



# APPLICATION FOR GROUNDWATER DISCHARGE PERMIT

DCP OPERATING COMPANY, LP  
ZIA II GAS PROCESSING PLANT



SECTION 19, TOWNSHIP 19 SOUTH, RANGE 32 EAST  
Lat./Long. (NAD83): 32.64330, -103.80888

NOVEMBER 2025

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## 1.0 EXECUTIVE SUMMARY

Pursuant to the New Mexico Oil Conservation Division Director's request, and on behalf of DCP Operating Company, LP (OGRID #36785), Geolex, Inc.<sup>®</sup> (Geolex) has prepared and hereby submits a complete Groundwater Discharge Plan application for the existing Zia II Gas Processing Plant (Plant). The Plant is located in Section 19, Township 19 South, Range 32 East (32.64330, -103.80888 NAD83), approximately 28 miles northeast of Carlsbad, in Lea County New Mexico (Figure 1). Operations at the facility generally include compression, treatment, and processing of natural gas and natural gas liquids, and permanent disposal and sequestration of associated waste carbon dioxide (CO<sub>2</sub>) and hydrogen sulfide (H<sub>2</sub>S) gases. Processed natural gas and recovered natural gas liquids from facility operations are transmitted off site, via pipeline connections and commercial trucking, for sale to various customers. After final separation of methane from CO<sub>2</sub> and H<sub>2</sub>S, this treated acid gas (TAG) is compressed at the acid gas compression and injection (AGI) facility located at the Plant.

The Zia II Gas Processing Plant and AGI facility are located within the Pecos River Basin in an area where local topography is relatively flat and surface elevation gently increases in the northeast direction. The facility property is underlain by Quaternary alluvium overlying Triassic redbeds of the Santa Rosa Formation, both of which are local sources of groundwater. There are no bodies of surface water or groundwater discharge sites within one mile of the facility. Local groundwater well records indicate that the shallowest observed depth to groundwater is approximately 102 feet below the ground surface. Available water quality data for groundwater wells in the vicinity of the Zia II Plant indicate that total dissolved solids concentrations in the area range from approximately 426 to 668 parts per million (ppm).

Surface soil observed in and around the Zia II Plant property are generally characterized by fine sand deposits, which form dunes and plains landforms. These soil units are typically well to excessively drained and exhibit low to negligible runoff potential. Within the Plant surface area, three main soil units have been mapped, including the Maljamar and Palomas fine sands (MF), Pyote and Maljamar fine sand (PU), and Pyote loamy sand (PT) (see Section 3.0, Figure 6, and Appendix A).

The risk of potential discharge of contaminants to groundwater at the DCP Zia II Plant is generally low, as facility operations do not include any intentional effluent release, with the exception of a septic system and leach field utilized to handle facility offices and control room sewage. Potential discharges to groundwater relate primarily to liquids which are produced or utilized in facility operations, including produced water, equipment oils, natural gas liquids, precipitation, and limited chemical liquids. In all cases, these materials are temporarily stored in enclosed tanks with secondary containment systems or contained within a double-walled sump with integrated alarm systems.

There is no on-site disposal of effluent streams or solid waste, nor has there ever been, with the exception of the on-site septic system and leach field. All waste produced by gas-processing operations (effluent and solid waste) are recovered from containment systems and transported off site, via commercial trucking services, to approved disposal and/or recycling facilities. Processed natural gas and recovered natural gas liquids are transported off site for sale to various customers, directly via pipeline and daily commercial trucking services, respectively.

The DCP Zia II Gas Processing Facility is operated and manned by DCP personnel 24 hours per day, seven days a week and visual inspections of the facility are conducted during each 12-hour operator shift, in accordance with DCP Policies and Procedures. Piping associated with major facility processes is constructed above ground or overhead such that any failure or minor loss of integrity can be rapidly identified, corrected, and cleaned up (if necessary) during daily inspections of the facility. Furthermore, routine inspections and maintenance are performed monthly to verify the integrity of all storage and containment structures at the facility and to assure proper disposal of all waste materials generated.



In the event of any release, DCP policy directs facility personnel to respond immediately and provide notices as required by the State of New Mexico, as described in 19.15.29 NMAC and 20.6.2.1203 NMAC.

## **2.0 ZIA GAS PROCESSING PLANT DESCRIPTION AND KEY INFORMATION**

### **NATURAL GAS PROCESSING OPERATIONS AND FACILITY DESCRIPTION**

The DCP Zia II Gas Plant is a natural gas processing plant which processes up to 230 million standard cubic feet per day (MMSCFD) of field gas containing hydrogen sulfide ( $H_2S$ ) and utilizes two acid gas injection (AGI) wells for the disposal and geologic sequestration of waste  $H_2S$  and carbon dioxide ( $CO_2$ ). The Zia II Plant is located in Section 19 of Township 19 South, Range 32 East, approximately 28 miles northeast of Carlsbad, in Lea County New Mexico (Figure 1). Specific coordinates for the Zia II Gas Plant are 32.64330, -103.80888 (NAD83).

Primary operations at the Zia II Plant include gas compression, treatment, processing, and TAG compression and injection. Natural gas resources are gathered at the facility from oil and gas producers operating in Lea and Eddy counties, New Mexico. Once gathered at the Plant, the produced natural gas is compressed, dehydrated to remove water content, and processed to remove and recover natural gas liquids (NGLs). The processed natural gas and recovered NGLs are then sold and shipped to various customers. Figure 2 includes detailed aerial photographic imagery, which clearly shows the layout, design, and boundaries of the Plant and AGI facility.

Because the natural gas that is gathered and processed at the Zia II Plant contains  $H_2S$  ("sour gas"), facility operations include the use of amine treatment processes to remove  $H_2S$ ,  $CO_2$ , and other impurities from the natural gas stream. Once isolated, via amine treatment,  $H_2S$  and  $CO_2$  waste gases are compressed utilizing electric driven, reciprocating compressors and transmitted to two AGI wells located on the adjoining AGI facility process area, which permanently dispose of the material in deep subsurface geologic reservoirs.

## OPERATION OF THE FACILITY, LOCATION, AND KEY PERSONNEL

The Zia II Gas Processing Plant and associated AGI wells are operated by DCP Operating Company, LP (OGRID #36785). Relevant facility and operator information is generally summarized below:

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Facility Operator:	DCP Operating Company, LP (OGRID #36785)		
Operator Address:	2331 Citywest Blvd N762; Houston, TX 77042		
NMOCD Facility ID:	fOY1704637153		
Surface Landowner:	Federal		
Primary Contact:	Nikunj Khelurkar	<a href="mailto:Nikunj.Khelurkar@p66.com">Nikunj.Khelurkar@p66.com</a>	432-241-5848
Secondary Contact:	Nick L. Case	<a href="mailto:Nicholas.L.Case@p66.com">Nicholas.L.Case@p66.com</a>	575-677-5225

### Zia II Gas Plant Location Information:

Legal Location:	Section 19 of Township 19 South, Range 32 East (UL: K, N, and Lot 3 and 4)
Lat./Long (NAD83):	32.64330, -103.80888 (NAD83)
Address:	89 Lusk Road; Hobbs, NM 88240

Directions to Facility: From Hobbs, New Mexico (intersection of Turner St. and Marland St.), travel west on NM Hwy 62 (Marland St./Hobbs Hwy.) for approximately 36.6 miles. Turn right (north) on NM Hwy. 243 and continue for approximately 4.4 miles. Turn right (north) on County Road 126A and continue for 5.6 miles. Turn left (west) on Lusk Road and continue approximately 1 mile to facility (on left).

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## 3.0 ZIA GAS PROCESSING PLANT SITE CHARACTERISTICS

The Zia II Gas Processing Plant is located within the Pecos River Basin, in an area referred to as the Querecho Plains Reach (Nicholson & Clebsch, 1961). The local topography is relatively flat and largely covered by sand dunes underlain by a hard caliche surface. The dune sands are locally stabilized with shin oak, mesquite, and some burr grass. There are no natural surface bodies of water or groundwater discharge sites within one mile of the Plant, and where drainages exist in interdunal areas, they are ephemeral, discontinuous, dry washes. The facility location is underlain by Quaternary alluvium overlying Triassic redbeds of the Santa Rosa Formation (Dockum Group), both of which are local sources of poor-quality groundwater with total dissolved solids (TDS) ranging from approximately 400 to 700 mg/l.

Figure 3 illustrates the surface topography in the area of the DCP Zia II Gas Plant, which is relatively flat, gently decreasing in ground level elevation toward the southwest. The approximate ground level elevation on the plant property is 3,548 feet above mean sea level. According to the National Flood Hazard Layer map (Figure 4), provided by Federal Emergency Management Agency (FEMA), the Plant is located in an area of undetermined flood risk (Zone D), in which no flood hazard analysis has been conducted. While no analysis has been conducted, there have been no historical documented cases of flooding in the immediate vicinity and flooding, ponding, or pooling is not common for the facility during infrequent local precipitation events.

## GROUNDWATER HYDROLOGY IN THE VICINITY OF THE ZIA II GAS PROCESSING PLANT

Based on the New Mexico Water Rights Database from the New Mexico Office of the State Engineer, there are four (4) freshwater wells located within an approximate one-mile radius of the Zia II Plant, the closest of which is located approximately 0.6 miles from the facility. All wells within the area are shallow, collecting water from depth intervals between 250 to 350 feet in the geologic interval of Triassic redbeds. Records indicate that the shallowest depth to groundwater observed is at a depth of approximately 102 feet below the ground surface. All groundwater wells within a one-mile radius, centered on the Zia II Gas Processing Facility, are summarized in Table 1 below and illustrated in Figure 5 of this report.

Table 1. Water wells within approximately one mile of the Zia II Gas Processing Plant (retrieved from the New Mexico Office of the State Engineer records)

POD #	Owner	Use	UTME	UTMN	Total Depth (ft)	Water Depth (ft)	Dist. From Plant Center (mi)
CP 00642 EXPL	Phillips Petroleum Co.	Exploration	611025	3611657	250	-	0.609
CP 00640 EXPL	Phillips Petroleum Co.	Exploration	612621	3613280	260	102	0.805
CP 00639 EXPL	Phillips Petroleum Co.	Exploration	613029	3612880	350	345	0.684
CP 00563 EXPL	Phillips Petroleum Co.	Exploration	612118	3613379	-	-	0.878

The area surrounding the DCP facility is arid and there are no bodies of surface water within a one-mile radius.

Geolex conducted a review of *Geology and Ground-Water Conditions in Southern Lea County, New Mexico* (Nicholson & Clebsch, 1961) to identify published groundwater data representative of nearby water wells in the area of the DCP Zia II Gas Processing Facility. Table 2 summarizes the wells identified in this review and the results of those analyses.

Table 2. Chemical analysis results of samples collected from water wells in the area of the DCP Zia II Gas Plant (Nicholson & Clebsch, 1961 – *Geology and Groundwater Conditions in Southern Lea County, New Mexico*)

Location (T-R-S)	Aquifer	Depth (ft)	Ca (ppm)	Mg (ppm)	Na+K (ppm)	HCO3 (ppm)	SO4 (ppm)	Cl (ppm)	NO3 (ppm)	TDS mg/l
19-32-8	Triassic	-	10	13	131	306	74	21	64	426
19-36-32	Ogallala	32	84	-	158	261	225	79	6.8	668

While there are no groundwater wells on the facility property for which sample analyses can be completed, historical records indicate that total dissolved solid (TDS) concentrations in the general area of the DCP Zia II facility ranges from 426 to 668 ppm (Table 2). These concentrations are in general agreement with groundwater TDS concentrations, as documented by U.S.G.S. Water Science Center records for Lea County, New Mexico, which document an average TDS value of 766 ppm for shallow alluvium and Santa Rosa groundwater resources (National Water Quality Monitoring Council, retrieved on December 12, 2022).

## SURFACE GEOLOGY AND SOIL TYPES OF THE FACILITY AND SURROUNDING LAND

As documented in the Natural Resources Conservation Service (USDA) Soil Survey records, three main soil units characterize the Plant property and surrounding areas adjacent to the property. These include Maljamar and Palomas fine sands (MF), Pyote and Maljamar fine sands (PU), and Pyote loamy fine sand (PT). Additional major soil units characterizing the greater area include the Berino complex (BB) and the Kermit-Palomas find sands (KD). Generally, well-drained fine sand deposits characterize the surficial sediments of the Plant property and adjacent surface lands. Figure 6 illustrates soil units that characterize the surface lands in the area of the Zia II Gas Plant and characteristics of each soil unit are summarized in the following Table 3. Detailed map unit descriptions for each soil unit are also included in Appendix A.

Table 3. Summary of soil characteristics for the mapped soil units in the area of the DCP Zia II Gas Plant

Soil Unit	Landform	Profile	Drainage Class	Runoff Class	Ksat	Max. Salinity	Depth to Restrictive Layer
Berino Complex (BB)	Plains, fan piedmonts	F. Sand 0-17 in Sandy Clay Loam 17-58 in Loamy Sand 58-60 in	Well drained	Low	Mod-High 0.6-2.0 in/hr	Slightly saline (2-4 mmhos/cm)	>80 inches
Kermit Palomas Fine sands (KD)	Dunes	(A)Fine Sand 0-8 in (B) Fine Sand 8-60 in	Excessively drained	Very low	Very High 20 in/hr	Nonsaline (0-1 mmhos/cm)	>80 inches
Maljamar, Palomas fine sands (MF)	Plains	(A)Fine Sand 0-24 in (Bt)Sandy clay loam 24-50 in (Bkm)Cemented mat. 50-60 in	Well drained	Very low	Very low (0.0-0.6 in/hr)	Nonsaline to slightly (0-2 mmhos/cm)	40-60 inches
Pyote loamy fine sand (PT)	Plains	(A)Loamy fine sand 0-25 in (Bt)Fine sandy loam 25-60 in	Well drained	Negligible	High (2-6 in/hr)	Nonsaline to slightly (0-2 mmhos/cm)	>80 inches
Pyote and Maljamar fine sands (PU)	Plains	(A)Fine sand 0-30 in (B)Fine sandy loam 30-60 in	Well drained	Negligible	High (2-6 in/hr)	Nonsaline to slightly (0-2 mmhos/cm)	>80 inches

## 4.0 POTENTIAL AND INTENTIONAL DISCHARGES AT THE FACILITY

Gas processing operations at the DCP Zia II Gas Plant do not require or include intentional discharge of effluent, except for a septic system and leach field incorporated to handle purely domestic sewage from on-site office sinks and bathrooms. The Plant facility and operations have included specific design considerations to prevent potential discharges to groundwater from the on-site storage and transfer of liquid products and wastes, which, if not properly addressed, may represent potential discharges to groundwater. On-site storage of liquids is generally characterized by low volumes of produced water and wastewater, various equipment oils, hydrocarbon condensate liquids, precipitation, and limited chemical liquids required for site operations (e.g., methanol, glycol, amine solution). While the storage, loading and unloading of these materials may represent potential discharge sources, these liquids are all contained on site in appropriate, suitable vessels with secondary containment. There are not, and have never been, any impoundments or open storage or retention of liquid or solid waste material which would present a potential threat to groundwater resources.

Product and waste storage vessels at the DCP facility are either:

- (1) elevated and fully visible,
- (2) elevated and placed in secondary containment structures,
- (3) placed above ground and within secondary containment (on skids that drain to a sump, or within separate containment structures),
- (4) above ground and not contained (raw water or RO water only), or
- (5) below ground surface in containment and monitored by sensors and sump systems.

All effluent and solid waste relating to facility processing operations are stored in enclosed tanks, with secondary containment, or double-walled sumps with high level alarms. All piping that transports potential effluent streams between facility process units are located above ground or overhead, such that any leak or loss of integrity will be identified immediately.

Figure 7 includes a detailed map of the DCP Zia II Gas Processing Plant, which has been annotated to describe general locations on the property in which fluids are stored via containment and sump systems, storage tanks and surge tanks, or other suitable storage systems. The details of these locations, including fluid contained, general composition, volumes, and other relevant information are summarized in Table 4 below.

Table 4. Summary description of fluids and containment systems present on the DCP Gas Processing Plant property. Map location numbers listed correspond to annotated locations found in Figure 7.

Map Location	Description	Containment Type	Volume	Composition	Secondary Containment?	Setting
1	Condensate Surge Tank	Stainless Steel	60,000 gal	Condensate	No	Elevated
2	LP Inlet Separator	Stainless Steel	2,900 gal	LP Produced Water	No	Elevated (insulated)
3	Condensate Storage Tank	Steel	1,000 bbl	Condensate	Yes	Above Ground
4	Condensate Storage Tank	Steel	1,000 bbl	Condensate	Yes	Above Ground
5	Methanol Storage Tank	Steel	1,500 gal	Methanol	Yes	Above Ground
6	Methanol Storage Tank	Steel	1,500 gal	Methanol	Yes	Above Ground
7	Methanol Storage Tank	Steel	1,036 gal	Methanol	Yes	Above Ground
8	Slug Catcher	Steel	2,000 bbl	HP Produced Water	No	Elevated
9	Slug Catcher	Steel	2,000 bbl	HP Produced Water	No	Elevated
10	Discharge Separator	Steel	1,000 gal	Gas / Condensate	No	Above Ground
11	Blow Case	Steel	50 gal	Gas / Condensate	No	Above Ground
12	Blow Case	Steel	50 gal	Gas / Condensate	No	Above Ground
12a	Blow Case	Steel	50 gal	Gas / Condensate	No	Above Ground
13	Blow Case	Steel	50 gal	Gas / Condensate	No	Above Ground
14	Blow Case	Steel	50 gal	Gas / Condensate	No	Above Ground

15	HP Inlet Compressor Discharge Scrubber	Stainless Steel	2,000 gal	Gas / Condensate	No	Above Ground
16	HP Inlet Comp. Discharge Scrubber	Stainless Steel	2,000 gal	Gas / Condensate	No	Above Ground
17	Slop Tank	Steel	300 bbl	Skid water, precipitation	Yes	Above Ground
18	Slop Tank	Steel	300 bbl	Skid water, precipitation	Yes	Above Ground
19	Water Flash Tank	Steel	940 gal	LP Produced Water	No	Elevated
20	Residue west sump	Fiberglass double-walled	700 gal	Skid water, precipitation	Yes	Below Ground
21	AGI Sump	Fiberglass double-walled	700 gal	Skid water, precipitation	Yes	Below Ground
22	Amine Area Sump	Fiberglass double-walled	700 gal	Skid water, precipitation	Yes	Below Ground
23	Stabilizer Sump	Fiberglass double-walled	700 gal	Skid water, precipitation	Yes	Below Ground
24	Main Plant Sump	Fiberglass double-walled	700 gal	Skid water, precipitation	Yes	Below Ground
25	Residue east sump	Fiberglass double-walled	700 gal	Skid water, precipitation	Yes	Below Ground
26	Raw Water Storage Tank	Fiberglass	1,000 bbl	Freshwater	No	Above Ground
27	Amine Storage Tank	Steel	400 bbl	Amine	Yes	Above Ground
28	Treated Storage Tank	Steel	175 bbl	Treated Water	Yes	Above Ground
29	Glycol Storage Tank	Steel	150 bbl	Glycol	Yes	Above Ground
30	Used refeed., lube oil	Steel	500 gal	Used Lube Oil	Yes	Above Ground
31	Fresh refeed. Lube oil	Steel	500 gal	Fresh Lube Oil	Yes	Above Ground
32	HMO Make-up Tank	Steel	150 bbl	HMO Make-up	Yes	Above Ground
33	Wastewater Tank	Steel	195 bbl	Wastewater from RO Unit	Yes	Above Ground
34	Engine Oil Tank	Steel	1,036 gal	Engine Oil	Yes	Elevated
35	Engine Oil Tank	Steel	1,036 gal	Engine Oil	Yes	Elevated
36	Used Engine Oil Tank	Steel	1,036 gal	Used Engine Oil	Yes	Elevated
37	Used Engine Oil Tank	Steel	1,036 gal	Used Engine Oil	Yes	Elevated
38	Glycol Tank	Steel	1,036 gal	Glycol	Yes	Elevated
39	Glycol Tank	Steel	1,036 gal	Glycol	Yes	Elevated
40	Crank Case Oil Tank	Steel	1,036 gal	Crank Case Oil	Yes	Elevated
41	Used Crank Case Oil Tank	Steel	1,036 gal	Used Crank Case Oil	Yes	Elevated
42	Compressor Lube Oil Tank	Steel	1,036 gal	Compressor Lube Oil	Yes	Elevated



43	Compressor Lube Oil Tank	Steel	1,036 gal	Compressor Lube Oil	Yes	Elevated
44	Compressor Lube Oil Tank	Steel	1,036 gal	Compressor Lube Oil	Yes	Elevated
45	Product Surge Tank	Steel	90,000 gal	Gas / Condensate	No	Elevated
46	Product Surge Tank	Steel	90,000 gal	Gas / Condensate	No	Elevated

In addition to the itemized containment described in Table 4, operations at the DCP Zia II Gas Processing Plant require maintaining a limited stock of additional chemical liquids, which are necessary for the processing operations at the facility. A summary of these additional materials is provided in Table 5.

Table 5. Additional chemical liquids stored at the DCP Zia II Facility. Note, all additional materials are stored near process units for which they are utilized, and design considerations include secondary containment measures.

Material Stocked	Volume	Secondary Containment?
Corrosion Inhibitor	1130 gallons	Yes
Iron Sulfide Remover	130 gallons	Yes
Emulsion Breaker	500 gallons	Yes
Paraffin Control	500 gallons	Yes
Methanol	500 gallons	Yes
Defoamer	200 gallons	Yes

In handling all waste effluent streams and solid waste, disposal methods include collection of the materials from facility containment and sump systems and trucking off site to approved disposal facilities. There is no open retention of solid waste materials on site, and precipitation contacting processing equipment is collected by associated containment structures and trucked off site for disposal. NGL products are trucked off site, daily, and are sold. All chemical stocks required for facility operations are stored in suitable secondary containment structures.

Domestic sewage effluent from the facility offices and control room represents the only on-site disposal of waste occurring at the Zia II facility. Sewage effluent from these Plant buildings is received by an adjacent septic system including tank and leach field, which are all contained within the facility property boundaries. Wastes from the septic system are collected, and as necessary, are trucked off site for disposal. Wastewater from the Zia Plant is taken offsite to the Cooper Freshwater and SWD Facility, located approximately 2.3 miles south of Monument, New Mexico (approximate NAD83 coordinates of 32.58985, -103.26711). The facility is supported by the Cooper 8 #002 well (API: 30-025-36529), operated by J Cooper Enterprises, Inc. All wastes for off-site disposal are collected and transported by McNabb Services, Inc., utilizing appropriate vacuum trucks and equipment as necessary.

As described previously, all effluent and solid wastes associated with facility process units are stored in enclosed tanks with secondary containment or double-walled sumps with high level alarms. With the exception of sewage effluent from facility offices, which utilize a septic system, all other facility effluent and solid wastes are collected and trucked off site for disposal.

Surface topography on the Zia Plant Property and greater project area is generally flat, sloping slightly toward the southwest direction (Figure 3). The approximate slope of the ground surface on the property is 0.2° (approx. 0.003 ft./ft.) and elevation gently declines toward the southwest. Any stormwater runoff that remains on the Facility grounds is managed by a sump system. Additionally, berms and/or concrete containment structures are utilized near storage tanks to prevent stormwater intrusion and the

accumulation of stormwater near containment structures. Stormwater falling on structures or process units are collected via the facility sump systems and are transported and disposed of as described above.

## 5.0 FACILITY COLLECTION AND STORAGE SYSTEMS

A comprehensive summary of on-site vessels, containment structures, and associated liquids is provided in Table 4, and Figure 7 illustrates the location of such equipment and process areas.

The risk for potential discharges to groundwater at the DCP Zia II facility relate primarily to volumes of produced water and NGLs generated from gas-processing operations at the facility. For both of these, commercial trucking services are utilized for transportation offsite. NGLs isolated by facility operations are transported off site and sold to consumers. Produced water and other facility-related liquid wastes are also transported off site, via commercial trucking services, to approved waste-disposal facilities.

With the general exception of large slug catchers and surge tanks, all vessels containing liquid materials include secondary containment design considerations. Facility design considerations include six (6) sump systems which are below ground containment structures and include sensors to monitor conditions and activate alarms, via the facility control system. All other vessels and liquid storage areas are constructed above ground or are elevated and fully visible for routine inspection purposes.

All piping at the Zia Plant with the potential for contaminant discharge to groundwater has been constructed above the ground surface or overhead, such that any failure or minor loss of integrity (leak) can be rapidly identified, and appropriate response procedures can be implemented. Furthermore, due to the throughput nature of operations at the facility, effluent transmission operations within the DCP facility are continually monitored and integrated into Plant control systems. Buried piping on the facility property is limited to flowlines to the sump systems, freshwater transmission, and the septic treatment system located adjacent to the facility control room.

## 6.0 INSPECTION, MAINTENANCE, AND REPORTING

Operations at the DCP Zia II Processing Facility include 24-hour manned operation. Visual inspection of operating equipment and containment structures is completed during each 12-hour operator shift, in accordance with DCP facility procedures. Additionally, routine inspection and required maintenance is performed monthly to verify the integrity of all storage and containment structures, identify any potential indications of material degradation, and ensure the proper disposal of all waste materials. Operator rounds are tracked using Field Data Capture (FDC), a Microsoft App created by DCP, as well as Annual Tank and Berm Inspection spreadsheet. Hard copies of inspection reports are reviewed and retained at the Plant office. Any anomalous conditions or areas of concern identified in daily inspections are immediately reported and addressed to ensure timely resolution. All inspection and maintenance records are retained by DCP for at least five years, pursuant to the requirements of 20.6.2.3107.A(7) NMAC.

## 7.0 PROPOSED MODIFICATIONS

The plan described in this document reflects the initial application of DCP Operating Company, LP, to attain approval of a Groundwater Discharge Plan for the Zia II Gas Processing Facility. As such, no modifications to the plan or facility operations are proposed.

## 8.0 CONTINGENCY PLAN FOR RELEASE EVENTS

DCP Operating Company, LP responds to all release events in accordance with the requirements of the State of New Mexico, as described in 19.15.29 NMAC and 20.6.2.1203. Described below is an organized general summary of actions that will be taken by DCP in responding to a release event, remediating the impacts of release, and reaching closure for an event at the Zia II Gas Processing Facility. Furthermore, DCP facility design considerations and personnel training practices aim to significantly reduce the potential for release events by implementing practices and engineering controls intended to prevent release events before they happen. These practices include, but are not limited to, routine inspection protocols, operator training programs, operations monitoring and automated controls for emergency shutdown and facility isolation protocols, and engineered containment structures around process units and areas, all of which aid in minimizing the potential for release events at the DCP Zia II Facility.

While engineering controls and operator training aid in minimizing environmental risk, clear protocols for responding to a release event remain necessary and have been implemented at the Zia II Gas Processing Facility. Key elements of the contingency plan and response procedures generally include the rapid identification of a release event and immediate action to prevent further release, containment and recovery of any materials released, and notification and reporting to any and all interested parties, including, but not limited to, relevant state and federal agencies, nearby residents and persons in close proximity to the release event, relevant adjacent operators, and DCP management and supervisory personnel. In the following sections, we provide a brief overview of the contingency plan response and remediation actions following a release event.

### RELEASE IDENTIFICATION AND IMMEDIATE ACTIONS

In the event a release is identified via routine facility inspection, operations monitoring, or by reports of facility personnel or another third party, immediate action will be taken to intervene and minimize the potential for environmental impact. As applicable, and if deemed safe to do so, responding personnel will take appropriate measures to stop the source of the release, via process shutdown, isolation, or other appropriate measures. In the event responding personnel are unable to stop the release, appropriate operations and/or supervisory personnel will be contacted immediately to effect appropriate intervention methods and/or facility shutdown protocols. Under all circumstances, access to the area of release will be limited to response personnel and all non-essential personnel will be advised to evacuate the area of the release.

As necessary, and depending on the nature of a potential release, materials such as berms, dikes, liners, or absorbent pads may be utilized to contain materials released. If necessary, additional earthen dams or pits may be constructed to contain released materials in the event existing topographic features provide less desirable containment for released material. All materials capable of recovery (i.e., via vacuum truck or similar equipment) will be collected and removed from the surface to mitigate and/or prevent seepage of potential contaminant substances to soil and/or groundwater. All recovered materials will be removed from the facility and sent to an appropriate waste disposal facility. Once appropriate actions have been taken to stop the source of the release and recover any released materials present on the surface, notification to all relevant parties (e.g., NMOCD, BLM, EPA, etc., as applicable) will be made to ensure the circumstances of the release are appropriately documented and that an appropriate plan is developed to evaluate potential impacts to the site and to determine the need, if any, for further remedial action.

### ASSESSMENT AND REMEDIATION FOLLOWING A RELEASE

Upon successful intervention and response to a release event, and in accordance with a plan-of-action agreed upon by DCP and relevant regulatory authorities, a site assessment will be completed to investigate and characterize the impact of any such release event. Depending on the nature of the release, this assessment may include vertical and horizontal delineation of the area of soils impacted by the release

(i.e., via soil sampling and laboratory analysis). From this characterization, map resources illustrating the release area and locations of soil sample collection and analysis will be prepared, along with estimations of the volume of impacted material at the facility. DCP will prepare and submit to all relevant parties (i.e., NMOCD, BLM, etc.) a complete report of the findings of this sampling and contaminant delineation analysis, which will include a proposed remediation strategy and preliminary schedule for remediation activities. Once approved by all relevant agencies, remediation activities will commence as quickly as possible to prevent any potential impacts to soil or to groundwater via seepage from impacted materials. All remediation activities will be completed such that they meet the performance criteria of the agency-approved workplan and/or closure criteria as defined in 19.15.29 NMAC, such that final reclamation of the site and re-establishment of vegetation can be successful upon any future closure of the Zia II Gas Processing Facility.

## 9.0 PUBLIC NOTICE

In submitting this Groundwater Discharge Permit Application for review, DCP acknowledges that the application is subject to public notice requirements of WQCC 20.6.2.3108 NMAC. Within 30 days of the New Mexico Oil Conservation Division determination that the application is administratively complete, DCP shall provide notice to the general public in the locale of the facility, pursuant to the requirements of WQCC 20.6.2.3108(B) NMAC. After the NMOCD determines that this Application is administratively complete, written notice of this Application will be displayed for 30 days at the main entrance to the Facility and in the local post office. Similarly, notice of this application will be published in the locally circulated newspaper, the Hobbs News Sun, and any landowners within one-third of a mile from the Facility boundary shall be notified of this Application via USPS. Proof of publication and correspondence with nearby landowners will be provided to NMOCD within 15 days of completion. See Appendix B for an example of the public notice letter and newspaper publication that will be issued following NMOCD's determination that this application is administratively complete.

All public notices provided will include all relevant information, as described in WQCC 20.6.2.3108(F) NMAC, including:

1. The name and address of the applicant for approval of a discharge plan
2. The location of the potential discharge, including a street address, if available, and sufficient information to locate the facility with respect to surrounding landmarks;
3. A brief description of the activities that produce the potential discharge described in the application;
4. A brief description of the expected quality and volume of any actual or potential discharge;
5. The depth to and total dissolved solids concentration of the ground water most likely to be affected by any actual or potential discharge;
6. The address and phone number within the department by which interested persons may obtain information, submit comments, and request to be placed on a facility-specific mailing list for future notices; and
7. A statement that the department will accept comments and statements of interest regarding the application and will create a facility-specific mailing list for persons who wish to receive future notices.

## 10.0 FACILITY CLOSURE PLAN/POST-CLOSURE PLAN

DCP's Zia II Gas Processing Facility and associated AGI facility are constructed on federal surface lands, which are overseen by the U.S. Department of the Interior, specifically, the Bureau of Land Management (BLM). The lease serial number for the DCP Zia II Facility is NMLC065863. Throughout the period of service, and upon closure of the facility, DCP will coordinate with BLM personnel and will maintain and reclaim all disturbed surface lands in accordance with required Interim and Final Abandonment Reclamation requirements.

Prior to any such closure of the Zia II Gas Processing Facility, notice will be provided to the BLM Carlsbad District Field Office and Santa Fe Office, as well as to the New Mexico Oil Conservation Division at least 30 days prior to closure. At that time, final details and requirements of site-closure operations will be confirmed to ensure appropriate actions are taken to adequately reclaim the site at the time of proposed closure. Financial assurance for closure of the facility will be provided, as required and in accordance with conditions of the BLM lease.

Key aspects of the Zia II Gas Processing Facility Closure Plan include the following:

### 1. PREPARATION FOR FACILITY CLOSURE

DCP will isolate any fluids from pipelines and all existing containment structures where liquids are kept for storage. All lines, vessels, and containment structures will be flushed and purged of remnant fluids and material to ensure there is no potential for waste discharge during site closure activities. All purged and recovered fluids will be transported offsite to an approved disposal facility, as previously described. Similarly, any solid waste will be packaged and disposed of off-site at an approved landfill or recycling facility, in accordance with the disposal requirements of such waste. Equipment used to store materials such as hydrocarbons will be properly cleaned and purged to remove any trace hydrocarbons or other substances and prevent any potential for leaching to groundwater. The Facility sump system will be used to clean out all containment structures, and the resulting fluids will be recovered and stored in appropriate temporary containment vessels or immediately transported offsite for proper disposal. All secondary containment structures used in facility operations will be properly cleaned in order to avoid any groundwater contamination.

### 2. SITE DECOMMISSIONING

Following waste disposal and site preparation activities, decommissioning of facility process equipment and infrastructure will commence. This will generally include, but is not limited to, the physical removal of pipelines (if necessary), facility process equipment, and all associated racks/piping/etc. These activities will be completed in accordance with final site reclamation plans, as determined through coordination with relevant regulatory agencies. Pipelines and other vessels that have been properly cleaned out will either remain in place, be dismantled and disposed of, be recycled, or sold or repurposed at another facility. This may include flares, amine tanks, dehydrators, and all vessels associated with compression, treatment, and processing activities at the Zia II Gas Plant. DCP will determine the final disposition of recycled or waste materials at the time of facility closure and in accordance with the final, agency-approved closure strategy.

### 3. SITE ENVIRONMENTAL ASSESSMENT AND REMEDIATION ACTIVITIES

Following decommissioning activities, DCP will evaluate any potential impact to the surface or subsurface lands resulting from the operation of the Zia II Facility. As necessary, this may include an environmental assessment of the Plant property, grid-based sampling of surface soils at various points on the property, and potential remediation of identified environmental conditions.

See Figure 8 for an example of a preliminary post-closure site sampling strategy. Sampling and analysis activities will fully delineate the extent of any contaminants present using a grid-based sampling method with additional sampling as necessary, and any required remediation activities will be completed in accordance with the regulatory requirements. All contaminants of concern (COC) will be addressed in accordance with this plan and associated regulatory standards, if any are found to be present on the site. Based on the results of laboratory analyses of soil samples, a suitable site delineation and remediation plan will be developed and implemented. Examples of these activities may include, but are not limited to, contaminated soil excavation, groundwater and/or soil treatment activities, and/or the installation of monitoring wells to verify site conditions adequate for closure.

#### 4. FINAL SITE RECLAMATION

Upon confirmation that the facility property has met the standards for environmental condition, site reclamation and re-vegetation activities will be implemented by DCP in accordance with a final BLM-approved reclamation procedure. This will include site grading to match the native topographic attributes of the area, soil management, and seeding to re-establish vegetation appropriate for the project area. DCP will coordinate and collaborate with BLM, the surface landowner, during this time to confirm an appropriate reclamation and re-seeding plan, and to monitor and ensure the success of site-reclamation activities. All reclamation activities will be designed such that they continue to ensure a proper facility closure that does not pose any on-going risk to groundwater or the environment.

Table 6. Estimated Closure Cost Estimates

<b>Task</b>	<b>Estimated Cost</b>
<b>Task 1: Zia Gas Processing Plant Shut Down</b>	
Purge & Flush	\$120,000.00
Waste Disposal	\$25,000.00
Isolate / Lockout	\$10,000.00
Disassembly and Removal of all site structures and equipment	\$500,000.00
Waste Transport, Disposal, and Recycling	\$20,000.00
<b>Task 2: Soil Investigation &amp; Remediation</b>	
Soil Sampling	\$ 15,800.00
Remediation and Haul-Off/Disposal (1,000 yds <sup>3</sup> )	\$ 148,000.00
<b>Task 3: Reclamation</b>	
Restoration & Reseeding (approx. 55 acres)	\$ 365,000.00
Revegetation Monitoring & Closure (period of 2 years)	\$ 26,500.00
Reclamation Misc. and Contingency Expenses	\$20,000.00
<b>Total:</b>	<b>\$1,250,300.00</b>

## 11.0 GROUND WATER DISCHARGE PERMIT APPLICATION AND PERMIT FEES

In accordance with WQCC 20.6.2.3114 (Table 2) NMAC, DCP Operating Company, LP (the applicant) has made payment of a \$100.00 filing fee to the Water Quality Management Fund.



Upon determination by the New Mexico Oil Conservation Division that a discharge permit can be issued for the DCP Zia II Facility, the associated permit fee of \$4,000.00 will be paid to the Water Quality Management Fund, pursuant to the requirements of WQCC 20.6.2.3114 (Table 1) NMAC.

All payments have, or will be paid and sent to the following address:

Water Quality Management Fund  
Oil Conservation Division  
Attn: Environmental Administrative Permitting Supervisor  
1220 South St. Francis Drive  
Santa Fe, NM 87505

## **12.0 ADDITIONAL INFORMATION -- ON-SITE DISPOSAL OF CARBON DIOXIDE AND HYDROGEN SULFIDE GAS**

Gas processing operations at the DCP Zia II Gas Plant include the utilization of two AGI wells to dispose of TAG consisting of CO<sub>2</sub> and H<sub>2</sub>S gases. Both wells are located on the Plant surface property and are regulated by the Oil Conservation Division Underground Injection Control (UIC) Group. The wells include Zia AGI #1 (API: 30-025-42208) and Zia AGI D#2 (API: 30-025-42207), which were drilled to total depths of 6,360 and 14,750 feet (MD), respectively. The AGI wells are authorized for injection by New Mexico Oil Conservation Commission (NMOCC) Order R-13809-B, which was issued on October 10, 2018 and have been approved to inject up to a maximum rate of 15 million standard cubic feet (MMSCF) per day. Throughout their operational period, the AGI wells have continually demonstrated compliance with all conditions of the NMOCC Order and have injected a combined total of 16,775 MMSCF during their operational lifetime. Figure 2 illustrates the location of the AGI wells on the Zia II Gas Plant property.

Of the AGI wells operating at the Facility, the Zia AGI D#2 well is the primary disposal well, with the Zia AGI #1 well being maintained solely as a redundant injection well. This redundant well ensures disposal activities can continue uninterrupted in the unlikely event there is extended downtime for the Zia AGI D#2 well. Well design considerations for both AGI wells include multiple telescoping strings of casing, fully cemented back to the surface, which provide multiple physical barriers of steel and cement to isolate injected materials from adjacent geologic strata and groundwater resources. Pressure conditions within each casing string are monitored, such that any loss of integrity (in any one of the multiple physical barriers) is rapidly identified and addressed.

While gases injected via the two AGI wells do not represent a surface effluent source of potential release to groundwater, each well has been drilled through the shallow geologic intervals of groundwater, and as such, could transmit waste CO<sub>2</sub> and H<sub>2</sub>S gases to shallow aquifers in the event of a severe loss of well integrity (i.e., the failure of multiple barriers of steel and cement). The design, construction, integrity testing, and maintenance of both wells are subject to, and in accordance with, requirements of NMOCD and the EMNRD Underground Injection Control (UIC) program, which permits wells to operate following demonstration that groundwater resources are protected. In accordance with permit conditions, physical integrity of the well system is required to be demonstrated at all times via routine reporting of injection parameter data and annual AGI well mechanical integrity testing activities.

To prevent unauthorized discharges to the surface and/or subsurface, the injection well operating parameters are continuously monitored and automated alarm and shut-down conditions have been defined and incorporated into automated Plant control systems. Furthermore, the injection system and AGI wells have been designed and constructed such that they include multiple, automated isolation valves at the

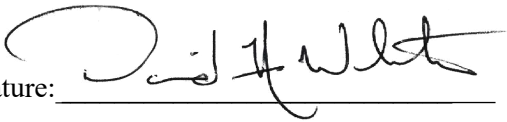
surface and below the surface. As such, any emergency shutdown of the facility or failure of associated process units or pipelines will initiate an automated shutdown of injection activities and activation of isolation valves along the injection pipeline, the injection tree and wellheads, as well as approximately 250 feet below the ground surface. In the unlikely event of failure of injection equipment, extended AGI well downtime, or loss of integrity in any facility AGI well, DCP will transition injection operations to the redundant AGI well and will provide immediate notification to NMOCD (the regulating agency). DCP will collaborate with NMOCD regarding necessary actions to resolve any identified issues with AGI operations.

### 13.0 CERTIFICATION

The proposed Groundwater Discharge Plan included herein describes design, construction, and operational details for the DCP Operating Company, LP (OGRID #36785) Zia II Gas Processing Plant, as they relate to the potential for discharge of contaminants to shallow groundwater resources. With the exception of a septic system and leach field designed to handle sewage waste from facility offices and control room only, there are no intentional discharges of effluent or open retention of solid wastes at this facility. All liquid and solid waste generated from all other facility processes are transported off site for disposal at approved facilities.

I hereby certify that the information submitted with this application is true, accurate, and complete to the best of my knowledge and belief.

David A. White, P.G.  
Vice President – Geolex, Inc.<sup>®</sup>  
Consultant to DCP Operating Company, LP

Signature:  Date: 08/07/2025

John Cook  
Environmental Director  
DCP Operating Company, LP

Signature:  Date: August 7, 2025



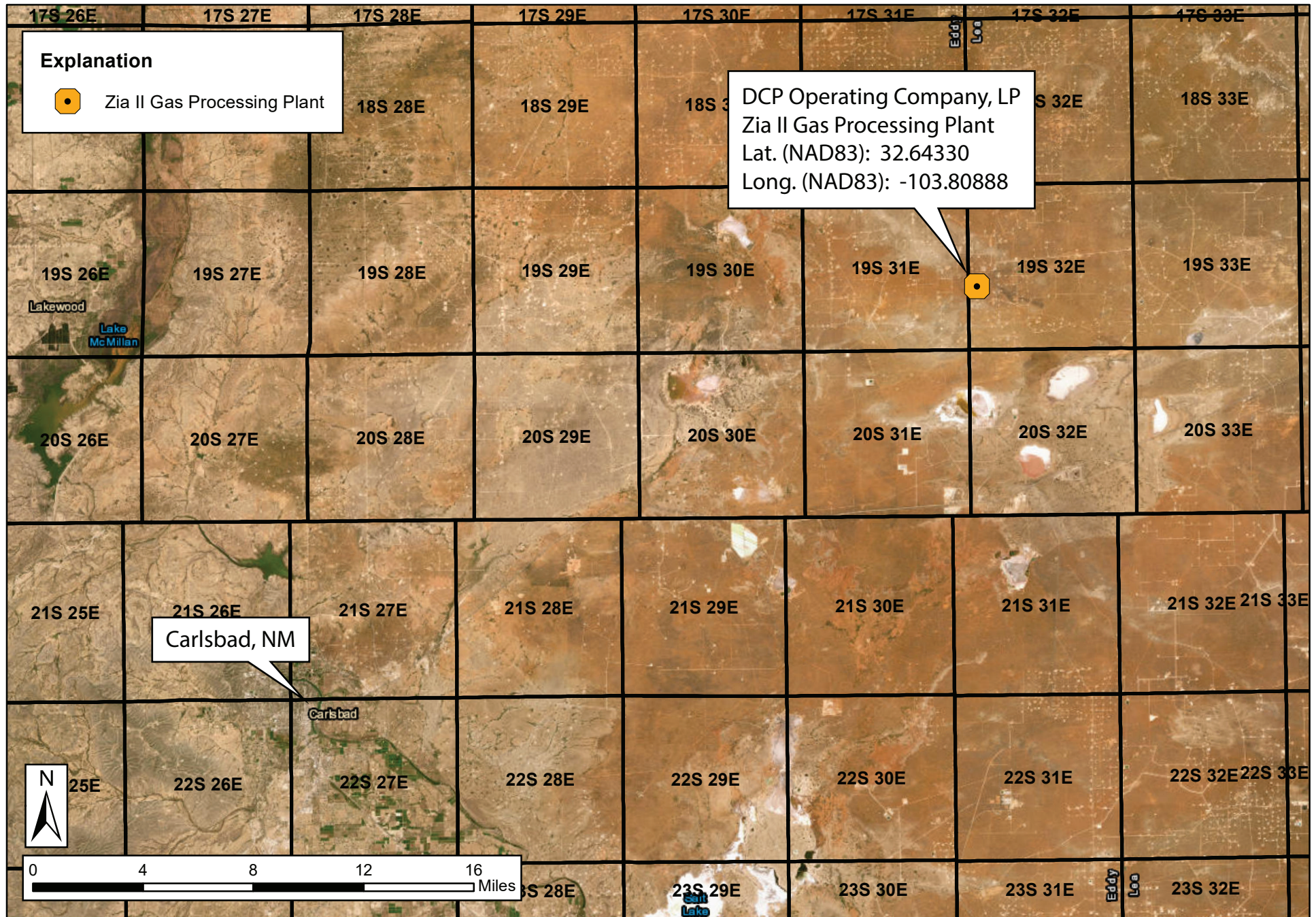


Figure 1. General location map for the existing DCP Zia II Gas Processing Plant in Section 19 of Township 19 South, Range 32 East, approximately 28 miles northeast of Carlsbad, NM.



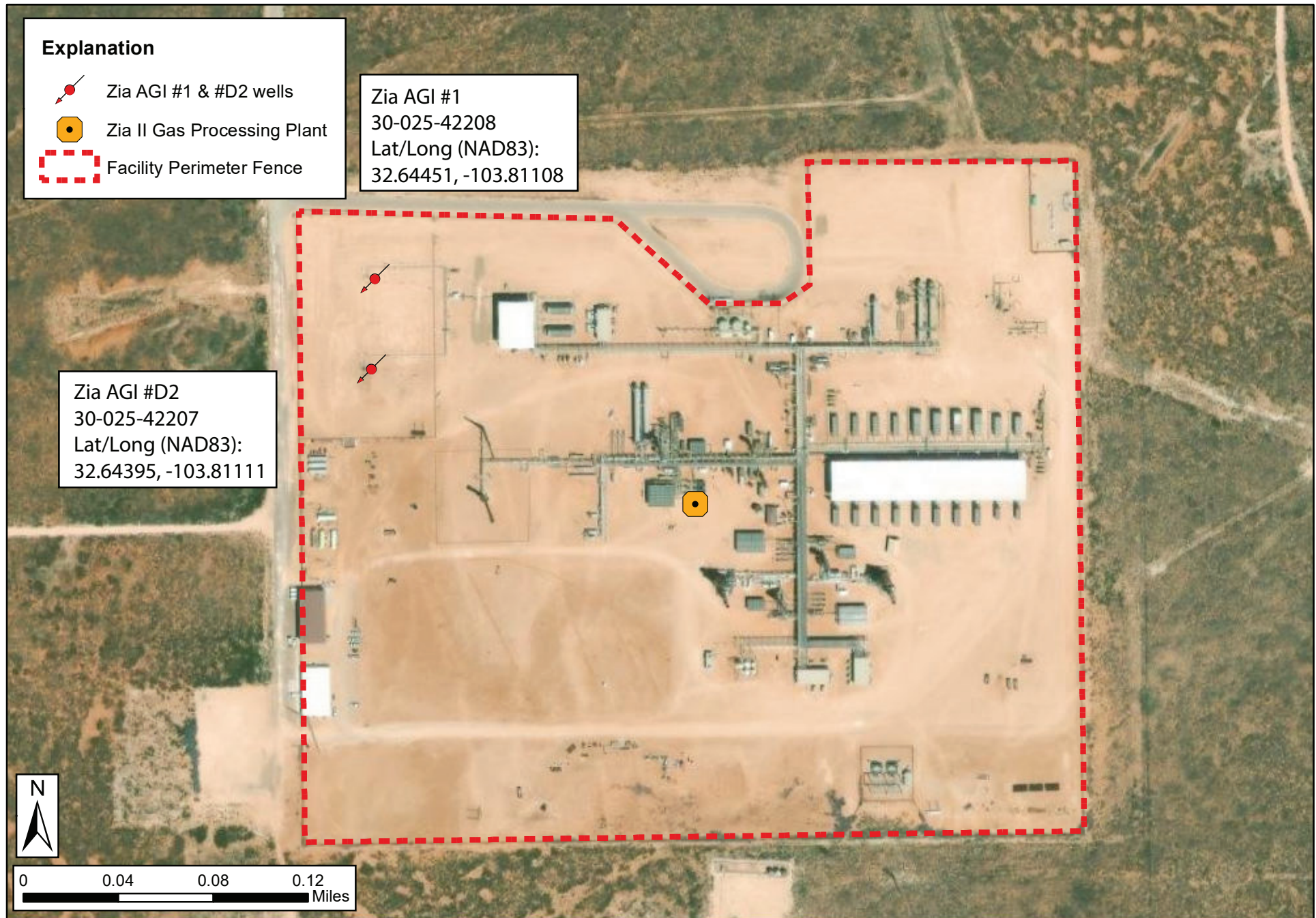


Figure 2. Close-up aerial photographic view of the DCP Zia II Gas Processing Plant, illustrating operational layout and all facility structures.



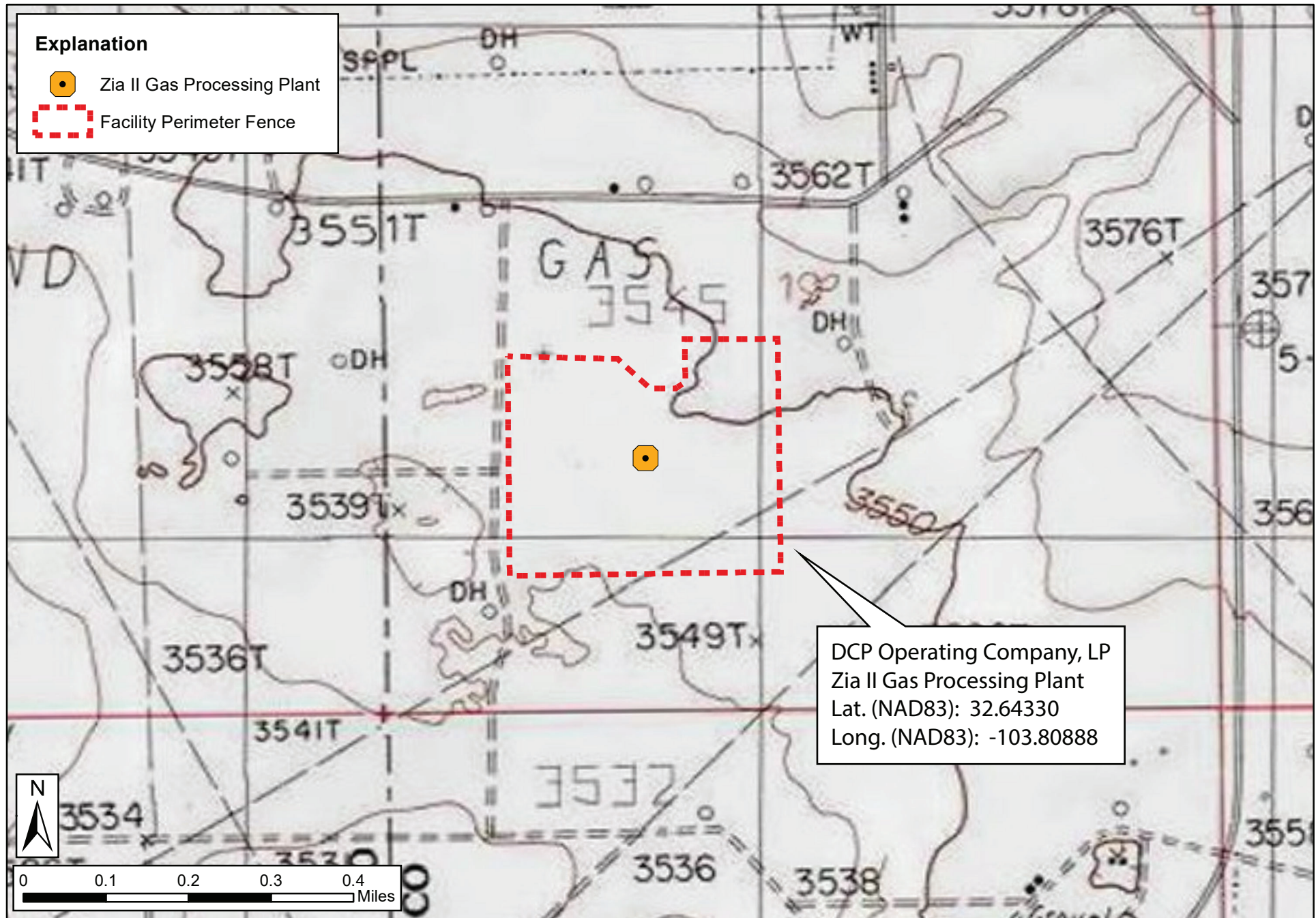


Figure 3. Surface topography map in the vicinity of the existing DCP Zia II Gas Processing Plant.


























## National Flood Hazard Layer FIRMette



## Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS		Without Base Flood Elevation (BFE) Zone A, V, A99
		With BFE or Depth Zone AE, AO, AH, VE, AR
		Regulatory Floodway
OTHER AREAS OF FLOOD HAZARD		0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
		Future Conditions 1% Annual Chance Flood Hazard Zone X
		Area with Reduced Flood Risk due to Levee. See Notes. Zone X
		Area with Flood Risk due to Levee Zone D
OTHER AREAS		NO SCREEN Area of Minimal Flood Hazard Zone X
		Effective LOMRs
		Area of Undetermined Flood Hazard Zone D
GENERAL STRUCTURES		Channel, Culvert, or Storm Sewer
		Levee, Dike, or Floodwall
OTHER FEATURES		20.2 Cross Sections with 1% Annual Chance Water Surface Elevation
		17.5 Coastal Transect
		Base Flood Elevation Line (BFE)
		Limit of Study
		Jurisdiction Boundary
		Coastal Transect Baseline
		Profile Baseline
MAP PANELS		Digital Data Available
		No Digital Data Available
		Unmapped
		The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.



Basemap Imagery Source: USGS National Map 2023



Figure 4. Flood hazard map provided by FEMA showing that the Zia II Plant is not located in a special food hazard area.





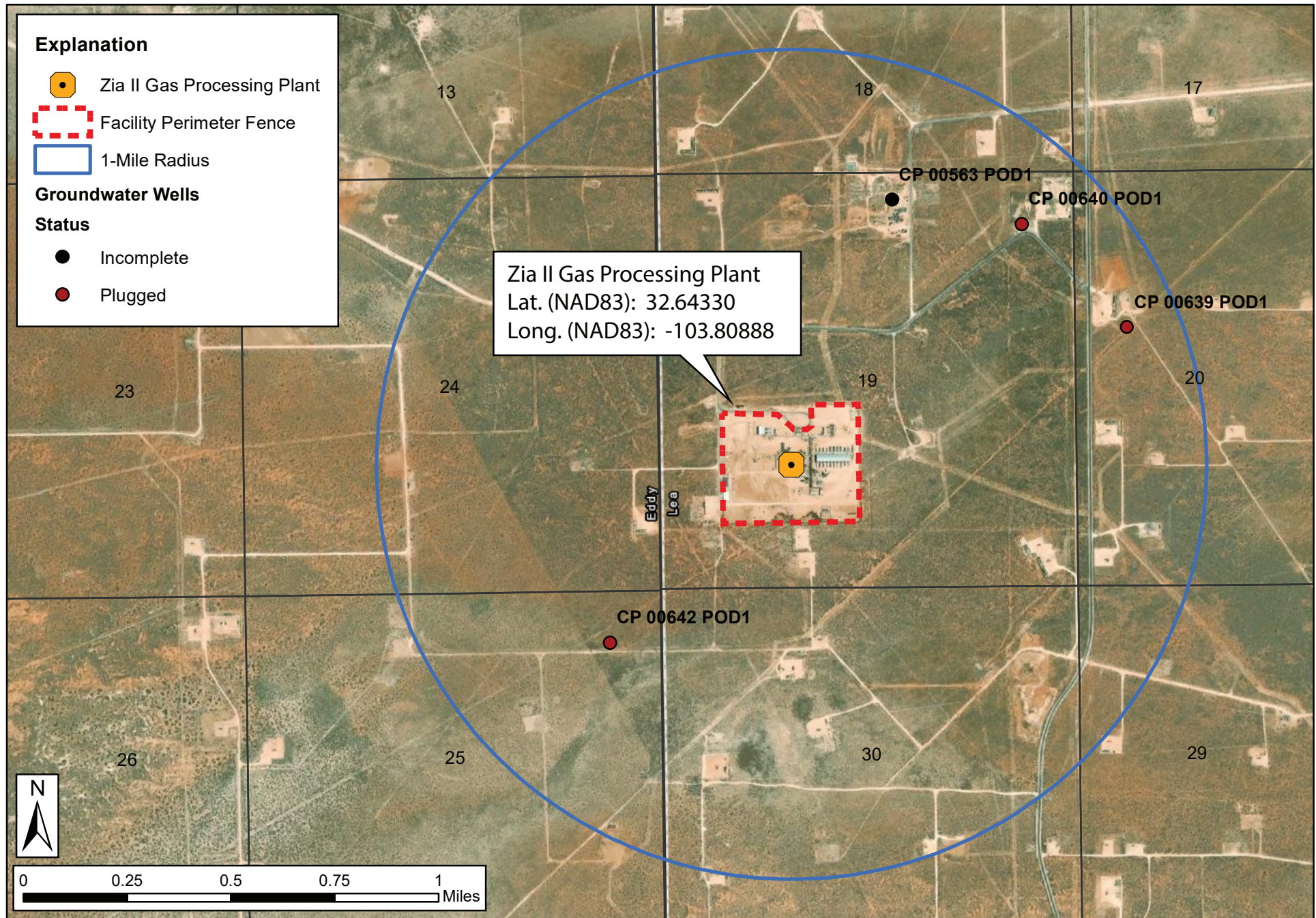
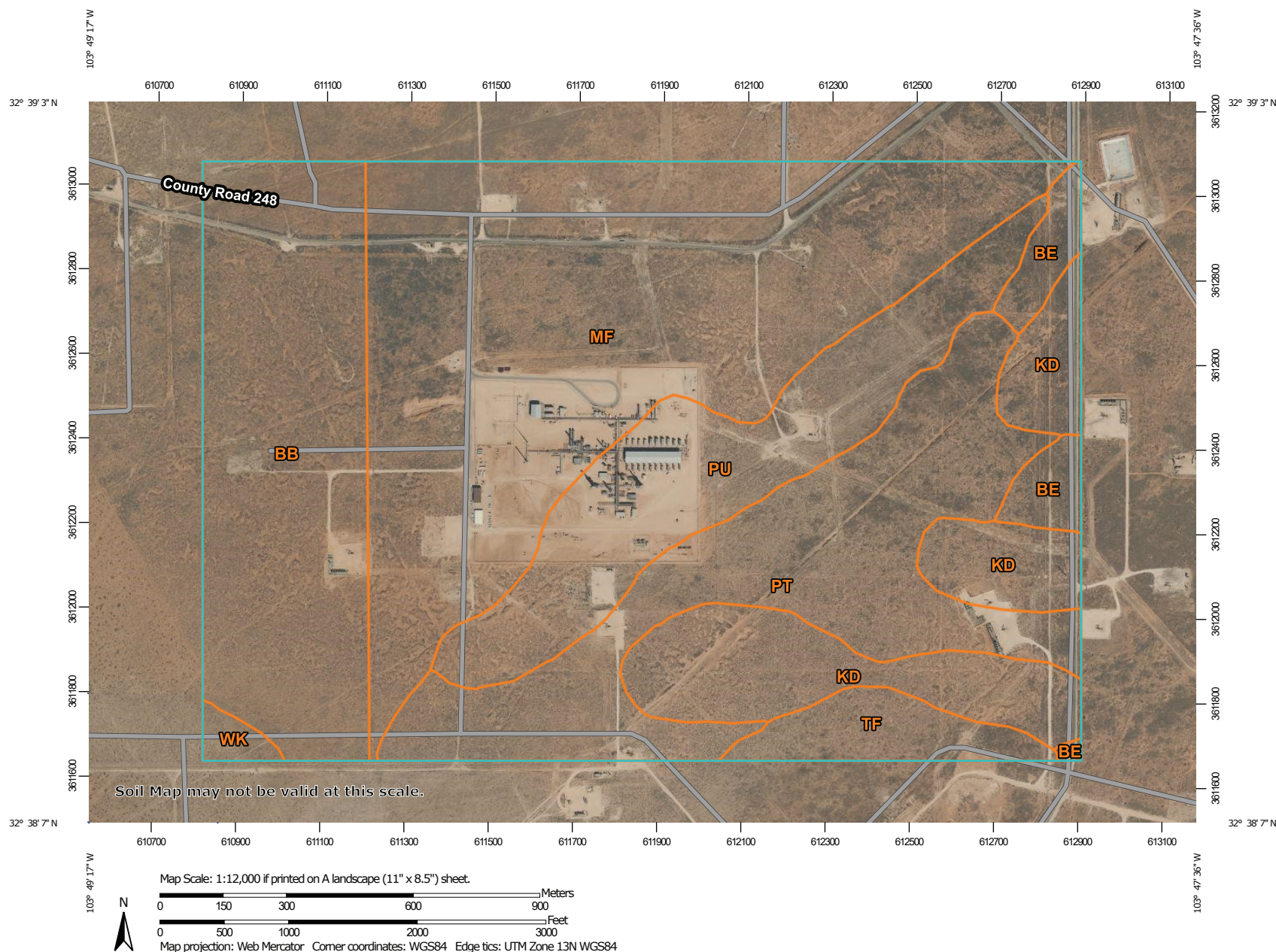


Figure 5. Water wells in the vicinity of the DCP Zia II Gas Processing Plant.





Figure 6. Mapped soil units in the area of the DCP Zia II Gas Processing Plant  
(Retrieved from NRCS Web Soil Survey).



Natural Resources  
Conservation Service

Web Soil Survey  
National Cooperative Soil Survey

12/8/2022  
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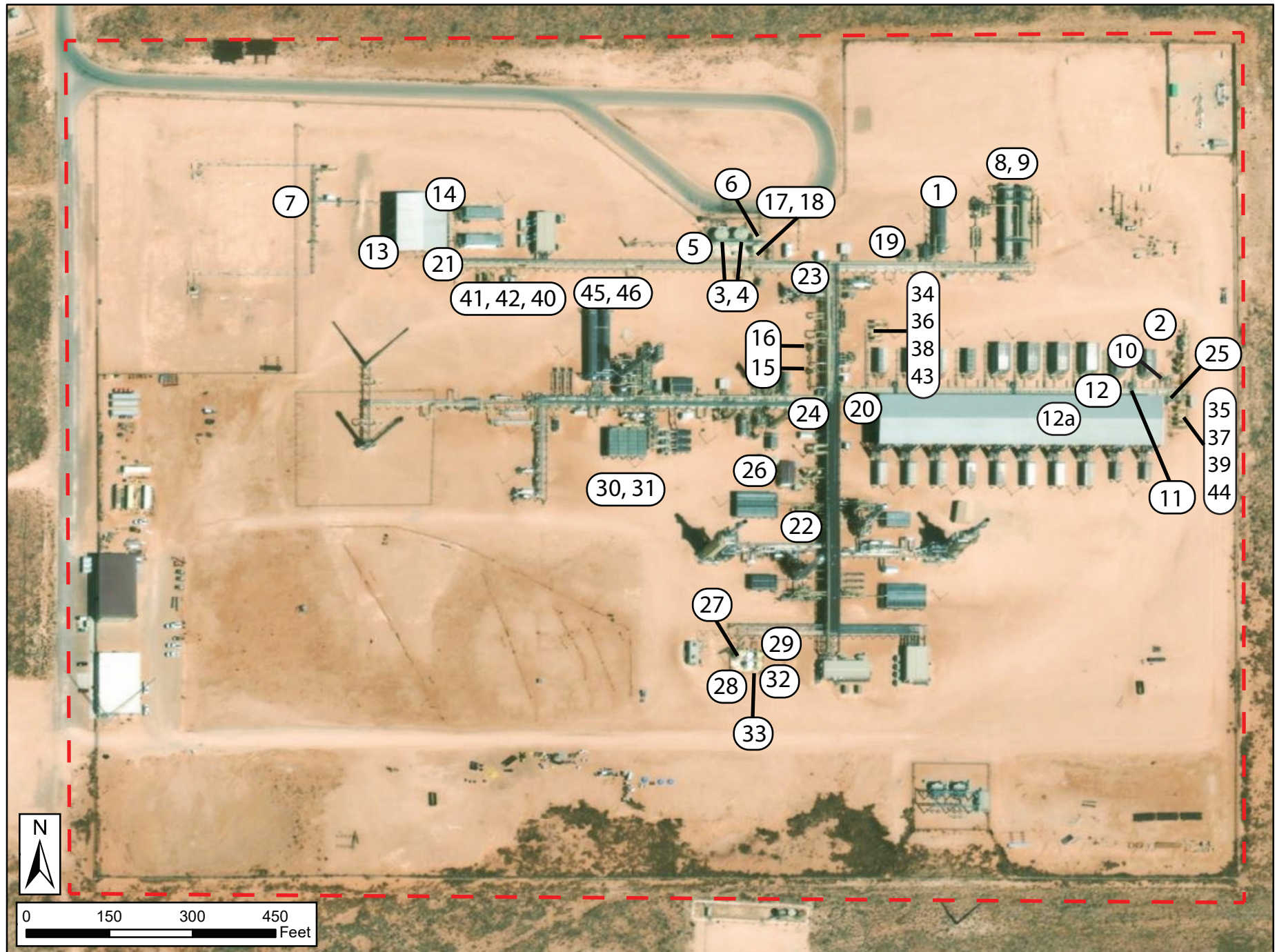


Figure 7. Facility map illustrating the location of all vessels and containment structures utilized to temporarily store operation-related waste materials on the facility property.



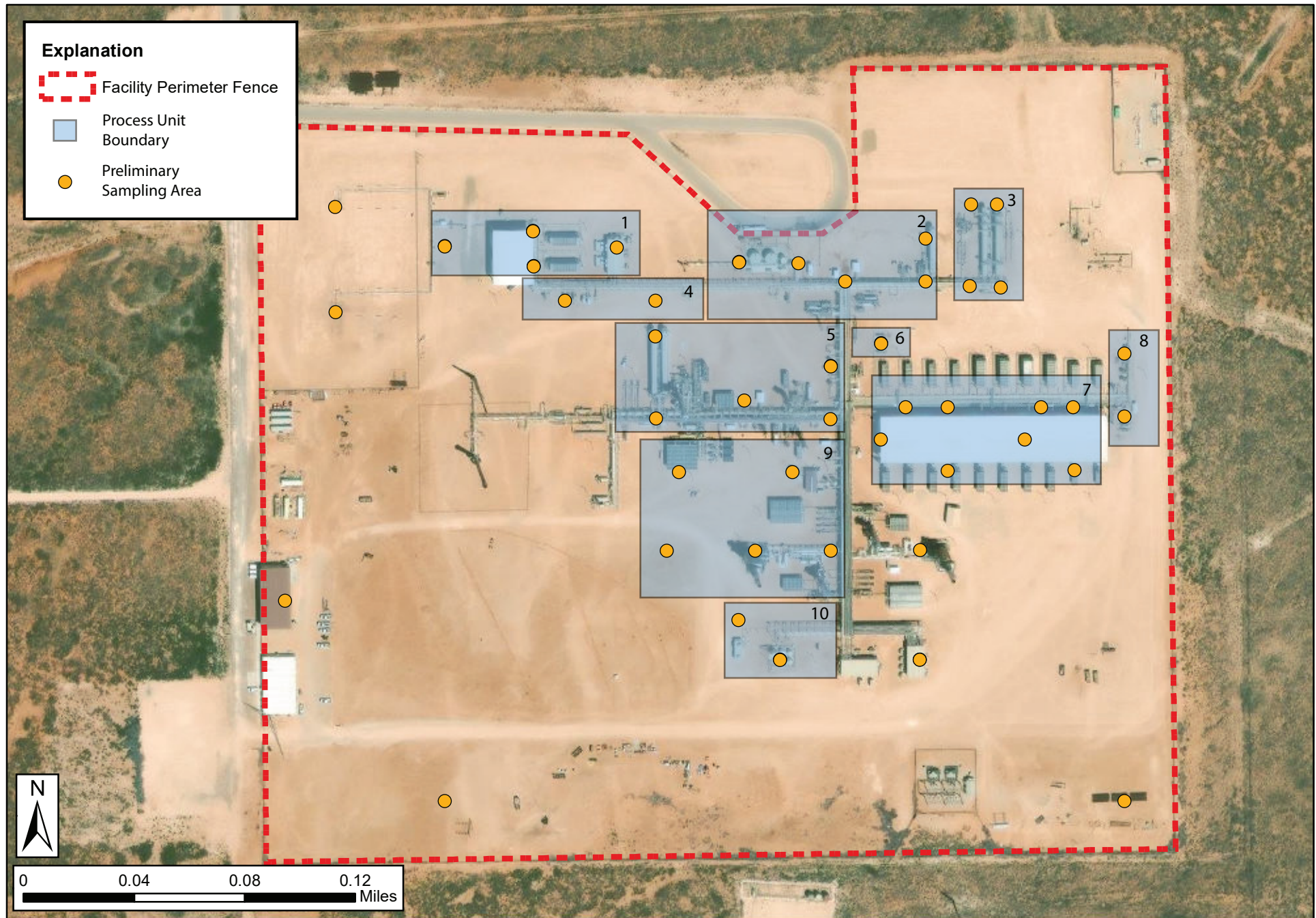


Figure 8. Sampling methodology targets current and former process areas and specific locations of vessels described in this discharge plan.

**APPENDIX A**  
Natural Resources Conservation Service Web Soil Survey  
Map Unit Descriptions



Map Unit Description: Berino complex, 0 to 3 percent slopes, eroded---Eddy Area, New Mexico, and Lea County, New Mexico

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## Eddy Area, New Mexico

### BB—Berino complex, 0 to 3 percent slopes, eroded

#### Map Unit Setting

*National map unit symbol:* 1w43

*Elevation:* 2,000 to 5,700 feet

*Mean annual precipitation:* 5 to 15 inches

*Mean annual air temperature:* 57 to 70 degrees F

*Frost-free period:* 180 to 260 days

*Farmland classification:* Not prime farmland

#### Map Unit Composition

*Berino and similar soils:* 60 percent

*Pajarito and similar soils:* 25 percent

*Minor components:* 15 percent

*Estimates are based on observations, descriptions, and transects of the mapunit.*

#### Description of Berino

##### Setting

*Landform:* Plains, fan piedmonts

*Landform position (three-dimensional):* Riser

*Down-slope shape:* Convex

*Across-slope shape:* Linear

*Parent material:* Mixed alluvium and/or eolian sands

##### Typical profile

*H1 - 0 to 17 inches:* fine sand

*H2 - 17 to 58 inches:* sandy clay loam

*H3 - 58 to 60 inches:* loamy sand

##### Properties and qualities

*Slope:* 0 to 3 percent

*Depth to restrictive feature:* More than 80 inches

*Drainage class:* Well drained

*Runoff class:* Low

*Capacity of the most limiting layer to transmit water*

*(Ksat):* Moderately high to high (0.60 to 2.00 in/hr)

*Depth to water table:* More than 80 inches

*Frequency of flooding:* None

*Frequency of ponding:* None

*Calcium carbonate, maximum content:* 40 percent

*Maximum salinity:* Very slightly saline to slightly saline (2.0 to 4.0 mmhos/cm)

*Sodium adsorption ratio, maximum:* 1.0

*Available water supply, 0 to 60 inches:* Moderate (about 8.0 inches)

##### Interpretive groups

*Land capability classification (irrigated):* None specified

Map Unit Description: Berino complex, 0 to 3 percent slopes, eroded---Eddy Area, New Mexico, and Lea County, New Mexico

---

*Land capability classification (nonirrigated): 7e*  
*Hydrologic Soil Group: B*  
*Ecological site: R070BD003NM - Loamy Sand*  
*Hydric soil rating: No*

## Description of Pajarito

### Setting

*Landform: Dunes, plains, interdunes*  
*Landform position (three-dimensional): Side slope*  
*Down-slope shape: Convex, linear*  
*Across-slope shape: Convex, linear*  
*Parent material: Mixed alluvium and/or eolian sands*

### Typical profile

*H1 - 0 to 9 inches: loamy fine sand*  
*H2 - 9 to 72 inches: fine sandy loam*

### Properties and qualities

*Slope: 0 to 3 percent*  
*Depth to restrictive feature: More than 80 inches*  
*Drainage class: Well drained*  
*Runoff class: Very low*  
*Capacity of the most limiting layer to transmit water (Ksat): High*  
*(2.00 to 6.00 in/hr)*  
*Depth to water table: More than 80 inches*  
*Frequency of flooding: None*  
*Frequency of ponding: None*  
*Calcium carbonate, maximum content: 40 percent*  
*Maximum salinity: Nonsaline (0.0 to 1.0 mmhos/cm)*  
*Sodium adsorption ratio, maximum: 1.0*  
*Available water supply, 0 to 60 inches: Moderate (about 8.0 inches)*

### Interpretive groups

*Land capability classification (irrigated): 2e*  
*Land capability classification (nonirrigated): 7e*  
*Hydrologic Soil Group: A*  
*Ecological site: R070BD003NM - Loamy Sand*  
*Hydric soil rating: No*

## Minor Components

### Pajarito

*Percent of map unit: 4 percent*  
*Ecological site: R070BD003NM - Loamy Sand*  
*Hydric soil rating: No*

### Wink

*Percent of map unit: 4 percent*  
*Ecological site: R070BD003NM - Loamy Sand*  
*Hydric soil rating: No*

### Cacique

*Percent of map unit: 4 percent*

Map Unit Description: Berino complex, 0 to 3 percent slopes, eroded---Eddy Area, New Mexico, and Lea County, New Mexico

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*Ecological site:* R070BD004NM - Sandy  
*Hydric soil rating:* No

**Kermit**

*Percent of map unit:* 3 percent  
*Ecological site:* R070BD005NM - Deep Sand  
*Hydric soil rating:* No

## Data Source Information

Soil Survey Area: Eddy Area, New Mexico  
Survey Area Data: Version 18, Sep 8, 2022

Soil Survey Area: Lea County, New Mexico  
Survey Area Data: Version 19, Sep 8, 2022



Map Unit Description: Kermit-Palomas fine sands, 0 to 12 percent slopes---Eddy Area, New Mexico, and Lea County, New Mexico

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## Lea County, New Mexico

### KD—Kermit-Palomas fine sands, 0 to 12 percent slopes

#### Map Unit Setting

*National map unit symbol:* dmpv

*Elevation:* 3,000 to 4,400 feet

*Mean annual precipitation:* 10 to 12 inches

*Mean annual air temperature:* 60 to 62 degrees F

*Frost-free period:* 190 to 205 days

*Farmland classification:* Not prime farmland

#### Map Unit Composition

*Kermit and similar soils:* 70 percent

*Palomas and similar soils:* 20 percent

*Minor components:* 10 percent

*Estimates are based on observations, descriptions, and transects of the mapunit.*

#### Description of Kermit

##### Setting

*Landform:* Dunes

*Landform position (two-dimensional):* Shoulder, backslope, footslope

*Landform position (three-dimensional):* Side slope

*Down-slope shape:* Concave, linear, convex

*Across-slope shape:* Convex

*Parent material:* Calcareous sandy eolian deposits derived from sedimentary rock

##### Typical profile

*A - 0 to 8 inches:* fine sand

*C - 8 to 60 inches:* fine sand

##### Properties and qualities

*Slope:* 3 to 12 percent

*Depth to restrictive feature:* More than 80 inches

*Drainage class:* Excessively drained

*Runoff class:* Very low

*Capacity of the most limiting layer to transmit water (Ksat):* Very high (20.00 in/hr)

*Depth to water table:* More than 80 inches

*Frequency of flooding:* None

*Frequency of ponding:* None

*Maximum salinity:* Nonsaline (0.0 to 1.0 mmhos/cm)

*Sodium adsorption ratio, maximum:* 2.0

*Available water supply, 0 to 60 inches:* Low (about 3.1 inches)

##### Interpretive groups

*Land capability classification (irrigated):* None specified

*Land capability classification (nonirrigated):* 7e

Map Unit Description: Kermit-Palomas fine sands, 0 to 12 percent slopes---Eddy Area, New Mexico, and Lea County, New Mexico

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*Hydrologic Soil Group:* A  
*Ecological site:* R070BD005NM - Deep Sand  
*Hydric soil rating:* No

### **Description of Palomas**

#### **Setting**

*Landform:* Dunes  
*Landform position (two-dimensional):* Shoulder, backslope, footslope  
*Landform position (three-dimensional):* Side slope  
*Down-slope shape:* Convex, linear, concave  
*Across-slope shape:* Convex  
*Parent material:* Alluvium derived from sandstone

#### **Typical profile**

*A - 0 to 16 inches:* fine sand  
*Bt - 16 to 60 inches:* sandy clay loam  
*Bk - 60 to 66 inches:* sandy loam

#### **Properties and qualities**

*Slope:* 0 to 5 percent  
*Depth to restrictive feature:* More than 80 inches  
*Drainage class:* Well drained  
*Runoff class:* Low  
*Capacity of the most limiting layer to transmit water (Ksat):* Moderately high to high (0.60 to 2.00 in/hr)  
*Depth to water table:* More than 80 inches  
*Frequency of flooding:* None  
*Frequency of ponding:* None  
*Calcium carbonate, maximum content:* 50 percent  
*Gypsum, maximum content:* 1 percent  
*Maximum salinity:* Nonsaline to very slightly saline (0.0 to 2.0 mmhos/cm)  
*Sodium adsorption ratio, maximum:* 2.0  
*Available water supply, 0 to 60 inches:* Moderate (about 7.5 inches)

#### **Interpretive groups**

*Land capability classification (irrigated):* None specified  
*Land capability classification (nonirrigated):* 7e  
*Hydrologic Soil Group:* B  
*Ecological site:* R070BD003NM - Loamy Sand  
*Hydric soil rating:* No

### **Minor Components**

#### **Pyote**

*Percent of map unit:* 4 percent  
*Ecological site:* R070BD003NM - Loamy Sand  
*Hydric soil rating:* No

#### **Maljamar**

*Percent of map unit:* 4 percent

Map Unit Description: Kermit-Palomas fine sands, 0 to 12 percent slopes---Eddy Area, New Mexico, and Lea County, New Mexico

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*Ecological site:* R070BD003NM - Loamy Sand

*Hydric soil rating:* No

**Palomas**

*Percent of map unit:* 1 percent

*Ecological site:* R070BD003NM - Loamy Sand

*Hydric soil rating:* No

**Dune land**

*Percent of map unit:* 1 percent

*Hydric soil rating:* No

## Data Source Information

Soil Survey Area: Eddy Area, New Mexico

Survey Area Data: Version 18, Sep 8, 2022

Soil Survey Area: Lea County, New Mexico

Survey Area Data: Version 19, Sep 8, 2022



Map Unit Description: Maljamar and Palomas fine sands, 0 to 3 percent slopes---Eddy Area, New Mexico, and Lea County, New Mexico

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## Lea County, New Mexico

### MF—Maljamar and Palomas fine sands, 0 to 3 percent slopes

#### Map Unit Setting

*National map unit symbol:* dmqb

*Elevation:* 3,000 to 3,900 feet

*Mean annual precipitation:* 10 to 15 inches

*Mean annual air temperature:* 60 to 62 degrees F

*Frost-free period:* 190 to 205 days

*Farmland classification:* Farmland of statewide importance

#### Map Unit Composition

*Maljamar and similar soils:* 46 percent

*Palomas and similar soils:* 44 percent

*Minor components:* 10 percent

*Estimates are based on observations, descriptions, and transects of the mapunit.*

#### Description of Maljamar

##### Setting

*Landform:* Plains

*Landform position (three-dimensional):* Rise

*Down-slope shape:* Linear

*Across-slope shape:* Linear

*Parent material:* Sandy eolian deposits derived from sedimentary rock

##### Typical profile

*A - 0 to 24 inches:* fine sand

*Bt - 24 to 50 inches:* sandy clay loam

*Bkm - 50 to 60 inches:* cemented material

##### Properties and qualities

*Slope:* 0 to 3 percent

*Depth to restrictive feature:* 40 to 60 inches to petrocalcic

*Drainage class:* Well drained

*Runoff class:* Very low

*Capacity of the most limiting layer to transmit water (Ksat):* Very low to moderately low (0.00 to 0.06 in/hr)

*Depth to water table:* More than 80 inches

*Frequency of flooding:* None

*Frequency of ponding:* None

*Calcium carbonate, maximum content:* 5 percent

*Maximum salinity:* Nonsaline to very slightly saline (0.0 to 2.0 mmhos/cm)

*Sodium adsorption ratio, maximum:* 2.0

*Available water supply, 0 to 60 inches:* Low (about 5.6 inches)

##### Interpretive groups

*Land capability classification (irrigated):* 7e

Map Unit Description: Maljamar and Palomas fine sands, 0 to 3 percent slopes---Eddy Area,  
New Mexico, and Lea County, New Mexico

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*Land capability classification (nonirrigated): 7e*  
*Hydrologic Soil Group: B*  
*Ecological site: R070BD003NM - Loamy Sand*  
*Hydric soil rating: No*

## Description of Palomas

### Setting

*Landform: Plains*  
*Landform position (three-dimensional): Rise*  
*Down-slope shape: Linear*  
*Across-slope shape: Linear*  
*Parent material: Alluvium derived from sandstone*

### Typical profile

*A - 0 to 16 inches: fine sand*  
*Bt - 16 to 60 inches: sandy clay loam*  
*Bk - 60 to 66 inches: sandy loam*

### Properties and qualities

*Slope: 0 to 3 percent*  
*Depth to restrictive feature: More than 80 inches*  
*Drainage class: Well drained*  
*Runoff class: Low*  
*Capacity of the most limiting layer to transmit water*  
*(Ksat): Moderately high to high (0.60 to 2.00 in/hr)*  
*Depth to water table: More than 80 inches*  
*Frequency of flooding: None*  
*Frequency of ponding: None*  
*Calcium carbonate, maximum content: 45 percent*  
*Gypsum, maximum content: 1 percent*  
*Maximum salinity: Nonsaline to very slightly saline (0.0 to 2.0*  
*mmhos/cm)*  
*Sodium adsorption ratio, maximum: 2.0*  
*Available water supply, 0 to 60 inches: Moderate (about 7.5*  
*inches)*

### Interpretive groups

*Land capability classification (irrigated): None specified*  
*Land capability classification (nonirrigated): 7e*  
*Hydrologic Soil Group: B*  
*Ecological site: R070BD003NM - Loamy Sand*  
*Hydric soil rating: No*

## Minor Components

### Kermit

*Percent of map unit: 5 percent*  
*Ecological site: R070BC022NM - Sandhills*  
*Hydric soil rating: No*

### Wink

*Percent of map unit: 5 percent*  
*Ecological site: R070BD003NM - Loamy Sand*

Map Unit Description: Maljamar and Palomas fine sands, 0 to 3 percent slopes---Eddy Area,  
New Mexico, and Lea County, New Mexico

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*Hydric soil rating:* No

## Data Source Information

Soil Survey Area: Eddy Area, New Mexico  
Survey Area Data: Version 18, Sep 8, 2022

Soil Survey Area: Lea County, New Mexico  
Survey Area Data: Version 19, Sep 8, 2022





Map Unit Description: Pyote loamy fine sand---Eddy Area, New Mexico, and Lea County, New Mexico

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## Lea County, New Mexico

### PT—Pyote loamy fine sand

#### Map Unit Setting

*National map unit symbol:* dmqp

*Elevation:* 3,000 to 3,900 feet

*Mean annual precipitation:* 10 to 12 inches

*Mean annual air temperature:* 60 to 62 degrees F

*Frost-free period:* 190 to 200 days

*Farmland classification:* Farmland of statewide importance

#### Map Unit Composition

*Pyote and similar soils:* 85 percent

*Minor components:* 15 percent

*Estimates are based on observations, descriptions, and transects of the mapunit.*

#### Description of Pyote

##### Setting

*Landform:* Plains

*Landform position (three-dimensional):* Rise

*Down-slope shape:* Linear

*Across-slope shape:* Linear

*Parent material:* Sandy eolian deposits derived from sedimentary rock

##### Typical profile

*A - 0 to 25 inches:* loamy fine sand

*Bt - 25 to 60 inches:* fine sandy loam

##### Properties and qualities

*Slope:* 0 to 3 percent

*Depth to restrictive feature:* More than 80 inches

*Drainage class:* Well drained

*Runoff class:* Negligible

*Capacity of the most limiting layer to transmit water (Ksat):* High  
(2.00 to 6.00 in/hr)

*Depth to water table:* More than 80 inches

*Frequency of flooding:* None

*Frequency of ponding:* None

*Calcium carbonate, maximum content:* 5 percent

*Gypsum, maximum content:* 1 percent

*Maximum salinity:* Nonsaline to very slightly saline (0.0 to 2.0 mmhos/cm)

*Sodium adsorption ratio, maximum:* 2.0

*Available water supply, 0 to 60 inches:* Low (about 5.3 inches)

##### Interpretive groups

*Land capability classification (irrigated):* 6e

*Land capability classification (nonirrigated):* 7s

Map Unit Description: Pyote loamy fine sand---Eddy Area, New Mexico, and Lea County, New Mexico

---

*Hydrologic Soil Group:* A  
*Ecological site:* R070BD003NM - Loamy Sand  
*Hydric soil rating:* No

#### **Minor Components**

##### **Maljamar**

*Percent of map unit:* 8 percent  
*Ecological site:* R070BD003NM - Loamy Sand  
*Hydric soil rating:* No

##### **Palomas**

*Percent of map unit:* 7 percent  
*Ecological site:* R070BD003NM - Loamy Sand  
*Hydric soil rating:* No

### **Data Source Information**

Soil Survey Area: Eddy Area, New Mexico  
Survey Area Data: Version 18, Sep 8, 2022

Soil Survey Area: Lea County, New Mexico  
Survey Area Data: Version 19, Sep 8, 2022

Map Unit Description: Pyote and Maljamar fine sands---Eddy Area, New Mexico, and Lea County, New Mexico

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## Lea County, New Mexico

### PU—Pyote and Maljamar fine sands

#### Map Unit Setting

*National map unit symbol:* dmqq

*Elevation:* 3,000 to 3,900 feet

*Mean annual precipitation:* 10 to 12 inches

*Mean annual air temperature:* 60 to 62 degrees F

*Frost-free period:* 190 to 205 days

*Farmland classification:* Not prime farmland

#### Map Unit Composition

*Pyote and similar soils:* 46 percent

*Maljamar and similar soils:* 44 percent

*Minor components:* 10 percent

*Estimates are based on observations, descriptions, and transects of the mapunit.*

#### Description of Pyote

##### Setting

*Landform:* Plains

*Landform position (three-dimensional):* Rise

*Down-slope shape:* Linear

*Across-slope shape:* Linear

*Parent material:* Sandy eolian deposits derived from sedimentary rock

##### Typical profile

*A - 0 to 30 inches:* fine sand

*Bt - 30 to 60 inches:* fine sandy loam

##### Properties and qualities

*Slope:* 0 to 3 percent

*Depth to restrictive feature:* More than 80 inches

*Drainage class:* Well drained

*Runoff class:* Negligible

*Capacity of the most limiting layer to transmit water (Ksat):* High  
(2.00 to 6.00 in/hr)

*Depth to water table:* More than 80 inches

*Frequency of flooding:* None

*Frequency of ponding:* None

*Calcium carbonate, maximum content:* 5 percent

*Gypsum, maximum content:* 1 percent

*Maximum salinity:* Nonsaline to very slightly saline (0.0 to 2.0 mmhos/cm)

*Sodium adsorption ratio, maximum:* 2.0

*Available water supply, 0 to 60 inches:* Low (about 5.1 inches)

##### Interpretive groups

*Land capability classification (irrigated):* 6e



Map Unit Description: Pyote and Maljamar fine sands---Eddy Area, New Mexico, and Lea County, New Mexico

---

*Land capability classification (nonirrigated): 7s*  
*Hydrologic Soil Group: A*  
*Ecological site: R070BD003NM - Loamy Sand*  
*Hydric soil rating: No*

## Description of Maljamar

### Setting

*Landform: Plains*  
*Landform position (three-dimensional): Rise*  
*Down-slope shape: Linear*  
*Across-slope shape: Linear*  
*Parent material: Sandy eolian deposits derived from sedimentary rock*

### Typical profile

*A - 0 to 24 inches: fine sand*  
*Bt - 24 to 50 inches: sandy clay loam*  
*Bkm - 50 to 60 inches: cemented material*

### Properties and qualities

*Slope: 0 to 3 percent*  
*Depth to restrictive feature: 40 to 60 inches to petrocalcic*  
*Drainage class: Well drained*  
*Runoff class: Very low*  
*Capacity of the most limiting layer to transmit water (Ksat): Very low to moderately low (0.00 to 0.06 in/hr)*  
*Depth to water table: More than 80 inches*  
*Frequency of flooding: None*  
*Frequency of ponding: None*  
*Calcium carbonate, maximum content: 5 percent*  
*Gypsum, maximum content: 1 percent*  
*Maximum salinity: Nonsaline to very slightly saline (0.0 to 2.0 mmhos/cm)*  
*Sodium adsorption ratio, maximum: 2.0*  
*Available water supply, 0 to 60 inches: Low (about 5.6 inches)*

### Interpretive groups

*Land capability classification (irrigated): 6e*  
*Land capability classification (nonirrigated): 7e*  
*Hydrologic Soil Group: B*  
*Ecological site: R070BD003NM - Loamy Sand*  
*Hydric soil rating: No*

## Minor Components

### Kermit

*Percent of map unit: 10 percent*  
*Ecological site: R070BC022NM - Sandhills*

Map Unit Description: Pyote and Maljamar fine sands---Eddy Area, New Mexico, and Lea County, New Mexico

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*Hydric soil rating:* No

## Data Source Information

Soil Survey Area: Eddy Area, New Mexico  
Survey Area Data: Version 18, Sep 8, 2022

Soil Survey Area: Lea County, New Mexico  
Survey Area Data: Version 19, Sep 8, 2022

## **APPENDIX B**

### **Example Notice Letter to Nearby Landowners & Example Newspaper Publication**



Date

Example Notice Letter

Party to be notified

Address

RE: DCP OPERATING COMPANY, LP GROUNDWATER DISCHARGE PLAN

This letter is to advise you that DCP Operating Company, LP (DCP), located at 2331 Citywest Blvd N762, Houston, TX 77042, has filed an approved Groundwater Discharge Plan with the New Mexico Oil Conservation Division for the Zia II Gas Processing Plant, located at 89 Lusk Road, Hobbs, NM 88240. Pursuant to the requirements of NMAC 20.6.2.3108(B), landowners within one-third of a mile of the facility must be notified of the approved application. The discharge plan describes any potential for the release of contaminants to groundwater.

Operations at the DCP Zia II Gas Plant include compression, treatment, and processing of natural gas liquids, and permanent disposal of associated waste carbon dioxide and hydrogen sulfide via two injection wells. Any associated contaminants are low-volume liquids utilized or produced during Plant operations and are not intentionally released, therefore potential for groundwater release is generally low. The Facility stores over 100,000 gallons of oil, wastewater, condensates, glycol, amine, lube oil, synthetic oil, hot oil surge, and transformer oil in aboveground storage tanks and vessels and is designed to process 230 million standard cubic feet per day of natural gas. These materials are stored in enclosed tanks with secondary containment structures or double-walled sumps with high level alarms.

There are no bodies of surface water or groundwater discharge sites within one mile of the Plant. Nearby groundwater wells indicated that the depth to groundwater is approximately 102 feet below the surface, with a range of total dissolved solid (TDS) concentration from 426 to 688 ppm, in agreement with an average TDS of 766 ppm for shallow groundwater resources in the area.

If you have any questions or comments regarding this Plan, would like to be placed on a facility-specific mailing list for future notices, please contact:

Mr. Joel Stone ([joel.stone@emnrd.nm.gov](mailto:joel.stone@emnrd.nm.gov))  
New Mexico Oil Conservation Division  
Energy Minerals and Natural Resources Division  
1220 South St. Francis Drive Santa Fe, NM 87505  
(505) 709-5149

DCP Operating Company, LP (2331 Citywest Blvd N762, Houston, TX 77042) has submitted an application to the New Mexico Energy, Minerals and Natural Resources Department, Oil Conservation Division for issuance of a discharge plan permit for their Zia II Gas Processing Plant located in the Section 19, Township 19 South, Range 32 East in Lea County, New Mexico. The physical address of the facility is 89 Lusk Rd, Hobbs, NM 88240. The facility is located approximately 28 miles northeast of Carlsbad, New Mexico.

The Facility stores over 100,000 gallons of oil, wastewater, condensates, glycol, amine, lube oil, synthetic oil, hot oil surge, and transformer oil in aboveground storage tanks and vessels and is designed to process 230 million standard cubic feet per day (MMSCDF) of natural gas. The Facility is a cryogenic gas plant through which natural gas and condensate from nearby oil and gas production facilities are transported by pipeline for treatment and processing. Once gathered at the Facility, the produced natural gas is treated to remove waste gases (carbon dioxide and hydrogen sulfide) and cryogenically processed to isolate natural gas and condensate products which are subsequently transported to customers, via pipeline and commercial trucking services. DCP operates two injection wells at the Zia Facility to permanently dispose of waste gasses associated with these activities. The discharge permit includes a description of materials stored and used at the Facility and any waste generated. Groundwater occurs approximately 100 feet below ground surface and contains total dissolved concentrations (TDS) typically between 400 and 700 milligrams per liter (mg/L). The discharge permit addresses how liquids and solid waste will be handled, stored, and disposed of, including procedures to prevent unintended discharge. Response actions and abatement requirements for spills and leaks are addressed.

The NMOCD has determined the application is administratively complete and is in the process of preparing a draft permit. The NMOCD shall post notice on its website and distribute notice of the submittal of the application to affected local, state, federal, tribal, or pueblo government agency, political subdivisions, ditch associations, and land grants as identified by the department, and persons on a general and facility-specific list maintained by the department who have requested notice of discharge permit applications. Interested persons may obtain information, submit comments, and request to be placed on a facility-specific mailing list for future notices. The NMOCD will also accept comments and statements of interest regarding the draft permit and will create a facility-specific mailing list for persons who wish to receive future notices. Prior to ruling on any proposed permit, the Director shall allow a period of at least (30) days after the draft permit is posted, during which time interested persons may submit comments.

Persons interested in obtaining further information, submitting comments, or requesting to be on a facility-specific mailing list for future notices may contact the Oil Conservation Division contact listed below:

Mr. Joel Stone  
New Mexico Oil Conservation Division  
Energy Minerals and Natural Resources Division  
1220 South St. Francis Drive Santa Fe, NM 87505  
(505) 709-5149

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Michelle Lujan-Grisham**  
Governor

**Melanie A. Kenderdine**  
Cabinet Secretary

**Ben Shelton**  
Deputy Secretary

**Erin Taylor**  
Deputy Secretary

**Albert C.S. Chang**  
Division Director  
Oil Conservation Division



**BY ELECTRONIC MAIL ONLY**

November 14, 2025

Nikunj Khelurkar  
DCP Operating Company, LP  
2331 Citywest Blvd N762  
Houston, TX 77042  
[nikunj.khelurkar@p66.com](mailto:nikunj.khelurkar@p66.com)

**RE: DCP Operating Company, LP – Notice of an Administratively Complete Discharge Permit Application for the Zia II Gas Plant, Lea County, New Mexico**

Dear Mr. Khelurkar:

The New Mexico Energy, Minerals and Natural Resource Department's Oil Conservation Division (OCD) has reviewed the revised discharge permit application submitted on November 6, 2025, for DCP Operating Company, LP's (DCP) Zia II Gas Plant located in Lea County, New Mexico. OCD has determined that the amended discharge permit application is administratively complete.

Given OCD's determination, DCP must provide public notice within 30 days of receipt of this letter (i.e., December 14, 2025) in accordance with the requirements of 20.6.2.3108(B) NMAC to the general public in the locale of the Plant by each of the methods listed below:

1. Prominently posting a synopsis of the public notice at least 2 feet by 3 feet in size, in English and in Spanish, at the main entrance to the Facility and at the Hobbs, New Mexico Post Office for 30 days;
2. Providing written notice of the discharge by mail or electronic mail, to owners of record of all properties within a 1/3 mile distance from the boundary of the property where the discharge site is located; if there are no properties other than properties owned by the discharger within a 1/3 mile distance from the boundary of property where the discharge site is located, DCP shall provide notice to owners of record of the next nearest adjacent properties not owned by the discharger;

State of New Mexico  
Energy, Minerals and Natural Resources Department

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3. Providing notice by certified mail, return receipt requested, to the owner of the discharge site if DCP is not the owner; and

4. Publishing a synopsis of the notice in English and in Spanish, in a display ad at least three inches by four inches not in the classified or legal advertisements section, in the Hobbs News-Sun

Within 15-days of completion of the public notice requirements in 20.6.2.3108(B) NMAC, DCP must submit to the OCD proof of the notice, including affidavit of mailing(s) and the list of property owner(s), proof of publication, and an affidavit of posting, as appropriate.

Also, as part of the amended discharge permit application, DCP was required to submit a Closure/Post Closure Plan for OCD approval. OCD has reviewed this plan and hereby approves the Closure/Post Closure Plan. The financial assurance (FA) associated with this plan is \$1,250,300.00. The FA must be on OCD prescribed forms, or forms otherwise acceptable to the OCD, payable to the OCD. Bond forms can be found at the bottom of OCD's Forms Page located at <https://www.emnrd.nm.gov/ocd/ocd-forms/>. The FA is due to the OCD within 30 days of email receipt of this letter (i.e., December 14, 2025).

If you have any questions, please do not hesitate to contact me by email at [joel.stone@emnrd.nm.gov](mailto:joel.stone@emnrd.nm.gov) or by phone at (505) 709-5149. On behalf of the OCD, I wish to thank you and your staff for your cooperation during this process.

Respectfully,



Joel Stone  
Senior Environmental Scientist



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

General Information  
Phone: (505) 629-6116

Online Phone Directory  
<https://www.emnrd.nm.gov/oecd/contact-us>

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

CONDITIONS

Action 523802

CONDITIONS

Operator: DCP OPERATING COMPANY, LP 2331 Citywest Blvd Houston, TX 77042	OGRID: 36785
	Action Number: 523802
	Action Type: [UF-DP] Generic Discharge Plan (DISCHARGE PLAN SERVICE COMPANIES)

CONDITIONS

Created By	Condition	Condition Date
joel.stone	OCD emailed the discharge permit application approval letter to the operator on November 14, 2025. The emailed approval is attached to this application.	11/14/2025