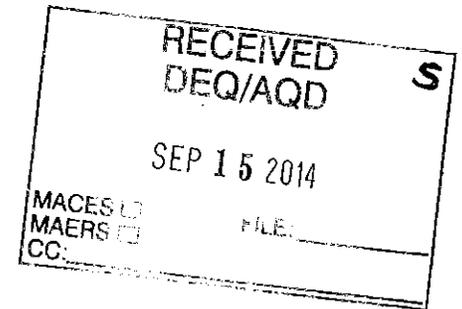




DCP Midstream
3201 Quail Springs Parkway, Suite 100
Oklahoma City, OK 73134
405.605-3835 - Office
405.605-3896 - Fax

September 10, 2014

Mr. Shane Nixon
Senior Environmental Engineer
Air Quality Division
State of Michigan Department of Environmental Quality
120 West Chapin Street
Cadillac, Michigan 49601-2158



Subject: South Chester Antrim CO₂ Removal Facility
6250 Old State Road
Johannesburg, MI 49751
Response to Violation Notice dated August 21, 2014

Dear Mr. Nixon:

The South Chester Antrim CO₂ Removal Facility underwent testing of oxides of nitrogen (NO_x) and carbon monoxide (CO) emission rates from a total of thirteen emission units in May and June of 2014. This testing was conducted to evaluate and document the compliance status with regards to federal and state air quality regulations as well as the permit issued to this facility (Renewable Operating Permit Number MI-ROP-N2940-2009a). DCP Antrim Gas, LLC (DCP) has received a letter, dated August 21, 2014, from the Michigan Department of Environmental Quality (Department) noting issues of noncompliance and a request for a written response by September 11, 2014 in regards to the violation identified during the required tests.

The non-compliance violations are listed below:

Issue 1

Testing conducted on June 5, 2014, noted actual emissions of carbon monoxide (CO) from EUP5TUR01 (Turbine 1) to be 2.6 pounds per hour. The conditions of ROP Number MI-ROP-N2940-2009a set limits for CO emissions from EUP5TUR01 to 2.3 pounds per hour.

Compliance - Issue 1

Compliance will be achieved for issue 1 as described in the below compliance plan:

a) A sequence of actions, with milestones, leading to compliance:

Three emission stack test runs were performed on June 5, 2014 for EUP5TUR01 (Turbine 1). The CO results of the tests runs along with the permit limits are provided below.

Summary Turbine #1 Test Results and Permit Limits											
Unit	Test Date	Run1		Run 2		Run 3		Average		Permit Limit	
		lb/hr	ppm	lb/hr	ppm	lb/hr	ppm	lb/hr	ppm	lb/hr	ppm
EUP5TUR01 (Turbine 1)	06/25/2014	2.68	26.65	2.81	25.16	2.31	20.57	2.60	24.13	2.30	50.00

Once DCP received the provisional tests results, various actions were taken to insure that equipment was functioning properly and environmental impacts were minimized. Through this investigation and review it has been determined that this issue of non-compliance will need to be addressed through permitting actions. As such, DCP will request that the pounds per hour (lb/hr) limit for CO be increased to better correspond with the CO parts per million (ppm) limit.

EUTUR01 and EUTUR02 each have two separate CO limits in Renewable Operating Permit Number MI-ROP-N2940-2009a. The CO is limited to 50 ppm by volume corrected to 15 percent oxygen on a dry gas basis and a 2.3 lb/hr limit for each turbine. The average outlet flowrate (dscfm) during the tests was recorded at 34,601. This flow rates corresponds to a 7.52 pound per hour limit for CO using the 50 ppm limit. During the tests runs the unit was operating between a 65% to 70% load and will continue to operate at this load in the foreseen future. Following is a summary of test results and corresponding ppm limits for each turbine.

Turbine #1

Test Results

	lb/hr	MW	DCFM Avg	Outlet ppmv (corrected)
NOx	14.40	46.01	34601	58.27
CO	2.60	28.01	34601	17.25

Using ppm limits

	lb/hr	MW	DCFM Avg	Outlet ppmv (corrected)
NOx	41.26	46.01	34601	167
CO	7.52	28.01	34601	50

Turbine #2

Test Results

	lb/hr	MW	DCFM Avg	Outlet ppmv (corrected)
NOx	13.07	46.01	35585	51.43
CO	2.21	28.01	35585	14.27

Using ppm limits

	lb/hr	MW	DCFM Avg	Outlet ppmv
NOx	42.43	46.01	35585	167
CO	7.73	28.01	35585	50

Average Test Results for Turbine #1 and #2

	lb/hr	MW	DCFM Avg	Outlet ppmv (corrected)
NOx	13.74	46.01	35093.00	54.85
CO	2.40	28.01	35093.00	15.76

Based on this review, DCP will be requesting increases to the lb/hr limits for both NOx and CO for the (2) turbines.

b) Specific dates for achieving each milestone:

December 15, 2014 – DCP will have submitted the permit application to increase lb/hr limits for both CO and NOx for both Turbines located at the South Chester Antrim CO₂ Removal Facility

c) A final compliance date:

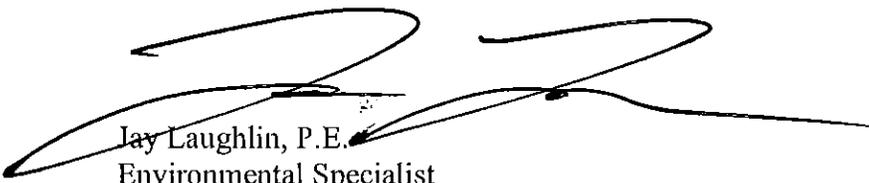
TBD – Upon final review and approval of the Michigan Department of Environmental Quality.

d) Provisions taken to ensure that the violation does not occur again in the future:

DCP will implement semi-annual portable engine analyzer stack tests into the current maintenance program for the (2) turbines located at the South Chester Antrim CO₂ Removal Facility.

DCP Midstream, LP appreciates your time in bringing these concerns and issues to our attention. If you have any questions or require additional information regarding the above, please contact me at 405-605-3835.

Sincerely,
DCP Midstream, LP



Jay Laughlin, P.E.
Environmental Specialist
Southern Oklahoma Assets