

**EXECUTIVE SUMMARY - ENFORCEMENT MATTER**  
**DOCKET NO.:** 2010-0784-AIR-E **TCEQ ID:** RN100216613 **CASE NO.:** 39691  
**RESPONDENT NAME:** DCP Midstream, LP

<b>ORDER TYPE:</b>		
<input checked="" type="checkbox"/> <b>1660 AGREED ORDER</b>	<input type="checkbox"/> <b>FINDINGS AGREED ORDER</b>	<input type="checkbox"/> <b>FINDINGS ORDER FOLLOWING SOAH HEARING</b>
<input type="checkbox"/> <b>FINDINGS DEFAULT ORDER</b>	<input type="checkbox"/> <b>SHUTDOWN ORDER</b>	<input type="checkbox"/> <b>IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER</b>
<input type="checkbox"/> <b>AMENDED ORDER</b>	<input type="checkbox"/> <b>EMERGENCY ORDER</b>	
<b>CASE TYPE:</b>		
<input checked="" type="checkbox"/> <b>AIR</b>	<input type="checkbox"/> <b>MULTI-MEDIA (check all that apply)</b>	<input type="checkbox"/> <b>INDUSTRIAL AND HAZARDOUS WASTE</b>
<input type="checkbox"/> <b>PUBLIC WATER SUPPLY</b>	<input type="checkbox"/> <b>PETROLEUM STORAGE TANKS</b>	<input type="checkbox"/> <b>OCCUPATIONAL CERTIFICATION</b>
<input type="checkbox"/> <b>WATER QUALITY</b>	<input type="checkbox"/> <b>SEWAGE SLUDGE</b>	<input type="checkbox"/> <b>UNDERGROUND INJECTION CONTROL</b>
<input type="checkbox"/> <b>MUNICIPAL SOLID WASTE</b>	<input type="checkbox"/> <b>RADIOACTIVE WASTE</b>	<input type="checkbox"/> <b>DRY CLEANER REGISTRATION</b>
<p><b>SITE WHERE VIOLATION(S) OCCURRED:</b> Rock Creek Gas Plant, 1000 West 10th Street, Borger, Hutchinson County</p> <p><b>TYPE OF OPERATION:</b> Oil and gas production 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 November 8, 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. Kimberly Morales, Enforcement Division, Enforcement Team 5, MC R-12, (713) 422-8938; Ms. Laurie Eaves, Enforcement Division, MC 219, (512) 239-4495  <b>Respondent:</b> Mr. Garrett Scribner, Environmental Specialist, DCP Midstream, LP, 9101 State Highway 136, Borger, Texas 79007  Mr. Dennis J. Dean, Vice President - Operations, DCP Midstream, LP, 9101 State Highway 136, Borger, Texas 79007  <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 5 and 6, 2009</p> <p><b>Date of NOV/NOE Relating to this Case:</b> April 26, 2010 (NOE)</p> <p><b>Background Facts:</b> This was a routine investigation.</p> <p><b>AIR</b></p> <p>1) Failed to prevent unauthorized emissions. Specifically, the Respondent released 560.13 pounds ("lbs") of sulfur dioxide ("SO<sub>2</sub>") from the Acid Gas Incinerator during an emissions event that began on March 17, 2009 and lasted approximately three hours (Incident No. 121497). The emissions event occurred when the Rock Creek Plant received a slug of hydrogen sulfide ("H<sub>2</sub>S") in the plant inlet gas stream from the Sneed Booster through G-line when the Sneed Booster's amine system changed over from the south amine still to the north amine still. Since this emissions event was not caused by a sudden breakdown of equipment or process beyond the control of the owner or operator, and is part of a frequent and recurring pattern indicative of inadequate design, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met [30 TEX. ADMIN. CODE § 116.115(b)(2)(F) and (c), TEX. HEALTH &amp; SAFETY CODE § 382.085(b), and Permit No. 3131A, Special Condition No. 1].</p> <p>2) Failed to prevent unauthorized emissions. Specifically, the Respondent released 657.86 lbs of SO<sub>2</sub> from the Acid Gas Incinerator during an emissions event that began on March 18, 2009 and lasted approximately three hours (Incident</p>	<p><b>Total Assessed:</b> \$55,350</p> <p><b>Total Deferred:</b> \$11,070  <input checked="" type="checkbox"/> Expedited Settlement  <input type="checkbox"/> Financial Inability to Pay</p> <p><b>SEP Conditional Offset:</b> \$22,140</p> <p><b>Total Paid to General Revenue:</b> \$22,140</p> <p><b>Person Compliance History Classification</b>  <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p><b>Site 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>Corrective Actions Taken:</b></p> <p>The Executive Director recognizes that:</p> <p>a. By December 31, 2009, the Respondent completed the following corrective measures in order to prevent a reoccurrence of emissions events caused when the Rock Creek Plant receives a slug of H<sub>2</sub>S in the inlet gas stream from the Sneed Booster through G-line, maintain one-hour averages for the incinerator combustion chamber temperature above 1,700 degrees Fahrenheit when acid gas or other waste gas is directed to the acid gas incinerator, and reduce the H<sub>2</sub>S feed rate of 235 lbs/hr for the acid gas incinerator:</p> <p>i. Replaced the pneumatic control system with a Digital Control System;</p> <p>ii. Replaced the trays in the north amine still;</p> <p>iii. Replaced the amine reboiler bundles;</p> <p>iv. Began using reverse osmosis ("RO") water to prevent scale buildup on the amine system and will continue to truck-in RO water until the RO system currently being installed at Sneed Booster is operational;</p> <p>v. Replaced the amine reclaiming vessel and bundle;</p> <p>vi. Added 65 temperature and pressure monitoring points; and</p> <p>vii. Installed an analyzer on the Sneed Booster outlet to monitor the efficiency of the amine system.</p> <p>b. On January 1, 2010, the Respondent began recording the incinerator combustion chamber temperatures in spreadsheets that will be maintained on-site for the required five year period. These spreadsheets will also be used as a tool to ensure the proper reporting of deviations in semiannual reports; and</p>

No. 121519). The emissions event occurred when the Rock Creek Plant received a slug of H<sub>2</sub>S in the plant inlet gas stream from Sneed Booster through G-line when a liquid level transmitter failed on the west inlet scrubber and allowed inlet liquids to carryover into the amine still. Since this emissions event was not caused by a process beyond the control of the owner or operator, and is part of a frequent and recurring pattern indicative of inadequate design, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met [30 TEX. ADMIN. CODE § 116.115(b)(2)(F) and (c), TEX. HEALTH & SAFETY CODE § 382.085(b), and Permit No. 3131A, Special Condition No. 1].

3) Failed to prevent unauthorized emissions. Specifically, the Respondent released 971.03 lbs of SO<sub>2</sub> from the Acid Gas Incinerator during an emissions event that began on May 28, 2009 and lasted approximately seven hours (Incident No. 124864). The emissions event occurred when the Rock Creek Plant received a slug of H<sub>2</sub>S in the plant inlet gas stream from Sneed Booster through G-line while operating through the south amine still. Since this emissions event was not caused by a sudden breakdown of equipment or process beyond the control of the owner or operator, and is part of a frequent and recurring pattern indicative of inadequate design, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met [30 TEX. ADMIN. CODE § 116.115(b)(2)(F) and (c), TEX. HEALTH & SAFETY CODE § 382.085(b), and Permit No. 3131A, Special Condition No. 1].

4) Failed to prevent unauthorized emissions. Specifically, the Respondent released 629.45 lbs of SO<sub>2</sub> from the Acid Gas Incinerator during an emissions event that began on June 27, 2009 and lasted approximately three hours (Incident No. 126103). The emissions event occurred when the Rock Creek Plant received a slug of H<sub>2</sub>S in the plant inlet gas stream from Sneed Booster through G-line when the inlet preheater bypass control valve malfunctioned and closed. Since this emissions event was not caused by a process beyond the control of the owner or operator, and is part of a frequent and recurring pattern

c. On June 25, 2010, the Respondent began manually recording the loss of flare pilot flame in records that will be maintained on-site for the required five year period.

**Ordering Provisions:**

The Order will require the Respondent to implement and complete a Supplemental Environmental Project (SEP). (See SEP Attachment A)

indicative of inadequate design, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met [30 TEX. ADMIN. CODE § 116.115(b)(2)(F) and (c), TEX. HEALTH & SAFETY CODE § 382.085(b), and Permit No. 3131A, Special Condition No. 1].

5) Failed to prevent unauthorized emissions. Specifically, the Respondent released 838.48 lbs of SO<sub>2</sub> from the Acid Gas Incinerator during an emissions event that began on July 14, 2009 and lasted approximately three hours (Incident No. 126809). The emissions event occurred when the Rock Creek Plant received a slug of H<sub>2</sub>S in the plant inlet gas stream from Sneed Booster through G-line due to leaking tubes in the reboiler and the H<sub>2</sub>S contaminated the amine system. Since this emissions event was not caused by a process beyond the control of the owner or operator, and is part of a frequent and recurring pattern indicative of inadequate design, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met [30 TEX. ADMIN. CODE § 116.115(b)(2)(F) and (c), TEX. HEALTH & SAFETY CODE § 382.085(b), and Permit No. 3131A, Special Condition No. 1].

6) Failed to prevent unauthorized emissions. Specifically, the Respondent released 2,944.58 lbs of SO<sub>2</sub> from the Acid Gas Incinerator during an emissions event that began on July 14, 2009 and lasted approximately 15 hours (Incident No. 126857). The emissions event occurred when the Rock Creek Plant received a slug of H<sub>2</sub>S in the plant inlet gas stream from Sneed Booster through G-line due to leaking tubes in the reboiler and the H<sub>2</sub>S contaminated the amine system. Since this emissions event was not caused by a process beyond the control of the owner or operator, and is part of a frequent and recurring pattern indicative of inadequate design, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met [30 TEX. ADMIN. CODE § 116.115(b)(2)(F) and (c), TEX. HEALTH & SAFETY CODE § 382.085(b), and Permit No. 3131A, Special Condition No. 1].

7) Failed to prevent unauthorized emissions. Specifically, the Respondent released 3,680.73 lbs of

SO<sub>2</sub> from the Acid Gas Incinerator during an emissions event that began on July 16, 2009 and lasted approximately 12 hours (Incident No. 126939). The emissions event occurred when the Rock Creek Plant received a slug of H<sub>2</sub>S in the plant inlet gas stream from Sneed Booster through G-line due to leaking tubes in the reboiler and the H<sub>2</sub>S contaminated the amine system. Since this emissions event was not caused by a process beyond the control of the owner or operator, and is part of a frequent and recurring pattern indicative of inadequate design, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met [30 TEX. ADMIN. CODE § 116.115(b)(2)(F) and (c), TEX. HEALTH & SAFETY CODE § 382.085(b), and Permit No. 3131A, Special Condition No. 1].

8) Failed to prevent unauthorized emissions. Specifically, the Respondent released 869.02 lbs of SO<sub>2</sub> from the Acid Gas Incinerator during an emissions event that began on July 24, 2009 and lasted approximately three hours (Incident No. 127222). The emissions event occurred when the Rock Creek Plant received a slug of H<sub>2</sub>S in the plant inlet gas stream from Sneed Booster through G-line when the still overhead temperature fell below 200 degrees Fahrenheit. Since this emissions event was not caused by a sudden breakdown of equipment or process beyond the control of the owner or operator, and is part of a frequent and recurring pattern indicative of inadequate design, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met [30 TEX. ADMIN. CODE § 116.115(b)(2)(F) and (c), TEX. HEALTH & SAFETY CODE § 382.085(b), and Permit No. 3131A, Special Condition No. 1].

9) Failed to prevent unauthorized emissions. Specifically, the Respondent released 2,462.18 lbs of SO<sub>2</sub> from the Acid Gas Incinerator during an emissions event that began on August 26, 2009 and lasted approximately 18 hours (Incident No. 128695). The emissions event occurred when the Rock Creek Plant received a slug of H<sub>2</sub>S in the plant inlet gas stream from Sneed Booster through G-line due to a ruptured tube in the amine reboiler. Since this

emissions event was not caused by a process beyond the control of the owner or operator, and is part of a frequent and recurring pattern indicative of inadequate design, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met [30 TEX. ADMIN. CODE § 116.115(b)(2)(F) and (c), TEX. HEALTH & SAFETY CODE § 382.085(b), and Permit No. 3131A, Special Condition No. 1].

10) Failed to prevent unauthorized emissions. Specifically, the Respondent released 1,085.41 lbs of SO<sub>2</sub> from the Acid Gas Incinerator during an emissions event that began on November 23, 2009 and lasted approximately 10 hours (Incident No. 132490). The emissions event occurred when the Rock Creek Plant received a slug of H<sub>2</sub>S in the plant inlet gas stream from Sneed Booster through G-line when a control valve malfunctioned, closed, and stopped the flow of amine to the middle contactor. Since this emissions event was not caused by a process beyond the control of the owner or operator, and is part of a frequent and recurring pattern indicative of inadequate design, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met [30 TEX. ADMIN. CODE § 116.115(b)(2)(F) and (c), TEX. HEALTH & SAFETY CODE § 382.085(b), and Permit No. 3131A, Special Condition No. 1].

11) Failed to comply with the one-hour average for the incinerator combustion chamber temperature of 1,700 degrees Fahrenheit when acid gas or other waste gas is directed to the acid gas incinerator. Specifically, records indicated that one-hour averages for incinerator combustion chamber temperature were below 1,700 degrees Fahrenheit on 43 occasions with an average of 1,623 degrees Fahrenheit from January 1, 2009 through July 17, 2009 [30 TEX. ADMIN. CODE § 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b), and Permit No. 3131A, Special Condition No. 10].

12) Failed to comply with the H<sub>2</sub>S feed rate of 235 pounds per hour ("lbs/hr") for the acid gas incinerator. Specifically, records indicated a total of 511 exceedances with an average of 271.7 lbs/hr from July 6, 2007 to October 29, 2009 [30 TEX. ADMIN.

<p>CODE § 116.115(c), TEX. HEALTH &amp; SAFETY CODE § 382.085(b), and Permit No. 3131A, Special Condition No. 11].</p> <p>13) Failed to maintain the monitoring records for the loss of flare pilot flame and for the incinerator combustion chamber temperature for the required five year period [30 TEX. ADMIN. CODE § 122.144(1), TEX. HEALTH &amp; SAFETY CODE § 382.085(b), Permit No. 3131A, Special Condition Nos. 10 and 12.B., and Federal Operating Permit No. O-2449, Compliance Assurance Monitoring Summary].</p> <p>14) Failed to report all instances of deviations in semiannual deviation reports from January 1, 2007 through June 30, 2009. Specifically, failure to report deviations of the one-hour average for the incinerator combustion chamber, of the hydrogen sulfide feed rate for the acid gas incinerator, and failure to maintain flare alarm monitoring records and incinerator log temperature records [30 TEX. ADMIN. CODE §§ 122.145(2)(A) and 122.147(a)(4) and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p>		
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Additional ID No(s): Air Account HW0020F



**Attachment A**  
**Docket Number: 2010-0784-AIR-E**

**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

**Respondent:** DCP Midstream, LP

**Payable Penalty Amount:** Forty-Four Thousand Two Hundred Eighty Dollars  
(\$44,280)

**SEP Amount:** Twenty-Two Thousand One Hundred Forty Dollars  
(\$22,140)

**Type of SEP:** Pre-approved

**Third-Party Recipient:** Texas Association of Resource Conservation and  
Development Areas, Inc. ("RC&D")- Clean School  
Buses

**Location of SEP:** Texas Air Quality Control Region 211 – Amarillo -  
Lubbock

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

**1. Project Description**

**A. Project**

The Respondent shall contribute to the Third-Party Recipient pursuant to the agreement between the Third-Party Recipient and the TCEQ. Specifically, the contribution will be used to aid local school districts, area transit agencies, and local governments in need of funding assistance to pay for the cost of the following activities to reduce emissions: 1) replacing older diesel buses with alternative fuelled or clean diesel buses; or 2) retrofitting older diesel buses with new, cleaner technology. The funds will be disbursed on a needs-rated basis, using non-attainment area status, condition of buses, and economic status of the recipient as possible rating factors if competition for the funds exists. To maximize funds, retrofitting will take priority over replacement of buses. Older buses deemed not suitable for retrofitting will be permanently retired and sold only for scrap.

Acceptable retrofit technologies include particulate matter traps, diesel particulate matter filters, nitrogen oxides (NO<sub>x</sub>) reduction catalyst technology in combination with diesel particulate filters, and other emission control technologies that are developed and approved by the United States Environmental Protection Agency ("EPA") or the California Air Resources Board.

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



**B. Environmental Benefit**

This SEP will provide a discernible environmental benefit by reducing particulate matter and hydrocarbon emissions from buses, to meet the new, more stringent emissions standards introduced by the EPA which will be phased in between 2007 and 2010.

**C. Minimum Expenditure**

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

**2. Performance Schedule**

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

Texas Association of Resource Conservation and Development Areas, Inc.  
1716 Briarcrest Drive, Suite 510  
Bryan, Texas 77802-2700

**3. Records and Reporting**

Concurrent with the payment of the SEP 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 amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

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

**4. Failure to Fully Perform**

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



DCP Midstream, LP  
Agreed Order - Attachment A

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

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

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

**5. Publicity**

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

**6. Clean Texas Program**

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

**7. Other SEPs by TCEQ or Other Agencies**

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





# Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

<b>DATES</b>	<b>Assigned PCW</b>	4-May-2010	<b>Screening</b>	13-May-2010	<b>EPA Due</b>	21-Jan-2011
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<b>RESPONDENT/FACILITY INFORMATION</b>	
<b>Respondent</b>	DCP Midstream, LP
<b>Reg. Ent. Ref. No.</b>	RN100216613
<b>Facility/Site Region</b>	1-Amarillo
<b>Major/Minor Source</b>	Major

<b>CASE INFORMATION</b>			
<b>Enf./Case ID No.</b>	39691	<b>No. of Violations</b>	14
<b>Docket No.</b>	2010-0784-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>	Kimberly Morales
		<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>	\$32,500
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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>	43.0% Enhancement	<b>Subtotals 2, 3, &amp; 7</b>	\$13,975
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**Notes**  
Penalty enhancement due to two NOVs with dissimilar violations and two agreed orders containing a denial of liability. Penalty reduction due to one notice of audit letter 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>	\$7,375
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<b>Economic Benefit</b>	50.0% Enhancement	<b>Subtotal 6</b>	\$16,250
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<b>Total EB Amounts</b>	\$286,343	<i>*Capped at the Total EB \$ Amount</i>
<b>Approx. Cost of Compliance</b>	\$5,165,500	

<b>SUM OF SUBTOTALS 1-7</b>	<b>Final Subtotal</b>	\$55,350
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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**

<b>Final Penalty Amount</b>	\$55,350
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<b>STATUTORY LIMIT ADJUSTMENT</b>	<b>Final Assessed Penalty</b>	\$55,350
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<b>DEFERRAL</b>	20.0% Reduction	<b>Adjustment</b>	-\$11,070
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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>	\$44,280
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Screening Date 13-May-2010

Docket No. 2010-0784-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 2 (September 2002)

Case ID No. 39691

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100216613

Media [Statute] Air

Enf. Coordinator Kimberly Morales

### Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action (number of NOVs meeting criteria)	0	0%
	Other written NOVs	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%
<i>Please Enter Yes or No</i>			
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) 43%

>> 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 two NOVs with dissimilar violations and two agreed orders containing a denial of liability. Penalty reduction due to one notice of audit letter submitted.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 43%

Screening Date 13-May-2010

Docket No. 2010-0784-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 2 (September 2002)

Case ID No. 39691

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100216613

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code § 116.115(b)(2)(F) and (c), Tex. Health & Safety Code § 382.085(b), and Permit No. 3131A, Special Condition No. 1

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 560.13 pounds ("lbs") of sulfur dioxide ("SO2") from the Acid Gas Incinerator during an emissions event that began on March 17, 2009 and lasted approximately three hours (Incident No. 121497). The emissions event occurred when the Rock Creek Plant received a slug of hydrogen sulfide ("H2S") in the plant inlet gas stream from the Sneed Booster through G-line when the Sneed Booster's amine system changed over from the south amine still to the north amine still. Since this emissions event was not caused by a sudden breakdown of equipment or process beyond the control of the owner or operator, and is part of a frequent and recurring pattern indicative of inadequate design, the demonstrations in 30 Tex. Admin. Code § 101.222 necessary to present an affirmative defense were not met.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
Actual				X	25%
Potential					

>> Programmatic Matrix

Matrix Notes	Falsification	Harm			Percent
		Major	Moderate	Minor	
					0%
Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors.					
					Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1

Number of violation days 1

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.

Good Faith Efforts to Comply

25.0% Reduction

\$625

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

Notes Corrective actions were completed by December 31, 2009, prior to the April 28, 2010 NOE.

Violation Subtotal \$1,875

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$266,268

Violation Final Penalty Total \$4,200

This violation Final Assessed Penalty (adjusted for limits) \$4,200

## Economic Benefit Worksheet

**Respondent:** DCP Midstream, LP

**Case ID No.:** 39691

**Reg. Ent. Reference No.:** RN100216613

**Media:** Air

**Violation No.:** 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost <small>No commas or \$</small>	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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**Delayed Costs**

Equipment	\$5,165,000	17-Mar-2009	31-Dec-2009	0.79	\$13,632	\$272,637	\$286,268
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				0.00	\$0	n/a	\$0
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 to perform necessary upgrades in order to reduce the H2S content of the gas routed to the Rock Creek Plant from the Sneed Booster through G-line and improve operation of the amine system. The Date Required is the date of the emissions event. The Final Date is the estimated date that corrective actions were completed.

**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

\$5,165,000

TOTAL

\$286,268

Screening Date 13-May-2010

Docket No. 2010-0784-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 2 (September 2002)

Case ID No. 39691

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100216613

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code § 116.115(b)(2)(F) and (c), Tex. Health & Safety Code § 382.085(b), and Permit No. 3131A, Special Condition No. 1

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 657.86 lbs of SO2 from the Acid Gas Incinerator during an emissions event that began on March 18, 2009 and lasted approximately three hours (incident No. 121519). The emissions event occurred when the Rock Creek Plant received a slug of H2S in the plant inlet gas stream from Sneed Booster through G-line when a liquid level transmitter failed on the west inlet scrubber and allowed inlet liquids to carryover into the amine still. Since this emissions event was not caused by a process beyond the control of the owner or operator, and is part of a frequent and recurring pattern indicative of inadequate design, the demonstrations in 30 Tex. Admin. Code § 101.222 necessary to present an affirmative defense were not met.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual			X	25%
	Potential				

>> Programmatic Matrix

Matrix Notes	Falsification	Harm			Percent
		Major	Moderate	Minor	
					0%

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

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1 Number of violation days 1

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.

Good Faith Efforts to Comply

25.0% Reduction

\$625

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

Notes Corrective actions were completed by December 31, 2009, prior to the April 26, 2010 NOE.

Violation Subtotal \$1,875

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$4,200

This violation Final Assessed Penalty (adjusted for limits) \$4,200

# Economic Benefit Worksheet

**Respondent:** DCP Midstream, LP  
**Case ID No.:** 39691  
**Reg. Ent. Reference No.:** RN100216613  
**Media:** Air  
**Violation No.:** 2

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				0.00	\$0	n/a	\$0
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

The economic benefit for this violation is included in Violation No. 1.

### 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

\$0

TOTAL

\$0

Screening Date 13-May-2010

Docket No. 2010-0784-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 2 (September 2002)

Case ID No. 39891

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100216613

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code § 116.115(b)(2)(F) and (c), Tex. Health & Safety Code § 382.085(b), and Permit No. 3131A, Special Condition No. 1.

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 971.03 lbs of SO2 from the Acid Gas Incinerator during an emissions event that began on May 28, 2009 and lasted approximately seven hours (Incident No. 124864). The emissions event occurred when the Rock Creek Plant received a slug of H2S in the plant inlet gas stream from Sneed Booster through G-line while operating through the south amine still. Since this emissions event was not caused by a sudden breakdown of equipment or process beyond the control of the owner or operator, and is part of a frequent and recurring pattern indicative of inadequate design, the demonstrations in 30 Tex. Admin. Code § 101.222 necessary to present an affirmative defense were not met.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

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

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1

Number of violation days 1

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$2,600

One quarterly event is recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$625

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

Notes Corrective actions were completed by December 31, 2009, prior to the April 26, 2010 NOE.

Violation Subtotal \$1,875

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$4,200

This violation Final Assessed Penalty (adjusted for limits) \$4,200

# Economic Benefit Worksheet

**Respondent:** DCP Midstream, LP  
**Case ID No.:** 39691  
**Reg. Ent. Reference No.:** RN100216613  
**Media:** Air  
**Violation No.:** 3

Percent Interest	Years of Depreciation
5.0	16

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

### 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				0.00	\$0	n/a	\$0
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

The economic benefit for this violation is included in Violation No. 1.

### 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

\$0

**TOTAL**

\$0

Screening Date 13-May-2010

Docket No. 2010-0784-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 2 (September 2002)

Case ID No. 39691

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100216613

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number

4

Rule Cite(s)

30 Tex. Admin. Code § 118.115(b)(2)(F) and (c), Tex. Health & Safety Code § 382.085(b), and Permit No. 3131A, Special Condition No. 1

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 629.45 lbs. of SO2 from the Acid Gas Incinerator during an emissions event that began on June 27, 2009 and lasted approximately three hours (Incident No. 126103). The emissions event occurred when the Rock Creek Plant received a slug of H2S in the plant inlet gas stream from Sneed Booster through G-line when the inlet preheater bypass control valve malfunctioned and closed. Since this emissions event was not caused by a process beyond the control of the owner or operator, and is part of a frequent and recurring pattern indicative of inadequate design, the demonstrations in 30 Tex. Admin. Code § 101.222 necessary to present an affirmative defense were not met.

Base Penalty

\$10,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
Actual				X	25%
Potential					

>> Programmatic Matrix

Matrix Notes	Falsification	Harm			Percent
		Major	Moderate	Minor	
					0%

Matrix Notes

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

Adjustment

\$7,500

\$2,500

Violation Events

Number of Violation Events

1

Number of violation days

1

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.

Good Faith Efforts to Comply

25.0% Reduction

\$625

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

Notes

Corrective actions were completed by December 31, 2009, prior to the April 26, 2010 NOE.

Violation Subtotal

\$1,875

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount

\$0

Violation Final Penalty Total

\$4,200

This violation Final Assessed Penalty (adjusted for limits)

\$4,200

# Economic Benefit Worksheet

**Respondent:** DCP Midstream, LP  
**Case ID No.:** 39691  
**Reg. Ent. Reference No.:** RN100218613  
**Media:** Air  
**Violation No.:** 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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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				0.00	\$0	n/a	\$0
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

The economic benefit for this violation is included in Violation No. 1.

### 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

\$0

**TOTAL**

\$0

Screening Date 13-May-2010

Docket No. 2010-0784-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 2 (September 2002)

Case ID No. 39691

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100216613

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number 6

Rule Cite(s)

30 Tex. Admin. Code § 116.115(b)(2)(F) and (C), Tex. Health & Safety Code § 382.085(b), and Permit No. 3131A, Special Condition No. 1

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 838.48 lbs of SO2 from the Acid Gas Incinerator during an emissions event that began on July 14, 2009 and lasted approximately three hours (Incident No. 126809). The emissions event occurred when the Rock Creek Plant received a slug of H2S in the plant inlet gas stream from Sneed Booster through G-line due to leaking tubes in the reboiler and the H2S contaminated the amine system. Since this emissions event was not caused by a process beyond the control of the owner or operator, and is part of a frequent and recurring pattern indicative of inadequate design, the demonstrations in 30 Tex. Admin. Code § 101.222 necessary to present an affirmative defense were not met.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			x
Potential			

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

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

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1

Number of violation days 1

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$2,500

One quarterly event is recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$625

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

Notes

Corrective actions were completed by December 31, 2009, prior to the April 26, 2010 NOE.

Violation Subtotal \$1,875

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$4,200

This violation Final Assessed Penalty (adjusted for limits) \$4,200

# Economic Benefit Worksheet

**Respondent:** DCP Midstream, LP  
**Case ID No.:** 39891  
**Reg. Ent. Reference No.:** RN100216613  
**Media:** Air  
**Violation No.:** 5

Percent Interest:	Years of Depreciation:
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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**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				0.00	\$0	n/a	\$0
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

The economic benefit for this violation is included in Violation No. 1.

**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

\$0

TOTAL

\$0

Screening Date 13-May-2010

Docket No. 2010-0784-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 2 (September 2002)

Case ID No. 39691

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100216613

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number 6

Rule Cite(s) 30 Tex. Admin. Code § 116.115(b)(2)(F) and (c), Tex. Health & Safety Code § 382.085(b), and Permit No. 3131A, Special Condition No. 1

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 2,944.58 lbs of SO2 from the Acid Gas Incinerator during an emissions event that began on July 14, 2009 and lasted approximately 15 hours (Incident No. 126857). The emissions event occurred when the Rock Creek Plant received a slug of H2S in the plant inlet gas stream from Sneed Booster through G-line due to leaking tubes in the reboiler and the H2S contaminated the amine system. Since this emissions event was not caused by a process beyond the control of the owner or operator, and is part of a frequent and recurring pattern indicative of inadequate design, the demonstrations in 30 Tex. Admin. Code § 101.222 necessary to present an affirmative defense were not met.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

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

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1

Number of violation days 1

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$2,500

One quarterly event is recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$625

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

Notes Corrective actions were completed by December 31, 2009, prior to the April 26, 2010 NOE.

Violation Subtotal \$1,875

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$4,200

This violation Final Assessed Penalty (adjusted for limits) \$4,200

# Economic Benefit Worksheet

**Respondent:** DCP Midstream, LP  
**Case ID No.:** 39691  
**Reg. Ent. Reference No.:** RN100216613  
**Media:** Air  
**Violation No.:** 6

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost <small>No commas or \$</small>	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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### 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				0.00	\$0	n/a	\$0
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

The economic benefit for this violation is included in Violation No. 1.

### 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

\$0

TOTAL

\$0

Screening Date 13-May-2010

Docket No. 2010-0784-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 2 (September 2002)

Case ID No. 39691

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100216813

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number 7

Rule Cite(s)

30 Tex. Admin. Code § 116.115(b)(2)(F) and (c), Tex. Health & Safety Code § 382.085(b), and Permit No. 3131A, Special Condition No. 1

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 3,680.73 lbs of SO2 from the Acid Gas Incinerator during an emissions event that began on July 16, 2009 and lasted approximately 12 hours (Incident No. 126939). The emissions event occurred when the Rock Creek Plant received a slug of H2S in the plant inlet gas stream from Sneed Booster through G-line due to leaking tubes in the reboiler and the H2S contaminated the amine system. Since this emissions event was not caused by a process beyond the control of the owner or operator, and is part of a frequent and recurring pattern indicative of inadequate design, the demonstrations in 30 Tex. Admin. Code § 101.222 necessary to present an affirmative defense were not met.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

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

Adjustment \$7,500

\$2,500

Violation Events

1

1

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.

Good Faith Efforts to Comply

25.0% Reduction

\$625

Before NOV NOV to EDPR/Settlement Offer

Extraordinary	
Ordinary	X
N/A	(mark with x)

Notes

Corrective actions were completed by December 31, 2009, prior to the April 26, 2010 NOE.

Violation Subtotal \$1,875

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$4,200

This violation Final Assessed Penalty (adjusted for limits) \$4,200

# Economic Benefit Worksheet

**Respondent:** DCP Midstream, LP  
**Case ID No.:** 39691  
**Reg. Ent. Reference No.:** RN100216613  
**Media:** Air  
**Violation No.:** 7

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				0.00	\$0	n/a	\$0
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

The economic benefit for this violation is included in Violation No. 1.

**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

\$0

TOTAL

\$0

Screening Date 13-May-2010

Docket No. 2010-0784-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 2 (September 2002)

Case ID No. 39691

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100216613

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number 8

Rule Cite(s) 30 Tex. Admin. Code § 116.115(b)(2)(F) and (c); Tex. Health & Safety Code § 382.085(b), and Permit No. 3131A, Special Condition No. 1

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 869.02 lbs of SO2 from the Acid Gas Incinerator during an emissions event that began on July 24, 2009 and lasted approximately three hours (Incident No. 127222). The emissions event occurred when the Rock Creek Plant received a slug of H2S in the plant inlet gas stream from Sneed Booster through G-line when the still overhead temperature fell below 200 degrees Fahrenheit. Since this emissions event was not caused by a sudden breakdown of equipment or process beyond the control of the owner or operator, and is part of a frequent and recurring pattern indicative of inadequate design, the demonstrations in 30 Tex. Admin. Code § 101.222 necessary to present an affirmative defense were not met.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
Actual				X	25%
Potential					

>> Programmatic Matrix

Matrix Notes	Falsification	Harm			Percent
		Major	Moderate	Minor	
					0%

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

Adjustment \$7,500

\$2,500

Violation Events

Number of violation days: 1

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.

Good Faith Efforts to Comply

25.0% Reduction \$625

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

Notes: Corrective actions were completed by December 31, 2009, prior to the April 26, 2010 NOE.

Violation Subtotal \$1,875

Economic Benefit (EB) for this violation

Estimated EB Amount \$0

Statutory Limit Test

Violation Final Penalty Total \$4,200

This violation Final Assessed Penalty (adjusted for limits) \$4,200

## Economic Benefit Worksheet

**Respondent:** DCP Midstream, LP  
**Case ID No.:** 39691  
**Reg. Ent. Reference No.:** RN100216813  
**Media:** Air  
**Violation No.:** 8

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				0.00	\$0	n/a	\$0
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

The economic benefit for this violation is included in Violation No. 1.

### 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

\$0

TOTAL

\$0

Screening Date 13-May-2010

Docket No. 2010-0784-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 2 (September 2002)

Case ID No. 39691

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100216613

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number 9

Rule Cite(s) 30 Tex. Admin. Code § 116.115(b)(2)(F) and (c), Tex. Health & Safety Code § 382.085(b), and Permit No. 3131A, Special Condition No. 1.

Violation Description Failed to prevent unauthorized emissions. Specifically, the Respondent released 2,462.18 lbs of SO2 from the Acid Gas Incinerator during an emissions event that began on August 28, 2009 and lasted approximately 18 hours (Incident No. 126695). The emissions event occurred when the Rock-Creek Plant received a slug of H2S in the plant inlet gas stream from Sneed Booster through G-line due to a ruptured tube in the amine reboiler. Since this emissions event was not caused by a process beyond the control of the owner or operator, and is part of a frequent and recurring pattern indicative of inadequate design, the demonstrations in 30 Tex. Admin. Code § 101.222 necessary to present an affirmative defense were not met.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual			X	25%
Potential				

>> Programmatic Matrix

Falsification	Harm			Percent
	Major	Moderate	Minor	
				0%

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

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1 Number of violation days 1

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$2,500

One quarterly event is recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$625

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

Notes Corrective actions were completed by December 31, 2009, prior to the April 26, 2010 NOE.

Violation Subtotal \$1,875

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$4,200

This violation Final Assessed Penalty (adjusted for limits) \$4,200

## Economic Benefit Worksheet

**Respondent:** DCP Midstream, LP  
**Case ID No.:** 39691  
**Reg. Ent. Reference No.:** RN100216613  
**Media:** Air  
**Violation No.:** 9

Percent Interest	Years of Depreciation
5.0	15

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

### 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				0.00	\$0	n/a	\$0
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

The economic benefit for this violation is included in Violation No. 1.

### 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

\$0

TOTAL

\$0

Screening Date: 13-May-2010

Docket No.: 2010-0784-AIR-E

PCW

Respondent: DCP Midstream, LP

Policy Revision 2 (September 2002)

Case ID No.: 39691

PCW Revision October 30, 2008

Reg. Ent. Reference No.: RN100216613

Media: [Statute] Air

Enf. Coordinator: Kimberly Morales

Violation Number: 10

Rule Cite(s): 30 Tex. Admin. Code § 116.115(b)(2)(F) and (c), Tex. Health & Safety Code § 382.085(b), and Permit No. 3131A, Special Condition No. 1

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 1,085.41 lbs. of SO2 from the Acid Gas Incinerator during an emissions event that began on November 23, 2009 and lasted approximately 10 hours (Incident No. 132490). The emissions event occurred when the Rock Creek Plant received a slug of H2S in the plant inlet gas stream from Speed Booster through G-line when a control valve malfunctioned, closed, and stopped the flow of amine to the middle contactor. Since this emissions event was not caused by a process beyond the control of the owner or operator, and is part of a frequent and recurring pattern indicative of inadequate design, the demonstrations in 30 Tex. Admin. Code § 101.222 necessary to present an affirmative defense were not met.

Base Penalty: \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual			X	25%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes

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

Adjustment: \$7,500

\$2,500

Violation Events

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

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty: \$2,500

One quarterly event is recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$625

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

Notes: Corrective actions were completed by December 31, 2009, prior to the April 26, 2010 NOE.

Violation Subtotal: \$1,875

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount: \$0

Violation Final Penalty Total: \$4,200

This violation Final Assessed Penalty (adjusted for limits): \$4,200

## Economic Benefit Worksheet

**Respondent:** DCP Midstream, LP  
**Case ID No.:** 39691  
**Reg. Ent. Reference No.:** RN100216613  
**Media:** Air  
**Violation No.:** 10

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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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				0.00	\$0	n/a	\$0
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

The economic benefit for this violation is included in Violation No. 1.

### 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

\$0

**TOTAL**

\$0

Screening Date 13-May-2010

Docket No. 2010-0784-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 2 (September 2002)

Case ID No. 39691

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100216613

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number 11

Rule Cite(s) 30-Tex. Admin. Code § 116.115(c), Tex. Health & Safety Code § 382.085(b), and Permit No. 3131A, Special Condition No. 10

Violation Description Failed to comply with the one-hour average for the incinerator combustion chamber temperature of 1,700 degrees Fahrenheit when acid gas or other waste gas is directed to the acid gas incinerator. Specifically, records indicated that one-hour averages for incinerator combustion chamber temperature were below 1,700 degrees Fahrenheit on 43 occasions with an average of 1,623 degrees Fahrenheit from January 1, 2009 through July 17, 2009, which was less than 0.5% of the total annual operating hours. There were no documented exceedances of any emissions rates as a result of the violation.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				10%
Potential			X	

>> Programmatic Matrix

Falsification	Harm			Percent
	Major	Moderate	Minor	
				0%

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

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 1 Number of violation days 197

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	X

Violation Base Penalty \$1,000

One single event is recommended based on the one incinerator.

Good Faith Efforts to Comply

25.0% Reduction

\$250

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

Notes Corrective actions were completed by December 31, 2009, prior to the April 26, 2010 NOE.

Violation Subtotal \$750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$1,680

This violation Final Assessed Penalty (adjusted for limits) \$1,680

# Economic Benefit Worksheet

**Respondent:** DCP Midstream, LP  
**Case ID No.:** 38691  
**Reg. Ent. Reference No.:** RN100216613  
**Media:** Air  
**Violation No.:** 11

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				0.00	\$0	n/a	\$0
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

The economic benefit for this violation is included in Violation No. 1.

### 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

\$0

TOTAL

\$0

Screening Date 13-May-2010

Docket No. 2010-0784-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 2 (September 2002)

Case ID No. 39691

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100216613

Media [Statute] Air

Enf. Coordinator Kimberly Morales

V12

12

Rule Cite(s)

30 Tex. Admin. Code § 116.115(c), Tex. Health & Safety Code § 382.085(b), and Permit No. 3131A, Special Condition No. 11

Violation Description

Failed to comply with the hydrogen sulfide feed rate of 235 pounds per hour for the acid gas incinerator. Specifically, records indicated a total of 511 exceedances with an average of 271.7 pounds per hour from July 6, 2007 to October 29, 2009, which was less than 6% of the total annual operating hours. There were no documented exceedances of any emissions rates as a result of the violation.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual				10%
	Potential			X	

>> Programmatic Matrix

Matrix Notes	Falsification	Harm			Percent
		Major	Moderate	Minor	
					0%

Matrix Notes

Human health or the environment will or could be exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors.

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 1

846 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

Violation Base Penalty \$1,000

One single event is recommended based on the one incinerator.

Good Faith Efforts to Comply

25.0% Reduction

\$250

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

Notes: Corrective actions were completed by December 31, 2009, prior to the April 26, 2010 NOE.

Violation Subtotal \$750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$1,680

This violation Final Assessed Penalty (adjusted for limits) \$1,680

# Economic Benefit Worksheet

**Respondent:** DCP Midstream, LP  
**Case ID No.:** 39891  
**Reg. Ent. Reference No.:** RN100216613  
**Media:** Air  
**Violation No.:** 12

Percent Interest	Years of Depreciation
5.0	16

**Item Cost**    **Date Required**    **Final Date**    **Yrs**    **Interest Saved**    **Onetime Costs**    **EB Amount**  
**Item Description**    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	0.00				\$0	n/a	\$0
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

The economic benefit for this violation is included in Violation No. 1.

**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

\$0

**TOTAL**

\$0

Screening Date 13-May-2010

Docket No. 2010-0784-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 2 (September 2002)

Case ID No. 39691

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100216613

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number 13

Rule Cite(s) 30 Tex. Admin. Code § 122.144(1), Tex. Health & Safety Code § 382.085(b), Permit No. 3134A, Special Condition Nos. 10 and 12.B., and Federal Operating Permit No. O-2449, Compliance Assurance Monitoring Summary

Violation Description Failed to maintain the monitoring records for the loss of flare pilot flame and for the incinerator combustion chamber temperature for the required five-year period.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				0%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
	X			25%

Matrix Notes

The Respondent failed to comply with 100% of the rule requirements.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 2 1769 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	X

Violation Base Penalty \$5,000

Two single events are recommended based on the two types of records required.

Good Faith Efforts to Comply

10.0% Reduction

\$500

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

Notes Corrective actions were completed by June 25, 2010, after the April 26, 2010 NOE and prior to the July 14, 2010 settlement offer.

Violation Subtotal \$4,500

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$131

Violation Final Penalty Total \$9,150

This violation Final Assessed Penalty (adjusted for limits) \$9,150

## Economic Benefit Worksheet

**Respondent:** DCP Midstream, LP  
**Case ID No:** 39691  
**Reg. Ent. Reference No.:** RN100216613  
**Media:** Air  
**Violation No.:** 13

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	One/Time 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	\$250	1-Jan-2005	25-Jun-2010	5.48	\$69	n/a	\$69
Record Keeping System	\$250	1-Jan-2005	1-Jan-2010	5.00	\$63	n/a	\$63
Training/Sampling				0.00	\$0	n/a	\$0
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 to implement measures to ensure the monitoring records for the flare and incinerator combustion chamber temperature records are being maintained. The Dates Required are the first dates of the violations. The Final Dates are the dates that corrective actions were completed.

### 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

\$500

TOTAL

\$131

Screening Date 13-May-2010

Docket No. 2010-0784-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 2 (September 2002)

Case ID No. 39681

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100216813

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number 14

Rule Cite(s) 30 Tex. Admin. Code §§ 122.145(2)(A) and 122.147(a)(4) and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to report all instances of deviations in semiannual deviation reports from January 1, 2007 through June 30, 2009. Specifically, failure to report deviations of the one-hour average for the incinerator combustion chamber; of the hydrogen sulfide feed rate for the acid gas incinerator; and failure to maintain flare alarm monitoring records and incinerator log temperature records.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual				0%
	Potential				

>> Programmatic Matrix

Matrix Notes	Falsification	Harm			Percent
		Major	Moderate	Minor	
				X	1%

Matrix Notes

The Respondent met at least 70% of the rule requirements.

Adjustment \$9,900

\$100

Violation Events

Number of Violation Events 5 Number of violation days 811

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

Violation Base Penalty \$500

Five single events are recommended based on the five incomplete deviation reports.

Good Faith Efforts to Comply

25.0% Reduction

\$125

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

Notes Corrective actions were completed by January 1, 2010, prior to the April 26, 2010 NOE.

Violation Subtotal \$375

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$75

Violation Final Penalty Total \$840

This violation Final Assessed Penalty (adjusted for limits) \$840

# Economic Benefit Worksheet

**Respondent:** DCP Midstream, LP  
**Case ID No.:** 39691  
**Reg. Ent. Reference No.:** RN100216613  
**Media:** Air  
**Violation No.:** 14

Percent Interest	Years of Depreciation
5.0	15

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

**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				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$500	1-Jan-2007	1-Jan-2010	3.00	\$75	n/a	\$75

Notes for DELAYED costs

Estimated cost to implement measures to ensure the proper reporting of deviations in semiannual reports. The Date Required is the first date of the violation. The Final Date is the date that corrective actions were completed.

**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

	\$500	<b>TOTAL</b>	\$75
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# Compliance History Report

Customer/Respondent/Owner-Operator: CN601229917 DCP Midstream, LP Classification: AVERAGE Rating: 2.57  
Regulated Entity: RN100216613 ROCK CREEK GAS PLANT Classification: AVERAGE Site Rating: 5.67

ID Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	HW0020F
	AIR OPERATING PERMITS	PERMIT	2449
	AIR NEW SOURCE PERMITS	PERMIT	3131A
	AIR NEW SOURCE PERMITS	REGISTRATION	33452
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	HW0020F
	AIR NEW SOURCE PERMITS	AFS NUM	4823300005
	AIR NEW SOURCE PERMITS	REGISTRATION	81946
	AIR EMISSIONS INVENTORY	ACCOUNT NUMBER	HW0020F

Location: 1000 W 10TH ST, BORGER, TX, 79007

TCEQ Region: REGION 01 - AMARILLO

Date Compliance History Prepared: June 09, 2010

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: June 09, 2005 to June 09, 2010

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

Name: Kimberly Morales Phone: (713) 422-8938

## 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 judgments, and consent decrees of the state of Texas and the federal government.

Effective Date: 10/19/2006 ADMINORDER 2006-0674-AIR-E  
Classification: Major  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
5C THC Chapter 382, SubChapter A 382.085(b)  
Rqmt Prov: Spec. Cond. No. 2 PERMIT  
Description: Failed to prevent the unauthorized release of air contaminants into the atmosphere.

Effective Date: 11/27/2009 ADMINORDER 2009-0875-AIR-E  
Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)  
5C THSC Chapter 382 382.085(b)  
Rqmt Prov: Permit 5654A, MAERT PERMIT

Description: Failed to prevent unauthorized emissions. Specifically, the Respondent released 91.23 pounds ("lbs") of carbon monoxide ("CO"), 11.76 lbs of hydrogen sulfide ("H2S"), 2.29 lbs of natural gas, 1.15 lbs of nitrogen dioxide ("NO2"), 21.76 lbs of nitrogen oxide ("NOx") and 1,083.41 lbs of sulfur dioxide ("SO2") from the emergency flare during an avoidable emissions event (Incident No. 111923) that began July 31, 2008 and lasted three hours and 30 minutes. The event was the result of a slug of untreated

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)  
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Permit 5654A, MAERT PERMIT

Description: Failed to prevent unauthorized emissions. Specifically, the Respondent released 205.85 lbs of CO, 26.93 lbs of H2S, 5.23 lbs of natural gas, 2.62 lbs of NO, 49.82 lbs of NOx and 2,480.09 lbs of SO2 from the emergency flare during an avoidable emissions event (Incident No. 111927) that began August 1, 2008 and lasted eight hours and 15 minutes. The event was the result of a slug of untreated H2S gas being introduced to the incinerator which lead to the shutdown of the incinerator.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)  
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Permit 5654A, MAERT PERMIT

Description: Failed to prevent unauthorized emissions. Specifically, the Respondent released 417.7 lbs of CO, 53.85 lbs of H2S, 10.46 lbs of natural gas, 5.24 lbs of NO, 99.64 lbs of NOx and 4,960.17 lbs of SO2 from the emergency flare during an avoidable emissions event (Incident No. 117681) that began December 12, 2008 and lasted seven hours and 45 minutes. The event was the result of a slug of untreated H2S gas being introduced to the incinerator which lead to the shutdown of the incinerator.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)  
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Permit 5654A, MAERT PERMIT

Description: Failed to prevent unauthorized emissions. Specifically, the Respondent released 49.11 lbs of CO, 6.33 lbs of H2S, 1.23 lbs of natural gas, 0.62 lbs of NO, 11.72 lbs of NOx and 583.21 lbs of SO2 from the emergency flare during an avoidable emissions event (Incident No. 117739) that began August 1, 2008 and lasted two hours and 50 minutes. The event was the result of a slug of untreated H2S gas being introduced to the incinerator which lead to the shutdown of the incinerator.

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	07/08/2005	(399275)
2	07/25/2005	(399803)
3	08/19/2005	(404924)
4	01/18/2006	(451605)
5	04/05/2006	(461840)
6	04/24/2006	(462657)
7	05/31/2006	(454779)
8	11/09/2006	(518600)
9	01/18/2007	(533641)
10	08/17/2007	(562545)
11	03/20/2008	(639057)
12	04/16/2008	(641289)
13	05/28/2009	(725839)
14	12/28/2009	(786672)
15	04/26/2010	(786752)
16	05/11/2010	(799585)

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

Date: 07/22/2005 (399803) CN601229917  
Self Report? NO Classification: Minor  
Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
Description: Failed to monitor the flame on the flare in accordance with 40 CFR 60.18(f)(2).  
Self Report? NO Classification: Minor  
Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
Description: Failed to cap, plug or flange seven (7) open ended lines in accordance with 40 CFR 60.482.6(a)(1).  
Self Report? NO Classification: Minor  
Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
Description: Failed to do subsequently do the two month monitoring on valves identified as leakers, in accordance with §40 CFR 60.486(b)(2).

Date: 08/19/2005 (404924) CN601229917  
Self Report? NO Classification: Moderate  
Citation: 40 CFR Part 60, Subpart KKK 60.632(a)  
40 CFR Part 60, Subpart VV 60.482-1(a)  
Description: Failure to incorporate affected valves into fugitive monitoring program

F. Environmental audits.

Notice of Intent Date: 10/27/2008 (722198)  
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  
RN100216613

§  
§  
§  
§  
§

BEFORE THE  
TEXAS COMMISSION ON  
ENVIRONMENTAL QUALITY

## AGREED ORDER DOCKET NO. 2010-0784-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 an oil and gas production plant at 1000 West 10th Street in Borger, Hutchinson 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 1, 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 Fifty-Five Thousand Three Hundred Fifty Dollars (\$55,350) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Twenty-Two Thousand One Hundred Forty Dollars (\$22,140) of the administrative penalty and Eleven Thousand Seventy Dollars (\$11,070) 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. Twenty-Two Thousand One Hundred Forty Dollars (\$22,140) shall be conditionally offset by the 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 recognizes that:
  - a. By December 31, 2009, the Respondent completed the following corrective measures in order to prevent a reoccurrence of emissions events caused when the Rock Creek Plant receives a slug of hydrogen sulfide ("H<sub>2</sub>S") in the inlet gas stream from the Sneed Booster through G-line, maintain one-hour averages for the incinerator combustion chamber temperature above 1,700 degrees Fahrenheit when acid gas or other waste gas is directed to the acid gas incinerator, and reduce the H<sub>2</sub>S feed rate of 235 pounds per hour ("lbs/hr") for the acid gas incinerator:
    - i. Replaced the pneumatic control system with a Digital Control System;
    - ii. Replaced the trays in the north amine still;
    - iii. Replaced the amine reboiler bundles;
    - iv. Began using reverse osmosis ("RO") water to prevent scale buildup on the amine system and will continue to truck-in RO water until the RO system currently being installed at Sneed Booster is operational;
    - v. Replaced the amine reclaimer vessel and bundle;
    - vi. Added 65 temperature and pressure monitoring points; and
    - vii. Installed an analyzer on the Sneed Booster outlet to monitor the efficiency of the amine system.
  - b. On January 1, 2010, the Respondent began recording the incinerator combustion chamber temperatures in spreadsheets that will be maintained on-site for the required five year period. These spreadsheets will also be used as a tool to ensure the proper reporting of deviations in semiannual reports; and
  - c. On June 25, 2010, the Respondent began manually recording the loss of flare pilot flame in records that will be maintained on-site for the required five year period.

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:

1. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.115(b)(2)(F) and (c), TEX. HEALTH & SAFETY CODE § 382.085(b), and Permit No. 3131A, Special Condition No. 1, as documented during an investigation conducted on November 5 and 6, 2009. Specifically, the Respondent released 560.13 pounds ("lbs") of sulfur dioxide ("SO<sub>2</sub>") from the Acid Gas Incinerator during an emissions event that began on March 17, 2009 and lasted approximately three hours (Incident No. 121497). The emissions event occurred when the Rock Creek Plant received a slug of H<sub>2</sub>S in the plant inlet gas stream from the Sneed Booster through G-line when the Sneed Booster's amine system changed over from the south amine still to the north amine still. Since this emissions event was not caused by a sudden breakdown of equipment or process beyond the control of the owner or operator, and is part of a frequent and recurring pattern indicative of inadequate design, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met.
2. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.115(b)(2)(F) and (c), TEX. HEALTH & SAFETY CODE § 382.085(b), and Permit No. 3131A, Special Condition No. 1, as documented during an investigation conducted on November 5 and 6, 2009. Specifically, the Respondent released 657.86 lbs of SO<sub>2</sub> from the Acid Gas Incinerator during an emissions event that began on March 18, 2009 and lasted approximately three hours (Incident No. 121519). The emissions event occurred when the Rock Creek Plant received a slug of H<sub>2</sub>S in the plant inlet gas stream from Sneed Booster through G-line when a liquid level transmitter failed on the west inlet scrubber and allowed inlet liquids to carryover into the amine still. Since this emissions event was not caused by a process beyond the control of the owner or operator, and is part of a frequent and recurring pattern indicative of inadequate design, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met.
3. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.115(b)(2)(F) and (c), TEX. HEALTH & SAFETY CODE § 382.085(b), and Permit No. 3131A, Special Condition No. 1, as documented during an investigation conducted on November 5 and 6, 2009. Specifically, the Respondent released 971.03 lbs of SO<sub>2</sub> from the Acid Gas Incinerator during an emissions event that began on May 28, 2009 and lasted approximately seven hours (Incident No. 124864). The emissions event occurred when the Rock Creek Plant received a slug

of H<sub>2</sub>S in the plant inlet gas stream from Sneed Booster through G-line while operating through the south amine still. Since this emissions event was not caused by a sudden breakdown of equipment or process beyond the control of the owner or operator, and is part of a frequent and recurring pattern indicative of inadequate design, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met.

4. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.115(b)(2)(F) and (c), TEX. HEALTH & SAFETY CODE § 382.085(b), and Permit No. 3131A, Special Condition No. 1, as documented during an investigation conducted on November 5 and 6, 2009. Specifically, the Respondent released 629.45 lbs of SO<sub>2</sub> from the Acid Gas Incinerator during an emissions event that began on June 27, 2009 and lasted approximately three hours (Incident No. 126103). The emissions event occurred when the Rock Creek Plant received a slug of H<sub>2</sub>S in the plant inlet gas stream from Sneed Booster through G-line when the inlet preheater bypass control valve malfunctioned and closed. Since this emissions event was not caused by a process beyond the control of the owner or operator, and is part of a frequent and recurring pattern indicative of inadequate design, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met.
5. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.115(b)(2)(F) and (c), TEX. HEALTH & SAFETY CODE § 382.085(b), and Permit No. 3131A, Special Condition No. 1, as documented during an investigation conducted on November 5 and 6, 2009. Specifically, the Respondent released 838.48 lbs of SO<sub>2</sub> from the Acid Gas Incinerator during an emissions event that began on July 14, 2009 and lasted approximately three hours (Incident No. 126809). The emissions event occurred when the Rock Creek Plant received a slug of H<sub>2</sub>S in the plant inlet gas stream from Sneed Booster through G-line due to leaking tubes in the reboiler and the H<sub>2</sub>S contaminated the amine system. Since this emissions event was not caused by a process beyond the control of the owner or operator, and is part of a frequent and recurring pattern indicative of inadequate design, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met.
6. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.115(b)(2)(F) and (c), TEX. HEALTH & SAFETY CODE § 382.085(b), and Permit No. 3131A, Special Condition No. 1, as documented during an investigation conducted on November 5 and 6, 2009. Specifically, the Respondent released 2,944.58 lbs of SO<sub>2</sub> from the Acid Gas Incinerator during an emissions event that began on July 14, 2009 and lasted approximately 15 hours (Incident No. 126857). The emissions event occurred when the Rock Creek Plant received a slug of H<sub>2</sub>S in the plant inlet gas stream from Sneed Booster through G-line due to leaking tubes in the reboiler and the H<sub>2</sub>S contaminated the amine system. Since this emissions event was not caused by a process beyond the control of the owner or operator, and is part of a frequent and recurring pattern indicative of inadequate design, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met.
7. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.115(b)(2)(F) and (c), TEX. HEALTH & SAFETY CODE § 382.085(b), and Permit No. 3131A, Special Condition No. 1, as documented during an investigation conducted on November 5 and 6, 2009. Specifically, the Respondent released 3,680.73 lbs of SO<sub>2</sub> from the Acid Gas Incinerator during an emissions event that began on July 16, 2009 and lasted approximately 12 hours (Incident No. 126939). The emissions event occurred when the Rock Creek Plant received a slug of H<sub>2</sub>S in the plant inlet gas stream from Sneed Booster through G-line due to leaking tubes in the

reboiler and the H<sub>2</sub>S contaminated the amine system. Since this emissions event was not caused by a process beyond the control of the owner or operator, and is part of a frequent and recurring pattern indicative of inadequate design, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met.

8. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.115(b)(2)(F) and (c), TEX. HEALTH & SAFETY CODE § 382.085(b), and Permit No. 3131A, Special Condition No. 1, as documented during an investigation conducted on November 5 and 6, 2009. Specifically, the Respondent released 869.02 lbs of SO<sub>2</sub> from the Acid Gas Incinerator during an emissions event that began on July 24, 2009 and lasted approximately three hours (Incident No. 127222). The emissions event occurred when the Rock Creek Plant received a slug of H<sub>2</sub>S in the plant inlet gas stream from Sneed Booster through G-line when the still overhead temperature fell below 200 degrees Fahrenheit. Since this emissions event was not caused by a sudden breakdown of equipment or process beyond the control of the owner or operator, and is part of a frequent and recurring pattern indicative of inadequate design, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met.
9. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.115(b)(2)(F) and (c), TEX. HEALTH & SAFETY CODE § 382.085(b), and Permit No. 3131A, Special Condition No. 1, as documented during an investigation conducted on November 5 and 6, 2009. Specifically, the Respondent released 2,462.18 lbs of SO<sub>2</sub> from the Acid Gas Incinerator during an emissions event that began on August 26, 2009 and lasted approximately 18 hours (Incident No. 128695). The emissions event occurred when the Rock Creek Plant received a slug of H<sub>2</sub>S in the plant inlet gas stream from Sneed Booster through G-line due to a ruptured tube in the amine reboiler. Since this emissions event was not caused by a process beyond the control of the owner or operator, and is part of a frequent and recurring pattern indicative of inadequate design, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met.
10. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.115(b)(2)(F) and (c), TEX. HEALTH & SAFETY CODE § 382.085(b), and Permit No. 3131A, Special Condition No. 1, as documented during an investigation conducted on November 5 and 6, 2009. Specifically, the Respondent released 1,085.41 lbs of SO<sub>2</sub> from the Acid Gas Incinerator during an emissions event that began on November 23, 2009 and lasted approximately 10 hours (Incident No. 132490). The emissions event occurred when the Rock Creek Plant received a slug of H<sub>2</sub>S in the plant inlet gas stream from Sneed Booster through G-line when a control valve malfunctioned, closed, and stopped the flow of amine to the middle contactor. Since this emissions event was not caused by a process beyond the control of the owner or operator, and is part of a frequent and recurring pattern indicative of inadequate design, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met.
11. Failed to comply with the one-hour average for the incinerator combustion chamber temperature of 1,700 degrees Fahrenheit when acid gas or other waste gas is directed to the acid gas incinerator, in violation of 30 TEX. ADMIN. CODE § 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b), and Permit No. 3131A, Special Condition No. 10, as documented during an investigation conducted on November 5 and 6, 2009. Specifically, records indicated that one-hour averages for incinerator combustion chamber temperature were below 1,700 degrees Fahrenheit on 43 occasions with an average of 1,623 degrees Fahrenheit from January 1, 2009 through July 17, 2009.

12. Failed to comply with the H<sub>2</sub>S feed rate of 235 lbs/hr for the acid gas incinerator, in violation of 30 TEX. ADMIN. CODE § 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b), and Permit No. 3131A, Special Condition No. 11, as documented during an investigation conducted on November 5 and 6, 2009. Specifically, records indicated a total of 511 exceedances with an average of 271.7 pounds per hour from July 6, 2007 to October 29, 2009.
13. Failed to maintain the monitoring records for the loss of flare pilot flame and for the incinerator combustion chamber temperature for the required five year period, in violation of 30 TEX. ADMIN. CODE § 122.144(1), TEX. HEALTH & SAFETY CODE § 382.085(b), Permit No. 3131A, Special Condition Nos. 10 and 12.B., and Federal Operating Permit No. O-2449, Compliance Assurance Monitoring ("CAM") Summary, as documented during an investigation conducted on November 5 and 6, 2009.
14. Failed to report all instances of deviations in semiannual deviation reports from January 1, 2007 through June 30, 2009, in violation of 30 TEX. ADMIN. CODE §§ 122.145(2)(A) and 122.147(a)(4) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on November 5 and 6, 2009. Specifically, failure to report deviations of the one-hour average for the incinerator combustion chamber, of the hydrogen sulfide feed rate for the acid gas incinerator, and failure to maintain flare alarm monitoring records and incinerator log temperature records.

### 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. 2010-0784-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, Twenty-Two Thousand One Hundred Forty Dollars (\$22,140) of the assessed administrative penalty shall be offset with the condition that the Respondent implement the SEP defined in Attachment A, incorporated herein by reference. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. The 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.
4. 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.
5. 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.
6. 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.
7. 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.
8. 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 S. Sullivan*  
For the Executive Director

12/16/2010  
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.

*[Signature]*  
Signature

8-31-10  
Date

Dennis J. Dean  
Name (Printed or typed)  
Authorized Representative of  
DCP Midstream, LP

VP- 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: 2010-0784-AIR-E**

**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

**Respondent:** DCP Midstream, LP

**Payable Penalty Amount:** Forty-Four Thousand Two Hundred Eighty Dollars  
(\$44,280)

**SEP Amount:** Twenty-Two Thousand One Hundred Forty Dollars  
(\$22,140)

**Type of SEP:** Pre-approved

**Third-Party Recipient:** Texas Association of Resource Conservation and  
Development Areas, Inc. ("RC&D")- Clean School  
Buses

**Location of SEP:** Texas Air Quality Control Region 211 – Amarillo -  
Lubbock

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

**1. Project Description**

**A. Project**

The Respondent shall contribute to the Third-Party Recipient pursuant to the agreement between the Third-Party Recipient and the TCEQ. Specifically, the contribution will be used to aid local school districts, area transit agencies, and local governments in need of funding assistance to pay for the cost of the following activities to reduce emissions: 1) replacing older diesel buses with alternative fuelled or clean diesel buses; or 2) retrofitting older diesel buses with new, cleaner technology. The funds will be disbursed on a needs-rated basis, using non-attainment area status, condition of buses, and economic status of the recipient as possible rating factors if competition for the funds exists. To maximize funds, retrofitting will take priority over replacement of buses. Older buses deemed not suitable for retrofitting will be permanently retired and sold only for scrap.

Acceptable retrofit technologies include particulate matter traps, diesel particulate matter filters, nitrogen oxides (NO<sub>x</sub>) reduction catalyst technology in combination with diesel particulate filters, and other emission control technologies that are developed and approved by the United States Environmental Protection Agency ("EPA") or the California Air Resources Board.

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

**B. Environmental Benefit**

This SEP will provide a discernible environmental benefit by reducing particulate matter and hydrocarbon emissions from buses, to meet the new, more stringent emissions standards introduced by the EPA which will be phased in between 2007 and 2010.

**C. Minimum Expenditure**

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

**2. Performance Schedule**

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

Texas Association of Resource Conservation and Development Areas, Inc.  
1716 Briarcrest Drive, Suite 510  
Bryan, Texas 77802-2700

**3. Records and Reporting**

Concurrent with the payment of the SEP 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 amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

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

**4. Failure to Fully Perform**

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

DCP Midstream, LP  
Agreed Order - Attachment A

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

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

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

**5. Publicity**

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

**6. Clean Texas Program**

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

**7. Other SEPs by TCEQ or Other Agencies**

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

