

LEGAL NOTICE

and

Preliminary Determination for an Air Quality Permit for

DCP Midstream, L.P. - Western Division, 10 Desta Drive, Suite 400 West, Midland, TX has submitted a Prevention of Significant Deterioration (PSD) air quality permit application to the Air Quality Bureau (AQB), New Mexico Environment Department (NMED) for an air quality permit to construct Zia II Gas Plant. The application file has been assigned Permit No. PSD5217 and TEMPO Agency Interest ID No. 32800. The exact location of the facility will be at latitude 32 deg, 38 min, 34.88 sec and longitude -103 deg, 48 min, 31.92 sec in Lea County, New Mexico. To aid in locating this facility, the approximate location is as follows: From Loco Hills, NM head east on US-82 E/Lovington Hwy for 6 miles. Turn right onto NM-529/Bermuda Rd and continue for 7 miles. Turn right onto Co Rd 126/Co Rd 126A/Maljamar Rd and continue for 11 miles. Turn right onto Co Rd 126/Lusk Rd and follow for 1 mile. Turn left and arrive at the gas plant on the left side of the road after 0.3 miles (in Lea County).

The proposed Zia II Gas Plant will be a 200 MMscf/day cryogenic gas processing plant designed to treat and process produced natural gas for DCP gathering systems located throughout central and southern New Mexico. It will be powered by engines fueled by natural gas. Field natural gas entering the Zia II Plant is sent to an amine treatment unit, then through a dehydration system. Emissions from the amine still overheads will be routed to an acid gas injection well. Produced gas will be compressed and delivered to a high pressure natural gas (sales) pipeline.

Total air pollutant emissions to the atmosphere are estimated to be approximately: Nitrogen Oxides (NO_x) at 401.6 tons per year (tpy); Carbon Monoxide (CO) at 168.5 tpy; Volatile Organic Compounds (VOC) at 158.9 tpy; Sulfur Dioxide (SO₂) at 100.5 tpy; Total Suspended Particulate Matter (TSP) at 24.7 tpy, Particulate Matter 10 microns or less (PM₁₀) at 23.6 tpy, and Particulate Matter 2.5 microns or less (PM_{2.5}) at 23.1 tpy, Hydrogen Sulfide (H₂S) at 1.4 tpy, and greenhouse gas (CO₂e) at 362,594 tpy. The facility is a major, ≥100,000 tpy CO₂e source of greenhouse gas emissions. These emission estimates could change slightly during the course of the Department's review of the application.

The NMED has conducted a preliminary review of the information submitted with the permit application. The preliminary review and applicant's analysis of ambient air quality impacts indicates that the facility's air emissions will meet the ambient air quality standards for nitrogen dioxide, carbon monoxide, sulfur dioxide, hydrogen sulfide, TSP, PM₁₀, and PM_{2.5}. A full review will evaluate the estimated emission rates for the pollutants listed above and the air quality analysis to determine compliance with the associated ambient air standards and requirements.

The NMED has also conducted a preliminary review of the volatile organic compound (VOC) emission information submitted with the permit application. VOCs are a pre-cursor to ozone. Pre-construction air dispersion modeling is not required for VOCs and ozone. To determine compliance with national ambient air quality standards, NMED monitors ambient ozone concentrations. A full review will evaluate the estimated emission rates and determine compliance with air quality regulations.

Based on the applicant's analysis, a preliminary determination is that this facility will comply with the requirements of Title 20, New Mexico Administrative Code (NMAC), Chapter 2, Parts 3, 7, 35, 37, 72, 73, 74, 75, 77, and 82; 40 CFR 50; 40 CFR 60 Subparts A, Db, Dc, JJJJ, and OOOO; 40 CFR 63 Subparts A, HH, DDDDD, and ZZZZ; 40 CFR 64; 40 CFR 68; and the New Mexico Air Quality Control Act. Therefore, the preliminary intent of NMED is to issue the air quality permit on or before May 18, 2014. This facility is a major source according to 20.2.74 NMAC, PSD. Based on the Department's initial

review of the applicant's PSD increment modeling analysis, the facility will not exceed PSD increments. For Class II PSD increment, the facility is expected to consume (percent followed by pollutant, then averaging period): 73% of NO₂ annual, 46% of SO₂ annual, 68% of SO₂ 24-hr, 28% of SO₂ 3-hr, 12% of PM₁₀ annual, 20% of PM₁₀ 24-hr, 22% of PM_{2.5} annual, and 37% of PM_{2.5} 24-hr. For Class I PSD increment, the facility is expected to consume: 1.5% or less for all pollutants and averaging times previously listed (high of 1.5% for PM_{2.5} 24-hr, and low of 0% for PM₁₀ annual). These increment consumption figures could change during the Department's review.

To ensure compliance with state and federal air regulations, the permit is expected to include conditions that limit the emissions, hours of operation, and production rate, and conditions that will require record keeping and reporting to the Department.

The permit application is available for review in electronic or hard copy at the Air Quality Bureau Office, 525 Camino de los Marquez Suite 1, Santa Fe, NM 87505-1816. To arrange viewing of this application, contact Teri Waldron, at 505-476-4355 or teri.waldron@state.nm.us. The permit application is also available at the NMED Hobbs Field Office, located at [1923 North Dal Paso St.](#), NM 88240 for public review.

All interested persons have thirty (30) days from the date this notice is published, to notify the Department in writing of their interest in the permit application. The written comments should refer to the company name, facility name and Permit No. (or send a copy of this notice along with your comments). The written comments shall state the nature of the issues raised and how it relates to the requirements of applicable state and federal air quality regulations and the Clean Air Act. The written comments should be mailed to Jim Nellessen, New Mexico Environment Dept., Air Quality Bureau, Permit Section, 525 Camino de los Marquez Suite 1, Santa Fe, NM 87505-1816. If the Department Secretary determines that a public hearing is required due to significant public interest, all persons shall have the opportunity to comment at the hearing.

The Department will notify all persons, who have provided written comments, as to when and where the Department's analysis may be reviewed. Although all written comments will be made part of the public record, any person who does not express interest in writing prior to the end of this first thirty (30) day period will not receive such notification.

If the Department receives written public comment prior to the end of the Department's thirty (30) day public notice, the Department's analysis will be made available for review for thirty (30) days at the NMED district or field office nearest to the source before the permit will be issued. Written comments on the analysis or permit application may be submitted to the Department during this second thirty (30) day period or at any time before the permit is issued or denied.

Questions or comments not intended to be part of the public record can be directed to Jim Nellessen at 505-476-4315. General information about air quality and the permitting process can be found at the Air Quality Bureau's web site. The regulation dealing with public participation in the permit review process is 20.2.72.206 NMAC. This regulation can be found in the "Permits" section of this web site.