KINETIK

Kinetik NM Gas Gathering, LLC
OGRID 332978
Gathering System Operations Plan
NMAC 19.15.28 – Natural Gas Gathering Systems

Prepared For:
New Mexico Energy, Minerals and Naturals Resources Department
Oil Conservation Division

February 13, 2025

KINETIK

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1.0 Company Overview

Kinetik NM Gas Gathering, LLC (KNMGG) is a wholly owned operating subsidiary of Kinetik Holdings LP (Kinetik), headquartered in Houston, Texas. KNMGG operates a natural gas gathering system in located in Eddy County, New Mexico.

2.0 Gathering System Overview

The KNMGG gathering system includes approximately 4.3 miles of gas gathering pipeline and one active compressor station. The purpose of the gathering system is to collect, compress, and treat associated gas from producer wells connected to the system, then deliver to a third party for transport to markets. Details of the gathering system are presented in Tables 1 and 2. An overview of gathering system facility and pipeline is depicted in Figure 1 below.

Figure 1- Overview Map

Table 1 - Kinetik NM Gas Gathering Facilities

Facilities	Facility or Line Type	Status	Service
Bedrock	Compressor Station	Active	Sweet

Table 2 - Kinetik NM Gas Gathering Pipeline Mileage

Pipeline Description	Line Size (in)	Material	Status	Service	Distance Miles
High Pressure Gathering	16	Steel	Active	Sweet	4.32
Total					**4.32**

3.0 Operational Practices to Minimize Waste of Natural Gas

3.1 Pipeline Inspection

Pipeline operations personnel are instructed and trained to be observant for signs of pipeline leaks, corrosion, and/or exposed pipe during the normal course of their daily field operations. If an issue or potential issue is observed, it is communicated to the pipeline operations supervisor for timely follow up and corrective action.

3.1.1 Right of Way Patrols

Right of way patrols (inspections) are conducted by KNMGG pipeline operations personnel on an annual basis. Areas with known and/or historical issues are patrolled on a weekly basis.

3.1.2 Aerial Surveys

Aerial surveys of the KNMGG gathering system via airplane, helicopter, or drone will commence during the first quarter of 2025 and will be conducted on at least an annual basis after the initial survey.

3.2 Cathodic Protection

Test point surveys are conducted on an annual basis and rectifiers readings are observed and recorded monthly. All steel pipeline installations include cathodic protection measures.

3.3 Corrosion Control & Chemical Treatment

Water samples are obtained and analyzed on a quarterly basis on KNMGG lines. A chemical treatment program has been implemented on all high-pressure gathering pipeline segments.

3.4 Pipeline Liquids Management – Pigging

To maintain maximum pipeline efficiency and minimize gas releases to the environment, pigging operations are conducted on all high-pressure gathering lines on a frequency that ensures hydraulic efficiency and reduces the risk of standing liquids in the pipeline.

3.5 Pipeline Testing

All new pipeline segments are hydrostatically tested prior to being placed into service per good engineering practices

3.6 Pipeline Maintenance

Routine pipeline maintenance of the KNMGG gathering system consists of replacing missing and or damaged pipeline markers, maintaining pipe to soil interfaces, and performing routine maintenance on pigging valves.

In the event a pipeline segment is required to be depressurized prior to initiating maintenance activities, the volume of gas contained within the segment will be routed to a temporary flare if technically able to do so.

If depressurization of the pipeline to a temporary flare is technically infeasible and/or presents a safety issue or concern, the pipeline segment will be depressurized to the atmosphere.

4.0 Compressor Station Operations

4.1 Depressurization

Each compressor blow down is entered into KNMGG's Environmental Management Information System (EMIS) database and quantified. Compressor blow downs are routed to one of two places:

1. To flare at KNMGG compressor stations equipped with a flare header and flare.
    a. The Bedrock compressor station is equipped with a flare to handle blowdowns.
1. To atmosphere at KNMGG compressor stations that are not equipped with a flare.

For any compressor blowdown to atmosphere, KNMGG has implemented a cascading blow down policy whereby higher stages are routed to the lowest pressure stage prior to release to the atmosphere.

4.2 Dehydration

To decrease the incidence of corrosion and eliminate free liquids within the gathering system, TEG systems are used to remove moisture from the field gas stream thereby maximizing pipeline

efficiency. Where compressor station pressures allow, both the flash tank and still vent are routed back to the station inlet thereby reducing overall TEG system emissions.

4.3 Storage Tanks

Produced water and condensate storage tanks are inspected on a weekly basis for leaks within the interconnecting pipe and to ensure the thief hatches are securely closed and operating properly. At the single compressor station in this gathering system, a closed vent system captures all flashing, working, and breathing losses and directs the gas to a VRU. The VRU routes vapors back to the facility inlet.

4.4 Instrument Air

Instrument air in lieu of residue gas is utilized at KNMGG compressor stations. Installation of instrument air is a standard design element for all new and modified compressor stations.

4.5 Audible, Visual, and Olfactory (AVO) Inspections

An AVO sensory leak is the indication of a leak identifiable by sensory methods (i.e., audible, visual, olfactory) or any other detection method used to determine a potential leak to the atmosphere.

When an AVO sensory leak is found, an attempt at repair will be performed no later than within 15 days of discovery. Repair all leaking components shall occur no later than 30 days after the leak is discovered.

The surveyor making the AVO observation shall attempt to repair any leaks identified during the AVO inspection. If each leak repair attempt is not successful, then the surveyor will assign the leak(s) to the maintenance crew for repair. The maintenance crew will repair the leak and notify the environmental compliance coordinator that the leak(s) have been repaired.

AVO inspections are required for Kinetik NM Gas Gathering (KNMGG) compressor stations once per calendar week in accordance with New Mexico Energy & Natural Resources Department (NMENRD) regulations effective May 25, 2021.

AVO Inspection Procedure:

- AVO inspections shall occur weekly.
- The electronic AVO inspection form must be used to document the inspections. See Appendix 1 for an example of the electronic form. If a surveyor does not have access to the electronic form, a hardcopy (paper form) may be substituted until access to the electronic form is completed.
- Inspections can be carried out by contractors or by Operational personnel familiar with the LDAR Program.

- Inspections are done as early in the week as is practical.
- For the inspection, observe components that may have visible leakage including dripping, spraying, misting, or clouding. Other indications of leaks include puddling or stains that are indicative of an existing evaporated drip.
- Listen to process equipment to determine if a leak is occurring. Abnormal hissing sounds may indicate a leak.
- Use olfactory senses while performing the AVO inspection to detect abnormal odors that may indicate a leak of process fluids.
- If any AVO leaks are observed, a leak tag shall be attached.
- If using the paper form, give all completed inspection forms to the site Environmental representative within 24 hours, as these checklists are required documentation.
- Maintain a log that includes the name of the person conducting the inspection and the date on which leak inspections are made, the findings of the inspection, and a list of leaks by tag identification number. Leak records shall be maintained for a period of not less than 5 years from the date of their occurrence.
- Maintenance shall keep a supply of components or component parts that are recognized by to wear or corrode, or that otherwise need to be routinely replaced, such as seals, gaskets, packing, and pipe fittings.

5.0 Pipeline Release & Reporting Policy

5.1 Scheduled Maintenance

Scheduled maintenance of the gathering system is coordinated between the KNMGG Director of Operations, the KNMGG pipeline operations supervisor and the Kinetik marketing department. Affected upstream producers will be notified in accordance with NMAC 19.15.28.8.D.1 and as follows:

- In writing within 14 days prior to the date of the scheduled maintenance event
- The written notification will include:
    - The date of the maintenance event
    - The expected duration the gathering system will be unavailable

5.2 Unscheduled Maintenance

Affected upstream producers will be notified of an unscheduled maintenance event (emergency or malfunction) event in accordance with NMAC 19.15.28.8.D.2 and as follows:

- Verbal notification as soon as possible but no later than 12 hours after discovery
    - The verbal notification will include the date and expected duration the gathering system will be unavailable

- Written confirmation of the verbal notification including the date, time, person, and telephone number to whom verbal notification was given no later than 24 hours after discovery.

5.3 Emergencies & Emergency Response

KNMGG has implemented an Emergency Action Plan for addressing emergency conditions at all KNMGG facilities located within New Mexico. The plan addresses any uncontrolled or emergency condition at an KNMGG facility that requires immediate action to provide safety of the public and for individuals at the emergency site, and/or to prevent or control damage.

Any of the following or similar events might be treated as or result in an emergency:

- Fire and/or explosion
- Rupture or serious leak
- Natural disaster (e.g., tornado, flood or winter weather resulting in serious damage to Company Facilities)
- Hostage situations, threatening phone call or credible bomb threat.
- After notification of any witnessed account which has been verified by company personnel that could result in a crisis involving Company Facilities
- Unplanned emergency shutdown of the facility or a component of the facility
- Spill or release resulting in environmental pollution

A copy of the plan is available on request.

5.4 Internal Release Reporting and Response

Upon notification of a potential leak and or pipeline release, the pipeline supervisor or his designee will be dispatched to the potential release location. Upon verification the release is in fact a KNMGG line and associated release, the pipeline supervisor or his designee shall conduct the following:

- The individual discovering the release shall make all reasonable efforts to both stop and contain the release to mitigate the impact of the release to human health and the environment.
- The individual discovering the release shall also attempt to determine the quantity and rate at which the release is occurring or has occurred. The individual will determine the approximate location of the release using GPS coordinates as well as note the date and time of discovery.
- Determine volume of the release:
  - For liquids, the volume will be estimated in barrels (bbl.) using an industry accepted estimation methodology.
    - The liquids estimate will specify a volume for each of the following:

- produced water,
- crude oil, and
- condensate.

- For gas, the volume will be estimated in thousand cubic feet (MCF) and will specify if the gas release is sweet or sour.

Liquid Releases with a volume of 5 barrels or less and gas releases less than 50 MCF:

- If the release is a liquid release with a total volume of 5 barrels or less or a gas release less than or equal to 50 MCF:
  - The pipeline supervisor or his designee shall engage the KNMGG preferred pipeline repair contractor to repair the line and remediate visual contamination associated with the release.

Liquid Releases with a volume of 5 barrels or more and gas releases greater than 50 MCF:

- If the release is a liquid release with a total volume of greater than 5 barrels or a gas release greater than 50 MCF:

  - The pipeline supervisor or his designee shall engage the KNMGG preferred pipeline repair contractor to repair the line only.
  - The pipeline supervisor or his designee shall inform the Kinetik Environmental Specialist that the release is estimated to be greater than 5 barrels and / or 50 MCF.
  - The Kinetik Environmental Specialist shall engage the KNMGG preferred pipeline remediation contractor to commence remediation activities.

Notification of ALL pipeline releases shall be made via internal incident reporting form within 24 hours of discovery to inform the foll

- Kinetik VP of Operations
- Kinetik Director of Field Operations
- Kinetik Director of Plant Operations
- Kinetik Environmental Manager
- Kinetik Field Operations Supervisor
- Kinetik Environmental Specialist

5.5 Administrative Agency Reporting

Notification to the New Mexico Oil Conservation Division (OCD) will be reported by the Kinetik Environmental Compliance Team. Notification will occur as follows:

- Minor Releases
  - Liquid release greater than 5 barrels, and / or a gas release greater than 50 MCF but less than 500 MCF:

- Notification to the appropriate OCD division office will occur in writing within 15 days of discovery of the release by completing and filing form C-129.

- Major Releases
  - Liquid release greater than 25 barrels, and / or a gas release greater than 500 MCF.
    - Notification will be conducted verbally or by email within 24 hours of discovery to the OCD Division Environmental Bureau Chief and the appropriate OCD division office
    - Notification will include relevant information required in the OCD form C-141.
    - Notify the division office in writing within 15 days of discovery using form C-141.
    - Notification will also verify prior verbal or email notification and will include additions or corrections to the information (if applicable) contained in the prior verbal or e-mail notification.

Table 3 summarizes reporting scenarios and appropriate NMOCD filings.

Table 3- NMOCD Reporting Requirements

NM Release Description	NMOCD Report Required	Timing	Release Category per NMOCD
Venting, Flaring >8 Hours and >50 MCF	C-129	Within 15 days of discovery	Minor
Venting, Flaring >8 Hours and >500 MCF	Notice of Major Event (C-129)	Within 24 hours of discovery	Major
	C-129A (C-129 Amended)	Within 15 days of discovery	Major
Gas Release >50 MCF (Leaks aka Emergency or Malfunction)	C-129	Within 15 days of discovery	Minor
Liquid Release >5 bbl & Gas Release >50 MCF	C-141	Within 15 days of discovery	Minor
Liquid Release >25 bbl & Gas Release >500 MCF	Notice of Release (C-141)	Within 24 hours of discovery	Major
	C-141	Within 15 days of discovery	Major

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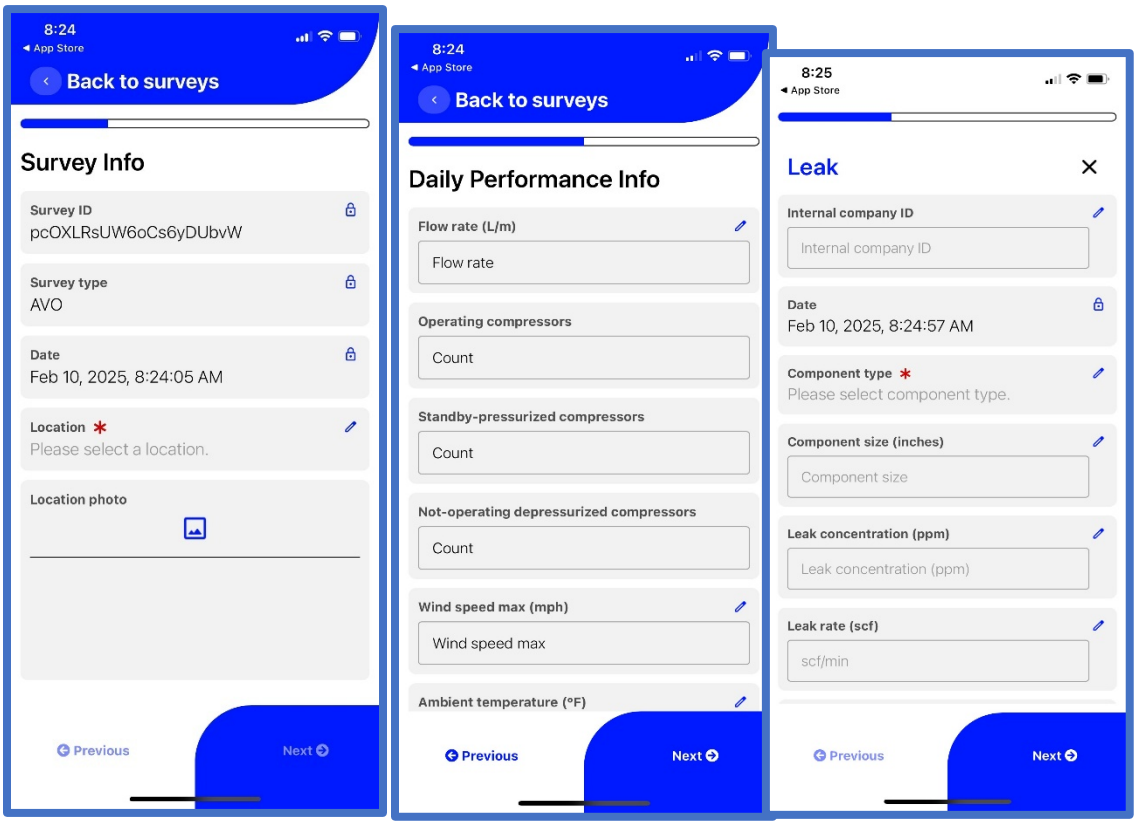
Appendix 1

Electronic AVO Form Example



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Weekly AVO Form

Facility Name:		Week Beginning:	

Any leaks found by AVO?		If yes, Leak Location Description	Repair Attempt			
No	Yes		Describe Repair	Date	Time	Successful?

Comments

Name of Surveyor: _____

Signed: _____ Inspection Date: _____

Please provide this form to the site environmental representative as soon as possible after completing the inspection.

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
https://www.emnrd.nm.gov/ocd/contact-us

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

QUESTIONS

Action 432156

QUESTIONS

Operator: Kinetik NM Gas Gathering, LLC 2700 Post Oak Blvd., Suite 300 Houston, TX 77056	OGRID: 332978
	Action Number: 432156
	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

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

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	Action Number: 432156
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ACKNOWLEDGMENTS

☑	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.