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RETURN RECEIPT REQUESTED

April 26, 2024

Ray Smalts
DCP Operating Company, LP
2331 CityWest Blvd, HQ- 8N-N860-03
Houston TX 77042-2862

Sent by electronic mail to: Raymond.a.smalts@p66.com

Notice of Violation for DCP Operating Company, LP, AQB Case No. DCP-0242-2301

Dear Ray Smalts,

The New Mexico Environment Department ("NMED") has identified DCP Operating Company, LP ("DCP") as having violated state and federal regulations for air quality. This Notice of Violation (NOV) is regarding the Shugart Booster Station ("Facility") owned and operated by DCP. The Facility is assigned agency interest number (AI#) 0242, AIRS number 350150112, and is located 7 miles south southwest from Maljamar, Eddy County, New Mexico, at latitude 32° 45' 25" and longitude -103° 48' 56".

Pursuant to the NMED Delegation Order dated February 19, 2024, the Cabinet Secretary ("Secretary") has delegated to the Air Quality Bureau ("Bureau") Chief the authority to seek administrative enforcement for alleged violations of the Act, the Air Quality Control Regulations ("Regulations"), and the air quality permits issued thereunder. The Air Quality Bureau is the Bureau within the Division responsible for identifying air quality violations.

This NOV is issued pursuant to NMSA 1978, Section 74-2-5.1(A), which states that NMED's "investigations shall be reduced to writing if any enforcement action is contemplated, and a copy shall be furnished to the owner or occupants of the premises before the action is filed." In accordance with Section 74-2-5.1(C), the purpose of this NOV is to "encourage and make every reasonable effort to obtain voluntary cooperation by the owner or occupants to preserve, restore or improve air quality."

Alleged Violations

The evidence to support this NOV was collected from records and information obtained by an NMED Compliance inspector during the Full Compliance Evaluation (FCE) of the Facility from October 31, 2023 to January 9, 2024.

The investigation found evidence of the following violations.

1. Failure to conduct or record monthly inspections for equipment leaks and fugitive emissions for four months in August, October, and November 2022 and January 2023 in violation of 20.2.50.116.C(3)(c)(ii) New

Mexico Administrative Code (NMAC), which states in relevant part, “The owner or operator of the following facilities shall conduct an inspection using U.S. EPA method 21 or optical gas imaging (OGI) of thief hatches, closed vent systems, pumps, compressors, pressure relief devices, open-ended valves or lines, valves, flanges, connectors, piping, and associated equipment to identify leaking components at a frequency determined according to the following schedules...: (c) for gathering and boosting stations...: (ii) monthly at facilities with a PTE equal to or greater than 25 tpy VOC.”

2. Failure to keep records of maintenance performed on engine Unit 1 during 2022 in violation of 40 C.F.R. § 63 Subpart ZZZZ 63.6655(e)(3) which states, “You must keep records of the maintenance conducted on the stationary RICE in order to demonstrate that you operated and maintained the stationary RICE and after-treatment control device (if any) according to your own maintenance plan if you own or operate any of the following stationary RICE;... (3) An existing stationary RICE located at an area source of HAP emissions subject to management practices as shown in Table 2d to this subpart.”

Please note that the facility will appear on NMED’s Enforcement Watch as a result of this NOV (see: <https://www.env.nm.gov/enforcement-watch/>). Further, NMED may issue a press release to local media highlighting your facility as appearing on this webpage. Your facility will remain on the Enforcement Watch website as an active matter until this matter is fully resolved, including the payment of the assessed civil penalty.

You may obtain a copy of the Bureau’s Civil Penalty Policy located on the Compliance and Enforcement website at: <https://www.env.nm.gov/air-quality/compliance-and-enforcement/> .

Requested Information

In the response to this NOV please provide this information for each violation:

1. a description of the causes of these violations;
2. documentation of the steps taken to correct the violation to date; and
3. documentation of steps taken or to be taken to prevent the recurrence of the violation.

Violation-specific information to provide to NMED:

1. Provide records of monthly inspections required by 20.2.50.116.(3)(c)(ii) NMAC completed from October 2023 to February 29, 2024 at the Facility.
2. Provide the 2023 maintenance records for all RICE operating at the Shugart Booster Station subject to maintenance records requirements in 40 C.F.R. § 63 Subpart ZZZZ 63.6655

With the documentation, please include specific, measurable, and time-bound changes made or to be made addressing any problems causing the violations. Attachment A was included at the end of the NOV and can be used as a checklist for organizing the response.

Use these instructions to submit the response:

1. All correspondence pertaining to this NOV must be submitted under cover of a properly completed Reporting Submittal Form, emailed to the Enforcement Specialist (contact information below). A copy of the form can be found online at: <https://www.env.nm.gov/air-quality/compliance-and-enforcement/>

2. Submit requested information no later than thirty (30) days after the date of this NOV.
3. Any documents claimed as Confidential Business Information (CBI) pursuant to 20.2.1.115 NMAC must be submitted in separate electronic files from non-CBI documents and identified as CBI.
4. If files cannot be submitted by electronic mail, contact the Enforcement Specialist to request a link to a file transfer platform, or submit records on a thumb drive mailed to the Air Quality Bureau, 525 Camino de los Marquez, Suite 1, Santa Fe, NM 87505 to the attention of Cember Hardison.
5. Please include any facts, information, or documentation to refute the alleged violations, with the requested information.

After receiving the response to this NOV, NMED will send a settlement offer or compliance order outlining the penalties and corrective actions associated with each of the violations. As NMED's review of the alleged violations is ongoing, NMED reserves the right to assert additional violations at the Facility if new information becomes available.

If you have questions or believe any statement in this notice is erroneous, please contact Cember Hardison, Enforcement Specialist, at (505) 629-6688 or cember.hardison@env.nm.gov or Teresa McDill, Enforcement Manager, at (505) 555-2121 or teresa.mcdill@env.nm.gov. If you are represented by counsel, please contact Chris Vigil, Assistant General Counsel, at (505) 469-4696 or ChristopherJ.Vigil@env.nm.gov.

Thank you for your prompt attention to this matter.

Sincerely,

Liz Bisbey-Kuehn
Bureau Chief
Air Quality Bureau

cc: Chris Vigil, Assistance General Counsel, OGC
Cindy Hollenberg, Section Chief, AQB
Teresa McDill, Enforcement Manager, AQB
Cember Hardison, Enforcement Specialist, AQB

Attachment

Attachment A

This form must be completed and signed by the facility's Responsible Official (Title V) or other designee and returned no later than thirty (30) days after the date of this Notice of Violation. Documentation for additional information (in addition to this form) must be submitted electronically to Enforcement Specialist Cember Hardison at ember.hardison@env.nm.gov or Enforcement Manager Teresa McDill at teresa.mcdill@env.nm.gov.

All submittals must be submitted using the Reporting Submittal Form. The Reporting Submittal Form and instructions can be located at: <https://www.env.nm.gov/air-quality/compliance-and-enforcement/#>.

I hereby verify that DCP Operating Company, LP has initiated the required additional information response outlined in this Notice of Violation. The following information has been submitted or will be submitted by the dates indicated below for each violation. All required documentation will be submitted electronically no later than thirty (30) days after the date of this Notice of Violation.

Date NOV received: _____

Alleged Violation 1

_____ *A description of the cause of the violation*

_____ *Documentation of the steps taken to correct the violation to date*

_____ *Documentation of steps taken (or to be taken) to prevent recurrence of this violation (include date if not yet completed)*

_____ *Provide records of monthly inspections required by 20.2.50.116.(3)(c)(ii) NMAC completed from October 2023 to February 29, 2024 at the Facility.*

Alleged Violation 2

_____ *A description of the cause of the violation*

_____ *Documentation of the steps taken to correct the violation to date*

_____ *Documentation of steps taken (or to be taken) to prevent recurrence of this violation (include date if not yet completed)*

_____ *Provide the 2023 maintenance records for all RICE operating at the Shugart Booster Station subject to maintenance records requirements in 40 C.F.R. § 63 Subpart ZZZZ 63.6655*

Signature

Date

Printed Name:

Title: