

**EXECUTIVE SUMMARY - ENFORCEMENT MATTER** Page 1 of 2  
**DOCKET NO.:** 2010-0587-AIR-E **TCEQ ID:** RN100218684 **CASE NO.:** 39493  
**RESPONDENT NAME:** DCP Midstream, LP

<b>ORDER TYPE:</b>		
<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	
<b>CASE TYPE:</b>		
<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><b>SITE WHERE VIOLATION(S) OCCURRED:</b> Fullerton Gas Plant, 7501 North Farm-to-Market Road 181, Andrews County</p> <p><b>TYPE OF OPERATION:</b> Natural gas processing plant</p> <p><b>SMALL BUSINESS:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>OTHER SIGNIFICANT MATTERS:</b> There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.</p> <p><b>INTERESTED PARTIES:</b> No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p><b>COMMENTS RECEIVED:</b> The <i>Texas Register</i> comment period expired on July 26, 2010. No comments were received.</p> <p><b>CONTACTS AND MAILING LIST:</b>  <b>TCEQ Attorney/SEP Coordinator:</b> Mr. Phillip Hampsten, SEP Coordinator, Enforcement Division, MC 219, (512) 239-6732  <b>TCEQ Enforcement Coordinator:</b> Ms. Trina Grieco, Enforcement Division, Enforcement Team 5, MC R-13, (210) 403-4006; Ms. Laurie Eaves, Enforcement Division, MC 219, (512) 239-4495  <b>Respondent:</b> Mr. Gregory C. Kardos, Environmental Manager Western Region, DCP Midstream, LP, 10 Desta Drive, Suite 400 West, Midland, Texas 79705-4528  <b>Mr. R. B. Trammell,</b> Vice President-Operations, DCP Midstream, LP, 10 Desta Drive, Suite 400 West, Midland, Texas 79705-4528  <b>Respondent's Attorney:</b> Not represented by counsel on this enforcement matter</p>		

**VIOLATION SUMMARY CHART:**

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p><b>Type of Investigation:</b>  <input type="checkbox"/> Complaint  <input checked="" type="checkbox"/> Routine  <input type="checkbox"/> Enforcement Follow-up  <input type="checkbox"/> Records Review</p> <p><b>Date(s) of Complaints Relating to this Case:</b> None</p> <p><b>Date of Investigation Relating to this Case:</b> November 3, 2009</p> <p><b>Date of NOV/NOE Relating to this Case:</b> March 24, 2010 (NOE)</p> <p><b>Background Facts:</b> This was a routine investigation.</p> <p><b>AIR</b></p> <p>Failure to report an emissions event within 24 hours after discovery of the event. Specifically, an emissions event began on March 16, 2007 and was not reported [30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p>	<p><b>Total Assessed:</b> \$3,550</p> <p><b>Total Deferred:</b> \$710  <input checked="" type="checkbox"/> Expedited Settlement  <input type="checkbox"/> Financial Inability to Pay</p> <p><b>SEP Conditional Offset:</b> \$1,420</p> <p><b>Total Paid to General Revenue:</b> \$1,420</p> <p><b>Site Compliance History Classification</b>  <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p><b>Person Compliance History Classification</b>  <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p><b>Major Source:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><b>Applicable Penalty Policy:</b> September 2002</p>	<p><b>Ordering Provisions:</b></p> <p>1) The Order will require the Respondent to implement and complete a Supplemental Environmental Project (SEP). (See SEP Attachment A)</p> <p>2) The Order will also require the Respondent to:</p> <p>a. Within 30 days after the effective date of this Agreed Order:</p> <p>i. Report the emissions event that occurred between March 16 and March 24, 2007 into the State of Texas Environmental Electronic Reporting System; and</p> <p>ii. Implement procedures to ensure timely emissions event reporting.</p> <p>b. Within 45 days after the effective date of this Agreed Order, submit written certification and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2.a.</p>

Additional ID No(s): AB0012W

Attachment A  
Docket Number: 2010-0587-AIR-E

**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

**Respondent:** DCP Midstream, LP  
**Penalty Amount:** Two Thousand Eight Hundred Forty Dollars (\$2,840)  
**SEP Offset Amount:** One Thousand Four Hundred Twenty Dollars (\$1,420 )  
**Type of SEP:** Pre-approved  
**Third-Party Recipient:** *Keep Odessa Beautiful – Household Hazardous Waste, Tire Collection, and Recycling program*  
**Location of SEP:** Andrews County

The Texas Commission on Environmental Quality ("TCEQ") agrees to 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 offset 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 offset amount to the Third-Party Recipient named above. The contribution will be to *Keep Odessa Beautiful* for the Household Hazardous Waste, Tire Collection, and Recycling program to be used as set forth in an agreement between the Third-Party Recipient and the TCEQ. Specifically, SEP funds will be used to provide citizens and schools with a no-cost safe and convenient opportunity to properly dispose of harmful chemicals, and to prevent illegal dumping of tires. The following types of materials will be accepted: batteries, oil and oil filters, paints, household and/or school chemicals, and used tires. The items collected in these events will be either reused or properly disposed. Citizens may 'reuse' unused portions of properly labeled and handled chemical products through the reusable materials exchange. All dollars contributed will be used solely for the direct cost of the project and no portion will be spent on administrative costs. This project will be administered in accordance with federal, state, and local environmental laws and regulations.

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**

Each year, thousands of pounds of tires, hazardous wastes, and household chemicals are dumped into the Texas environment. Illegal dumping is costly to clean up, can be damaging to the environment, poses vector problems, and is an aesthetic problem. Dumping of materials that contain oil, solvent, fuel, or similar liquids can enter into the soil and into ground and drinking water sources. Health concerns and environmental damage from illegally dumped chemicals and materials is a serious concern for Texans. Waste collection events reduce the amount of materials entering the environment, prevent pollution, promote recycling of reusable materials and educate citizens about the harmful effects of illegal dumping. This SEP will provide a discernible environmental benefit by helping communities properly dispose of hazardous contaminants and used tires.

**C. Minimum Expenditure**

The Respondent shall contribute at least the SEP offset 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 offset amount to the Third-Party Recipient. The Respondent shall make the check payable to "Keep Odessa Beautiful" and mail a copy of the date-stamped Agreed Order with the contribution check to:

Keep Odessa Beautiful  
Attention: Executive Director  
PO Box 3864  
Odessa, TX 79760

**3. Records and Reporting**

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

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



DCP Midstream, LP  
Agreed Order – Attachment A

**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 offset 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 offset amount. In the event of incomplete performance, the Respondent shall submit a check for any remaining amount due made payable to "Texas Commission on Environmental Quality" with the notation "SEP Refund" and the docket number of the case, and shall send it to:

Texas Commission on Environmental Quality  
Office of Legal Services  
Attention: SEP Coordinator, MC 175  
P.O. Box 13088  
Austin, Texas 78711-3088

**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 a 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 October 30, 2008

<b>DATES</b>	<b>Assigned</b>	29-Mar-2010	<b>Screening</b>	13-Apr-2010	<b>EPA Due</b>	19-Dec-2010
	<b>PCW</b>	2-Apr-2010				

<b>RESPONDENT/FACILITY INFORMATION</b>	
<b>Respondent</b>	DCP Midstream, LP
<b>Reg. Ent. Ref. No.</b>	RN100218684
<b>Facility/Site Region</b>	7-Midland
<b>Major/Minor Source</b>	Major

<b>CASE INFORMATION</b>			
<b>Enf./Case ID No.</b>	39493	<b>No. of Violations</b>	1
<b>Docket No.</b>	2010-0587-AIR-E	<b>Order Type</b>	1660
<b>Media Program(s)</b>	Air	<b>Government/Non-Profit</b>	No
<b>Multi-Media</b>		<b>Enf. Coordinator</b>	Trina Grisco
		<b>EC's Team</b>	Enforcement Team 5
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$10,000

## Penalty Calculation Section

<b>TOTAL BASE PENALTY (Sum of violation base penalties)</b>	<b>Subtotal 1</b>	\$2,500
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### ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

<b>Compliance History</b>	42.0% Enhancement	<b>Subtotals 2, 3, &amp; 7</b>	\$1,050
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**Notes**  
Penalty enhancement due to five NOV's issued for same or similar violations and one Agreed Order containing a denial of liability. Penalty reduction due to one Notice of Intent to Audit letter and one Disclosure of Violations submitted.

<b>Culpability</b>	No	0.0% Enhancement	<b>Subtotal 4</b>	\$0
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**Notes**  
The Respondent does not meet the culpability criteria.

<b>Good Faith Effort to Comply Total Adjustments</b>	<b>Subtotal 5</b>	\$0
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<b>Economic Benefit</b>	0.0% Enhancement*	<b>Subtotal 6</b>	\$0
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Total EB Amounts	\$325
Approx. Cost of Compliance	\$1,750

\*Capped at the Total EB \$ Amount

<b>SUM OF SUBTOTALS 1-7</b>	<b>Final Subtotal</b>	\$3,550
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<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>	0.0%	<b>Adjustment</b>	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

**Notes**

**Final Penalty Amount** \$3,550

<b>STATUTORY LIMIT ADJUSTMENT</b>	<b>Final Assessed Penalty</b>	\$3,550
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<b>DEFERRAL</b>	20.0% Reduction	<b>Adjustment</b>	-\$710
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

**Notes**

Deferral offered for expedited settlement.

<b>PAYABLE PENALTY</b>	\$2,840
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Screening Date 13-Apr-2010

Docket No. 2010-0587-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 2 (September 2002)

Case ID No. 39493

PCW Revision October 30, 2009

Reg. Ent. Reference No. RN100218684

Media [Statute] Air

Enf. Coordinator Trina Grieco

### 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)	5	25%
	Other written NOVs	0	0%
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)	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)	1	-2%

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) 42%

>> 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

Penalty enhancement due to five NOVs issued for same or similar violations and one Agreed Order containing a denial of liability. Penalty reduction due to one Notice of Intent to Audit letter and one Disclosure of Violations submitted.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 42%

Screening Date 13-Apr-2010

Docket No. 2010-0587-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 2 (September 2002)

Case ID No. 39493

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100218684

Media [Statute] Air

Enf. Coordinator Trina Grieco

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 an emissions event within 24 hours after discovery of the event. Specifically, an emissions event began on March 16, 2007 and has not been reported.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
	X		

Percent 25%

Matrix Notes

The Respondent failed to meet 100% of the rule requirements.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1

Number of violation days 1124

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

Violation Base Penalty \$2,500

One single event is recommended for the one report that was not submitted.

Good Faith Efforts to Comply

0.0% Reduction

\$0

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

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$2,500

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$325

Violation Final Penalty Total \$3,550

This violation Final Assessed Penalty (adjusted for limits) \$3,550

# Economic Benefit Worksheet

**Respondent:** DCP Midstream, LP  
**Case ID No.:** 39493  
**Reg. Ent. Reference No.:** RN100218684  
**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

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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	17-Mar-2007	1-Dec-2010	3.71	\$278	n/a	\$278
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$250	17-Mar-2007	1-Dec-2010	3.71	\$46	n/a	\$46

Notes for DELAYED costs

Estimated costs to report the emissions event and implement procedures to ensure timely emissions event reporting. The date required is the date the report was due and the final date is the date corrective actions are projected to be completed.

### Avoided Costs

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

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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

\$1,760

**TOTAL**

\$325

# Compliance History Report

Customer/Respondent/Owner-Operator: CN601229917 DCP Midstream, LP Classification: AVERAGE Rating: 2.57  
Regulated Entity: RN100218684 FULLERTON GAS PLANT Classification: AVERAGE Site Rating: 3.73

ID Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	AB0012W
	AIR OPERATING PERMITS	PERMIT	2566
	AIR NEW SOURCE PERMITS	PERMIT	2211A
	AIR NEW SOURCE PERMITS	PERMIT	13308A
	AIR NEW SOURCE PERMITS	PERMIT	15979A
	AIR NEW SOURCE PERMITS	REGISTRATION	30079
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	AB0012W
	AIR NEW SOURCE PERMITS	AFS NUM	4800300010
	AIR NEW SOURCE PERMITS	PERMIT	73395
	AIR NEW SOURCE PERMITS	REGISTRATION	40188
	AIR NEW SOURCE PERMITS	REGISTRATION	39456
	AIR EMISSIONS INVENTORY	ACCOUNT NUMBER	AB0012W

Location: 7501 N FM 181, ANDREWS COUNTY, TX, 79714

TCEQ Region: REGION 07 - MIDLAND

Date Compliance History Prepared: April 06, 2010

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: April 06, 2005 to April 06, 2010

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

Name: Trina Grieco Phone: (210) 403-4006

## 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: 10/04/2007

ADMINORDER 2007-0200-AIR-E

Classification: Major

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)

30 TAC Chapter 116, SubChapter B 116.115(c)

Rqmt Prov: Permit 2211A, SC 1 PERMIT

Permit 2566, SC 6 OP

Description: Failure to maintain compliance with maximum allowable emission rate limits set forth in Permit No. 2211A. Specifically, an emissions test of the Sulfur Recovery Unit Tail Gas Incinerator was performed Nov. 2, 2006, and registered NOX emissions at 1.97 lbs/hr while permitted limit is 1.03 lbs/hr.

- 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 02/13/2006 (455088)
- 2 04/20/2006 (462897)
- 3 05/31/2006 (458488)
- 4 06/16/2006 (463083)
- 5 08/14/2006 (484202)
- 6 09/21/2006 (513407)
- 7 09/28/2006 (514120)
- 8 09/28/2006 (514421)
- 9 10/31/2006 (514810)
- 10 12/04/2006 (518811)
- 11 01/24/2007 (537105)
- 12 01/26/2007 (538249)
- 13 01/31/2007 (536916)
- 14 06/07/2007 (563029)
- 15 07/09/2007 (567028)
- 16 08/20/2007 (609215)
- 17 08/31/2007 (573766)
- 18 10/08/2007 (597022)
- 19 10/12/2007 (597240)
- 20 12/13/2007 (611489)
- 21 01/16/2008 (614681)
- 22 01/17/2008 (614844)
- 23 01/24/2008 (615098)
- 24 04/25/2008 (654194)
- 25 05/19/2008 (611687)
- 26 05/23/2008 (680341)
- 27 08/28/2008 (701234)
- 28 07/29/2009 (763360)
- 29 07/29/2009 (763445)
- 30 10/07/2009 (778513)
- 31 01/07/2010 (787513)
- 32 03/25/2010 (794158)

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

Date: 06/02/2006 (458488) CN601229917  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)(1)  
5C THC Chapter 382, SubChapter D 382.085(b)  
Description: Failure to prevent unauthorized emissions from being released into the atmosphere.  
Self Report? NO Classification: Minor  
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(4)  
Description: Failure to respond to a request for additional information within the time frame specified in the request.

Date: 06/16/2006 (463083) CN601229917  
Self Report? NO Classification: Minor  
Citation: 30 TAC Chapter 101, SubChapter F 101.201(f)  
Description: Failure to respond to a request for additional information in writing and within the specified time frame.

Date: 08/16/2006 (484202) CN601229917  
Self Report? NO Classification: Minor  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
NSR 2211A Special Condition 5 PERMIT  
Description: Failure to maintain the SRU Tailgas Temperature above 1175 degrees F.  
Self Report? NO Classification: Minor  
Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(A)

**Description:** Failure to report the minimum temperature deviation that occurred on 10/13/2004 in the subsequent certification period.

**Date:** 08/31/2007 (573766)

**CN601229917**

**Self Report?** NO **Classification:** Moderate  
**Citation:** 30 TAC Chapter 111, SubChapter A 111.111(a)(1)(A)

**Description:** Failure to prevent visible emissions, and failure to report the deviation within the applicable compliance period. Deviation #48 (01/01/2006 to 06/30/2006).

**Self Report?** NO **Classification:** Moderate  
**Citation:** 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(A)  
30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)

**Description:** Failure to properly report emissions regarding the applicable emission point.

**Self Report?** NO **Classification:** Moderate  
**Citation:** 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)

**Description:** Opacity exceedance - Failure to prevent visible emissions.

**Self Report?** NO **Classification:** Moderate  
**Citation:** 30 TAC Chapter 116, SubChapter B 116.110(a)

**Description:** Failure to properly represent all emission sources in a Title V Permit.

**Self Report?** NO **Classification:** Moderate  
**Citation:** 30 TAC Chapter 122, SubChapter B 122.147(a)(3)(A)

**Description:** Failure to record the O2 concentration on COM-46 for 12 days during the compliance period.

**Self Report?** NO **Classification:** Moderate  
**Citation:** 30 TAC Chapter 116, SubChapter B 116.115(c)

**Description:** Failure to operate the SRU with combustion temperatures above 1175 degrees for 6 days during the compliance period.

**Self Report?** NO **Classification:** Moderate  
**Citation:** 30 TAC Chapter 116, SubChapter H 116.772(a)(2)

**Description:** Failure to report a scheduled shutdown on time.

**Self Report?** NO **Classification:** Moderate  
**Citation:** 30 TAC Chapter 116, SubChapter B 116.115(c)

**Description:** Failure to submit a written test protocol (Deviation 54, page 11 of 23) within time limits specified in NSR2211A, SC10A, and failure to conduct stack testing within 30 days following the discovery that the SRU efficiency was below 95% (Deviation 49), page 22 of 23.

**Self Report?** NO **Classification:** Moderate  
**Citation:** 30 TAC Chapter 122, SubChapter B 122.145(2)(A)

**Description:** Failure to report deviations on time.

**Date:** 03/24/2010 (794158)

**CN601229917**

**Self Report?** NO **Classification:** Moderate  
**Citation:** 30 TAC Chapter 116, SubChapter B 116.115(c)

5C THSC Chapter 382 382.085(b)  
Permit No. 2211A, SC5 PERMIT

**Description:** Failure to operate the tail gas incinerator at the sulfur recovery unit at a temperature of not less than 1175 degrees Fahrenheit firebox exit temperature. 01/01/2007

**Self Report?** NO **Classification:** Minor  
**Citation:** 5C THSC Chapter 382 382.085(b)

**Description:** The failure to list 15 instances of deviation where the tail gas incinerator was demonstrated to have been operated with a temperature of less than 1175 degrees Fahrenheit as contained on the CEMS report pages dated 1/28/2007, 2/16/2007, 2/24/2007, and 4/19/2007 in the Deviation Report for the report period that began on January 1, 2007 and that ended on June 30, 2007.

**Self Report?** NO **Classification:** Minor  
**Citation:** 30 TAC Chapter 122, SubChapter B 122.145(2)(A)

5C THSC Chapter 382 382.085(b)

**Description:** Failure to report all instances where the sulfur dioxide emissions rate from the tail gas incinerator stack exceeded the 589.04 lbs/hr rate set in the Maximum Allowable Emissions Rate Table of Permit No. 2211A. For the report period that began on January 1, 2007 and that ended on June 30, 2007, the regulated entity failed to report 15 such instances as deviations in the Title V deviation report.

**Self Report?** NO **Classification:** Moderate  
**Citation:** 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)

5C THSC Chapter 382 382.085(b)

Permit No. 2211A, MAERT PERMIT

Description: The failure to comply with the emissions rate for sulfur dioxide as contained in Permit No. 2211A Maximum Allowable Emissions Rate Table for INC-1 SRU Incinerator.

Self Report? NO Classification: Minor  
 Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
 30 TAC Chapter 122, SubChapter B 122.145(2)(A)  
 5C THSC Chapter 382 382.085(b)

Description: Failure to report all instances of deviation on the Title V deviation report for the report period that began on July 1, 2007 and that ended on December 31, 2007. There were four occasions during which the regulated entity failed to maintain at least 1175 degrees Fahrenheit firebox exit temperature on the tail gas incinerator.

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
 5C THSC Chapter 382 382.085(b)  
 Permit No. 2211A, SC 5 PERMIT

Description: The failure to maintain a tail gas incinerator temperature of at least 1175 degrees Fahrenheit on four occasions as found during a review of the continuous emissions monitoring system for two occasions on August 18, 2007 and for two occasions on October 15, 2007. None of these were reported as deviations on the Title V deviation report and did not, therefore, provide the reason for each of these deviations. They are considered to be violations.

Self Report? NO Classification: Minor  
 Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)  
 5C THSC Chapter 382 382.085(b)

Description: Failure to report maintenance, start-up, and shut-down emissions associated with compressor blowdown as deviations on the Title V deviation reports for the report period that began on January 1, 2007 and that ended on June 30, 2007 and for the report period that began on July 1, 2007 and that ended on December 31, 2007. There is an unknown number of incidents since the regulated entity has not been able to find the records of these incidents.

Self Report? NO Classification: Minor  
 Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)  
 5C THSC Chapter 382 382.085(b)

Description: The failure to report as a deviation on the Title V deviation report for the report period that began on July 1, 2007 and that ended on December 31, 2007 the failure to include the maintenance, start-up, and shut-down emissions associated with compressor blowdowns for January 1, 2007 through June 30, 2007.

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)  
 5C THSC Chapter 382 382.085(b)

Description: Failure to maintain final records of maintenance, start-up, and shut-down incidents associated with compressor blowdown activities for calendar year 2007.

Self Report? NO Classification: Minor  
 Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(2)(B)  
 30 TAC Chapter 101, SubChapter F 101.201(b)(2)(G)  
 30 TAC Chapter 101, SubChapter F 101.201(b)(2)(I)  
 30 TAC Chapter 101, SubChapter F 101.201(b)(2)(J)  
 30 TAC Chapter 101, SubChapter F 101.201(b)(2)(K)  
 30 TAC Chapter 101, SubChapter F 101.201(b)(2)(L)  
 5C THSC Chapter 382 382.085(b)

Description: Failure to include all of the required information in the final records of recordable-only maintenance, start-up, and shut-down events associated with compressor blowdown activities.

F. Environmental audits.

Notice of Intent Date: 02/18/2008 (639388)

Disclosure Date: 08/18/2008

Viol. Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter O 106.352(4)

Description: During the audit, DCPM determined that H2S process fugitives are being emitted from the facility and that the compressor blowdown vents are not at least 20 feet above ground level. DCPM assumes that non-compliance occurred from August 19, 2003 to present.

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  
RN100218684

§  
§  
§  
§  
§

BEFORE THE  
TEXAS COMMISSION ON  
ENVIRONMENTAL QUALITY

## AGREED ORDER DOCKET NO. 2010-0587-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 at 7501 North Farm-to-Market Road 181 in Andrews 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 March 29, 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 Five Hundred Fifty Dollars (\$3,550) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid One Thousand Four Hundred Twenty Dollars (\$1,420) of the administrative penalty and Seven Hundred Ten Dollars (\$710) 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. One Thousand Four Hundred Twenty Dollars (\$1,420) shall be conditionally offset by Respondent's completion of a Supplemental Environmental Project ("SEP").

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 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.
10. 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.
11. 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 report an emissions event within 24 hours after discovery of the event, in violation of 30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on November 3, 2009. Specifically, an emissions event began on March 16, 2007 and was not reported.

## 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. 2010-0587-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 I, Paragraph 6 above, One Thousand Four Hundred Twenty Dollars (\$1,420) of the assessed administrative penalty shall be offset with the condition that 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. It is further ordered that the Respondent shall undertake the following technical requirements:
  - a. Within 30 days after the effective date of this Agreed Order:
    - i. Report the emissions event that occurred between March 16 and March 24, 2007 into the State of Texas Environmental Electronic Reporting System; and
    - ii. Implement procedures to ensure timely emissions event reporting.
  - b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 3.a. 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 fines 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. 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.
8. 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.
9. 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

John Ordlin  
For the Executive Director

7/19/2010  
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

5-25-10  
Date

RB. TRAMMELL  
Name (Printed or typed)  
Authorized Representative of  
DCP Midstream, LP

Vice President Operations  
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.



Attachment A  
Docket Number: 2010-0587-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

**Respondent:** DCP Midstream, LP

**Penalty Amount:** Two Thousand Eight Hundred Forty Dollars (\$2,840)

**SEP Offset Amount:** One Thousand Four Hundred Twenty Dollars (\$1,420)

**Type of SEP:** Pre-approved

**Third-Party Recipient:** *Keep Odessa Beautiful – Household Hazardous Waste, Tire Collection, and Recycling program*

**Location of SEP:** Andrews County

The Texas Commission on Environmental Quality (“TCEQ”) agrees to 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 offset 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 offset amount to the Third-Party Recipient named above. The contribution will be to *Keep Odessa Beautiful* for the Household Hazardous Waste, Tire Collection, and Recycling program to be used as set forth in an agreement between the Third-Party Recipient and the TCEQ. Specifically, SEP funds will be used to provide citizens and schools with a no-cost safe and convenient opportunity to properly dispose of harmful chemicals, and to prevent illegal dumping of tires. The following types of materials will be accepted: batteries, oil and oil filters, paints, household and/or school chemicals, and used tires. The items collected in these events will be either reused or properly disposed. Citizens may ‘reuse’ unused portions of properly labeled and handled chemical products through the reusable materials exchange. All dollars contributed will be used solely for the direct cost of the project and no portion will be spent on administrative costs. This project will be administered in accordance with federal, state, and local environmental laws and regulations.

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**

Each year, thousands of pounds of tires, hazardous wastes, and household chemicals are dumped into the Texas environment. Illegal dumping is costly to clean up, can be damaging to the environment, poses vector problems, and is an aesthetic problem. Dumping of materials that contain oil, solvent, fuel, or similar liquids can enter into the soil and into ground and drinking water sources. Health concerns and environmental damage from illegally dumped chemicals and materials is a serious concern for Texans. Waste collection events reduce the amount of materials entering the environment, prevent pollution, promote recycling of reusable materials and educate citizens about the harmful effects of illegal dumping. This SEP will provide a discernible environmental benefit by helping communities properly dispose of hazardous contaminants and used tires.

**C. Minimum Expenditure**

The Respondent shall contribute at least the SEP offset 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 offset amount to the Third-Party Recipient. The Respondent shall make the check payable to "Keep Odessa Beautiful" and mail a copy of the date-stamped Agreed Order with the contribution check to:

Keep Odessa Beautiful  
Attention: Executive Director  
PO Box 3864  
Odessa, TX 79760

**3. Records and Reporting**

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

Enforcement Division  
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 offset 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 offset amount. In the event of incomplete performance, the Respondent shall submit a check for any remaining amount due made payable to "Texas Commission on Environmental Quality" with the notation "SEP Refund" and the docket number of the case, and shall send it to:

Texas Commission on Environmental Quality  
Office of Legal Services  
Attention: SEP Coordinator, MC 175  
P.O. Box 13088  
Austin, Texas 78711-3088

**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 a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.

