Executive Summary – Enforcement Matter – Case No. 50658
DCP Midstream, LP
RN100219278
Docket No. 2015-0874-AIR-E

Order Type:
1660 Agreed Order
Findings Order Justification:
N/A
Media:
AIR
Small Business:
No
Location(s) Where Violation(s) Occurred:
Encontrado Treater, located on the right-hand side of Harris Road, twelve miles on the paved road past the fork in Harris Road, thirteen miles south on Farm-to-Market Road 1673 from the intersection of U.S. Highway 67 and Farm-to-Market Road 1673, Crockett County
Type of Operation:
Oil and gas production plant
Other Significant Matters:
Additional Pending Enforcement Actions: No
Past-Due Penalties: No
Other: N/A
Interested Third-Parties: None
Texas Register Publication Date: October 2, 2015
Comments Received: No

Penalty Information

Total Penalty Assessed: $20,017
Amount Deferred for Expedited Settlement: $4,003
Amount Deferred for Financial Inability to Pay: $0
Total Paid to General Revenue: $16,014
Total Due to General Revenue: $0
Payment Plan: N/A
Supplemental Environmental Project ("SEP") Conditional Offset: $0
Name of SEP: N/A
Compliance History Classifications:
Person/CN - Satisfactory
Site/RN - Satisfactory
Major Source: Yes
Statutory Limit Adjustment: N/A
Applicable Penalty Policy: April 2014

Executive Summary – Enforcement Matter – Case No. 50658
DCP Midstream, LP
RN100219278
Docket No. 2015-0874-AIR-E

Investigation Information

Complaint Date(s): N/A
Complaint Information: N/A
Date(s) of Investigation: March 23, 2015
Date(s) of NOE(s): May 21, 2015

Violation Information

Failed to comply with the authorized hourly emissions rate for nitrogen oxides ("NOx"), carbon monoxide ("CO"), volatile organic compounds ("VOC"), sulfur dioxide ("SO2"), and hydrogen sulfide ("H2S") for the Acid Gas Flare, Emissions Point Number ("EPN") AGFLR-2. Specifically, on 11,877 separate hourly occasions between January 1, 2014 through December 31, 2014, the Respondent exceeded the permitted NOx hourly emissions rate of 0.01 pound per hour ("lb/hr") for 1,721 hours, resulting in 9.71 pounds ("lbs") of NOx; the CO hourly emissions rate of 0.04 lb/hr for 4,059 hours, resulting in 203.01 lbs of CO; the VOC hourly emissions rate of 0.02 lb/hr for 6,083 hours resulting in 453.18 lbs of VOC; the SO2 hourly emissions rate of 56.9 lbs/hr for seven hours, resulting in 63.53 lbs of SO2; and the H2S hourly emissions rate of 0.62 lb/hr for seven hours, resulting in 0.67 lb of H2S [30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and (c) and 122.143(4), New Source Review ("NSR") Permit No. 18370, Special Conditions No. 1, Federal Operating Permit No. O2593, Special Terms and Conditions Nos. 1.A. and 8, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent has implemented the following corrective measures:

a. On December 24, 2014, submitted an application for an amendment of NSR Permit No. 18370 to increase the emissions rates for the Acid Gas Flare, EPN AGFLR-2; and

b. On June 2, 2015, the Respondent transferred ownership of the Plant.

Technical Requirements:

N/A

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

Executive Summary – Enforcement Matter – Case No. 50658
DCP Midstream, LP
RN100219278
Docket No. 2015-0874-AIR-E

Contact Information

TCEQ Attorney: N/A
TCEQ Enforcement Coordinator: Carol McGrath, Enforcement Division, Enforcement Team 4, MC R-13, (210) 403-4063; Melissa Cordell, Enforcement Division, MC 219, (512) 239-2483
TCEQ SEP Coordinator: N/A
Respondent: Quentin Mendenhall, Environmental Manager, DCP Midstream, LP, 10 Desta Drive, Midland, Texas 79705
Jackie Strickland, General Manager, DCP Midstream, LP, 10 Desta Drive, Midland, Texas 79705
Respondent's Attorney: N/A

Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014) *PCW Revision March 26, 2014*

TCEQ

DATES					
Assigned	26-May-2015				
PCW	12-Jun-2015	**Screening**	11-Jun-2015	**EPA Due**	

RESPONDENT/FACILITY INFORMATION

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

CASE INFORMATION

Enf./Case ID No.	50658	**No. of Violations**	1
Docket No.	2015-0874-AIR-E	**Order Type**	1660
Media Program(s)	Air	**Government/Non-Profit**	No
Multi-Media		**Enf. Coordinator**	Carol McGrath
		EC's Team	Enforcement Team 4

Admin. Penalty $ Limit Minimum $0 **Maximum** $25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) ***Subtotal 1*** **$15,000**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History **26.0%** Enhancement ***Subtotals 2, 3, & 7*** **$3,900**

Notes: Enhancement for one NOV with same/similar violations, two NOVs with dissimilar violations, and one order with denial of liability. Reduction for one Notice of Intent to conduct an audit and one Disclosure of Violations.

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*** **$0**

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

Total EB Amounts $1,117
Estimated Cost of Compliance $1,000

**Capped at the Total EB $ Amount*

SUM OF SUBTOTALS 1-7 ***Final Subtotal*** **$18,900**

OTHER FACTORS AS JUSTICE MAY REQUIRE **5.9%** ***Adjustment*** **$1,117**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes: Recommended enhancement to capture the avoided cost of compliance associated with the violation.

Final Penalty Amount **$20,017**

STATUTORY LIMIT ADJUSTMENT ***Final Assessed Penalty*** **$20,017**

DEFERRAL **20.0%** Reduction ***Adjustment*** **-$4,003**

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

Notes: Deferral offered for expedited settlement.

PAYABLE PENALTY **$16,014**

Screening Date 11-Jun-2015 **Docket No.** 2015-0874-AIR-E **PCW**

Respondent DCP Midstream, LP *Policy Revision 4 (April 2014)*

Case ID No. 50658 *PCW Revision March 26, 2014*

Reg. Ent. Reference No. RN100219278

Media [Statute] Air

Enf. Coordinator Carol McGrath

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 (*number of NOVs meeting criteria*)	1	5%
	Other written NOVs	2	4%
Orders	Any agreed final enforcement orders containing a denial of liability (*number of orders meeting criteria*)	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (*number of judgments or consent decrees meeting criteria*)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (*number of counts*)	0	0%
Emissions	Chronic excessive emissions events (*number of events*)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 *(number of audits for which notices were submitted)*	1	-1%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (*number of audits for which violations were disclosed*)	1	-2%

		Please Enter Yes or No	
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 26%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Enhancement for one NOV with same/similar violations, two NOVs with dissimilar violations, and one order with denial of liability. Reduction for one Notice of Intent to conduct an audit and one Disclosure of Violations.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 26%

>> Final Compliance History Adjustment

Final Adjustment Percentage ****capped at 100%*** 26%

Screening Date 11-Jun-2015 **Docket No.** 2015-0874-AIR-E **PCW**

Respondent DCP Midstream, LP *Policy Revision 4 (April 2014)*

Case ID No. 50658 *PCW Revision March 26, 2014*

Reg. Ent. Reference No. RN100219278

Media [Statute] Air

Enf. Coordinator Carol McGrath

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(b)(2)(F) and (c) and 122.143(4), New Source Review Permit No. 18370, Special Conditions No. 1, Federal Operating Permit No. O2593, Special Terms and Conditions Nos. 1.A. and 8, and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to comply with the authorized hourly emissions rate for nitrogen oxides ("NOx"), carbon monoxide ("CO"), volatile organic compounds ("VOC"), sulfur dioxide ("SO2"), and hydrogen sulfide ("H2S") for the Acid Gas Flare, Emissions Point No. AGFLR-2. Specifically, between January 1, 2014 through December 31, 2014, the Respondent exceeded the permitted NOx hourly emissions rate of 0.01 pound per hour ("lb/hr") for 1,721 hours, resulting in 9.71 pounds ("lbs") of NOx; the CO hourly emissions rate of 0.04 lb/hr for 4,059 hours, resulting in 203.01 lbs of CO; the VOC hourly emissions rate of 0.02 lb/hr for 6,083 hours, resulting in 453.18 lbs of VOC; the SO2 hourly emissions rate of 56.9 lbs/hr for seven hours, resulting in 63.53 lbs of SO2; and the H2S hourly emissions rate of 0.62 lb/hr for seven hours, resulting in 0.67 lb of H2S.

Base Penalty $25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			x
Potential			

Percent 15.0%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

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 as a result of the violation.

Adjustment $21,250

$3,750

Violation Events

Number of Violation Events 4 365 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty $15,000

Four quarterly events are recommended for the instances of non-compliance that occurred from January 1, 2014 through December 31, 2014.

Good Faith Efforts to Comply 0.0% Reduction $0

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

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

Violation Subtotal $15,000

Economic Benefit (EB) for this violation

Estimated EB Amount $1,117

Statutory Limit Test

Violation Final Penalty Total $20,017

This violation Final Assessed Penalty (adjusted for limits) $20,017

Economic Benefit Worksheet

Respondent DCP Midstream, LP
Case ID No. 50658
Reg. Ent. Reference No. RN100219278
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description (No commas or $)	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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							
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]	$1,000	1-Jan-2014	2-Jun-2015	2.33	$117	$1,000	$1,117
Other (as needed)				0.00	$0	$0	$0
Notes for AVOIDED costs	Estimated avoided cost to obtain a permit amendment to increase the emissions rates for the Acid Gas Flare. Date Required is the first date of non-compliance and the Final Date is the date of ownership change.						

Approx. Cost of Compliance $1,000

TOTAL $1,117

The TCEQ is committed to accessibility.
To request a more accessible version of this report, please contact the TCEQ Help Desk at (512) 239-4357.

Compliance History Report

PUBLISHED Compliance History Report for CN601229917, RN100219278, Rating Year 2014 which includes Compliance History (CH) components from September 1, 2009, through August 31, 2014.

Customer, Respondent, or Owner/Operator: CN601229917, DCP Midstream, LP **Classification:** SATISFACTORY **Rating:** 4.09

Regulated Entity: RN100219278, ENCONTRADO TREATER **Classification:** SATISFACTORY **Rating:** 4.80

Complexity Points: 10 **Repeat Violator:** NO

CH Group: 03 - Oil and Gas Extraction

Location: On the right-hand side of Harris Road, twelve miles on the paved road past the fork in Harris Road, thirteen miles south on Farm-to-Market Road 1673 from the intersection of U.S. Highway 67 and Farm-to-Market Road 1673, in Crockett County, Texas

TCEQ Region: REGION 08 - SAN ANGELO

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER CZ0042B
AIR OPERATING PERMITS PERMIT 2593
AIR NEW SOURCE PERMITS PERMIT 18370
AIR NEW SOURCE PERMITS ACCOUNT NUMBER CZ0042B
AIR NEW SOURCE PERMITS EPA PERMIT PSDTX734
AIR NEW SOURCE PERMITS AFS NUM 4810500029
AIR NEW SOURCE PERMITS REGISTRATION 83174
AIR EMISSIONS INVENTORY ACCOUNT NUMBER CZ0042B

Compliance History Period: September 01, 2009 to August 31, 2014 **Rating Year:** 2014 **Rating Date:** 09/01/2014

Date Compliance History Report Prepared: June 02, 2015

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: June 02, 2010 to June 02, 2015

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

Name: Carol McGrath **Phone:** (210) 403-4063

Site and Owner/Operator History:

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** for #2, who is the current owner/operator? N/A
4) If **YES** for #2, who was/were the prior owner(s)/operator(s)? N/A
5) If **YES**, when did the change(s) in owner or operator occur? N/A

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:

1 Effective Date: 11/15/2010 ADMINORDER 2010-0830-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: NSR Permit No.18370, SC# 7 & 8 PERMIT
Description: Failure to comply with the emissions limitation for the acid gas flare (EPN AGFLR-2).

B. Criminal convictions: N/A

C. Chronic excessive emissions events: N/A

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

Item 1 February 16, 2011 (896011)
Item 2 August 17, 2012 (1027258)

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

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

1 Date: 06/10/2014 (1171951) CN601229917

Self Report? NO Classification: Moderate
Citation: 2593 PERMIT
5C THSC Chapter 382 382.085(b)
Description: Failure to conduct quarterly visible emissions for stationary vents.

Self Report? NO Classification: Moderate
Citation: 2593 PERMIT
5C THSC Chapter 382 382.085(b)
Description: Failure to conduct weekly visible emissions observations for flare AGFLR-2.

Self Report? NO Classification: Moderate
Citation: 18370 PERMIT
2593 PERMIT
30 TAC Chapter 106, SubChapter W 106.512(2)(C)(i)
30 TAC Chapter 106, SubChapter W 106.512(2)(C)(ii)
5C THSC Chapter 382 382.085(b)
Description: Failure to comply with quarterly engine maintenance requirements for COM 1B.

Self Report? NO Classification: Moderate
Citation: 2593 PERMIT
5C THSC Chapter 382 382.085(b)
Description: Failure to conduct quarterly emissions testing for COMSTK-1R, COMSTK-2R, CONSTK-3R1, and COMSTK-5.

Self Report? NO Classification: Moderate
Citation: 18370 PERMIT
2593 PERMIT
30 TAC Chapter 106, SubChapter W 106.512(2)(C)(iii)
5C THSC Chapter 382 382.085(b)
Description: Failure to conduct biennial emissions testing for COMSTK-2 (Engine 2).

2 Date: 07/22/2014 (1184322) CN601229917

Self Report? NO Classification: Moderate
Citation: 18370 PERMIT
2593 PERMIT
30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
5C THSC Chapter 382 382.085(b)
Description: Violation Track No.: 537067, originally associated to a Notice of Enforcement (NOE) in Investigation No:
1171951 will be associated to a Notice of Violation (NOV).

3 Date: 05/21/2015 (1245418) CN601229917

Self Report? NO Classification: Moderate
Citation: 18370 PERMIT
5C THSC Chapter 382 382.085(b)
Description: Failure to record hydrogen sulfide (H2S) concentrations to the flare.

Self Report? NO Classification: Moderate
Citation: 18370 PERMIT
2593 PERMIT
5C THSC Chapter 382 382.085(b)
Description: Failure to maintain maintenance records for COMSTK-2R, CONSTK-3R1, and COMSTK-4R1 during the 1st quarter of 2014.

F. Environmental audits:

Notice of Intent Date: 12/20/2012 (1089160)
Disclosure Date: 07/30/2013
Viol. Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)
30 TAC Chapter 101, SubChapter F 101.201(b)
30 TAC Chapter 106, SubChapter A 106.6(b)

30 TAC Chapter 106, SubChapter A 106.6(c)
30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085
2A TWC Chapter 7, SubChapter A 7.101

Rqmt Prov: OP Special Conditions 2, 4, and 5

Description: Failed to identify and report 21 emission events that were required to be recorded.

Viol. Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.145
30 TAC Chapter 122, SubChapter B 122.146
5C THSC Chapter 382 382.085
2A TWC Chapter 7, SubChapter A 7.101

Rqmt Prov: OP Special Condition 7

Description: Failed to include the violations disclosed in the preliminary disclosure of violations as deviations in the Title V reports submitted for Encontrado Treater for the period covering January 1, 2010 through May 31, 2013.

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	**§**	**BEFORE THE**
ENFORCEMENT ACTION	**§**	
CONCERNING	**§**	**TEXAS COMMISSION ON**
DCP MIDSTREAM, LP	**§**	
RN100219278	**§**	**ENVIRONMENTAL QUALITY**

AGREED ORDER
DOCKET NO. 2015-0874-AIR-E

I. JURISDICTION AND STIPULATIONS

On _____, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding DCP Midstream, LP ("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 together stipulate that:

1. The Respondent owned and operated an oil and gas production plant located on the right-hand side of Harris Road, twelve miles on the paved road past the fork in Harris Road, thirteen miles south on Farm-to-Market Road 1673 from the intersection of United States Highway 67 and Farm-to-Market Road 1673, in Crockett County, Texas (the "Plant").

2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).

3. The Executive Director 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 26, 2015.

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 Twenty Thousand Seventeen Dollars ($20,017) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Sixteen Thousand Fourteen Dollars ($16,014) of the administrative penalty and Four Thousand Three Dollars ($4,003) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.

8. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).

9. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:

   a. On December 24, 2014, submitted an application for an amendment of New Source Review ("NSR") Permit No. 18370 to increase the emissions rates for the Acid Gas Flare, Emissions Point Number ("EPN") AGFLR-2; and

   b. On June 2, 2015, the Respondent transferred ownership of the Plant.

10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.

11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.

12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have failed to comply with the authorized hourly emissions rate for nitrogen oxides ("NOx"), carbon monoxide ("CO"), volatile organic compounds ("VOC"), sulfur dioxide ("SO2"), and hydrogen sulfide ("H2S") for the Acid Gas Flare, EPN AGFLR-2, in violation of 30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and (c) and 122.143(4), NSR Permit No. 18370, Special Conditions No. 1, Federal Operating Permit No. O2593, Special Terms and Conditions Nos. 1.A. and 8, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on March 23, 2015. Specifically, between January 1, 2014 through December 31, 2014, the Respondent exceeded the permitted

NOx hourly emissions rate of 0.01 pound per hour ("lb/hr") for 1,721 hours, resulting in 9.71 pounds ("lbs") of NOx; the CO hourly emissions rate of 0.04 lb/hr for 4,059 hours, resulting in 203.01 lbs of CO; the VOC hourly emissions rate of 0.02 lb/hr for 6,083 hours resulting in 453.18 lbs of VOC; the SO2 hourly emissions rate of 56.9 lbs/hr for seven hours, resulting in 63.53 lbs of SO2; and the H2S hourly emissions rate of 0.62 lb/hr for seven hours, resulting in 0.67 lb of H2S.

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. 2015-0874-AIR-E" to:

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

2. The provisions of this Agreed Order shall apply to and be binding upon the Respondent.

3. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.

4. This Agreed Order may be executed in 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.

5. The effective date of this Order is the date it is signed by the Commission. A copy of this fully executed Order shall be provided to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission | Date

Pam Mavrie Jr | 3/25/16
For the Executive Director | 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.

J W Strickland | 2-5-2016
Signature | Date

Jackie Strickland | General Manager
Name (Printed or typed) | Title
Authorized Representative of
DCP Midstream, LP

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