

Executive Summary – Enforcement Matter – Case No. 41184
DCP Midstream, LP
RN100219955
Docket No. 2011-0281-AIR-E

Order Type:

Findings Agreed Order

Findings Order Justification:

People or environmental receptors have been exposed to pollutants which exceed levels that are protective.

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

DCP Midstream Sherhan Plant, 15150 County Road 9, approximately 15 miles north of Gruver, Hansford County

Type of Operation:

Natural gas processing plant

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: May 13, 2011

Comments Received: No

Penalty Information

Total Penalty Assessed: \$10,179

Amount Deferred for Expedited Settlement: \$0

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$5,090

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$5,089

Name of SEP: Texas Association of Resource Conservation and Development Areas, Inc.
("RC&D")-Abandoned Tire Clean-Up

Compliance History Classifications:

Person/CN - Average

Site/RN - Average

Major Source: Yes

Statutory Limit Adjustment: \$5,400

Applicable Penalty Policy: September 2002

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RN100219955
Docket No. 2011-0281-AIR-E

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: December 10, 2010

Date(s) of NOE(s): February 1, 2011

Violation Information

1. Failed to timely submit an initial notification for Incident No. 146887 not later than 24 hours after the discovery of an emissions event that occurred on October 30, 2010 [30 TEX. ADMIN. CODE §§ 101.201(a)(1)(B) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), and Federal Operating Permit ("FOP") No. O2569, Special Terms and Conditions ("STC") No. 2.F].

2. Failed to prevent unauthorized emissions during an event that occurred on October 30, 2010. Specifically, the Respondent released 59,829.80 pounds ("lbs") of volatile organic compounds (26,845.308 lbs of propane, 13,463.69 lbs of n-butane, 3,885.75 lbs of i-pentane, 4,917.31 lbs of n-pentane, 4,744.56 lbs of i-butane, and 5,973.16 lbs of hexane) during the four hour event (Incident No. 146887). The event occurred when a line froze at the chiller on the rich gas discharge scrubber, causing a back pressure on the line, which resulted in pressure relief valve PSV-1540 releasing. Since the emissions event could have been avoided by better operational and maintenance practices, it is not subject to the affirmative defense in 30 Tex. Admin. Code § 101.222 [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. O2569, STC No. 8., and New Source Review Permit No. 73394, Special Conditions No. 1].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

On November 2, 2010, the Respondent removed relief valve PSV-1540 from service and rebuilt it to prevent future malfunctions.

Technical Requirements:

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

2. The Order will also require the Respondent to:

a. Within 30 days after the effective date of this Agreed Order, implement improvements to training procedures and the recordkeeping system to ensure that emissions events are reported in a timely manner; and

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b. Within 45 days after the effective date of this Agreed Order, submit written certification and include detailed supporting documentation including photographs, receipts, and/or other records demonstrating compliance.

Litigation Information

Date Petition(s) Filed: N/A
Date Answer(s) Filed: N/A
SOAH Referral Date: N/A
Hearing Date(s): N/A
Settlement Date: N/A

Contact Information

TCEQ Attorney: N/A
TCEQ Enforcement Coordinator: Ms. Heather Podlipny, Enforcement Division, Enforcement Team 4, MC 149, (512) 239-2603; Ms. Laurie Eaves, Enforcement Division, MC 219, (512) 239-4495
TCEQ SEP Coordinator: Mr. Phillip Hampsten, SEP Coordinator, Enforcement Division, MC 219, (512) 239-6732
Respondent: Mr. Garrett Scribner, Environmental Specialist, DCP Midstream, LP, 9101 Highway 136, Borger, Texas 79007
Mr. Dennis J. Dean, Vice President Area Operations Midcon, 6120 South Yale Avenue, Suite 1100, Tulsa Oklahoma 74136-4234
Respondent's Attorney: N/A

Attachment A
Docket Number: 2011-0281-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	DCP Midstream, LP
Payable Penalty Amount:	Ten Thousand One Hundred Seventy-Nine Dollars (\$10,179)
SEP Amount:	Five Thousand Eighty-Nine Dollars (\$5,089)
Type of SEP:	Pre-approved
Third-Party Recipient:	Texas Association of Resource Conservation and Development Areas, Inc. (“RC&D”)- Abandoned Tire Clean-Up
Location of SEP:	Hansford County

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

1. Project Description

A. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Recipient named above. The contribution will be to **Texas Association of Resource Conservation and Development Areas, Inc. (“RC&D”)** to be used for the *Abandoned Tire Cleanups Program* as set forth in an agreement between the Third-Party Recipient and TCEQ. The Third-Party Recipient shall coordinate with local city and county government officials and private entities to clean up sites where tires have been disposed of illegally, or to conduct tire collection events where residents will be able to drop off tires for proper disposal or recycling. Eligible tire cleanup sites will be limited to areas where a responsible party cannot be identified or where there is no preexisting obligation to clean up the site by the owner or government and where reasonable efforts have been made to prevent the dumping. The SEP Offset Amount will be used for the direct cost of collection and disposal of tires and debris. Any SEP Offset Amount remaining after completion of this project may, upon approval of the Executive Director, be applied to another approved RC&D project. The SEP will be administered in accordance with federal, state, and local environmental laws and regulations.

DCP Midstream, LP
Agreed Order – Attachment A

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

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by providing for the proper disposal of tires and by reducing health threats associated with illegally dumped tires. Illegal tire dumpsites can become breeding grounds for mosquitoes and rodents which carry disease. The potential for tire fires is also reduced by removing illegally dumped tires. Tire fires can result in the contamination of surface water, ground water, and soil.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Recipient named above 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.
Attention: SEP
1716 Briarcrest Drive, Suite 507
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

DCP Midstream, LP
Agreed Order - Attachment A

4. Failure to Fully Perform

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

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

Litigation Division
Attention: SEP Coordinator, MC 175
Texas Commission on Environmental Quality
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

DATES	Assigned	7-Feb-2011	Screening	14-Feb-2011	EPA Due	29-Oct-2011
	PCW	18-Feb-2011				

RESPONDENT/FACILITY INFORMATION

Respondent	DCP Midstream, LP		
Reg. Ent. Ref. No.	RN100219955		
Facility/Site Region	1-Amarillo	Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	41184	No. of Violations	2
Docket No.	2011-0281-AIR-E	Order Type	Findings
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Heather Podlipny
		EC's Team	Enforcement Team 4
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1** **\$10,100**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History **79.0%** Enhancement **Subtotals 2, 3, & 7** **\$7,979**

Notes: Enhancement for three orders with denial of liability and four NOVs with same/similar violations. Reduction for one Notice of Intent to conduct an audit.

Culpability **No** **0.0%** Enhancement **Subtotal 4** **\$0**

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments **Subtotal 5** **\$2,500**

Economic Benefit **0.0%** Enhancement* **Subtotal 6** **\$0**

Total EB Amounts **\$14**
 Approx. Cost of Compliance **\$2,912**
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$15,579**

OTHER FACTORS AS JUSTICE MAY REQUIRE **0.0%** **Adjustment** **\$0**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount **\$15,579**

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** **\$10,179**

DEFERRAL **0.0%** Reduction **Adjustment** **\$0**

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

Notes

No deferral is recommended for Findings Orders.

PAYABLE PENALTY **\$10,179**

Screening Date 14-Feb-2011

Docket No. 2011-0281-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 2 (September 2002)

Case ID No. 41184

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100219955

Media [Statute] Air

Enf. Coordinator Heather Podlipny

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	4	20%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	3	60%
	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 (<i>number of judgements or consent decrees meeting criteria</i>)	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 (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	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 (<i>number of audits for which notices were submitted</i>)	1	-1%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	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) 79%

>> 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

Enhancement for three orders with denial of liability and four NOVs with same/similar violations.
Reduction for one Notice of Intent to conduct an audit.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 79%

Screening Date 14-Feb-2011
Respondent DCP Midstream, LP
Case ID No. 41184
Reg. Ent. Reference No. RN100219955
Media [Statute] Air
Enf. Coordinator Heather Podlipny

Docket No. 2011-0281-AIR-E

PCW

Policy Revision 2 (September 2002)
 PCW Revision October 30, 2008

Violation Number

Rule Cite(s) 30 Tex. Admin. Code §§ 101.201(a)(1)(B) and 122.143(4), Tex. Health & Safety Code § 382.085(b), and Federal Operating Permit ("FOP") No. O2569, Special Terms and Conditions ("STC") No. 2.F.

Violation Description Failed to submit an initial notification for Incident No. 146887 not later than 24 hours after the discovery of an emissions event that occurred on October 30, 2010. Specifically, the initial notification was due by 7:00 am on October 31, 2010 but was not submitted until 4:43 pm on November 1, 2010, over 24 hours after the incident was discovered.

Base Penalty

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0%"/>
Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	

>> Programmatic Matrix

Matrix Notes	Falsification			Percent
	Major	Moderate	Minor	
	<input type="text"/>	<input type="text"/>	<input type="text" value="x"/>	<input type="text" value="1%"/>
Less than 30% of the rule requirement was not met.				

Adjustment

Violation Events

Number of Violation Events Number of violation days

mark only one with an x

daily	<input type="text"/>
weekly	<input type="text"/>
monthly	<input type="text"/>
quarterly	<input type="text"/>
semiannual	<input type="text"/>
annual	<input type="text"/>
single event	<input type="text" value="x"/>

Violation Base Penalty

One single event is recommended based on the untimely submission of the initial notification for the emissions event.

Good Faith Efforts to Comply

Reduction

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary	<input type="text"/>	<input type="text"/>
Ordinary	<input type="text"/>	<input type="text"/>
N/A	<input type="text" value="x"/>	(mark with x)

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

Violation Subtotal

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent DCP Midstream, LP
Case ID No. 41184
Reg. Ent. Reference No. RN100219955
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
<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	\$250	31-Oct-2010	14-Nov-2011	1.04	\$13	n/a	\$13
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 for improving the recordkeeping/reporting system for timely submittals of emissions event reports. The Date Required is the date the report was due and the Final Date is the estimated date of compliance.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$250

TOTAL

\$13

Screening Date 14-Feb-2011

Docket No. 2011-0281-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 2 (September 2002)

Case ID No. 41184

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100219955

Media [Statute] Air

Enf. Coordinator Heather Podlipny

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), FOP No. O2569, STC No. 8., and New Source Review Permit No. 73394, Special Conditions No. 1.

Violation Description

Failed to prevent unauthorized emissions during an event that occurred on October 30, 2010. Specifically, the Respondent released 59,829.80 pounds ("lbs") of volatile organic compounds (26,845.308 lbs of propane, 13,463.69 lbs of n-butane, 3,885.75 lbs of i-pentane, 4,917.31 lbs of n-pentane, 4,744.56 lbs of i-butane, and 5,973.16 lbs of hexane) during the four hour event (Incident No. 146887). The event occurred when a line froze at the chiller on the rich gas discharge scrubber, causing a back pressure on the line, which resulted in pressure relief valve PSV-1540 releasing. Since the emissions event could have been avoided by better operational and maintenance practices, it is not subject to the affirmative defense in 30 Tex. Admin. Code § 101.222.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual	x		
Potential			

Percent 100%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment has been exposed to pollutants which exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$0

\$10,000

Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one with an x

daily	x
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty \$10,000

One daily event is recommended based on the violation.

Good Faith Efforts to Comply

25.0% Reduction

\$2,500

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

Notes

Relief valve PSV-1540 was taken out of service and rebuilt to prevent future valve malfunction on November 2, 2010. The NOE is dated February 1, 2011.

Violation Subtotal \$7,500

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$1

Violation Final Penalty Total \$15,400

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

Economic Benefit Worksheet

Respondent DCP Midstream, LP
Case ID No. 41184
Reg. Ent. Reference No. RN100219955
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
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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)	\$2,662	30-Oct-2010	2-Nov-2010	0.01	\$1	n/a	\$1

Notes for DELAYED costs

Actual cost to remove relief valve PSV-1540 from service and rebuild it to prevent future malfunctions. The Date Required is the date of the emissions event and the Final Date is the date the valve repairs 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

\$2,662

TOTAL

\$1

Compliance History

Customer/Respondent/Owner-Operator: CN601229917 DCP Midstream, LP Classification: AVERAGE Rating: 2.42
Regulated Entity: RN100219955 DCP MIDSTREAM SHERHAN PLANT Classification: AVERAGE Site Rating: 11.32
ID Number(s): AIR OPERATING PERMITS ACCOUNT NUMBER HD0014P
AIR OPERATING PERMITS PERMIT 2569
PETROLEUM STORAGE TANK REGISTRATION 17126
REGISTRATION
AIR NEW SOURCE PERMITS REGISTRATION 16136
AIR NEW SOURCE PERMITS REGISTRATION 16230
AIR NEW SOURCE PERMITS REGISTRATION 34243
AIR NEW SOURCE PERMITS ACCOUNT NUMBER HD0014P
AIR NEW SOURCE PERMITS AFS NUM 4819500006
AIR NEW SOURCE PERMITS PERMIT 73394
AIR NEW SOURCE PERMITS REGISTRATION 43823
AIR NEW SOURCE PERMITS REGISTRATION 81696
PUBLIC WATER SYSTEM/SUPPLY REGISTRATION 0980008
WATER LICENSING LICENSE 0980008
AIR EMISSIONS INVENTORY ACCOUNT NUMBER HD0014P
Location: 15150 COUNTY ROAD 9, APPROXIMATELY 15 MILES NORTH OF GRUVER, TX, 79040
TCEQ Region: REGION 01 - AMARILLO
Date Compliance History Prepared: February 14, 2011
Agency Decision Requiring Compliance History: Enforcement
Compliance Period: February 14, 2006 to February 14, 2011
TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History
Name: Heather Podlipny Phone: 239 - 2603

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: 9/1/2010 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: 10/04/2007

ADMINORDER 2007-0124-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.10

5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failure to include flash emissions from EPNs: TNKSLP12, TNKSLP13 and TNKSLP16 in the emissions inventory questionnaire report dated January 23, 2006.

Classification: Moderate

Citation: 2A TWC Chapter 5, SubChapter A 5.702

30 TAC Chapter 101, SubChapter A 101.27

5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failure to pay emission fees for flash emissions for EPNs: TNKSLP12, TNKSLP13 and TNKSLP16.

Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter A 106.4(c)
30 TAC Chapter 106, SubChapter W 106.512(2)(B)
5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failure to properly operate and maintain the air/fuel ratio controller in good condition for ENG-2.

Classification: Major

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)
5C THC Chapter 382, SubChapter A 382.0518(a)
5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failure to apply for renewal of permit number 19317, but continued operation of ENG-39, ENG-40 and INC-SA after the permit expired on August 11, 2004.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(2)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(e)
5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failure to operate the flare with a flame present at all times as required in 40 CFR §60.18(c) (2) and when emissions may be vented to them as required in 40 CFR §60.18(e).

Classification: Moderate

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

Description: Failure to include noncompliance issues discovered during this investigation in the deviation report submitted on July 27, 2006.

Effective Date: 10/06/2008

ADMINORDER 2008-0695-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.1090
40 CFR Chapter 63, SubChapter C, PT 63, SubPT ZZZZ 63.6600(a)
5C THSC Chapter 382 382.085(b)

Description: Failure to reduce Formaldehyde emissions by 76% or more or limit the concentration of Formaldehyde to 350 ppb or less at 15% Oxygen.

Effective Date: 08/23/2009

ADMINORDER 2009-0123-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.1090
40 CFR Chapter 63, SubChapter C, PT 63, SubPT ZZZZ 63.6600(a)
5C THSC Chapter 382 382.085(b)

Description: Failure to limit the Formaldehyde concentration to 350 parts per billion ("ppb") or less at 15% oxygen or to reduce the formaldehyde emissions by 76% or more for a reciprocating internal combustion engine ("RICE"). Specifically, a test conducted on October 7, 2008 on RICE Emission Point ("EPN") ENG 1 showed 1212.07 ppb at 15% oxygen and formaldehyde efficiency at 74.31%.

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

N/A

C. Chronic excessive emissions events.

N/A

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

1	02/22/2006	(452350)
2	02/16/2006	(453227)
3	07/07/2006	(480735)
4	11/10/2006	(518518)
5	12/20/2006	(531742)
6	03/13/2007	(543925)
7	10/11/2007	(595176)

8 10/16/2007 (598044)
 9 11/19/2007 (600856)
 10 03/31/2008 (640365)
 11 03/31/2008 (640440)
 12 04/24/2008 (653935)
 13 04/24/2008 (653985)
 14 05/15/2008 (671089)
 15 05/15/2008 (671151)
 16 06/24/2008 (684073)
 17 06/24/2008 (684075)
 18 07/23/2008 (685753)
 19 07/23/2008 (685760)
 20 07/23/2008 (685980)
 21 07/23/2008 (686043)
 22 09/09/2008 (687556)
 23 09/09/2008 (687558)
 24 09/08/2008 (687579)
 25 11/14/2008 (702231)
 26 04/10/2009 (721494)
 27 01/14/2009 (723119)
 28 03/11/2009 (737759)
 29 04/27/2009 (743734)
 30 05/13/2009 (744077)
 31 07/27/2009 (746012)
 32 09/29/2009 (775179)
 33 09/14/2009 (775519)
 34 10/13/2009 (778806)
 35 11/03/2009 (778844)
 36 11/10/2009 (781388)
 37 06/10/2010 (826328)
 38 08/02/2010 (829541)
 39 02/01/2011 (845975)

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

Date: 02/16/2006 (453227) CN601229917
 Self Report? NO Classification: Moderate
 Citation: 19317, special condition No. 7 PA
 30 TAC Chapter 116, SubChapter B 116.115(c)
 Description: The facility failed to comply with the special condition No. 7 of the permit No. 19317 by failure to maintain the inlet oxygen concentration in the range of 1,000 to 5,000 ppmv during the second quarter engine testing on engine 40, which was conducted on April 5, 2005.
 Self Report? NO Classification: Moderate
 Citation: 19317 PA
 30 TAC Chapter 116, SubChapter B 116.115(c)
 Description: The facility failed to comply with the special condition No. 18 of the permit No. 19317 by failure to conduct an engine test on engine 40 after it was documented that the inlet oxygen concentration exceeded the allowable range, during a quarterly test on April 5, 2005. The test was not conducted until August 10, 2005.
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(A)
 Description: The facility failed to include the engine 40 non-compliance issue (failure to conduct a follow-up test) in the deviation report, submitted on July 25, 2005.

Date: 10/11/2007 (595176) CN601229917
Self Report? NO Classification: Moderate
Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT KKK 60.632(a)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(h)(2)
Description: Failed to maintain less than 3% of the total number of valves within the V-Line process unit as difficult-to-monitor as required by the NSPS Subpart KKK monitoring program.
Self Report? NO Classification: Moderate
Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT KKK 60.632(a)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(d)(1)
Description: Failed to repair/replace a valve that was detected as leaking on March 20, 2007, within the required 15 calendar days after the leak was detected.

Date: 11/14/2008 (702231) CN601229917
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(e)
Special condition 1 OP
Description: Failed to operate the flare at all times when emissions were vented resulting in a release of hydrogen sulfide on 2 occasions.
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 101, SubChapter A 101.20(2)
30 TAC Chapter 113, SubChapter C 113.100
40 CFR Chapter 60, SubChapter C, PT 60, SubPT JJJ 60.632(a)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(2)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT HH 63.760(g)(1)
Description: Failed to seal open-ended lines at all times in violation of the provisions of 40 CFR §60.482-6(a)(2), 40 CFR §63.760(g)(1), 40 CFR §60.632(a), 30 TAC §101.20(2) and 30 TAC §101.20(1).

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.145(2)(A)
General Conditions OP
Description: Failed to include all instances of deviation in the deviation report for the reporting period January 1 through June 30, 2008, in violation of the deviation reporting requirements of 30 TAC §122.145(2)(A).

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.146(5)
General conditions OP
Description: Failed to submit a complete and accurate annual compliance certification for the reporting period from January 1 through June 30, 2008, as required by the provisions of 30 TAC §122.146(5).

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 122, SubChapter B 122.132(e)(2)
Description: Failed to correctly identify the permit authorizations in the initial GOP application for Engines 1, 2, 31 and 34 in violation of the provisions of 30 TAC §122.132(e)(2).

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT JJJ 60.632(a)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(2)
Description: Failed to seal open-ended lines at all times.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
Special condition 3(A) PERMIT
Description: Failed to conduct an emission test on ENG-27 during the second quarter of 2008.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 101, SubChapter A 101.20(2)
30 TAC Chapter 113, SubChapter C 113.100
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.486(e)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT HH 63.774(b)(9)

Description: Failed to identify and monitor all equipment in VOC service.

Date: 09/29/2009 (775179)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(e)
5C THSC Chapter 382 382.085(b)
Special condition 1 OP

Description: Failed to operate the flare at all times when emissions were vented.

F. Environmental audits.

Notice of Intent Date: 10/27/2008 (722203)

No DOV Associated

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
RN100219955**

§
§
§
§
§

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2011-0281-AIR-E

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

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

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

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

I. FINDINGS OF FACT

1. The Respondent owns and operates a natural gas processing plant at 15150 County Road 9, approximately 15 miles north of Gruver, in Hansford County, Texas (the “Plant”).

2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. During an investigation on December 10, 2010, TCEQ staff documented that the Respondent failed to submit an initial notification for Incident No. 146887 not later than 24 hours after the discovery of an emissions event that occurred on October 30, 2010. Specifically, the initial notification was due by 7:00 am on October 31, 2010 but was not submitted until 4:43 pm on November 1, 2010, over 24 hours after the incident was discovered.
4. During an investigation on December 10, 2010, TCEQ staff documented that the Respondent failed to prevent unauthorized emissions during an event that occurred on October 30, 2010. Specifically, the Respondent released 59,829.80 pounds ("lbs") of volatile organic compounds (26,845.308 lbs of propane, 13,463.69 lbs of n-butane, 3,885.75 lbs of i-pentane, 4,917.31 lbs of n-pentane, 4,744.56 lbs of i-butane, and 5,973.16 lbs of hexane) during the four hour event (Incident No. 146887). The event occurred when a line froze at the chiller on the rich gas discharge scrubber, causing a back pressure on the line, which resulted in pressure relief valve PSV-1540 releasing. Since the emissions event could have been avoided by better operational and maintenance practices, it is not subject to the affirmative defense in 30 TEX. ADMIN. CODE § 101.222.
5. The Respondent received notice of the violations on February 2, 2011.
6. The Executive Director recognizes that on November 2, 2010, the Respondent removed relief valve PSV-1540 from service and rebuilt it to prevent future malfunctions.

II. CONCLUSIONS OF LAW

1. The Respondent is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7 and the rules of the Commission.
2. As evidenced by Findings of Fact No. 3, the Respondent failed to timely submit an initial notification for Incident No. 146887 not later than 24 hours after the discovery of an emissions event that occurred on October 30, 2010, in violation of 30 TEX. ADMIN. CODE §§ 101.201(a)(1)(B) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), and Federal Operating Permit ("FOP") No. O2569, Special Terms and Conditions ("STC") No. 2.F.
3. As evidenced by Findings of Fact No. 4, the Respondent failed to prevent unauthorized emissions during an event that occurred on October 30, 2010, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. O2569, STC No. 8., and New Source Review Permit No. 73394, Special Conditions No. 1.

4. Pursuant to TEX. WATER CODE § 7.051, the Commission has the authority to assess an administrative penalty against the Respondent for violations of the Texas Water Code and the Texas Health and Safety Code within the Commission's jurisdiction; for violations of rules adopted under such statutes; or for violations of orders or permits issued under such statutes.
5. An administrative penalty in the amount of Ten Thousand One Hundred Seventy-Nine Dollars (\$10,179) is justified by the facts recited in this Agreed Order, and considered in light of the factors set forth in TEX. WATER CODE § 7.053. The Respondent has paid Five Thousand Ninety Dollars (\$5,090) of the administrative penalty. Five Thousand Eighty-Nine Dollars (\$5,089) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

III. ORDERING PROVISIONS

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

1. The Respondent is assessed an administrative penalty in the amount of Ten Thousand One Hundred Seventy-Nine Dollars (\$10,179) as set forth in Section II, Paragraph 5 above, for violations of TCEQ rules and state statutes. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order completely resolve the violations set forth by this Agreed Order in this action. However, the Commission shall not be constrained in any manner from requiring corrective actions or penalties for other violations that are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: DCP Midstream, LP, Docket No. 2011-0281-AIR-E" to:

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

2. The Respondent shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section II, Paragraph 5 above, Five Thousand Eighty-Nine Dollars (\$5,089) of the assessed administrative penalty shall be offset with the condition that the Respondent implements the SEP defined in Attachment A, incorporated herein by reference. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.

3. The Respondent shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Agreed Order, implement improvements to training procedures and the recordkeeping system to ensure that emissions events are reported in a timely manner; and
 - b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 3.a. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

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

with a copy to:

Air Section, Manager
Amarillo Regional Office
Texas Commission on Environmental Quality
3918 Canyon Drive
Amarillo, Texas 79109-4933

4. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
5. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes

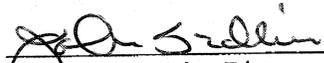
aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.

6. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
7. The Executive Director may refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings without notice to the Respondent if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
8. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
9. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
10. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
11. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties. By law, the effective date of this Agreed Order is the third day after the mailing date, as provided by 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

5/20/2011
Date

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

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

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

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

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



Signature

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

4-5-11

Date
VP Area Ops Midcon
Title

Attachment A
Docket Number: 2011-0281-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	DCP Midstream, LP
Payable Penalty Amount:	Ten Thousand One Hundred Seventy-Nine Dollars (\$10,179)
SEP Amount:	Five Thousand Eighty-Nine Dollars (\$5,089)
Type of SEP:	Pre-approved
Third-Party Recipient:	Texas Association of Resource Conservation and Development Areas, Inc. (“RC&D”)- Abandoned Tire Clean-Up
Location of SEP:	Hansford County

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

1. Project Description

A. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Recipient named above. The contribution will be to **Texas Association of Resource Conservation and Development Areas, Inc. (“RC&D”)** to be used for the *Abandoned Tire Cleanups Program* as set forth in an agreement between the Third-Party Recipient and TCEQ. The Third-Party Recipient shall coordinate with local city and county government officials and private entities to clean up sites where tires have been disposed of illegally, or to conduct tire collection events where residents will be able to drop off tires for proper disposal or recycling. Eligible tire cleanup sites will be limited to areas where a responsible party cannot be identified or where there is no preexisting obligation to clean up the site by the owner or government and where reasonable efforts have been made to prevent the dumping. The SEP Offset Amount will be used for the direct cost of collection and disposal of tires and debris. Any SEP Offset Amount remaining after completion of this project may, upon approval of the Executive Director, be applied to another approved RC&D project. The SEP will be administered in accordance with federal, state, and local environmental laws and regulations.

DCP Midstream, LP
Agreed Order – Attachment A

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

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by providing for the proper disposal of tires and by reducing health threats associated with illegally dumped tires. Illegal tire dumpsites can become breeding grounds for mosquitoes and rodents which carry disease. The potential for tire fires is also reduced by removing illegally dumped tires. Tire fires can result in the contamination of surface water, ground water, and soil.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Recipient named above 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.
Attention: SEP
1716 Briarcrest Drive, Suite 507
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

DCP Midstream, LP
Agreed Order - Attachment A

4. Failure to Fully Perform

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

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

Litigation Division
Attention: SEP Coordinator, MC 175
Texas Commission on Environmental Quality
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.