

**STATE OF NEW MEXICO
SECRETARY OF ENVIRONMENT**

NEW MEXICO ENVIRONMENT DEPARTMENT

Complainant,

v.

No. AQCA 20____(CO)

**DCP OPERATING COMPANY, LP
(BURTON FLATS COMPRESSOR STATION,
FITZ COMPRESSOR STATION,
LOVINGTON BOOSTER STATION,
LYNCH BOOSTER STATION,
MONUMENT BOOSTER STATION,
SAND DUNES COMPRESSOR STATION,
SOUTH HAT BOOSTER STATION, and
WEST TURKEY TRACK COMPRESSOR STATION),**

Respondent.

REVISED ADMINISTRATIVE COMPLIANCE ORDER

Pursuant to Section 74-2-12 of the New Mexico Air Quality Control Act (“Act”), NMSA §§ 74-2-1 through -17 (as amended through 2019), the Environmental Protection Division (“Division”) of the New Mexico Environment Department (“Department” or “NMED”) issues this Compliance Order (“Order”) to DCP Operating Company, LP (“DCP”) to require compliance and assess a civil penalty for violations of the Act, the Air Quality Regulations at Title 20, Part 2 (“Regulations”) of the New Mexico Administrative Code (“NMAC”), and air permits at the following facilities: Burton Flats Compressor Station, Fitz Compressor Station, Lovington Booster Station, Lynch Booster Station, Monument Booster Station, Sand Dunes Compressor Station, South Hat Compressor Station, and West Turkey Track Compressor Station. The Secretary has delegated authority to issue this Order to the Director of the Division.

As set forth in the detailed allegations below, between December 29, 2017 and June 30, 2019, DCP submitted, via the Air Quality Bureau’s Compliance Reporting System, three hundred and sixty-seven (367) excess emission reports for these eight (8) facilities, totaling 2,157,658 pounds of pollutants. A summary of excess emissions events and number of violations resulting from those events is set forth in Table 1 below, and described in further detail in Sections I through VIII of this Order. This Order addresses the seriousness of these violations and the necessary corrective actions required to address them.

Table 1: Summary of Excess Emissions Events and Number of Violations Organized by Facility

Facility	Total EE Reports Submitted	Total ADDs Rejected	Total Violations that occurred from Rejected ADD reviews
Burton Flats Compressor Station	10	10	89
Fitz Compressor Station	96	90	1,114
Lovington Booster Station	10	10	155
Lynch Booster Station	45	44	380
Monument Booster Station	21	21	233
Sand Dunes Compressor Station	46	38	117
South Hat Booster Station	114	105	580
West Turkey Compressor Station	27	24	218

EE – excess emissions

ADD – affirmative defense demonstration

Pursuant to 20.2.7 NMAC, it is DCP’s burden to prove that each excess emissions event was caused by an emergency, malfunction, startup, or shutdown. Additionally, DCP must demonstrate that it complied with the notification requirements and satisfied the criteria set forth in 20.2.7.111 through 113 NMAC. DCP has already submitted affirmative defense demonstrations (“ADDs”) for all three hundred and sixty-seven (367) excess emission events. The Division has evaluated these ADDs and has rejected DCP’s affirmative defense claims for three hundred and

forty (340) events that the Division determined do not satisfy the requisite criteria. An aggregated penalty will be calculated for the combined 1,931,659 pounds of excess emissions resulting from these three hundred and forty (340) events, consistent with the Act and the NMED Air Quality Bureau’s Civil Penalty Policy (“Penalty Policy”).

I. BURTON FLATS COMPRESSOR STATION ALLEGATIONS

A. Background

1. DCP owns and operates the Burton Flats Compressor Station (“Burton Flats”), which is located approximately six (6) miles northeast of Carlsbad in Eddy County, New Mexico.

2. Burton Flats consists of equipment designed and operated for compressing natural gas, including condensate removal.

3. Since April 15, 2014, Burton Flats has been authorized to operate under NSR Permit 0612-M5.

4. The following table from the NSR Permit 0612-M5, Condition A.106 - “Facility: Allowable Emissions,” lists the emission units and their allowable emission limits. *See* 40 C.F.R. Part 60, Subparts A and JJJJ; 40 C.F.R. Part 63, Subparts A and ZZZZ; and 20.2.72.210.A and B(1) NMAC.

Table 2: Burton Flats, Table 106.A, Allowable Emissions

Unit No.	NO _x ¹ (pph)	NO _x ¹ (tpy)	CO (pph)	CO (tpy)	VOC (pph)	VOC (tpy)
1	2.8	12.2	2.8	12.2	1.4	6.1
2	2.8	12.2	2.8	12.2	1.4	6.1
3	2.8	12.2	2.8	12.2	1.4	6.1
4	2.8	12.2	2.8	12.2	1.4	6.1
5	2.8	12.2	2.8	12.2	1.4	6.1
6	2.8	12.2	2.8	12.2	1.4	6.1
7	3.6	15.8	3.6	15.8	1.8	7.9
TK-1 ⁴	- ²	-	-	-	* ³	4.9
TK-2	-	-	-	-	*	4.9
LOAD	-	-	-	-	*	0.87

1 Nitrogen dioxide emissions include all oxides of nitrogen expressed as NO₂

- 2 “-” indicates the application represented emissions of this pollutant are not expected
- 3 “*” indicates hourly emission limits are not appropriate for this operating situation
- 4 Emissions from TK-1 include flashing emissions

5. The following table from NSR Permit 0612 M5, Condition A.107 - “Facility: Allowable Startup, Shutdown, and Maintenance and Malfunction Emissions,” lists the facility-wide startup, shutdown, maintenance (“SSM”), and malfunction emission limits:

Table 3: Burton Flats, Table 107.A, Allowable SSM & M Units, Activities, and Emission Limits

Unit No.	Description	VOC (tpy)
SSM Facility Wide	Compressor & Associated Piping Blowdowns during Routine and Predictable Startup, Shutdown, Maintenance (SSM), and/or Malfunctions	10

(This authorization does not include VOC combustion emissions.)

6. Between December 29, 2017 and January 25, 2018, DCP reported four (4) excess emission events. The Bureau issued Notice of Violation (“NOV”) DCP-0251-1801 for these violations on December 7, 2018. A copy of this NOV is attached hereto as Exhibit 1.

7. Between September 1, 2018 and June 30, 2019, DCP reported six (6) excess emission events. A table listing these events is attached hereto as Exhibit 2.

8. DCP claimed that all the events described in Exhibits 1 and 2 qualify as emergencies or malfunctions under the Act and the Penalty Policy. *See* Burton Flats Compressor Station Affirmative Defense Evaluation Table, attached hereto as Exhibit 3.

B. Violations

9. DCP violated NSR Permit 0612-M5, Conditions A106.A and A107.A, by exceeding the permitted allowable emission limits of the emergency blowdown vent during ten (10) excess emission events. These events resulted in a total of eighty-nine (89) violations (“Burton Flats Violations”), as described in Exhibits 1 and 2.

10. The Burton Flats Violations resulted in the unlawful emission of 63,437 pounds of volatile organic compounds (“VOC”) and hydrogen sulfide (“H₂S”).

11. The excess emissions events underlying the Burton Flats Violations do not qualify as emergencies or malfunctions under the Act or the Penalty Policy, and DCP is therefore subject to penalties for those violations.

II. FITZ COMPRESSOR STATION ALLEGATIONS

A. Background

12. DCP owns and operates the Fitz Compressor Station, which is located approximately 13.6 miles south of Loco Hills in Eddy County, New Mexico.

13. The Fitz Compressor Station consists of equipment designed and operated to compress, treat, and process natural gas.

14. Between June 21, 2012 and October 3, 2019, the Fitz Compressor Station was authorized to operate under NSR permit 0832-M2. Since October 4, 2018, the Fitz Compressor Station has been authorized to operate under GCP-O&G Permit number 0832-M3.

15. The following table from NSR Permit 0832-M2, Condition A.106 – “Facility: Allowable Emissions,” lists the emission units and their allowable emission limits. *See* 40 CFR Part 50; 40 CFR Part 63, Subparts A and ZZZZ; and 20.2.72.210.A and B(1) NMAC:

Table 4: Fitz, Table 106.A, Allowable Emissions

Unit No.	NO _x ¹ (pph)	NO _x ¹ (tpy)	CO (pph)	CO (tpy)	VOC (pph)	VOC (tpy)	SO ₂ (tpy)
1	4.2	18.5	5.0	21.9	< ³	2.5	1.1
2	4.2	18.5	5.0	21.9	< ³	2.5	1.1
3	4.2	18.5	5.0	21.9	< ³	2.5	1.1
4	4.2	18.5	5.0	21.9	< ³	2.5	1.1
TK-1	- ²	- ²	- ²	- ²	* ⁵	9.9	- ²
L-1	- ²	- ²	- ²	- ²	* ⁵	2.5	- ²
Total ⁴	16.8	74.0	20.0	87.6	4.7	23.0	4.4

1 Nitrogen dioxide emissions include all oxides of nitrogen expressed as NO₂

2 “-” indicates the application represented emissions of this pollutant are not expected

3 “<” indicates the application represented uncontrolled emissions are less than 1.0 pph or 1.0 tpy for this pollutant. Allowable limits are not imposed on this level of emissions, except for flares and pollutants with controls.

4 Total allowables are for information and are not enforceable conditions

5 “*” indicates hourly emission limits are not appropriate for this operating situation

16. The following table from NSR Permit 0832-M2, Condition A.107 – “Facility:

Allowable Startup, Shutdown, & Maintenance and Malfunction Emissions,” lists the facility-wide SSM and malfunction emission limits:

Table 5: Fitz, Table 107.A, Allowable SSM and Malfunction Units, Activities and Emission Limit

Unit No.	Description	VOC (tpy)
SSM and Malfunction from facility	Includes, but is not limited to, engine startup compressor and associated piping blowdowns and venting of gas due to malfunction	10
	Total ¹	10

¹ Totals are for information only, not enforceable conditions
(This authorization does not include VOC combustion emissions)

17. The following table from NSR Permit 0832-M3, Oil and Gas GCP Application

Table 2B: “Allowable Emission Limits,” (beginning October 4, 2019) lists the maximum allowable unit and facility-wide SSM and malfunction emission limits:

Table 6: Fitz, Table 2B, Allowable Emission Limits

Unit No.	NO _x ¹ (pph)	NO _x ¹ (tpy)	CO (pph)	CO (tpy)	VOC (pph)	VOC (tpy)	SO ₂ (pph)	SO ₂ (tpy)	H ₂ S (pph)	H ₂ S (tpy)
1	1.76	7.7	1.76	7.7	0.91	3.96	0.07	0.31	-	-
2	1.76	7.7	1.76	7.7	0.91	3.96	0.07	0.31	-	-
3	1.76	7.7	1.76	7.7	0.91	3.96	0.07	0.31	-	-
4	1.76	7.7	1.76	7.7	0.91	3.96	0.07	0.31	-	-
5	1.9	8.33	0.34	1.5	1.09	4.75	0.14	0.62	-	-
6	1.9	8.33	0.34	1.5	1.09	4.75	0.14	0.62	-	-
TK-1	-	-	-	-	0.11	0.5	-	-	-	-
TK-2	-	-	-	-	0.11	0.5	-	-	-	-
L-1	-	-	-	-	62.71	1.53	-	-	-	-
FUG-1	-	-	-	-	1.54	6.72	-	-	<0.01	<0.01
SSM/M	-	-	-	-	-	30	-	-	-	-

18. Between January 1, 2018 and August 31, 2018, DCP reported fifty-one (51) excess emission events. The Bureau issued two NOVs for these violations: DCP-0263-1801 on December 14, 2018, and DCP-0263-1802 on March 18, 2019. These NOVs are attached hereto as Exhibits 4A and 4B, respectively.

19. Between September 1, 2018 and June 30, 2019, DCP reported forty-five (45) excess emission events. A table listing these events is attached hereto as Exhibit 5.

20. DCP claimed that all the events described in Exhibits 4A, 4B, and 5 qualify as emergencies, scheduled maintenance, startup or shutdown, or malfunctions under the Act and the Penalty Policy. *See* Fitz Compressor Station Affirmative Defense Evaluation Table, attached hereto as Exhibit 6.

B. Violations

21. DCP violated NSR Permit 0832-M2, Conditions A106.A and A107.A and NSR Permit 0832-M3, Oil and Gas GCP Application Table 2B, by venting emissions in excess of the permitted allowable emission limits for the vent during ninety-six (96) excess emission events. These events resulted in a total of one thousand one hundred and eighty (1,180) violations (“Fitz Violations”), as described in Exhibits 4A, 4B, and 5.

22. The Fitz Violations resulted in the unlawful emission of 822,823.15 pounds of VOC and H₂S.

23. The Fitz Violations do not qualify as emergencies, scheduled maintenance, startup or shutdown, or malfunctions under the Act or the Penalty Policy, and DCP is therefore subject to penalties for those violations.

III. LOVINGTON BOOSTER STATION ALLEGATIONS

A. Background

24. DCP owns and operates the Lovington Booster Station, which is located approximately 5 miles south of Lovington in Lea County, New Mexico.

25. The Lovington Booster Station consists of equipment designed and operated for compressing processed natural gas, including condensate removal.

26. Between June 2, 2006 and April 23, 2019, the Lovington Booster Station was authorized to operate under NSR Permit 0423-M7.

27. The following table from NSR Permit 0423-M7, “Table 2.1, Allowable Emissions,” lists the emission units and their allowable emission limits. Malfunction and SSM emissions are not listed separately.

Table 7: Lovington, Table 2.1, Allowable Emissions

Unit No.	PM ₁₀ (pph)	PM ₁₀ (tpy)	SO ₂ (pph)	SO ₂ (tpy)	NO _x ¹ (pph)	NO _x ¹ (tpy)	CO (pph)	CO (tpy)	VO C (pph)	VO C (tpy)	H ₂ S (pph)	H ₂ S (tpy)
1	- ²	-	-	-	5.3	23.2	5.3	23.2	1.8	7.7	-	-
2	-	-	-	-	5.3	23.2	5.3	23.2	1.8	7.7	-	-
3	-	-	-	-	9.8	42.8	9.8	42.8	3.3	14.3	-	-
4	-	-	-	-	5.9	25.9	8.9	38.8	3.0	12.9	-	-
L-1	-	-	-	-	-	-	-	-	-- ³	0.5	-	-
Flare			3226.4	96.8	37.6	1.2	204.4	6.4	510.5	15.4	35.1	1.1
TK-5	-	-	-	-	-	-	-	-	3.8	16.5	-	-

1 Nitrogen dioxide emissions include all oxides of nitrogen expressed as NO₂

2 “-“ indicates that in accordance with the application, no emissions of this pollutant are expected

3 “- -“ indicates that emissions are less than 0.5 pph or 0.5 tpy and emission limits are not required for this permit

28. Between November 27, 2018 and April 26, 2019, DCP reported ten (10) excess emission events. A table listing these events is attached hereto as Exhibit 7.

29. DCP claimed that all the events described in Exhibit 7 qualify as malfunctions under the Act and the Penalty Policy. *See* Lovington Booster Station Affirmative Defense Evaluation Table, attached hereto as Exhibit 8.

B. Violations

30. DCP violated NSR Permit 0423-M7, Table 2.1, by flaring emissions from the unit Flare in excess of its permitted allowable emission limits during ten (10) excess emission events. These events resulted in a total of one hundred and sixty (160) violations (“Lovington Violations”), as described in Exhibit 7.

31. The Lovington Violations resulted in the unlawful emission of 21,499.33 pounds of carbon monoxide (“CO”), sulfur dioxide (“SO₂”), nitrogen oxide (“NO_x”), H₂S, and VOC.

32. Nine (9) of the ten (10) excess emissions events underlying the Lovington Violations do not qualify as malfunctions under the New Mexico Air Quality Control Act or the Penalty Policy, and therefore DCP is subject to penalties for one hundred and fifty-five (155) of the Lovington Violations.

IV. LYNCH BOOSTER STATION ALLEGATIONS

A. Background

33. DCP owns and operates the Lynch Booster Station, which is located approximately 25 miles southwest of Hobbs in Lea County, New Mexico.

34. The Lynch Booster Station consists of equipment designed and operated for compressing natural gas, including condensate removal.

35. Since July 29, 2015, the Lynch Booster Station has been authorized to operate under NSR Permit 0609-M7.

36. The following table from NSR Permit 0609-M7, Condition A.106 – “Facility: Allowable Emissions,” lists the emission units and their allowable emission limits. See 40 CFR Part 50; 40 CFR Part 63, Subparts A and ZZZZ; and 20.2.72.210.A and B(1) NMAC:

Table 8: Lynch, Table 106.A: Allowable Emissions

Unit No.	NO _x ¹ (pph)	NO _x ¹ (tpy)	CO (pph)	CO (tpy)	VOC (pph)	VOC (tpy)	SO ₂ (pph)	SO ₂ (tpy)
1	4.4	19.3	4.4	19.3	2.4	10.7	< ³	<
2	4.4	19.3	4.4	19.3	2.4	10.7	<	<
3	4.4	19.3	4.4	19.3	2.4	10.7	<	<
4	4.4	19.3	4.4	19.3	2.4	10.7	<	<
5	4.4	19.3	4.4	19.3	2.4	10.7	<	<
TK-6	- ²	-	-	-	* ⁴	5.9	-	-

1 Nitrogen dioxide emissions include all oxides of nitrogen expressed as NO₂

2 “-” indicates the application represented emissions of this pollutant are not expected

3 “<” indicates the application represented uncontrolled emissions are less than 1.0 pph or 1.0 tpy for this pollutant. Allowable limits are not imposed on this level of emissions, except for flares and pollutants with controls.

4 “*” indicates hourly emission limits are not appropriate for this operating situation

37. The following table from NSR Permit 0609-M7, Condition A.107 – “Facility: Allowable Startup, Shutdown, and Maintenance and Malfunction Emissions,” lists the facility-wide SSM and malfunction emission limits:

Table 9: Lynch, Table 107.A: Allowable SSM and Malfunction Units, Activities, and Emission Limits

Unit No.	Description	VOC (tpy)
SSM/M	¹ Venting of Gas Due to SSM and	10

¹This authorization does not include VOC combustion emissions.

38. Between February 12, 2018 and August 10, 2018, DCP reported eleven (11) excess emission events. Two NOV’s were issued for these violations: DCP-0641-1802 on November 1, 2018, and DCP-0641-1803 on December 7, 2019. Copies of these NOV’s are attached hereto as Exhibits 9A and 9B, respectively.

39. Between September 1, 2018 and June 30, 2019, DCP reported thirty-four (34) excess emission events. A table listing these events is attached hereto as Exhibit 10.

40. DCP claimed that all forty-five (45) events described in Exhibits 9A, 9B, and 10 qualify as emergencies or malfunctions under the Act and the Penalty Policy. *See* Lynch Booster Station Affirmative Defense Evaluation Table, attached hereto as Exhibit 11.

B. Violations

41. DCP violated NSR Permit 0609-M7, Conditions A106.A and A107.A, by exceeding the permitted allowable emission limits of the vent during forty-five (45) excess emission events. These events resulted in a total of three hundred and eighty-one (381) violations (“Lynch Violations”), described in Exhibits 9A, 9B, and 10.

42. The Lynch Violations resulted in the unlawful emission of 279,693.69 pounds of VOC and NO_x.

43. Forty-four (44) of the forty-five (45) excess emissions events underlying the Lynch Violations do not qualify as emergencies or malfunctions under the New Mexico Air Quality Control Act or the Penalty Policy, and therefore DCP is subject to penalties for three hundred and eighty (380) of the Lynch Violations.

V. MONUMENT BOOSTER STATION ALLEGATIONS

A. Background

44. DCP owns and operates the Monument Booster Station, which is located approximately 0.5 miles east of Monument in Lea County, New Mexico.

45. The Monument Booster Station consists of equipment designed and operated for compressing natural gas, including condensate removal.

46. Between August 6, 2014 and October 16, 2018, the Monument Booster Station was authorized to operate under NSR Permit 0123-M6R3. Since October 16, 2018, the Monument Booster Station has been authorized to operate under NSR Permit 0123-M6R3.

47. The following table from NSR Permit 0123-M6R2, Condition A.106 – “Facility: Allowable Emissions,” lists the emission units and their allowable emission limits. *See* 40 CFR Part 50; 40 CFR Part 63, Subparts A and ZZZZ; and 20.2.72.210.A and B(1) NMAC:

Table 10: Monument, Table 106.A: Allowable Emissions

Unit No.	NO _x ¹ (pph)	NO _x ¹ (tpy)	CO (pph)	CO (tpy)	VOC (pph)	VOC (tpy)
3	6.5	28.4	0.6	2.8	0.7	3.1
4	0.9	3.7	0.6	2.6	0.2	0.9
TK-7	- ²	-	-	-	* ³	3.0
TK-8	-	-	-	-	*	4.4
Flash	-	-	-	-	*	1.2
Load	-	-	-	-	*	2.8
Flare	0.15	0.66	0.82	3.6	0.14	0.61
Fug	-	-	-	-	*	7.9

- 1 Nitrogen dioxide emissions include all oxides of nitrogen expressed as NO₂
- 2 “-” indicates the application represented emissions of this pollutant are not expected
- 3 “*” indicates hourly emission limits are not appropriate for this operating situation

48. The following table from NSR Permit 0123-M6R3, Condition A.106 – “Facility Allowable Emissions,” lists the emission units and their allowable emission limits. *See* 40 CFR Part 50; 40 CFR Part 63, Subparts A and ZZZZ; 20.2.72.210.A and B(1) NMAC:

Table 11: Monument, Table 106.A: Allowable Emissions

Unit No.	NO _x ¹ (pph)	NO _x ¹ (tpy)	CO (pph)	CO (tpy)	VOC (pph)	VOC (tpy)
3	6.5	28.4	0.6	2.8	0.7	3.1
4	0.9	3.7	0.6	2.6	0.2	0.9
TK-7	- ²	-	-	-	* ³	3.0
TK-8b	-	-	-	-	*	3.0
Flash	-	-	-	-	*	1.2
Load	-	-	-	-	*	2.8
Flare	0.2	0.7	0.8	3.6	0.03	0.14

- 1 Nitrogen dioxide emissions include all oxides of nitrogen expressed as NO₂
- 2 “-” indicates the application represented emissions of this pollutant are not expected
- 3 “*” indicates hourly emission limits are not appropriate for this operating situation

49. The following table from NSR Permit 0123-M6R2 and M6R3, Condition A.107 – “Facility: Allowable SSM and Malfunction Emissions,” lists the SSM and malfunction emission limits:

Table 12: Monument, Table 107.A, Allowable SSM and Malfunction Units, Activities, and Emission Limits

Unit No.	Description	VOC (tpy)	H ₂ S (tpy)
SSM from Units 3-4	Compressor & Associated Piping Blowdowns during Routine and Predictable Startup, Shutdown, and/or Maintenance (SSM); and Malfunction emissions.	3.9	0.22

(This authorization does not include VOC combustion emissions)

50. Between September 1, 2018 and June 30, 2019, DCP reported twenty-one (21) excess emissions events. A table listing these events is attached hereto as Exhibit 12.

51. DCP claimed that all twenty-one (21) events listed in Exhibit 12 qualify as emergencies, startup, shutdown, or malfunctions under the Act and the Penalty Policy. *See* Monument Booster Station Affirmative Defense Evaluation Table attached hereto as Exhibit 13.

B. Violations

52. DCP violated NSR Permits 0123-M6R2 and -M6R3, Conditions A106.A and A107.A, by exceeding the permitted allowable emission limits from the unit Flare during twenty-one (21) excess emission events. These events resulted in a total of two hundred and forty-nine (249) violations (“Monument Violations”), as described in Exhibits 12 and 13.

53. The Monument Violations resulted in the unlawful emission of 4,756 pounds of CO, SO₂, VOC and NO_x.

54. Twenty (20) of the twenty-one (21) excess emissions events underlying the Monument Violations do not qualify as emergencies, startup, shutdown, or malfunctions under the

Act or the Penalty Policy, and therefore DCP is subject to penalties for two hundred and thirty-three (233) of the Monument Violations. *See* Exhibits 12 and 13.

VI. SAND DUNES COMPRESSOR STATION ALLEGATIONS

A. Background

55. DCP owns and operates the Sand Dunes Compressor Station, which is located approximately 20 miles east-southeast of Loving in Eddy County, New Mexico.

56. The Sand Dunes Compressor Station consists of equipment designed and operated for compressing processed natural gas, including condensate removal.

57. From October 24, 2006 to January 24, 2019, the Sand Dunes Compressor Station was authorized to operate under NSR Permit 1201-M6.

58. Since January 25, 2019, the Sand Dunes Compressor Station has been authorized to operate under NSR Permit 1201-M7R4.

59. The following table from NSR Permit 1201-M6, Table 2.1. lists the emission units and their allowable emission limits. Malfunction and SSM are not listed separately. *See* 20.2.72.210 NMAC, paragraphs A and B.1.

Table 13: Sand Dunes, Table 2.1, Allowable Emissions

Unit No.	NO _x ¹ (pph)	NO _x ¹ (tpy)	CO (pph)	CO (tpy)	VOC (pph)	VOC (tpy)
1	4.4	19.3	4.4	19.3	1.8	7.7
2	4.4	19.3	4.4	19.3	1.8	7.7
3	4.5	19.9	4.5	19.9	2.0	8.7
4	4.4	19.3	4.4	19.3	1.8	7.7
5	4.5	19.9	4.5	19.9	2.0	8.7
F-2	- ²	-	-	-	42.7	0.7
F-3	-	-	-	-	N/A	30

1 Nitrogen dioxide emissions include all oxides of nitrogen expressed as NO₂

2 “-“ indicates that in accordance with the application, emissions of this pollutant are not expected.

60. The following table from NSR Permit 1201-M7R4, Condition A.106 – “Facility: Allowable Emissions,” lists the emission units and their allowable emission limits. *See* 40 CFR Part 50; 40 CFR Part 63, Subparts A and ZZZZ; and 20.2.72.210.A and B(1) NMAC:

Table 14: Sand Dunes, Table 106.A: Allowable Emissions

Unit No.	NO _x ¹ (pph)	NO _x ¹ (tpy)	CO (pph)	CO (tpy)	VOC (pph)	VOC (tpy)
1	4.4	19.3	4.4	19.3	1.8	7.7
2	4.4	19.3	4.4	19.3	1.8	7.7
3	4.5	19.7	4.5	19.7	2.0	8.7
4	4.4	19.3	4.4	19.3	1.8	7.7
5	4.5	19.7	4.5	19.7	2.0	8.7
F-2	- ²	-	-	-	* ³	0.3
TK-1a	-	-	-	-	*	4.4

- 1 Nitrogen dioxide emissions include all oxides of nitrogen expressed as NO₂
- 2 “-“ indicates that application represented emissions of this pollutant are not expected
- 3 “*“ indicates hourly emission limits are not appropriate for this operation

61. The following table from NSR Permit 1201-M7R4, Condition A.107 – “Facility: Allowable SSM and Malfunction Emissions,” lists the facility-wide SSM emission limits:

Table 15: Sand Dunes, Table 107.A: Allowable SSM Units, Activities, and Emission Limits

Unit No.	Description	VOC (tpy)
SSM from F-3	¹ Emergency Blowdown	30

¹ This authorization does not include VOC combustion emissions

62. Between January 2, 2018 and June 30, 2019, DCP reported forty-six (46) excess emission events. Two NOV’s were issued for a portion of these violations: DCP-0302-1801 on November 15, 2018, and DCP-0302-1802 on January 31, 2019. Copies of these NOV’s are attached hereto as Exhibits 14A and 14B, respectively. A table listing the remaining events not included in the two NOV’s is attached hereto as Exhibit 15.

63. DCP claimed that the events described in Exhibits 14A, 14B, and 15 qualify as emergencies, startup or shutdown, or malfunctions under the Act and the Penalty Policy. *See* Sand Dunes Compressor Station Affirmative Defense Evaluation Table, attached hereto as Exhibit 16.

B. Violations

64. DCP violated NSR Permit 1201-M6 or 1201-M7R4, Tables 14 and 15, by exceeding the permitted allowable emission limits of the emergency blowdown vent during forty-six (46) excess emission events. These events resulted in a total of one hundred and twenty-five (125) violations (“Sand Dunes Violations”), as described in Exhibits 14A, 14B, and 15.

65. The Sand Dunes Violations resulted in the unlawful emission of 228,549.52 pounds of VOC.

66. Thirty-eight (38) of the forty-six (46) excess emission events underlying the Sand Dunes Violations do not qualify as emergencies, startup or shutdown, or malfunctions under the Act or the Penalty Policy, and therefore DCP is subject to penalties for one-hundred seventeen (117) of the Sand Dunes Violations.

VII. SOUTH HAT BOOSTER STATION ALLEGATIONS

A. Background

67. DCP owns and operates the South Hat Booster Station, which is located approximately 24 miles west of Oil Center in Lea County, New Mexico.

68. The South Hat Booster Station consists of equipment designed and operated for compressing processed natural gas, including condensate removal.

69. Between November 22, 2010 and August 13, 2018, South Hat Booster Station was authorized to operate under NSR Permit 1018-M7.

70. Between May 21, 2012 and January 11, 2018, South Hat Booster Station was authorized to operate under Title V Permit P044-R3.

71. Between January 12, 2018, and August 13, 2018, South Hat Booster Station was authorized to operate under Title V Permit P044-R4. That permit was terminated on August 14, 2018.

72. Since August 14, 2018, South Hat Booster Station has been authorized to operate under GCP-O&G Permit 1018-M8.

73. The following table from Title V Permit P044-R3, Condition A.106 – “Facility: Allowable Emissions,” lists the emission units, and their allowable emission limits. See 40 CFR Part 50; 40 CFR Part 60, Subparts A & JJJJ; 40 CFR Part 63, Subparts A & ZZZZ; 40 CFR Part 64; 20.2.70.302.A(1), (7), and (8) NMAC; and NSR Permit 1018-M7:

Table 16: South Hat, Table 106.A, Allowable Emissions

Unit No.	NO _x ¹ (pph)	NO _x ¹ (tpy)	CO (pph)	CO (tpy)	VOC (pph)	VOC (tpy)
1	5.3	23.2	5.3	23.2	1.8	7.7
2	5.3	23.2	5.3	23.2	1.8	7.7
3	5.4	23.7	5.4	23.7	1.8	7.8
4	5.4	23.7	5.4	23.7	1.8	7.8
5	5.3	23.2	5.3	23.2	1.8	7.7
6	5.3	23.2	5.3	23.2	1.8	7.7
7	9.8	28.642.8	9.8	42.8	3.3	14.3
8	6.5	28.6	5.2	22.9	3.3	14.3
TK-6	- ²	-	-	-	< ³	2.7
TK-7	-	-	-	-	<	2.7
Load	-	-	-	-	<	1.5
Total ⁴	-	211.3			<	81.8

1 Nitrogen dioxide emissions include all oxides of nitrogen expressed as NO₂

2 “-” indicates the application represented emissions of this pollutant are not expected

3 “<” indicates the application represented uncontrolled emissions are less than 1.0 pph or 1.0 tpy for this pollutant. Allowable limits are not imposed on this level of emissions, except for flares and pollutants with controls.

4 Total allowables are for information and are not enforceable conditions

74. The following table from Title V Permit P044-R3, Condition A.107 – “Facility: Allowable Startup, Shutdown, and Maintenance and Malfunction Emissions,” lists the facility-wide SSM and malfunction emission limits:

Table 17: South Hat, Table 107.A, Allowable SSM and Malfunction Units, Activities, and Emission Limits

Unit No.	Description	VOC (tpy)
SSM from 1, 2, 3, 4, 5, 6, 7, 8	Compressor & Associated Piping Blowdowns during Routine and Predictable Startup, Shutdown, and/or Maintenance (SSM)	1.9
M1	Venting ² of Gas due to Malfunctions.	10.0
Total ¹		11.9

¹ Totals are for information only, not enforceable conditions.

² This authorization does not include VOC combustion emissions.

75. Title V Permit P044-R4, Tables 106.A and 107.A unit emission limits are equal to Title V Permit P044-R3.

76. The following table from Oil and Gas GCP Application Table 2: “Allowable Emission Limits” lists (beginning August 14, 2018) the maximum allowable, facility-wide SSM and malfunction emission limits:

Table 18: South Hat, Table 2. Oil and Gas GCP Application, Allowable Emission Limits

Unit No.	NO _x ¹ (pph)	NO _x ¹ (tpy)	CO (pph)	CO (tpy)	VOC (pph)	VOC (tpy)	SO ₂ (pph)	SO ₂ (tpy)
1	0.22	0.97	0.44	1.93	0.056	0.25	0.0035	0.015
2	0.22	0.97	0.44	1.93	0.056	0.25	0.0035	0.015
3	0.29	1.28	0.41	1.78	0.044	0.19	0.0032	0.014
4	0.29	1.28	0.41	1.78	0.044	0.19	0.0032	0.014
5	0.22	0.97	0.44	1.93	0.056	0.25	0.0035	0.015
6	0.22	0.97	0.44	1.93	0.056	0.25	0.0035	0.015
7	1.06	4.64	2.57	11.24	0.13	0.58	0.0065	0.028
8	1.06	4.64	2.57	11.24	0.13	0.58	0.0065	0.028
TK-6	- ²	-	-	-	*	6.31	-	-
TK-7	-	-	-	-	*	6.31	-	-
Load	-	-	-	-	*	0.69	-	-
Fug ³	-	-	-	-	4.99	21.88	-	-
SSM ⁴	-	-	-	-	*	50.00	-	-
Malfunction ⁵	-	-	-	-	*	10.00	-	-
Total ⁴	3.59	15.71	7.71	33.76	5.57	97.71	0.033	0.15

¹ Significant Figures Examples: One significant figure – 0.03, 3, 0.3. Two significant figures – 0.34, 34, 3400, 3.4

² Condensable PM: Include condensable particulate matter emissions in particulate matter calculations.

³ FUG: Pursuant to condition A106 of the permit, fugitive emissions of VOC do not typically count toward Title V or PSD applicability. Thus, the total VOC emissions, including fugitive sources, may exceed 100 tpy without triggering additional permitting requirements.

⁴ SSM and Malfunction: As stated in NMED's *Implementation Guidance for Permitting SSM Emissions and Excess Emissions* document (June 2012): there is no limit to the quantity of SSM emissions that can be permitted, provided they are routine and predictable DCP would like to request 50 tpy of VOC and 1 tpy of HAP. In addition, pursuant to condition A107.C the permittee may select to authorize up to 10 tpy of malfunction events. DCP is requesting 10 tpy of VOC and 1 tpy of HAP associated with malfunction events in addition to the aforementioned SSM emissions limits.

“*” Denotes an hourly limit is not appropriate and is not being requested.

77. Between January 5, 2018 and June 30, 2019, DCP reported one hundred and fourteen (114) excess emission events. The Bureau issued two NOV's for sixty-nine (69) of these violations: DCP-0665-1801 on December 14, 2018, and DP-0665-1802 and February 4, 2019. A copy of these NOV's are attached hereto as Exhibits 17A and 17B, respectively. A table listing the remaining events not included in the two NOV's is attached hereto as Exhibit 18.

78. DCP claimed that all the events described in Exhibits 17A, 17B, and 18 qualify as emergencies or malfunctions under the Act and the Penalty Policy. *See* South Hat Booster Station Affirmative Defense Evaluation Table, attached hereto as Exhibit 19.

B. Violations

79. DCP violated Title V Permits P044-R3 and P044-R4, Conditions A106.A and A107.A, and GCP Oil and Gas Permit 1018-M8, Table 2, by exceeding its permitted allowable emission limits through a vent during one hundred and fourteen (114) excess emission events. These events resulted in a total of five hundred and ninety-seven (597) violations (the “South Hat Violations”), as described in Exhibits 17A, 17B, and 18.

80. The South Hat Violations resulted in the unlawful emission of a total of 687,013.20 pounds of VOC.

81. One hundred and eight (108) of the one hundred and fourteen (114) excess emission events underlying the South Hat Violations do not qualify as emergencies or malfunctions under the Act or the Penalty Policy, and DCP is therefore subject to penalties for five hundred and eighty (580) of the South Hat Violations.

VIII. WEST TURKEY TRACK COMPRESSOR STATION ALLEGATIONS

A. Background

82. DCP owns and operates the West Turkey Track Compressor Station, which is located approximately 20 miles southwest of Maljamar in Eddy County, New Mexico.

83. The West Turkey Track Compressor Station consists of equipment designed and operated for compressing processed natural gas, including condensate removal.

84. Since May 30, 2013, the West Turkey Track Compressor Station has been authorized to operate under NSR Permit 2098-M4 GCP-4.

85. The following table from NSR Permit 2098-M4, Oil and Gas GCP Application Table 5: “Flares [Condition VII Line 5],” lists the emission units and their allowable emission limits:

Table 19: West Turkey Track, Table 5, Flares (abbreviated)

Unit No.	NO _x ¹ (pph)	NO _x ¹ (tpy)	CO (pph)	CO (tpy)	VOC (pph)	VOC (tpy)
Flare	0.34	0.15	0.19	0.81	0.03	0.14

86. Between June 3, 2018 and June 30, 2019, DCP reported twenty-seven (27) excess emission events, as described in Exhibits 20, 21, and 22. The Bureau issued NOV DCP-413-1801 for a portion of these violations on January 31, 2019. A copy of this NOV is attached hereto as Exhibit 20. A table listing the remaining events not included in the NOV is attached hereto as Exhibit 21.

87. DCP claimed that the events described in Exhibits 20 and 21 qualify as emergencies or malfunctions under the Act and the Penalty Policy. *See* West Turkey Track Compressor Station Affirmative Defense Evaluation Table, attached hereto as Exhibit 22.

B. Violations

88. DCP violated GCP Oil and Gas Permit 2098-M4, Application Table 5: “Flares [Condition 7 Line 5],” by exceeding the permitted allowable emission limits for the unit Flares during twenty-seven emissions events. These events resulted in a total of two hundred and forty-two (242) violations (“West Turkey Violations”), as described in Exhibits 20 and 21.

89. The West Turkey Violations resulted in the unlawful emission of 49,896.50 pounds of NO_x, CO, and VOC.

Twenty-four (24) of the twenty-seven (27) excess emission events underlying the West Turkey Violations do not qualify as emergencies or malfunctions under the Act or the Penalty Policy, and DCP is therefore subject to penalties for two hundred and eighteen (218) of the West Turkey Violations.

COMPLIANCE ORDER

90. NMSA 1978, §74-2-12(A) authorizes the Secretary to issue a compliance order requiring compliance with a regulation or permit.

91. DCP is ordered to take the following corrective actions for the excess emissions violations specified in Sections I through VIII:

1. DCP shall operate each of the facilities named in this Compliance Order without exceeding designated permitted allowable limits.
2. DCP shall cease and desist from excess emissions that do not qualify for an affirmative defense under one or more of the following provisions: 20.2.7.111 NMAC (Affirmative Defense for an Excess Emission during Malfunction); 20.2.7.112 NMAC (Affirmative Defense for an Excess Emission during Startup or Shutdown); or 20.2.7.113 NMAC (Affirmative Defense for an Emergency).

CIVIL PENALTY

92. Section 74-2-12(A) of the Act authorizes the Secretary to issue a compliance order assessing a civil penalty for a violation of the Act, the Regulations, or a permit condition issued under the Act.

93. Section 74-2-12(B) of the Act authorizes the Secretary to assess a civil penalty of up to fifteen thousand dollars (\$15,000.00) per day of non-compliance for each violation under Section 74-2-12(A).

94. For the violations described in Sections I through VIII, the Division has calculated, and hereby assesses, a civil penalty consistent with the Penalty Policy as follows:

Facility	NOV/Violations	Exhibit No.	Penalty Amount
Burton Flats Compressor Station	DCP-0251-1801	Exhibit 23	\$113,312.86
	9/1/2018 – 6/30/2019	Exhibit 24	\$74,925.78
Fitz Compressor Station	DCP-0263-1801	Exhibit 25	\$30,000.00
	DCP-0263-1802	Exhibit 26	\$1,182,288.69
	9/1/2018 – 6/30/2019	Exhibit 27	\$879,983.22
Lovington Booster Station	11/27/2018 – 4/26/2019	Exhibit 28	\$62,875.61
Lynch Booster Station	DCP-0641-1802	Exhibit 29	\$41,819.79
	DCP-0641-1803	Exhibit 30	\$259,009.83
	9/1/2018 – 6/30/2019	Exhibit 31	\$455,731.21
Monument Booster Station	9/1/2018 – 6/30/2019	Exhibit 32	\$13,464.10
Sand Dunes Compressor Station	DCP-0302-1801	Exhibit 33	\$19,536.27
	DCP-0302-1802	Exhibit 34	\$50,589.48
	10/9/2018 – 3/14/2019	Exhibit 35	\$320,027.92
South Hat Booster Station	DCP-0665-1801	Exhibit 36	\$30,000.00
	DCP-0665-1802	Exhibit 37	\$350,013.33
	9/1/2018 – 6/30/2019	Exhibit 38	\$1,413,053.90
West Turkey Compressor Station	DCP-413-1801	Exhibit 39	\$7,906.40
	9/1/2018 – 6/30/2019	Exhibit 40	\$8,852.22
TOTAL Excess Emissions Penalties			\$5,313,390.61

95. The Department is also assessing a penalty for economic benefit in the amount of \$187,156.00, as detailed in Exhibit 41 attached hereto.

96. A chart summarizing the excess emissions and penalty totals for all the DCP Facilities is attached hereto as Exhibit 42.

NOTICE OF OPPORTUNITY TO ANSWER AND REQUEST A HEARING

97. Pursuant Section 74-2-12(C) of the Act, and the Department's adjudicatory procedures at 20.1.5.200 NMAC, DCP may request a hearing by filing a written request for a public hearing with the hearing clerk no later than thirty (30) days after receipt of this Order. The request for hearing shall include an Answer:

- a. Admitting or denying each allegation. Any allegation which is not specifically denied shall be deemed to be admitted. DCP may assert that it has insufficient knowledge of any alleged finding of fact, and such finding shall be deemed to be denied;
- b. Asserting any affirmative defense upon which DCP intends to rely. Any affirmative defense not asserted in the Answer, except an affirmative defense asserting lack of subject matter jurisdiction, shall be deemed waived.
- c. Signed under oath or affirmation that the information contained therein is true and correct to the best of the signatory's knowledge; and
- d. Attaching a copy of this Order.

98. This Order shall become final upon DCP's receipt of the Order, unless DCP files a Request for Hearing and Answer as set forth above. DCP may file a Request for Hearing and Answer at the following address:

Cody Barnes
Administrator for Boards and Commissions
New Mexico Environment Department
P.O. Box 5469
Santa Fe, New Mexico 87502
Telephone: (505) 827-2428

99. The public hearing shall be governed by the Department's Adjudicatory Procedures at 20.1.5 NMAC, a copy of which is attached hereto as Exhibit 43.

SETTLEMENT CONFERENCE

100. DCP may confer with the Division regarding settlement at any time, but a settlement conference or request for a settlement shall not extend or waive the deadline for filing a Request for Hearing or Answer. DCP may appear at a settlement conference either pro se or through legal counsel. The Director of the Division shall execute any settlement as part of a Stipulated Final Order. Any Stipulated Final Order shall resolve all issues raised in this Order, shall bind all parties to this Order, and shall not be appealable. To confer regarding settlement, contact:

Lara Katz, Assistant General Counsel
New Mexico Environment Department
Office of General Counsel
1190 S. Saint Francis Drive
Santa Fe, New Mexico 87501
Telephone: (505) 827-2985
Email: lara.katz@state.nm.us

TERMINATION

101. This Order shall terminate upon approval of the Secretary of the Department of a Stipulated Final Order.

NEW MEXICO ENVIRONMENT DEPARTMENT

BY: _____ **DATE:** _____
SANDRA ELY
ENVIRONMENTAL PROTECTION
DIVISION DIRECTOR

CERTIFICATE OF SERVICE

I hereby certify that on this 30th day of June, 2020, a copy of the foregoing Administrative Compliance Order was mailed via certified mail-return receipt requested to counsel for DCP:

Louis W. Rose
Montgomery & Andrews, PA
325 Paseo de Peralta
Santa Fe, New Mexico 87501
(505) 982-3873
lrose@montand.com

/s/ Lara Katz _____

Lara Katz