



MICHELLE LUJAN GRISHAM  
GOVERNOR

JAMES C. KENNEY  
CABINET SECRETARY

**SENT BY ELECTRONIC MAIL AND CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

March 13, 2024

Ray Smalts  
DCP Operating Company, LP  
C/O Phillips 66  
2331 CityWest Blvd  
HQ-08N-N860-03  
Houston TX 77042-2862  
Sent by electronic mail to: Raymond.A.Smalts@p66.com

**Air Quality Bureau  
NOTICE OF VIOLATION  
AQB Case File Number DCP-Multi-2101**

Dear Ray Smalts,

Please find attached a Notice of Violation (NOV) regarding the Double X Booster Station, Magnum Compressor Station, and West Turkey Track Compressor Station owned and operated by DCP Operating Company, LP (DCP). Pursuant to the New Mexico Environment Department (Department) Delegation Order dated February 19, 2024, the Cabinet Secretary ("Secretary") has delegated to the Air Quality Bureau (AQB) Chief the authority to seek administrative enforcement for alleged violations of the Act, the Air Quality Control Regulations, and the air quality permits issued thereunder.

The NOV describes violations of the following requirements.

Violation 1. 40 C.F.R. § 60.5420a(b)(4)(i) and (ii), Subpart OOOOa: Failure to report operating hours or months since startup or last rod packing for reciprocating compressors.

Violation 2. 40 C.F.R. § 60.5420(b)(4)(i) and (ii), Subpart OOOO: Failure to report operating hours or months since startup or last rod packing for reciprocating compressors and failure to report deviations.

Violation 3. 40 C.F.R. § 60.5420(b), Subpart OOOO: Failure to submit 2020 annual Subpart OOOO report by the required deadline.

Violation 4: 40 C.F.R. § 60.5385(a)(1), Subpart OOOO: Failure to comply with emissions standards by replacing the rod packing of reciprocating compressors.

The above violations have been evaluated in accordance with U.S. Environmental Protection Agency (EPA) Guidance on Federally-Reportable Violations for Clean Air Act Stationary Sources (September

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2014) and Timely and Appropriate Enforcement Response to High Priority Violations (August 2014). The policies can be downloaded at <http://www2.epa.gov/compliance/guidance-federally-reportable-violations-stationary-air-sources> and <http://www2.epa.gov/enforcement/revise-timely-and-appropriate-t-and-enforcement-response-high-priority-violations-hpvs>. The Department determined that one or more of the violations meet the criteria for designation as a Federally-Reportable Violation (FRV) and will be processed accordingly.

After we have reviewed your response to the NOVs, you will receive a settlement offer or administrative compliance order outlining the penalties associated with each of the above violations.

Please respond to the NOVs as follows:

1. All correspondence pertaining to the NOVs 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 by the deadlines specified in the NOVs.
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 the Enforcement Specialist.
5. If you have any facts, information, or documentation to refute the alleged violations, please include it with the requested information.

If you have questions or believe any statement in this notice is erroneous, please contact Cember Hardison, Enforcement Specialist, at 505-629-6688 or [ember.hardison@env.nm.gov](mailto:ember.hardison@env.nm.gov), or Teresa McDill, Enforcement Manager at (505) 629-8732 or at [Teresa.mcdill@env.nm.gov](mailto: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](mailto:ChristopherJ.Vigil@env.nm.gov).

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

Please note the NOVs will appear on the Department's Enforcement Watch (see: <https://www.env.nm.gov/enforcement-watch/>). Further, the Department may issue a press release to local media highlighting your facilities as appearing on this webpage. Your facilities 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.

Thank you for your prompt attention to this matter.

Sincerely,

Donna  
Intermont

Digitally signed by Donna  
Intermont  
Date: 2024.03.13 09:57:37  
-06'00'

for Liz Bisbey-Kuehn  
Bureau Chief Air  
Quality Bureau



MICHELLE LUJAN GRISHAM  
GOVERNOR

JAMES C. KENNEY  
CABINET SECRETARY

**Air Quality Bureau**  
**NOTICE OF VIOLATION**

<b>TRACKING NUMBER:</b>	DCP-Multi-2101	<b>ICIS ENFORCEMENT ACTION ID:</b>	NM000A200243491
<b>COMPANY NAME:</b>	DCP Operating Company, LP	<b>FACILITY NAMES:</b>	Double X Booster Station, Magnum Compressor Station, West Turkey Track Compressor Station
<b>PERMIT(S):</b>	GCP-4-0597M2 (Double X) GCP-O&G-0913M8 (Magnum) GCPO&G-2098M5 (West Turkey Track)	<b>SOURCE CLASSES:</b>	Minor - Double X SM ≥80 - Magnum & West Turkey Track
<b>INSPECTION DATES:</b>	January 20, 2021 and February 5, 2021	<b>EARLIEST DISCOVERY:</b>	February 2, 2021
<b>SELF-REPORTED:</b>	No	<b>*NRV, FRV OR HPV:</b>	HPV-3
<b>FACILITY LOCATION:</b>	Multiple locations	<b>CONTACT PERSON:</b>	Ray Smalts (575) 234-6405 Raymond.A.Smalts@p66.com
<b>MAILING ADDRESS:</b>	2331 CityWest Blvd, HQ-08N-N860-03, Houston, TX 77042-2862	<b>COUNTIES:</b>	Eddy and Lea
<b>AGENCY INTERESTS:</b>	642 266 413	<b>AQB AIRS #S:</b>	350250117 350150138 350150355

This Notice of Violation (NOV) is a written record of the AIR QUALITY BUREAU'S (AQB) finding that a violation of AIR QUALITY CONTROL REGULATIONS or AIR QUALITY PERMIT CONDITIONS has occurred. A Notice is issued each time a violation is observed or discovered. This NOV may subject you to monetary penalties through administrative, civil, or criminal prosecution.

Each violation set forth in this NOV has been evaluated in accordance with EPA's Guidance on Federally-Reportable Violations for Clean Air Act Stationary Sources (September 2014) and Timely and Appropriate Enforcement Response to High Priority Violations (August 2014). The overall assessment of this enforcement case reflects the highest level determined.

NRV: Non-Reportable Violation  
FRV: Federally-Reportable Violation  
HPV: High Priority Violation

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](mailto:cember.hardison@env.nm.gov). If you are represented by

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counsel, please contact Chris Vigil, Assistant General Counsel, at (505) 469-4696 or [ChristopherJ.Vigil@env.nm.gov](mailto:ChristopherJ.Vigil@env.nm.gov).

Pursuant to the NMED Delegation Order dated March 24, 2023, the Cabinet Secretary has delegated the authority to issue Notice of Violation to the Air Quality Bureau Chief.

Please note that your facility will appear on the Department's Enforcement Watch as a result of this NOV (see: <https://www.env.nm.gov/enforcement-watch/>). Further, the Department 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.

Donna Intermont Digitally signed by Donna  
Intermont  
Date: 2024.03.13 10:00:00 -06'00' for EBK  
**Air Quality Bureau Official**

03/13/2024

**Date**

<b>Company:</b>	DCP Operating Company, LP	<b>Inspection By:</b>	Kate Hauer
<b>Facility:</b>	Magnum Compressor Station (AI 266)	<b>Date of Discovery:</b>	February 2, 2021
<b>NOV #:</b>	DCP-Multi-2101	<b>NOV Prepared By:</b>	Cember Hardison
<b>Permit #:</b>	GCP-O&G-0913M8	<b>NRV, FRV or HPV:</b>	FRV

**VIOLATION 1** 40 C.F.R. § 60.5420a, Subpart OOOOa *What are my notification, reporting, and recordkeeping requirements?* (b) *Reporting requirements.* (4)(i) and (ii)

**Number of Claims: 2**

**Requirement:**

40 C.F.R. § 60.5420a, Subpart OOOOa *What are my notification, reporting, and recordkeeping requirements?*

(b) *Reporting requirements* states in part, "You must submit annual reports containing the information specified in paragraphs (b)(1) through (8) and (12) of this section....

(4) For each reciprocating compressor affected facility, the information specified in paragraphs (b)(4)(i) through (iii) of this section.

(i) The cumulative number of hours of operation or the number of months since initial startup, since August 2, 2016, or since the previous reciprocating compressor rod packing replacement, whichever is latest. Alternatively, a statement that emissions from the rod packing are being routed to a process through a closed vent system under negative pressure

(ii) If applicable, for each deviation that occurred during the reporting period and recorded as specified in [paragraph \(c\)\(3\)\(iii\)](#) of this section, the date and time the deviation began, duration of the deviation and a description of the deviation."

**Description:**

Between January 12, 2021 to February 5, 2021, an Air Quality Bureau (AQB) inspector completed a Full Compliance Evaluation (FCE) of the Magnum Compressor Station owned and operated by DCP Operating Company, LP (DCP).

For the FCE, the Department reviewed the annual report required by 40 C.F.R. § 60.5420a(b), Subpart OOOOa received on February 2, 2021 for reporting period from October 15, 2019 to October 14, 2021. The report included information for 12 DCP compressor stations, including the Magnum Compressor Station, but failed to list or include any required records for reciprocating compressors.

According to DCP's General Construction Permit (GCP) Oil and Gas (GCP-O&G) registration received June 11, 2018, reciprocating compressors E7a and E8a are subject to 40 C.F.R. § 60, Subpart OOOOa. The emissions standard for reciprocating compressors at 40 CFR § 60.5385a(a)(1), (2) or (3) requires an owner/operator to replace the compressor rod packing every 26,000 hours of operation, replace the rod packing every 36 months, or to collect the rod packing emissions using a closed vent system. Pursuant to 40 C.F.R. § 60.5420a(b)(4)(i), (ii), and (iii), annual reports must document the number of operating hours or months since startup or since last rod packing, any collection and closed vent system inspection records, and any deviations that occurred during the reporting period.

A review of DCP's Subpart OOOO and OOOOa annual reports for reporting periods from October 2018 to October 2022 shows that DCP has failed to provide any records for reciprocating compressor units E7a and E8a.

**Conclusion:**

The failure of DCP to report the number of operating hours or months since startup or last rod packing for reciprocating compressors E7a and E8a at the Magnum compressor station and the failure to report deviations that occurred during the reporting period are violations of 40 C.F.R. § 60.5420a(b)(4)(i) and (ii). Failing to submit reports for two (2) reciprocating compressors results in two claims.

**Requested Information**

In the response to this NOV 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.
4. For the three (3) Facilities, for operations from January 31, 2021 to January 31, 2024 for each compressor, provide records required by 40 C.F.R. § 60.5420(c)(2) and/or (3); and 40 C.F.R. § 60.5420a(c)(2) and (3).

Submit requested information no later than thirty (30) days after the date of this NOV.

<b>Company:</b>	DCP Operating Company, LP	<b>Inspection By:</b>	Kate Hauer
<b>Facility:</b>	Magnum Compressor Station (AI 266)	<b>Date of Discovery:</b>	February 2, 2021
<b>NOV #:</b>	DCP-Multi-2101	<b>NOV Prepared By:</b>	Cember Hardison
<b>Permit #:</b>	GCP-O&G-0913M8	<b>NRV, FRV or HPV:</b>	FRV

**VIOLATION 2** 40 C.F.R. § 60.5420, Subpart OOOO *What are my notification, reporting, and recordkeeping requirements?* (b) *Reporting requirements.* (4)(i) and (ii)

**Number of Claims: 1**

**Requirement:**

40 C.F.R. § 60.5420, Subpart OOOO *What are my notification, reporting, and recordkeeping requirements?*

(b) *Reporting requirements* states in part, “You must submit annual reports containing the information specified in paragraphs (b)(1) through (6) of this section...”

(4) For each reciprocating compressor affected facility, the information specified in paragraphs (b)(4)(i) through (ii) of this section.

(i) The cumulative number of hours of operation or the number of months since initial startup, since October 15, 2012, or since the previous reciprocating compressor rod packing replacement, whichever is later.

(ii) Records of deviations specified in paragraph (c)(3)(iii) of this section that occurred during the reporting period.”

**Description:**

Between January 12, 2021 to February 5, 2021, the Department completed an FCE of the Magnum Compressor station owned and operated by DCP.

For the FCE, the Department reviewed the annual report required by 40 C.F.R. § 60.4320(b), Subpart OOOO received on February 2, 2021 for reporting period from October 15, 2019 to October 14, 2020. The report included information for 19 DCP compressor stations, including the Magnum Compressor Station, but failed to list or include any required records for reciprocating compressor unit E5a.

According to DCP’s GCP-O&G registration received June 11, 2018, reciprocating compressors E5a and E6a are subject to 40 C.F.R. § 60, Subpart OOOO. The emissions standard for reciprocating compressors at 40 CFR § 60.5385(a)(1), (2) or (3) requires an owner/operator to replace the compressor rod packing every 26,000 hours of operation, replace the rod packing every 36 months, or to collect the rod packing emissions using a collection and closed vent system. Pursuant to 40 C.F.R. § 60.5420(b)(4)(i) and (ii), annual reports must document the number of operating hours or months since startup or since last rod packing and any deviations that occurred during the reporting period. If a collection and closed vent system is used, owner/operators must record the installation date of the collection and closed vent system pursuant to 40 C.F.R. § 60.5420(c)(3)(ii).

A review of DCP's Subpart OOOO and OOOOa annual reports for reporting periods from October 2018 to October 2022 shows that DCP provided records for unit E6a, but has failed to provide any records for reciprocating compressor unit E5a.

**Conclusion:**

The failure of DCP to report the number of operating hours or months since startup or last rod packing for reciprocating compressor E5a at the Magnum compressor station and the failure to report deviations that occurred during the reporting period are violations of 40 C.F.R. § 60.5420(b)(4)(i) and (ii). Failing to submit reports for reciprocating compressor unit E5a, results in 1 claim.

**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.

Submit requested information no later than thirty (30) days after the date of this NOV.

<b>Company:</b>	DCP Operating Company, LP	<b>Inspection By:</b>	Kate Hauer
<b>Facility:</b>	Magnum Compressor Station (AI 266)	<b>Date of Discovery:</b>	February 2, 2021
<b>NOV #:</b>	DCP-Multi-2101	<b>NOV Prepared By:</b>	Cember Hardison
<b>Permit #:</b>	GCP-O&G-0913M8	<b>NRV, FRV or HPV:</b>	FRV

**VIOLATION 3** 40 C.F.R. § 60.5420, Subpart OOOO *What are my notification, reporting, and recordkeeping requirements?* (b) *Reporting Requirements.*

**Number of Claims: 1**

**Requirement:**

40 C.F.R. § 60.5420, Subpart OOOO *What are my notification, reporting, and recordkeeping requirements?*

(b) *Reporting Requirements* states in part, “You must submit annual reports containing the information specified in paragraphs (b)(1) through (6) of this section to the Administrator .... The initial annual report is due no later than 90 days after the end of the initial compliance period as determined according to §60.5410. Subsequent annual reports are due no later than same date each year as the initial annual report. If you own or operate more than one affected facility, you may submit one report for multiple affected facilities provided the report contains all of the information required as specified in paragraphs (b)(1) through (6) of this section...”

**Description:**

Between January 12, 2021 to February 5, 2021, the Department completed an FCE of the Magnum Compressor Station.

On February 2, 2021, the Department received the 2020 annual report required by 40 C.F.R. § 60.5420(b), Subpart OOOO for reporting period from October 15, 2019 to October 14, 2020. During the FCE, the Department determined that DCP submitted the 2020 annual report late. The report was due for submittal no later than January 12, 2021, which is 90-days after the end of the compliance reporting period. However DCP’s letter submitted to [R6WellCompletion@epa.gov](mailto:R6WellCompletion@epa.gov) was dated January 28, 2021, the Department’s report submittal form was certified by DCP on January 29, 2021, and the hard copy report was post marked January 29, 2021. The previous, 2019 annual report was post marked January 8, 2020.

**Conclusion:**

The failure of DCP to submit the 2020 annual Subpart OOOO report by the required deadline is a violation of 40 C.F.R. § 60.5420a(b). Failing to submit the 2020 Subpart OOOO annual report by the required deadline results in 1 claim.

**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.

Submit requested information no later than thirty (30) days after the date of this NOV.

<b>Company:</b>	DCP Operating Company, LP	<b>Inspection By:</b>	Kate Hauer
<b>Facility:</b>	Double X Booster Station (AI 642) West Turkey Track Compressor Station (AI 413)	<b>Date of Discovery:</b>	February 2, 2021
<b>NOV #:</b>	DCP-Multi-2101	<b>NOV Prepared By:</b>	Cember Hardison
<b>Permit #:</b>	GCP-4-0597M2 (Double X) GCP-O&G-0298M5 (West Turkey Track)	<b>NRV, FRV or HPV:</b>	HPV-3

**VIOLATION 4** 40 C.F.R. § 60.5385, Subpart OOOO *What standards apply to reciprocating compressor affected facilities? (a)(1)*

**Number of Claims: 2**

**Requirement:**

40 C.F.R. § 60.5385, Subpart OOOO *What standards apply to reciprocating compressor affected facilities?* "You must comply with the standards in paragraphs (a) through (d) of this section for each reciprocating compressor affected facility."

"(a) You must replace the reciprocating compressor rod packing according to either paragraph (a)(1) or (2) of this section or you must comply with paragraph (a)(3) of this section.

(1) Before the compressor has operated for 26,000 hours. The number of hours of operation must be continuously monitored beginning upon initial startup of your reciprocating compressor affected facility, or October 15, 2012, or the date of the most recent reciprocating compressor rod packing replacement, whichever is later.

(2) Prior to 36 months from the date of the most recent rod packing replacement, or 36 months from the date of startup for a new reciprocating compressor for which the rod packing has not yet been replaced..."

**Description:**

On February 2, 2021, the Department received from DCP, the 40 C.F.R. § 60.5420(b), Subpart OOOO annual report for its minor and synthetic minor compressor stations. The report covered operations from October 15, 2019 to October 14, 2020 and included records required by § 60.5420(b)(4)(i) and (ii) for reciprocating compressors. DCP reported deviations stating that they, "... determined that the rod packings in Compressor 1 at the Double X station and Compressor 5 at the West Turkey Track station were not replaced before both compressors exceeded the 26,000-hour operating limit listed in 40 C.F.R. 60.5385(a)(2)." DCP also explained that the reported operating hours as of October 14, 2020 assumed continuous operation, that further investigation may find that actual compressor operating hours did not exceed 26,000 since the last rod packing, and that DCP would provide additional information by end of February 2021.

The below table summarizes information from DCP's 2020 Annual Report

Facility	Reciprocating compressor	Report end date	Operating hours since last rod packing	Date rod packing was or will be replaced
Double X Booster Station	EU-1	10/14/2020	27,377	March 2021
West Turkey Track Compressor Station	EU-5	10/14/2020	26,464	February 2021

On March 1, 2021, the Department received a DCP letter confirming that the 2020 deviations did occur. Per the letter, DCP determined that the last rod packing replacements for reciprocating compressors, EU-1 and EU-5, occurred in 2017 and there was no evidence that the rod packings were replaced before each compressor accumulated 26,000 operating hours. DCP stated that they would replace the rod packing on EU-1 during maintenance planned the week of March 8, 2021 and did replace EU-5's rod packing in February 2021.

**Conclusion:**

The failure of DCP to comply with emissions standards by replacing the rod packing of reciprocating compressors EU-1 at the Double X Booster Station and EU-5 at the West Turkey Track Compressor Station, before 26,000 operating hours, are violations of 40 C.F.R. § 60.6385(a)(1)(i). Failing to replace rod packing on 2 reciprocating compressors results in 2 claims.

**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.

Submit requested information no later than thirty (30) days after the date of this NOV.

### ADDITIONAL INFORMATION VERIFICATION

This form must be completed and signed by DCP's Responsible Official (Title V) or designee and returned by the deadlines specified in the Notice of Violation. Submit this form and all required information to:

Cember Hardison  
Cember.hardison@env.nm.gov

All submittals must be accompanied with the Reporting Submittal Form which can be found 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.*

Violation 1 to 4

- \_\_\_\_\_ *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.*

Violation 1

\_\_\_\_\_ *For the three (3) Facilities subject to this NOV, for operations from January 31, 2021 to January 31, 2024 for each compressor, provide records required by 40 C.F.R. § 60.5420(c)(2) and/or (3); and 40 C.F.R. § 60.5420a(c)(2) and (3).*

\_\_\_\_\_  
**Signature**

Printed Name:

Title:

\_\_\_\_\_  
**Date**