

WHIPTAIL MIDSTREAM

Operations Plan

New Mexico Oil Conservation District

Title 19, Chapter 15, Part 28, NMAC

Purpose

This Operations Plan, written and submitted to the New Mexico Oil Conservation District (NMOCD) by Whiptail Midstream (Whiptail), describes the operational practices, procedures, and actions that have been adopted and put in place by Whiptail to ensure a safe operation that minimizes leaks and releases of natural gas from its natural gas assets to the atmosphere and the surrounding environment.

System Overview

The Whiptail asset covered by this document is a non-regulated, low pressure natural gas gathering system known as the San Juan Natural Gas Gathering System, which lies around the confluence of San Juan, Sandoval, and Rio Arriba counties of New Mexico.

This gas gathering system was constructed during the decade of 2010 – 2020, and gathers sweet natural gas through a series of buried steel pipelines (but including normal surface appurtenances such as line junctions and above-ground valving). The system is operated at low pressure; therefore it is operating as a “wet” system, with no dehydration and only free water removal, which is the responsibility of the upstream operators. Normal operating pressure is less than 150 psig, and the system Maximum Allowable Operating Pressure (MAOP) is 750 psig. This Whiptail gathering system is a non-regulated system.

Operational Practices

Whiptail has numerous operational practices that protect people and employees who live and work near the assets, protect the environment, and maintain a high level of equipment and pipeline integrity. These practices include:

- Routine inspection of pipeline rights-of-way, surface piping, and other equipment associated with natural gas gathering operations, using both visual inspection and leak detection equipment.
- Inspection of buried pipelines during any excavation exposure of a Whiptail pipeline, including cathodic protection readings and pipe thickness readings.
- All buried pipelines are marked above ground, using pipeline markers with instructions for contacting Whiptail in the event of a pipeline emergency.
- A robust preventive maintenance program in which tasks are scheduled and documented, such as pipeline pigging, annual right-of-way leak survey, internal corrosion monitoring, and routine facility safety inspections. Whiptail uses a Computerized Maintenance Management System (CMMS) to schedule and track these and other work tasks. The CMMS is also used to document corrective, unplanned work.
- Pipeline pigging is performed on a regular, scheduled basis. Pigging frequency varies from weekly to monthly, dependent on the size of the pipeline, the topography of the individual pipeline, and by monitoring the pigging section pressure drop and operating efficiency.
 - Whiptail operates three condensate tanks at delivery points to downstream third party Midstream systems. These tanks do not have emission controls. Pigged liquids are

delivered to downstream systems at two other delivery points to downstream gathering systems.

- Whiptail gas pipelines are monitored for internal corrosion through the use of testing for corrosion causing bacteria, and by monitoring metal loss through the use of corrosion coupons that provide a reference for pipeline metal loss.
- Lessons learned that stem from incident investigations and near misses are incorporated into operational practices.
- A robust cathodic protection program in which the entire gas gathering system is surveyed and analyzed no less frequently than annually, and critical cathodic protection data is measured no less frequently than quarterly.
- Utilization of a System Control and Data Acquisition (SCADA) system, in which field data is monitored on a near-real time basis, for indications of potential leaks, inefficient pipeline operation, and abnormal operating conditions.

Rule Compliance

Whiptail has closely reviewed 19.15.28 NMAC (the Rule) and put in place practices that will establish compliance with its requirements. Generally, Whiptail had already established many of the operational and administrative practices required by 19.15.28 NMAC. Following are new practices that Whiptail is adopting as a result of the Rule requirements.

- Conduct and document weekly AVO inspections at Whiptail's natural gas compressor stations.
- Flare natural gas volumes during depressurization of significant pipeline segments. Flaring small volumes from low pressure depressurization of components such as pig receivers and launchers, meter runs, and other small volume sources have been determined to be technically infeasible due to available portable flare design and limitations.
- Formalization of Whiptail's practice of notifying upstream customers of scheduled maintenance or unplanned outages/emergency maintenance.
- Construct and submit GIS gathering system maps of the Whiptail gas gathering systems.
- Establish a record retention policy related to the documents and records related to the Rule.
- Schedule recurring reporting requirements.

Certification

Whiptail Midstream submits this Operations Plan to NMOCD in accordance with the requirement described in NMAC 19.15.28.8C(1).

Whiptail Midstream will assume that this Operations Plan is accepted by NMOCD, and that NMOCD, unless expressly communicated otherwise, agrees that the information provided and represented herein is in accordance with the requirements of the Rule.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 43860

QUESTIONS

Operator: Whiptail Midstream LLC 15 West 6th Street Tulsa, OK 74119	OGRID: 373240
	Action Number: 43860
	Action Type: [NGGS] NGGS Operations Plan (NGGS-OP)

QUESTIONS

Verification	
Does the operator own the selected facility	Yes
Is the selected facility a natural gas gathering system	Yes

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

ACKNOWLEDGMENTS

Action 43860

ACKNOWLEDGMENTS

Operator: Whiptail Midstream LLC 15 West 6th Street Tulsa, OK 74119	OGRID: 373240
	Action Number: 43860
	Action Type: [NGGS] NGGS Operations Plan (NGGS-OP)

ACKNOWLEDGMENTS

<input checked="checked" type="checkbox"/>	I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Gathering System Operations Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.
--	---