

**STATE OF NEW MEXICO
SECRETARY OF ENVIRONMENT**

**ENVIRONMENTAL PROTECTION DIVISION
OF THE NEW MEXICO ENVIRONMENT DEPARTMENT,
Complainant,**

v.

**AQB NOs: DCP-0599-1201-R1,
DCP-0665-1201-R1,
DCP-0665-1401-R1,
DCP-0593-1201,
DCP-0199-1201, and
DCP-0589-1202 (NOVs)**

**DCP MIDSTREAM, LP,
Respondent.**

SETTLEMENT AGREEMENT AND STIPULATED FINAL COMPLIANCE ORDER

This Settlement Agreement and Stipulated Final Compliance Order (“Final Order”) is entered into between the Environmental Protection Division (“Division”) of the New Mexico Environment Department (the “Department”) and Respondent, DCP Midstream, LP (“DCP”) (collectively, the “Parties”) to resolve alleged statutory, regulatory, and permit violations by DCP. The Department alleges violations of the New Mexico Air Quality Control Act (“AQCA”), NMSA 1978, Sections 74-2-1 to 74-2-17; the Air Quality Control Regulations (“AQCR”), 20.2. NMAC (“Regulations”), and Air Quality Permits.

I. BACKGROUND

A. PARTIES

1. The Department is an agency of the executive branch of the State of New Mexico, created pursuant to NMSA 1978, Section 9-7A-4. The Division is an organizational unit of the Department. The Secretary of the Department has delegated to the Director of the Division the authority to seek administrative enforcement of the AQCA and the AQCR, including assessing

civil penalties for violations thereof in accordance with NMSA 1978, Section 74-2-12. The Air Quality Bureau (“Bureau”) is an organizational unit of the Division.

2. DCP is a limited partnership doing business in New Mexico at the following facilities: 1) Lusk Booster Station, located in Lea County, New Mexico; 2) South Hat Mesa Booster Station, located in Lea County, New Mexico; 3) Monument Booster Station, located in Lea County, New Mexico; 4) Artesia Gas Plant, located in Eddy County, New Mexico; and 5) Linam Ranch Gas Plant, located in Lea County, New Mexico.

**B. HISTORY AND ALLEGED VIOLATIONS AT LUSK BOOSTER STATION
NOTICE OF VIOLATION DCP-0599-1201-R1**

3. The Lusk Booster Station is subject to the conditions set forth in Air Quality Permits 0355-M5 (“Lusk NSR Permit 2”) and P093-R2 (“Lusk TV Permit”). Prior to the effective date of the Lusk NSR Permit 2, the Lusk Booster Station was subject to the conditions set forth in Air Quality Permit 0355-M4 (“Lusk NSR Permit 1”) and the Lusk TV Permit. Collectively, these permits are referred to as the “Lusk Permits.”

4. Lusk NSR Permit 1, Condition 1.f provides, “The engine fuel shall be natural gas containing no more than 0.25 grain of H₂S per one hundred standard cubic feet.”

5. Lusk NSR Permit 2, Facility Specific Requirement A110.A provides in relevant part, “All combustion emission units shall combust only natural gas containing no more than 0.25 grains of total sulfur per 100 dry standard cubic feet.”

6. Lusk TV Permit, Condition 2.3.4.2 provides in relevant part, “The permittee shall verify H₂S content (%) of the fuel gas once each calendar quarter”

7. The Bureau received three (3) Semi-Annual Monitoring Reports, each of which included information that either the H₂S or total sulfur content of the fuel was in excess of that allowed by Lusk NSR Permit 1, Condition 1.f or Lusk NSR Permit 2, Condition A110.A. The

table below sets forth the period of the Semi-Annual Monitoring Report, the date of fuel analysis, the date the report was received by the Bureau, and the H₂S or total sulfur content of the fuel.

Six-Month Period End Date	Date of Fuel Analysis	Date Report Received	H ₂ S Content of Fuel (gr/100scf)	Total Sulfur Content of Fuel (gr/100scf)
11/25/09	10/05/09	1/11/10	14.20	NA
5/25/11	4/04/11	7/11/11	3.703	NA
4/30/12	2/10/12	6/15/12	NA	4.92

8. Lusk TV Permit, Condition 5.1.3 and Lusk NSR Permit 2, General Condition B110.D provide in relevant part, “Results of emission tests and monitoring for each pollutant ... shall be reported in pounds per hour ... and tons per year”

9. The Bureau received eight (8) Semi-Annual Monitoring Reports, each of which included results of periodic emissions tests conducted during the monitoring period but did not include the results of those tests for each pollutant in tons per year. The table below sets forth the period of the Semi-Annual Monitoring Report and the date the report was received by the Bureau.

Six-Month Period End Date	Date Report Received
11/25/09	1/11/10
5/25/10	7/12/10
11/25/10	12/15/10
5/25/11	7/11/11
11/01/11	12/02/11
4/30/12	6/15/12
10/31/12	12/03/12
4/30/13	6/13/13

10. 20.2.7.110.A NMAC provides in relevant part, “The owner or operator of a source having an excess emission shall report the following information to the department on forms provided by the department ... (1) Initial report: the owner or operator shall file an initial

report, no later than the end of the next regular business day after the time of discovery of an excess emission”

11. The Bureau received from the DCP Initial Excess Emission Reports (“Initial EERs”) for eleven (11) events that were filed later than the end of the next regular business day after the time of discovery. The table below summarizes the dates of the events, the discovery date, the first business day after discovery, the date the Initial EER was filed, and the number of days late.

Date(s) of Event	Facility Discovery Date	1st Business Day after Discovery/ Initial Due	Date Initial EER Filed	Days Late
7/28/2012	7/28/2012	7/30/2012	11/28/2012	121
3/3/2013	3/3/2013	3/4/2013	6/8/2013	96
3/1/12 - 4/30/2013	5/1/2013	5/2/2013	6/8/2013	37
7/1/2012 - 6/30/2013	7/1/2013	7/2/2013	2/10/2014	223
8/1/2012 - 7/31/2013	8/1/2013	8/2/2013	2/10/2014	192
9/1/2012 - 8/31/2013	9/1/2013	9/3/2013	2/10/2014	160
10/1/2012 - 9/30/2013	10/1/2013	10/2/2013	2/11/2014	132
11/1/2012 - 10/31/2013	11/1/2013	11/4/2013	2/11/2014	99
12/1/2012 - 11/30/2013	12/1/2013	12/2/2013	2/11/2014	71
1/1/2013 - 12/31/2013	1/1/2014	1/2/2014	2/11/2014	40
2/1/2013 - 1/31/2014	2/1/2014	2/3/2014	2/14/2014	11

12. 20.2.7.110.A NMAC provides in relevant part, “The owner or operator of a source having an excess emission shall report the following information to the department on forms provided by the department ... (2) Final report: the owner or operator shall file a final report ... no later than ten (10) days after the end of the excess emission”

13. NMSA 1978, Section 12-2A-7 (1997) provides in relevant part, “Computation of time ... E. if the period is less than eleven days, a Saturday, Sunday or legal holiday is excluded from the computation....”

14. The Bureau received from DCP Final Excess Emission Reports (“Final EERs”) for ten (10) events that were filed later than required after the end of the excess emission events.

The table below summarizes the end dates of the events, the date the EER was required to be filed, the date the Final EER was filed, and the number of days late.

End of Event	Final EER Required File Date	Date Final EER Filed	Days Late
7/28/2012	8/10/2012	11/28/2012	110
3/3/2013	3/15/2013	6/8/2013	85
4/30/2013	5/14/2013	6/8/2013	25
6/30/2013	7/15/2013	2/10/2014	210
7/31/2013	8/14/2013	2/10/2014	180
8/31/2013	9/16/2013	2/10/2014	147
9/30/2013	10/15/2013	2/11/2014	119
10/31/2013	11/15/2013	2/11/2014	88
11/30/2013	12/13/2013	2/11/2014	60
12/31/2013	1/14/2014	2/11/2014	28

15. Lusk NSR Permit 2, Facility Specific Requirement A107.A provides in relevant part, “The maximum allowable SSM emission limits for this Facility are listed in Table 107.A” A relevant excerpt from Table 107.A is set forth below.

Table 107.A: Allowable SSM and Malfunction Units, Activities, and Emission Limits		
Unit No.	Description	VOC tpy
Non-flare SSM	Non-Flare SSM Emissions	10.0
Non-flare Malfunction	Non-Flare Malfunction Emissions	

16. Lusk NSR Permit 2, Facility Specific Requirement A107.E provides in relevant part, “To demonstrate compliance, the permittee shall calculate the total VOC emissions on a monthly rolling 12 month basis”

17. DCP filed nine (9) Final EERs between June 19, 2013, and February 14, 2014, which included VOC emission calculations for non-flare SSM and malfunction events in excess of the 12-month rolling total limit. The table below summarizes the 12-month period, tons of

VOC emissions reported, the pounds of VOC emissions for the period, and the excess pounds of VOC emissions for each period.

12-Month Period Ending	Reported Tons	Converted to Pounds	Excess Emissions Pounds
April 2013	10.0234	20,046.80	46.88
June 2013	10.1688	20,337.60	337.60
July 2013	10.4620	20,924.00	924.00
August 2013	10.9708	21,941.60	1,941.60
September 2013	11.2021	22,404.20	2,404.20
October 2013	11.0743	22,148.60	2,148.60
November 2013	11.7709	23,541.80	3,541.80
December 2013	11.1257	22,251.40	2,251.40
January 2014	10.4168	20,833.60	883.60
TOTAL EXCESS POUNDS			14,479.68

18. On October 17, 2013, the Bureau issued to DCP Notice of Violation DCP-0599-1201, alleging violations of the AQCA, the AQCR, and the Lusk Permits. The alleged violations consisted of: 1) the failure to restrict H₂S and total sulfur content of fuel gas to the permitted limit, which is a violation of Lusk NSR Permit 1, Condition 1.f and Lusk NSR Permit 2, Facility Specific Requirement A110.A, and Lusk TV Permit, Condition 3.4.2.3; 2) the failure to report Total Sulfur content of fuel gas at least once each quarter, which is a violation of Lusk NSR Permit 2, Condition A110A and Lusk TV Permit, Condition 5.2.3; 3) the failure to record Total SCF of gas sent to the Flare, which is a violation of Lusk NSR Permit 2, Condition A107.C; 4) the failure to list periodic emission testing results in tons per year, which is a violation of Lusk NSR Permit 2, General Condition B110.D and Lusk TV Permit, Condition 5.1.3; 5) the failure to maintain the 12 month average separator pressure at or below 30 psia, which is a violation of Lusk NSR Permit 2, Condition A203; 6) the failure to report the amount of gas in Mscf during each emergency blowdown event, which is a violation of Lusk TV Permit, Condition 5.2.4; 7)

the failure to file initial excess emission reports no later than the end of the next regular business day after the time of discovery, which is a violation of 20.2.7.110.A(1) NMAC; 8) the failure to file final excess emission reports no later than ten (10) days after the end of the excess emission, which is a violation of 20.2.7.110.A(2) NMAC; and 9) the failure to restrict VOC emissions to the 12-month rolling total limit of 10 tons per year for Non-Flare Startup, Shutdown, Maintenance and Malfunction events, which is a violation of Lusk NSR Permit 2, Facility Specific Requirement A107.A.

19. On March 13, 2014, the Bureau issued to DCP Notice of Violation DCP-0599-1201-R1 (“NOV I”). NOV I withdrew alleged violations 2, 3, 5, and 6 identified in Paragraph 18 above, and revised alleged violations 1, 7, 8, and 9 identified in Paragraph 18 above as to the number of claims.

20. NOV I included a Corrective Action Verification (“CAV I”) requiring DCP to submit to the Bureau measures taken to ensure future compliance with the permit conditions.

21. DCP submitted CAV I, which was determined to be satisfactory by the Bureau. Therefore, no further action is necessary for DCP to correct the alleged violations contained in NOV I.

C. HISTORY AND ALLEGED VIOLATIONS AT SOUTH HAT MESA BOOSTER STATION

22. The South Hat Mesa Booster Station was subject to the terms and conditions of Air Quality Title V Permit P044-R3 (“South Hat TV Permit”) and NSR Permit 1018-M7-R4 (“South Hat NSR Permit”) at the time that the violations alleged below occurred.

NOTICE OF VIOLATION DCP-0665-1201-R1

23. South Hat TV Permit, Facility Specific Requirement A107.A provides in relevant part, "... Malfunction emission limits for this facility are listed in Table 107.A" A relevant excerpt of Table 107.A is set forth below.

Unit No.	Description	VOC tpy
M1	Venting of Gas due to Malfunctions	10.0

24. DCP submitted to the Bureau three (3) Final EERs for events at the South Hat Mesa Booster Station. Each of the reports noted excess VOC emissions resulting from malfunctions at the South Hat Mesa Booster Station.

25. The table below sets forth the Final EER Activity Number, the event start date, and the excess VOC emissions reported.

Activity No.	Event Start Date	Reported Excess VOC Emissions (pounds)
665-90121	11/3/2012	192.52
665-90756	12/10/2012	233.99
665-92067	2/23/2013	151.58

26. On October 24, 2013, the Bureau issued to DCP NOV DCP-0665-1201 alleging a violation of the South Hat TV Permit. The alleged violation was the failure of the DCP to limit emissions to allowable limits, which is a violation of South Hat TV Permit, Facility Specific Requirement A107.D.

27. On January 28, 2014, the Bureau issued to DCP NOV DCP-0665-1201-R1 ("NOV II"), revising the alleged violation to assert a violation of South Hat TV Permit, Facility Specific Requirement A107.A.

28. NOV II included a Corrective Action Verification ("CAV II") requiring DCP to submit to the Bureau measures taken to ensure future compliance with the permit conditions.

29. DCP submitted the CAV II, which was determined to be satisfactory by the Bureau. Therefore, no further action is necessary for DCP to correct the alleged violation contained in NOV II.

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30. South Hat NSR Permit, Facility Specific Requirement A107 provides in relevant part, “A. ... The maximum allowable SSM and Malfunction emission limits for this facility are listed in Table 107.A ... C. ... The permittee shall indicate whether the emissions resulting from the event will be used toward the permitted tpy value or whether the event is reported under 20.2.7 NMAC” A relevant excerpt of Table 107.A is set forth below.

Unit No.	VOC tpy
Facility Wide SSM and Malfunctions	10.0

31. DCP submitted a Final EER for an event at the South Hat Mesa Booster Station. The report, Activity Number 000665-02122014-01, noted that the event resulted in excess VOC emissions of 14,578.62 pounds.

32. On November 6, 2014, the Bureau issued to DCP NOV DCP-0665-1401, alleging a violation of the AQCA, the AQCR, and the South Hat NSR Permit. The alleged violation was the failure of DCP to prevent excess emissions during a malfunction event at the South Hat Mesa Booster Station, which is a violation of South Hat NSR Permit, Facility Specific Requirement A107.A.

33. On February 3, 2015, the Bureau issued to DCP NOV DCP-0665-1401-R1 (“NOV III”), revising the description of the alleged violation of the South Hat NSR Permit.

34. NOV III included a Corrective Action Verification (“CAV IIP”) requiring DCP to submit to the Bureau measures taken to ensure future compliance with the permit conditions.

35. DCP submitted CAV III, which was determined to be satisfactory by the Bureau. Therefore, no further action is necessary for DCP to correct the alleged violations contained in NOV III.

**D. HISTORY AND ALLEGED VIOLATIONS AT MONUMENT BOOSTER STATION
NOTICE OF VIOLATION DCP-0593-1201**

36. The Monument Booster Station was subject to the terms and conditions of Air Quality NSR Permit 0123-M5 (“Monument NSR Permit”) at the time that the violations alleged below occurred.

37. Monument NSR Permit, Facility Specific Requirement A106.A provides in relevant part, “The following table(s) list the emission units and their allowable emission limit” A relevant excerpt of the table that followed Facility Specific Requirement A106.A, Table 106.A, is set forth below.

Emission Unit No.	NOx (pph)	CO (pph)	VOC (pph)
Flare	0.15	0.82	0.04

38. The Monument NSR Permit has no allowable limits for emissions of SO₂ and H₂S from the Flare.

39. DCP submitted to the Bureau nineteen (19) Final EERs for events at the Monument Booster Station. Each of the reports noted excess emissions from the Flare.

40. The table below sets forth the Final EER Activity Number, the event start date, and the excess emissions reported.

Activity No.	Event Start Date	EXCESS EMISSIONS (pounds)				
		NOx	CO	VOC	SO2	H2S
593-83630	10/24/2011	0.64	3.47	3.05	15.71	0.17
593-84254	11/28/2011	13.87	75.49	66.27	341.77	3.71
593-84896	1/11/2012	59.23	322.29	282.96	1459.24	15.84
593-85485	2/13/2012	23.73	129.14	113.38	584.71	6.35
593-85679	2/27/2012	0.34	1.86	1.64	8.44	0.09
593-86541	4/20/2012	6.56	35.67	31.32	161.5	1.75
593-86572	4/25/2012	9.21	50.13	44.01	226.97	2.46
593-86625	4/27/2012	4.61	25.1	22.3	113.63	1.23
593-87002	5/18/2012	28.54	155.32	136.36	703.23	7.63
593-87486	6/10/2012	21.33	116.06	101.89	525.47	5.7
593-87614	6/18/2013	0.15	0.79	0.69	3.58	0.04
593-87848	6/29/2012	6.38	34.7	30.47	157.12	1.71
593-88226	7/20/2012	19.57	106.49	93.49	482.15	5.23
593-88230	7/22/2012	100.37	546.15	479.5	2472.81	26.85
593-88249	7/23/2012	1.57	8.54	7.5	38.68	0.42
593-88385	7/31/2012	0.24	1.30	1.14	5.86	0.06
593-88731	8/19/2012	8.84	48.08	42.22	217.7	2.36
593-88830	8/24/2012	3.58	19.46	17.09	88.13	0.96
593-89003	8/31/2012	2.74	14.92	13.1	67.53	0.73

41. On September 18, 2013, the Bureau issued to DCP NOV DCP-0593-1201 (“NOV IV”), alleging a violation of the AQCA, the AQCR, and the Monument NSR Permit. The alleged violation was the failure of DCP to restrict emissions from the Flare at the Monument Booster Station to the allowable limits, which is a violation of Monument NSR Permit, Facility Specific Requirement A106.A.

42. NOV IV included a Corrective Action Verification (“CAV IV”) requiring DCP to submit to the Bureau measures taken to ensure future compliance with the permit conditions.

43. DCP submitted CAV IV, which was determined to be satisfactory by the Bureau. Therefore, no further action is necessary for DCP to correct the alleged violations contained in NOV IV.

E. HISTORY AND ALLEGED VIOLATIONS AT ARTESIA GAS PLANT

NOTICE OF VIOLATION DCP-0199-1201

44. The Artesia Gas Plant was subject to the terms and conditions of Air Quality Title V Permit P095-R1M1 (“Artesia TV Permit”) at the time that the violations alleged below occurred.

45. Artesia TV Permit, General Condition B110 provides in relevant part, “General Reporting Requirements ... B. ... all instances of deviations from permit requirements ... shall be clearly identified in the reports requirement by section A109.”

46. Artesia TV Permit, Facility Specific Requirement A109.B provides in relevant part, “The Annual Compliance Certification Report is due within 30 days following the end of every 12 month reporting period”

47. DCP submitted to the Bureau an Annual Compliance Certification (“ACC”) pertaining to operations at the Artesia Gas Plant for the period ending May 31, 2012.

48. DCP had submitted to the Bureau at least ninety-four (94) Final EERs noting emissions from the Emergency Wet Gas Flare and the Emergency Acid Gas Flare in excess of the allowable rates set forth in the Artesia TV Permit, Facility Specific Requirement A106.A, which qualify as deviations from Artesia TV Permit.

49. The ACC did not identify deviations from the Artesia TV Permit, Facility Specific Requirement A106.A that had occurred during that reporting period.

50. 20.2.7.110.A NMAC provides in relevant part, “The owner or operator of a source having an excess emission shall report the following information to the department on forms provided by the department ... (1) Initial report: the owner or operator shall file an initial report, no later than the end of the next regular business day after the time of discovery of an excess emission”

51. The Bureau received from the DCP ninety-four Final EERs for which no Initial EER was filed by the next regular business day after the time of discovery.

52. 20.2.7.110.A NMAC provides in relevant part, “The owner or operator of a source having an excess emission shall report the following information to the department on forms provided by the department ... (2) Final report: the owner or operator shall file a final report ... no later than ten (10) days after the end of the excess emission”

53. Section 12-2A-7 provides in relevant part, “Computation of time ... E. if the period is less than eleven days, a Saturday, Sunday or legal holiday is excluded from the computation....”

54. The Bureau received from DCP Final Excess Emission Reports (“Final EERs”) for four events that were filed later than required after the end of the excess emission events. The table below summarizes the end dates of the events, the date the EER was required to be filed, the date the Final EER was filed, and the number of days late.

Activity No.	End Date of Excess Emission	Final EER Due Date	Final EER Submitted	Days Late
199-81800	6/7/2011	6/21/2011	7/5/2011	14
199-81801	6/7/2011	6/21/2011	7/5/2011	14
199-85943	3/14/2012	3/28/2012	3/30/2012	2
199-86261	3/14/2012	3/28/2012	4/9/2012	12

55. Artesia TV Permit, Facility Specific Requirement A106.A provides in relevant part, “The following table(s) list the emission units and their allowable emission limit” A relevant excerpt of the table that followed Facility Specific Requirement A106.A, Table 106.A, is set forth below.

Emission Unit No.	NO _x (pph)	CO (pph)	VOC (pph)
22	<	0.6	<
23	<	0.6	<

56. The Artesia TV Permit has no allowable limits for emissions of SO₂ and H₂S from Emission Unit Numbers 22 or 23.

57. DCP submitted to the Bureau ninety-four (94) Final EERs for events at the Artesia Gas Plant. Each of the reports noted excess emissions from either the Emergency Wet Gas Flare (Emission Unit Number 22) or the Emergency Acid Gas Flare (Emission Unit Number 23).

58. The table below sets forth the Final EER Activity Number, the event start date, and the excess emissions reported.

Activity No.	Event Start Date	Unit No.	EXCESS EMISSIONS (pounds)				
			NO _x	CO	VOC	SO ₂	H ₂ S
199-81296	6/4/2011	23	0.05	0.27	0.01	178.66	1.94
199-81346	6/6/2011	23	0.06	0.31	0.02	200.21	2.17
199-81387	6/8/2011	23	0.04	0.21	0.01	136.69	1.48
199-81509	6/14/2011	23	0.05	0.27	0.01	179.23	1.95
199-81512	6/14/2011	22	18.84	102.54	70.24	166.57	1.81
199-81537	6/15/2011	22	0.03	0.15	0.11	0.25	-
199-81613	6/20/2011	22	0.1	0.57	-	0.42	0.3
199-81640	6/22/2011	22	0.56	3.03	1.61	2.26	0.02
199-81675	6/23/2011	22	12	65.29	34.58	48.68	0.53
199-81698	6/24/2011	23	-	0.03	-	17.02	0.18
199-81702	6/24/2011	23	-	0.01	-	6.81	0.07
199-81726	6/25/2011	22	2	10.88	0.22	-	-
199-81746	6/26/2011	22	0.24	1.33	0.91	2.16	0.02

199-81782	6/28/2011	22	1.79	9.76	6.69	15.86	0.17
199-81791	6/29/2011	22	3.95	21.48	14.71	34.9	0.38
199-81800	6/7/2011	23	0.05	0.27	0.01	175.26	1.9
199-81801	6/7/2011	23	0.02	0.11	0.01	74.87	0.81
199-81882	7/6/2011	22	28.69	156.1	82.67	116.4	1.26
199-82003	7/15/2011	22	0.94	5.12	2.71	3.82	0.04
199-82043	7/18/2011	22	14.85	80.83	42.8	60.27	0.65
199-82079	7/20/2011	23	0.03	0.15	0.01	99.26	1.08
199-82118	7/23/2011	22	2.71	14.75	10.1	23.96	0.26
199-82119	7/23/2011	22	7.55	41.08	28.14	66.73	0.72
199-82146	7/25/2011	22	2.68	14.57	7.72	10.87	0.12
199-82174	7/27/2011	22	0.3	1.61	0.85	1.2	0.01
199-82321	8/5/2011	22	4.99	27.16	18.6	44.12	0.48
199-82355	8/8/2011	22	0.48	2.59	1.78	4.21	0.05
199-82356	8/8/2011	23	0.02	0.13	0.01	81.67	0.89
199-82395	8/10/2011	22	1.66	9.05	4.79	6.75	0.07
199-82622	8/25/2011	22	0.06	0.34	0.18	0.26	-
199-82715	8/29/2011	22	1.82	9.9	5.24	7.38	0.08
199-83370	10/8/2011	22	1.58	8.58	4.54	6.4	0.07
199-83424	10/11/2011	22	12.14	66.04	34.98	49.25	0.53
199-83438	10/12/2011	23	0.04	0.21	0.01	139.16	1.51
199-83439	10/12/2011	22	22.71	123.56	65.44	92.13	1
199-83463	10/13/2011	22	6.87	37.4	25.62	60.75	0.66
199-83925	11/8/2011	22	8.51	46.32	31.73	75.24	0.82
199-83970	11/11/2011	22	19	103.4	54.76	77.1	0.84
199-83973	11/12/2011	22	0.86	4.7	3.22	7.64	0.08
199-84043	11/15/2011	22	14.79	80.49	55.13	130.75	1.42
199-84048	11/16/2011	22	0.15	0.82	0.02	-	-
199-84087	11/18/2011	23	0.04	0.22	0.01	143.54	1.56
199-84362	12/4/2011	22	29.49	160.47	84.98	119.66	1.3
199-84468	12/9/2011	22	5.38	29.26	20.04	47.53	0.52
199-84497	12/13/2011	22	1.99	10.82	5.73	8.07	0.09
199-84544	12/19/2011	23	0.1	0.57	0.03	370.93	4.03
199-84582	12/21/2011	22	4.65	25.31	13.4	18.87	0.2
199-84716	1/1/2012	22	0.73	3.97	2.1	2.96	0.03
199-84810	1/6/2012	22	26.06	141.78	75.09	105.72	1.15
199-84811	1/7/2012	23	0.04	0.22	0.01	141.79	1.54
199-84816	1/8/2012	22	0.4	2.16	1.14	1.61	0.02
199-85019	1/19/2012	22	2.51	13.66	7.23	10.19	0.11
199-85077	1/23/2012	22	6.62	36.03	19.08	26.87	0.29
199-85383	2/8/2012	22	1.72	9.38	4.97	6.99	0.08
199-85439	2/13/2012	22	21.77	118.48	62.75	88.35	0.96
199-85460	2/13/2012	22	13.9	75.64	40.06	56.4	0.61
199-85498	2/14/2012	22	1.22	6.63	3.51	4.94	0.05
199-85522	2/15/2012	22	0.04	0.2	0.11	0.15	-
199-85549	2/19/2012	22	20.77	112.99	59.84	84.25	0.91
199-85602	2/21/2012	22	1.14	6.22	3.3	4.64	0.05
199-85630	2/23/2012	22	5.34	29.06	15.39	21.67	0.24
199-85873	3/11/2012	22	2.14	11.66	6.18	8.7	0.09
199-85943	3/14/2012	23	0.04	0.2	0.01	128.75	1.4
199-85968	3/15/2012	23	0.1	0.52	0.03	340.87	3.7

199-85984	3/17/2012	22	3.73	20.28	10.74	15.12	0.16
199-86068	3/21/2012	22	38.65	210.28	4.32	-	-
199-86083	3/22/2012	22	1.51	8.19	4.34	6.11	0.07
199-86084	3/22/2012	23	0.05	0.26	0.01	167.88	1.82
199-86104	3/23/2012	22	1.84	10.01	5.3	7.46	0.08
199-86131	3/26/2012	22	0.14	0.77	0.41	0.57	0.01
199-86133	3/26/2012	23	0.04	0.24	0.01	158.24	1.72
199-86172	3/29/2012	23	0.04	0.23	0.01	148.03	1.61
199-86261	3/14/2012	22	4.73	25.76	0.53	-	-
199-86312	4/9/2012	22	12.89	70.14	37.15	52.3	0.57
199-86323	4/10/2012	22	0.75	4.11	2.17	3.06	0.03
199-86338	4/10/2012	22	7.4	40.24	21.31	30.01	0.33
199-86351	4/11/2012	22	8.75	47.62	25.22	35.51	0.39
199-86389	4/13/2012	22	2.58	14.02	7.42	10.45	0.11
199-86401	4/15/2012	22	0.04	0.22	0.12	0.17	-
199-86406	4/16/2012	23	0.12	0.66	0.03	429.35	4.66
199-86458	4/18/2012	23	0.12	0.65	0.03	424.25	4.61
199-86566	4/22/2012	23	0.1	0.52	0.03	339.74	3.69
199-86615	4/28/2012	22	2.26	12.28	8.41	19.95	0.22
199-86620	4/29/2012	22	14.6	79.46	42.08	59.25	0.64
199-86636	4/30/2012	22	6.57	35.73	18.92	26.64	0.29
199-86872	5/12/2012	22	25.88	140.8	74.56	104.99	1.14
199-86874	5/12/2012	22	4.55	24.77	13.12	18.47	0.2
199-86875	5/12/2012	22	0.67	3.66	1.94	2.73	0.03
199-86892	5/13/2012	22	9.1	49.53	26.23	36.94	0.4
199-86904	5/14/2012	23	0.09	0.49	0.03	321.59	3.49
199-86921	5/14/2012	22	0.24	1.29	0.68	0.96	0.01
199-86922	5/14/2012	22	-	0.01	-	6.24	0.07
199-86939	5/16/2012	23	0.04	0.2	0.01	133.29	1.45
199-86967	5/17/2012	22	0.2	1.1	0.58	0.82	0.01

59. On September 12, 2013, the Bureau issued to DCP NOV DCP-0199-1201 (“NOV V”), alleging violations of the AQCA, the AQCR, and the Artesia TV Permit. The alleged violations consisted of: 1) the failure of DCP to identify all instances of deviations from permit requirements in an Annual Compliance Certification, which is a violation of Artesia TV Permit, General Condition B110.B; 2) the failure of DCP to file an initial excess emission report by the end of the next regular business day after discovery, which is a violation of 20.2.7.110.A(1) NMAC; 3) the failure of DCP to file a final excess emission report no later than ten days after the end of the excess emission event, which is a violation of 20.2.7.110.A(2); and 4) the failure

of DCP to restrict emissions from the flares at the Artesia Gas Plant to the allowable limits, which is a violation of Artesia TV Permit, Facility Specific Requirement A106.A.

60. NOV V included a Corrective Action Verification (“CAV V”) requiring DCP to submit to the Bureau measures taken to ensure future compliance with the permit conditions.

61. DCP submitted the CAV V, which was determined to be satisfactory by the Bureau. Therefore, no further action is necessary for DCP to correct the alleged violations contained in NOV V.

**F. HISTORY AND ALLEGED VIOLATIONS AT LINAM RANCH GAS PLANT
NOTICE OF VIOLATION DCP-0589-1202**

62. The Linam Ranch Gas Plant was subject to the terms and conditions of Air Quality NSR Permit 0039-M6 (“Linam Ranch NSR Permit”) at the time that the violations alleged below occurred.

63. Linam Ranch NSR Permit, Facility Specific Requirement A106.A provides in relevant part, “The following table(s) list the emission units and their allowable emission limit ...” A relevant excerpt of the table that followed Facility Specific Requirement A106.A, Table 106.A, is set forth below.

Unit No.	NOx pph	CO pph	VOC pph	SO2 pph
4A	0.06	0.34	0.14	0.03
AGI Flare	0.01	0.11	**	0.3

64. DCP submitted to the Bureau fourteen (14) Final EERs for events at the Linam Ranch Gas Plant. Each of the reports noted excess emissions from either the ESD Flare (Emission Unit Number 4A) or the Acid Gas Flare (Emission Unit AGI Flare).

65. The table below sets forth the Final EER Activity Number, the event start date, and the excess emissions reported.

Activity No.	Event Start Date	Unit No.	EXCESS EMISSIONS				
			NOx	CO	VOC	SO2	H2S
589-89469	10/2/2012	4A	5.42	29.51	15.22	40.76	0.44
589-89637	10/10/2012	4A	2.91	15.82	0.04	-	-
589-89683	10/12/2012	4A	4.76	25.92	14.76	39.58	0.43
589-89740	10/15/2012	4A	0.39	2.14	-	-	-
589-89934	10/25/2012	4A	1.36	7.41	0.02	-	-
589-89950	10/26/2012	AGI Flare	0.07	0.36	0.03	233.16	2.53
589-89951	10/26/2012	AGI Flare	0.2	1.08	-	-	-
589-90253	11/12/2012	AGI Flare	0.01	0.05	-	32.64	0.35
589-90421	11/24/2012	4A	0.21	1.12	-	-	-
589-90450	11/26/2012	4A	0.15	0.82	-	-	-
589-90527	12/1/2012	4A	1.13	6.14	0.01	-	-
589-90629	12/5/2012	AGI Flare	0.09	0.47	0.04	308.43	3.35
589-90631	12/6/2012	4A	11	59.85	51.55	58.01	0.63
589-90699	12/7/2012	4A	24.05	130.88	64.65	173.16	1.88

66. On October 9, 2013, the Bureau issued to DCP NOV DCP-0589-1202 (“NOV VI”), alleging a violation of the AQCA, the AQCR, and the Linam Ranch NSR Permit. The alleged violation was the failure of DCP to restrict emissions from the ESD and AGI Flares at the Linam Ranch Gas Plant to the allowable limits, which is a violation of Linam Ranch NSR Permit, Facility Specific Requirement A106.A.

67. NOV VI included a Corrective Action Verification (“CAV VI”) requiring DCP to submit to the Bureau measures taken to ensure future compliance with the permit conditions.

68. DCP submitted the CAV VI, which was determined to be satisfactory by the Bureau. Therefore, no further action is necessary for DCP to correct the alleged violations contained in NOV VI.

II. COMPROMISE AND SETTLEMENT

A. GENERAL

69. The Parties have engaged in settlement discussions to resolve NOV I, NOV II, NOV III, NOV IV, NOV V and NOV VI (collectively, “NOVs”) without further proceedings.

70. DCP does not admit any of the allegations in the NOVs. To avoid further legal proceedings, the Division and DCP agree to the terms and conditions in this Final Order to resolve the alleged violations in the NOVs.

71. The Parties admit jurisdiction and consent to the relief specified herein.

B. CIVIL PENALTY

72. In compromise and settlement of the alleged violations set forth in the NOVs and upon consideration of the seriousness of the alleged violations and DCP’s good faith efforts to comply, the Parties agree that DCP shall pay a civil penalty of \$187,400.00 to the State of New Mexico within thirty (30) calendar days after the effective date of this Final Order.

73. Payment shall be made to the *State of New Mexico General Fund* by certified or corporate check and sent to the following address:

New Mexico Environment Department
Air Quality Bureau
c/o Compliance and Enforcement Manager
525 Camino de los Marquez, Suite 1
Santa Fe, New Mexico 87505

74. If DCP fails to make timely and complete payment of the civil penalty, DCP shall pay a stipulated penalty of \$250.00 per day for each day a payment is not timely or complete. DCP shall not contest or dispute in any way the stipulated penalty of \$250.00 per day in the event that the Department brings an action against DCP for the failure to make timely or complete payment.

C. TERMINATION OF 2008 SETTLEMENT AGREEMENT

75. On April 17, 2008, the Department and DCP entered into a settlement agreement resolving AQCA-06-29 (CO), AQCA 06-30 (CO), and AQCA 06-31 (CO) (“2008 Settlement Agreement”). The 2008 Settlement Agreement was approved by the Department Secretary in a Stipulated Final Order entered on April 17, 2008.

76. The parties agree that the 2008 Settlement Agreement shall not apply to any flaring event occurring after March 31, 2016 (“Termination Date”).

77. Pursuant to Paragraph 72 of the 2008 Settlement Agreement, DCP will submit any remaining or outstanding reports, if any, no later than sixty (60) days from the Termination Date. Pursuant to Paragraph 31 of the 2008 Settlement Agreement, the final Quarterly Report shall cover the period ending March 31, 2016, and shall be due April 30, 2016. Pursuant to Paragraph 72 of the 2008 Settlement Agreement, DCP will submit a petition for termination, and certification of compliance with the requirements, of the 2008 Settlement Agreement within sixty (60) days of DCP’s submittal and the Department’s approval of all aforementioned reports required by the 2008 Settlement Agreement or the resolution of all disputes under Dispute Resolution, whichever is later. The Department will determine if DCP’s certification submitted pursuant to Paragraph 77 of this Agreement is correct within thirty (30) days of receipt of said certification, and also make a determination on DCP’s petition by that date.

78. If DCP fails to timely file the petition and certification required pursuant to Paragraph 77 of this agreement, except for any actions at issue in a timely request for dispute resolution submitted pursuant to Section XII of the 2008 Settlement Agreement, DCP shall pay a stipulated penalty of \$250.00 per day for each day of non-compliance with the requirement to submit the petition and certification. DCP shall not contest or dispute in any way the stipulated

penalty of \$250.00 per day in the event that the Department brings an action against DCP for the failure to comply with the requirement to submit the petition and certification.

III. OTHER TERMS AND CONDITIONS

A. RESERVATION OF RIGHTS AND DEFENSES

79. This Final Order shall not be construed to prohibit or limit in any way the Department from requiring DCP to comply with any applicable state or federal requirement not resolved herein. This Final Order shall not be construed to prohibit or limit in any way the Department from seeking any relief authorized by the AQCA for violation of any state or federal requirement applicable to DCP not resolved herein. This Final Order shall not be construed to prohibit or limit in any way DCP from raising any defense to a Department action seeking such relief.

B. MUTUAL RELEASE

80. The Parties mutually release each other from all claims that each party raised or could have raised against the other regarding the facts and violations alleged in the NOV's. Such release applies only to civil liability.

C. WAIVER OF STATE LIABILITY

81. DCP shall assume all costs and liabilities incurred in performing all obligations under this Final Order. The Department, on its own behalf and on behalf of the State of New Mexico, does not assume any liability for DCP's performance of any obligation under this Final Order.

D. EFFECTIVE DATE AND TERMINATION DATES

82. This Final Order shall become effective on the date it has been signed by the Department Secretary.

83. Except as otherwise provided in this Paragraph, the terms of this Final Order shall terminate when DCP has fulfilled the requirements of this Final Order. The reservations of rights and defenses and the mutual release in Paragraphs 79 and 80 shall survive the execution and performance of this Final Order, and shall remain in full force and effect as an agreement between the Parties.

E. INTEGRATION

84. This Final Order merges all prior written and oral communications between the Parties concerning the subject matter of this Final Order, contains the entire agreement between the Parties, and shall not be modified without the express written agreement of the Parties.

F. BINDING EFFECT

85. This Final Order shall be binding on the Parties and their officers, directors, employees, agents, subsidiaries, successors, assigns, trustees, or receivers.

G. AUTHORITY OF SIGNATORIES

86. The persons executing this Final Order on behalf of DCP and the Division, respectively, represent that he or she has the authority to execute this Final Order on behalf of DCP and the Division.

H. SIGNATURE AND COUNTERPARTS

87. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement.

**ENVIRONMENTAL PROTECTION DIVISION
NEW MEXICO ENVIRONMENT DEPARTMENT**

By: 
MICHAEL VONDERHEIDE
DIRECTOR

Date: 9/15/15

DCP MIDSTREAM, LP

By:  _____

Date: 9/9/2015

Print Name: Jerry Barnhill

Print Title: SR. V.P. EH&S, Regulatory, Pipeline Services

STIPULATED FINAL COMPLIANCE ORDER


This Settlement Agreement and Stipulated Final Compliance Order, agreed to by the Division and DCP Midstream, LP, is hereby incorporated herein and **APPROVED AS A FINAL COMPLIANCE ORDER** issued pursuant to NMSA 1978, § 74-2-12.

RYAN FLYNN
SECRETARY
NEW MEXICO ENVIRONMENT DEPARTMENT

Date: _____

APPROVED AS TO FORM:

CHRISTOPHER ATENCIO
Attorney for the Division



LOUIS W. ROSE
Attorney for DCP Midstream

STIPULATED FINAL COMPLIANCE ORDER


This Settlement Agreement and Stipulated Final Compliance Order, agreed to by the Division and DCP Midstream, LP, is hereby incorporated herein and **APPROVED AS A FINAL COMPLIANCE ORDER** issued pursuant to NMSA 1978, § 74-2-12.

for 

RYAN FLYNN
SECRETARY
NEW MEXICO ENVIRONMENT DEPARTMENT

Date: 9/16/15

APPROVED AS TO FORM:



CHRISTOPHER ATENCIO
Attorney for the Division

LOUIS W. ROSE
Attorney for DCP Midstream