HITP - _39_

GENERAL CORRESPONDENCE

YEAR(S): _2013-2014_

ACKNOWLEDGEMENT OF RECEIPT OF CHECK/CASH

| I hereby acknowledge receipt of Check No. <u>DDDD 37056</u> 2 dated <u>5/8/13</u> |
|---|
| or cash received on $\frac{5/13/13}{}$ in the amount of \$ $\frac{150.00}{}$ |
| from DCP Midstream, LP |
| for <u>HITP-039</u> |
| Submitted by: Rachel Hewera Date: 5/13/13 |
| Submitted to ASD by: Rachel He men Date: 5/13/13 |
| Received in ASD by: Date: |
| Filing Fee New Facility: Renewal: |
| Modification Other X Temp. Permission Zu |
| Organization Code 521.07 Applicable FY 3 |
| To be deposited in the Water Quality Management Fund. |
| Full Payment or Annual Increment |

ACKNOWLEDGEMENT OF RECEIPT OF CHECK/CASH

| I hereby acknowledge receipt of Check No. 200370563 dated 5/8/13 |
|--|
| or cash received on $\frac{5/13/13}{}$ in the amount of \$ $\frac{100.00}{}$ |
| from DCP midstream LP |
| for HITP-039 |
| Submitted by: Rula of Hewera Date: 5/13/13 |
| Submitted to ASD by: Rachel Herren Date: 5/13/13 |
| Received in ASD by: Date: |
| Filing Fee New Facility: Renewal: |
| Modification Other |
| Organization Code 521.07 Applicable FY/3 |
| To be deposited in the Water Quality Management Fund. |
| Full Payment or Annual Increment |



RECEIVED OF 2: 55

DCP Midstream370 17th Street, Suite 2500
Denver, CO 80202
303-595-3331

May 8, 2013 <u>UPS 2nd Day Air</u> 1ZF469150395157507

Brad Jones
Oil Conservation Division
New Mexico Energy, Minerals, and Natural Resources Department
1220 South Saint Francis Drive
Santa Fe. New Mexico 87505

Re: Notice of Intent to Perform a Hydrostatic Test

Berry Booster Discharge Line Lea County, New Mexico

Mr. Jones:

Here is a notice of intent (NOI) prepared by DCP Midstream, LP (DCP) for completing a hydrostatic test and subsequent test water disposal associated with our Berry Booster Discharge pipeline segment located in Lea County, New Mexico. We are also enclosing separate checks to cover the filing fee and the temporary permission fees.

This NOI was prepared according to the New Mexico Oil Conservation Division *Guidelines for Hydrostatic Test Dewatering*, dated January 11, 2007, and by following guidance provided by you during recent telephone conversations.

DCP anticipates that the hydrostatic test will be conducted during the week of June 10, 2013.

If you have any questions or would like additional information, please contact me at 303.605.2251 or dnbourne@dcpmidstream.com.

Sincerely,

DCP Midstream, LP

Daniel Bourne, CHMM Environmental Specialist

Attachments

DCP Midstream, LP Notice of Intent to Perform a Hydrostatic Test Project Name: Berry Booster Discharge Line May 8th, 2013

Project Background Information

DCP Midstream, LP (DCP) plans to hydrotest an approximately 4.54 mile long 8" diameter, new pipeline in Lea County, New Mexico. This section of gathering system pipeline is used to transmit high pressure natural gas from the Berry Booster site to the P-Line pipeline, with the field gas ultimately ending up at DCP's Hobbs Gas Plant for treating and processing. DCP will hydro-test the pipe in order to determine if the line is functional and if it can be put into service as a gathering line. Testing will be done in one phase, and it is estimated that the test will generate approximately 1613 barrels (68,502 gallons) of wastewater. The wastewater generated will be RCRA exempt E&P waste based on the definition in 40 CFR 261.4(b)(5). DCP plans to dispose of the test water at R360 Permian Basin LLC disposal facility. Texas Lobo Trucking LLC (TLT) will transport the water using a C-138 manifest from the discharge site to the disposal facility owned by R360 Permian Basin LLC and operating under Order Number R-9166 and permit number NM1-006.

DCP is submitting this Notice of Intent (NOI) in accordance with the New Mexico Oil Conservation Division's (NMOCD) "Guidelines for Hydrostatic Test Dewatering", dated January 11, 2007.

Required Information

a. Operator/discharger name and address

Responsible Party

Mr. Jim Allred DCP Midstream, LP 139 W US Hwy 62-180 Hobbs, NM 88240 Cell Phone: 575-802-5131

Operator

Mike Gerwick DCP Midstream, LP 139 W US Hwy 62-180 Hobbs, NM 88240 Cell: 575-802-5136

b. Location of the discharge, including a street address, if available, and sufficient information to locate the facility with respect to surrounding landmarks

At the completion of the hydrostatic test, DCP will dewater from the pipeline adjacent to the P-Line / Berry Discharge Line tie-in. No wastewater will be discharged to ground surface at the point where the pipe is dewatered into frac tanks.

The dewatering area is approximately 14.9 Miles Northwest of Jal, New Mexico. Driving from Jal, NM Head north on S 3rd St toward Idaho Ave. Turn right onto NM-128 W/W Kansas Ave and travel 0.2 Miles. Turn Left on NM-18N and head north 6.3 miles to Cooper Cemetery Rd. Turn left on Cooper Cemetery Rd and head west about 3 miles to Deep Wells Rd. and drive 1.3 Miles to a fork in the road. Take the right fork and continue driving north about 2 miles. Deep wells road will "T" into an unnamed oil road. At the "T" in the unnamed road turn left and head west, drive 0.8 Miles to the dewatering area. The dewatering area will be just to the south. The station is at nominal latitude N 32.2658" and nominal longitude W 103.2902".

c. Legal description (Section/Township/Range) of the discharge location

Dewatering of the line into frac tanks and temporary storage will occur at the following location:

NW ¼ of the SE ¼ of Section 28, Township 21 South, Range 34 East (New Mexico Meridian), Lea County, New Mexico.

d. Maps (site-specific and regional) indicating the location of the pipelines to be tested

Figure 1 is an overview map showing the pipeline that will be hydrostatic tested and the dewatering site overlayed on a topographic map.

Figure 2 is an overview map showing the dewatering site overlayed on recent aerial imagery and shows land use surrounding the dewatering site.

Figure 3 is a topographic map of the dewatering site showing surface contours in the vicinity of the site.

Figure 4 is a detailed map showing planned locations of the frac tank that will temporarily store hydrostatic test discharge water prior to hauling and disposal (overlayed on an aerial photo). The frac tank will be temporarily placed on the pipeline right of way.

Figure 5 is similar to Figure 4, except the information is overlayed on a USGS 1:24,000 map.

e. A demonstration of compliance to the following siting criteria or justification for any exceptions

Since disposal of the hydrostatic test water will take place at R360 Permian Basin LLC (Order R-9166/Permit NM1-006), the demonstration of compliance with the siting criteria identified is not required, per Brad Jones.

f. A brief description of the activities that produce the discharge

The wastewater discharge will be generated from the hydrostatic testing of the Berry Booster Discharge Line. The pipeline is an approximately 4.54 mile long new 8" diameter pipeline being hydrostatically tested to determine if the line is functional and if it can be put into service. Hydrostatic testing will be done in one phase, and it is estimated that the test will generate approximately 1613 barrels (68,502 gallons) of wastewater. No water will be discharged to the ground surface.

The water used for the hydrostatic test will be acquired from the city of Eunice New Mexico's – Municipal supply. The water supply from Eunice, NM is located 19 miles North East of the discharge point.

g. The method and location for collection and retention of fluids and solids

The hydrostatic test will be done in a single phase. Following the completion of the hydrostatic test, the water will be transferred directly from the pipeline into temporary frac tanks (approximately four (4) 500-barrel tanks within the pipeline right-of-way) via a system of flexible hoses and temporary piping at the withdrawal point within DCP's right-of-way. Drip collection trays will be placed below the connection points to prevent test water from reaching the ground surface. Field operators will be present during water transfer operations to immediately close isolation valves in the event of a larger leak or line failure. Solids are not expected to be generated during the hydrostatic test.

h. A brief description of best management practices to be implemented to contain the discharge onsite and to control erosion

Field operators and/or testing personnel will be onsite for the duration of the hydrostatic test and during all water transfer operations. Drip collection trays will be placed below hose and piping connections to prevent hydrostatic test water from making contact with the ground surface from incidental leaks during transfer operations. To prevent an inadvertent release of test water to the surrounding environment, the frac tanks at the dewatering location will be placed in plastic-lined bermed secondary containment sized to be 1.33 times the size of the largest tank or largest interconnected volume (whichever is larger). Since there will not be an intentional surface discharge, erosion control measures are not currently planned for the dewatering location.

i. A request for approval of an alternative treatment, use, and/or discharge location (other than the original discharge site), if necessary

Texas Lobo Trucking LLC has agreed to pick-up the waste water from the dewatering location and transport the waste water to the R360 Permian Basin LLC disposal facility (Order R-9166/Permit NM1-006). Based on this notice of intent, no alternative treatment or discharge location is being proposed.

j. A proposed hydrostatic test wastewater sampling plan

DCP will not analyze the hydrostatic test water because it is RCRA exempt E&P waste based on the definition provided in 40 CFR 261.4(b)(5) and because the material will be disposed of at R360 Permian Basin LLC facility (Order R-9166/Permit NM1-006).

k. A proposed method of disposal of fluids and solids after test completion, including closure of any pits, in case the water generated from the test exceeds the standards as set forth in Subsections A, B, and C of the 20.6.2.3103 NMAC (the New Mexico Water Quality Control Commission Regulations)

DCP will dispose of the test water at R360 Permian Basin LLC disposal facility. Texas Lobo Trucking LLC (TLT) will transport the water using a C-138 manifest from the discharge site to a disposal facility owned by R360 Permian Basin LLC and operating under Order Number R-9166 and permit number NM1-006. The facility is near Halfway, New Mexico (approximately halfway between Hobbs and Carlsbad on US Highway 62. This disposal site is in Section 27, Township 20 South, Range 32 East (New Mexico Meridian). No wastewater will be discharged to ground surface. Solids are not expected to be generated from the hydrostatic test since the pipe is new and there won't be any pigging of the lines.

l. A brief description of the expected quality and volume of the discharge

Since the pipe being tested is new and the water is from a fresh water source, the waste water will be of good quality. The dewatering of the pipeline after the hydrostatic test will generate approximately 1613 barrels (68,502 gallons) of water. The water will be transferred directly from the pipeline into frac tanks.

m. Geological characteristics of the subsurface at the proposed discharge site

Regional Features

The proposed discharge area is on the Mescalero Piedmont within the Pecos River Basin. The site sits in a relatively flat area and is approximately 3 miles north east of the Grama Ridge and 14 miles east of the San Simon Sinks. Source: USGS 24K Topographic Map

Site Geology

The site geology is comprised of Quatenary eolian, piedmont, and alluvial deposits (Holocene to middle Pleistocene). The area is characterized by interlayed eolian sands and piedmont-slope deposits that are typically capped by thin eolian deposits. These deposits unconformably overlie Triassic aged sedimentary rocks of the Dockum Group. Source: USGS National Geologic Map Database

Regional Hydrology

The site and the site's surface drainage are located in the Pecos River Basin but the site has no connecting drainage to the Pecos River. Average annual precipitation in this area of Lea County is meager – between 12 and 16 inches per year, and evapotranspiration is very high in this region.

Local Groundwater Hydrology

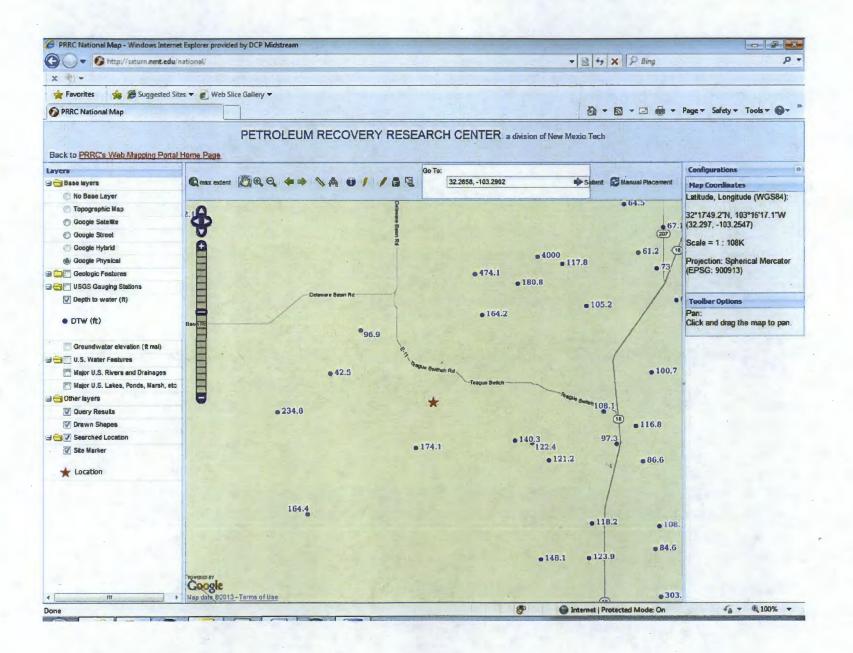
The proposed discharge site is located within the Carlsbad Underground Water Basin (UWB). The shallowest Carlsbad UWB aquifer beneath the site is 20 feet which includes the Santa Rosa Sandstone (part of the Dockum Group), which is approximately 200 feet thick in this area. The Carlsbad UWB ground-water flow in this part of Lea County is generally to the southwest, towards Eddy County.

n. The depth to and total dissolved solids concentration of the ground water most likely to be affected by the discharge

The proposed discharge area is within the Carlsbad Underground Water Basin (UWB). According to information available from the New Mexico PRRC's Web Mapping Portal, depth to groundwater averages about 140 feet deep in most wells found in this area. Total dissolved solids in groundwater from Santa Rosa Sandstone ranges from 635 to 1,950 mg/L.

o. Identification of landowners at and adjacent to the discharge and collection/retention site

The discharge site and the lands surrounding the discharge site are owned by the State of New Mexico and the Lessee of the dewatering site is Merchant Livestock Co. DCP has a 50 foot wide construction right-of-way along the proposed pipeline route for use (including testing) of the pipeline.



FIGURES

