂S) content in the combined stream to the flare at least four times per hour at all times that sour gas is being processed

Date: 05/29/2009 (747193)

CN601229917

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Special Cond. 1 and 7, General Cond. 8 PERMIT

Description: Special Condition 5 OP
Failure to comply with the emissions limitations for the acid gas flare (EPN AGFLR-2) in Permit Number 18370

Date: 05/04/2010 (797511)

CN601229917

Self Report? NO

Classification: Moderate

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

Description: Failure to report, in writing, to the executive director all instances of deviations, the probable cause of the deviations, and any corrective actions or preventative measures taken for each emission unit addressed in the permit.

F. Environmental audits.
Notice of Intent Date: 10/27/2008 (722304)
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
RN100219278**

§
§
§
§
§

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2010-0830-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 gas processing plant located on the right-hand side of Harris Road, twelve miles on the paved road past the fork in Harris Road, which is thirteen miles south on Farm-to-Market Road 1673 from the intersection of United States Highway 67 and Farm-to-Market Road 1673 near Iraan, Crockett 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 9, 2010.
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 Three Thousand Seventy-Five Dollars (\$3,075) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations").

The Respondent has paid Two Thousand Four Hundred Sixty Dollars (\$2,460) of the administrative penalty and Six Hundred Fifteen Dollars (\$615) 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, by July 9, 2009, the Respondent installed and began operating an amine treater to reduce the hydrogen sulfide ("H₂S") content of the gas prior to injection.
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 comply with the emissions limitation for the acid gas flare (Emission Point No. ("EPN") AGFLR-2), in violation of 30 TEX. ADMIN. CODE § 116.115(b)(2)(F) and (c), and TEX. HEALTH & SAFETY CODE § 382.085(b), New Source Review Permit No. 18370, Special Conditions 7 and 8, as documented during an investigation conducted on March 29, 2010. Specifically, the Respondent exceeded the maximum rate of 29 pounds per hour ("lbs/hr") of H₂S content in the combined flow to EPN AGFLR-2 on May 30, 2009 at a rate of 36.35 lbs/hr, on May 31, 2009 at a rate of 30.07 lbs/hr, on June 9, 2009 at a rate of 30.07 lbs/hr, on June 16, 2009 at a rate of 29.62 lbs/hr, on July 8, 2009 at a rate of 29.94 lbs/hr, and on July 9, 2009 at a rate of 31.00 lbs/hr.

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. 2010-0830-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.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

[Signature]
For the Executive Director

9/11/2010
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; and
- TCEQ seeking other relief as authorized by law.

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

Rb. Trammell
Signature

7/26/2010
Date

Ronnie D Trammell
Name (Printed or typed)
Authorized Representative of
DCP Midstream, LP

VP Operations - West Region
Title

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.