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April 16, 2010

HAND-DELIVERED

Mark E. Fesmire, P.E.
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: DCP Midstream Services, LP Linam Ranch AGI Well

Dear Mr. Fesmire:

DCP Midstream, LP's ("DCP") authority to temporarily inject into the Linam Ranch AGI well expires on April 19, 2010. DCP respectfully requests an extension of authority to continue to inject and of the stay of Paragraphs N and Q of Order No. R-12546. In addition, DCP requests the Commission Chair consider directing the Environmental Bureau to issue DCP's modified discharge permit (GW-015) under the original template for a period of eighteen months.

In October 2009, DCP requested temporary authority to inject acid gas into its acid gas injection well at the Linam Ranch Gas Plant. Pursuant to this request, you issued Order No. R-12546-D which stayed Paragraphs N and Q in Order No. R-12546 for a period of 90 days from the date of the Order (until February 21, 2010) and authorized temporary injection of acid gas into the Linam Ranch AGI well. During this time, the Division's Environmental Bureau created a new discharge permit template and DCP's application for a modification to and renewal of its discharge permit for the Linam Ranch Plant became subject to the new template. The Division issued a draft discharge permit to DCP in November 2009. DCP met with the Environmental Bureau staff in early December 2009 to provide comments and concerns with the new template and conditions. DCP followed with written comments to the draft discharge permit in mid-December. Also during this time, DCP's Sulfur Recovery Unit at the Linam Ranch Plant was shut down and DCP commenced injecting acid gas into its AGI well. At the end of January, the Environmental Bureau had not yet completed its review of the draft discharge permit and the Commission Chair in Order No. R-12546-E, extended the stay another 60 days to give the Division staff additional time until April 19, 2010.



It is DCP's understanding that the discharge permit is still under review by the Environmental Bureau. DCP therefore respectfully requests another extension of the stay and continued authority to inject acid gas into the Linam Ranch AGI well. A proposed order is attached for your consideration.

Recognizing the staffing and workloads of the Environmental Bureau staff and the tremendous undertaking of drafting a new discharge permit template, DCP also requests you consider issuing the discharge permit using the original template for a period of eighteen months. This solution would allow sufficient time for the Environmental Bureau to continue its review of the new discharge permit template and gives DCP greater business certainty of its operations. Allowing DCP to proceed under the original template carries no additional health, safety or environmental risks. This would also allow DCP to meet the final conditions in Order No. R-12546 Paragraphs N and Q. DCP would not therefore need to seek further extensions from the Commission Chair. At the end of the 18 months, the Environmental Bureau could then re-issue the new template for discharge permit GW-015.

DCP thanks you for your time and consideration of these requests.

Sincerely,


Ocean Munds-Dry
Attorney for DCP Midstream, LP

cc: Joshua Epel