LJA ENVIRONMENTAL

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July 10, 2023

Leigh Barr
Engineering Bureau
North Evaluation Unit
1220 South Francis Drive
Sante Fe, New Mexico 87505

RE: Groundwater Discharge Plan Permit Application
Carlsbad Facility in Eddy County, New Mexico
Sendero Midstream - Crestwood Equity Partners, LP

Ms. Barr,

Pursuant to 20.6.2 of the New Mexico Oil Conservation Division (NMOCD), LJA Environmental Services (LJAES, Agent) is requesting a Groundwater Discharge Plan Permit on behalf of Sendero Midstream (Applicant), a subsidiary of Crestwood Equity Partners, LP, for the 53-acre Carlsbad Plant (facility) located west of the intersection of FM 716 and Bounds Road in Eddy County, New Mexico. The USGS Quad reference maps are *Loving* and *Otis* and the subject site is located at Lat: 32.26121, Long: -104.12331 (NAD83).

An attached report with pertinent facility information accompanies this letter. Specifically, the accompanying attachment provides facility and site information, containment information, sources of potential discharges, waste streams, and associated facility maps. The facility does not engage in intentional discharges and any discharges would be the result of an accidental release or equipment failure within the facility.

This permit application is respectfully submitted to the NMOCD within the Energy, Minerals and Natural Resources Department. Please find enclosed the following attachments for the processing of this permit request:

Attachment A: Groundwater Discharge Plan Permit Application

If you have any questions or need additional information, please contact us at (281) 239-5181 or dschlitzkus@lja.com.

Sincerely,

Dyer Schlitzkus
Environmental Director
LJA Environmental Services

Iliana Freiday
Project Coordinator
LJA Environmental Services

ATTACHMENT A
Groundwater Discharge Plan Permit Application

GROUND WATER DISCHARGE PLAN PERMIT APPLICATION

Carlsbad Plant
1025 Bounds Rd, Loving, NM 88256

Prepared For

Sendero Midstream

1000 Louisiana Street #6900
Houston, Texas 77002

MAY 2023

Prepared By:

LJA Environmental Services, LLC
1904 W Grand Parkway N, Suite 100
Katy, TX 77449

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Executive Summary

LJA Environmental Services (LJA) is requesting a Groundwater Discharge Permit on behalf of Sendero Midstream (Sendero), a subsidiary of Crestwood Equity Partners, LP, for the Sendero Carlsbad Plant (facility), a 53-acre facility located west of the intersection of FM 716 and Bounds Road in Eddy County, New Mexico. The United States Geological Survey (USGS) Quad reference maps are *Loving* and *Otis* and the subject site is located at Lat: 32.26121, Long: -104.12331 (NAD83). This Groundwater Discharge Plan permit application has been prepared to meet the compliance requirements of 20.6.2 of the New Mexico Oil Conservation Division (NMOCD). Under these regulations, a discharge permit must be acquired for all oil and natural gas plants with the potential or intended purpose of discharging contaminants affecting ground water quality.

The purpose of this Ground Water Discharge Plan is to document sources of potential discharge within the facility and prevent discharges of stored materials into nearby waters in order to protect public health and the environment. This document will describe potential sources of discharge which may contain constituents of concern and address surface facility operations, including all areas of containerized material, tankage, product storage areas, loading areas, effluent/waste treatment, stormwater management, and any known ongoing ground water impacts. In addition, this document will provide storage information, testing protocols, facility inspection protocols, and procedures used to prevent and respond to incidental discharges in a safe, effective, and timely manner. Facility construction and processes are currently in compliance with New Mexico Administrative Code (NMAC) state regulations, and no intentional discharges occur as part of regular facility operations. However, due to the potential for discharge, Sendero submits this document to comply with compliance requirements of the NMOCD.

1. Facility Description

1.1 Company Information

Table 1. Facility Information

Name of Facility	Carlsbad Plant
Type	Onshore, Non-Production
Date of Initial Operation	December 21, 2017
Location	1025 Bounds Rd, Loving, NM 88256 LAT/LONG: 32.26121, -104.12331 (NAD83)
Name and Address of Owner	Sendero Midstream 1025 Bounds Rd, Loving, NM 88256 Eddy County, NM

1.2 Operator Information

Operator: Sendero Midstream

ORGID number: 327139

Legally Responsible Party: Sendero Midstream Partners, LP

Facility Contact: Clint Cone, Director, Operations

Landowner Contact Information:
Clint.Cone@crestwoodlp.com, 575-300-5119**,** 1025 Bounds Road, Loving, NM 88253

1.3 Facility Location and Operations

The legal description of the facility property is as follows:

“Subd: SENDERO/CONNALLY BOUNDARY LINE ADJ Tract: C Quarter: SE S: 31 T: 23S R: 28E Quarter: NE S: 31 T: 23S R: 28E”

The facility contains above ground storage tanks, associated pipelines with hydrocarbons, crude oil, pipeline liquids (condensate), oily water, and oil-filled operational equipment. Maps of the facility area, including an aerial photograph, USGS topographic maps, and a facility site plan with associated containment locations are provided in **Appendix A**. A list of stored materials and containers within the facility is as described in the Comprehensive Materials List (Table 3). The facility is regularly manned.

The facility is subdivided into two plants, Plants 1 and 2, with each plant capacity rated at 130 MMcf and 220 MMcf, respectively. Megawatt (MW) cogeneration for the facility is zero. Table 2 below provides the average daily throughputs of gas, liquid natural gas, and condensate for the first four months of 2023 for the overall facility.

Table 2. Average Daily Throughputs for the Facility in 2023

	Gas (MMcf)		Liquid Natural Gas (bbl)	Condensate (bbl)
	Inlet	*Residue*		
January	204	164	22,998	450
February	228	187	26,414	553
March	242	193	30,050	589
April	271	219	33,514	622
Average for 2023	236	190	28,244	554

*Average daily throughputs per day for each given month

2. Site Description

2.1 General Description

The facility is located in southeastern New Mexico within the Chihuahuan Desert, Chihuahuan Basins and Playas ecoregion, situated at approximately 3,100 feet of elevation above sea level. A map detailing the United States Geological Survey (USGS) site topography is provided in **Appendix A**. The facility exhibits relatively flat to gently sloping terrain with surface water flow moving generally south and southeast off the facility property towards the Southern Canal, a man-made tributary of the Black River. Historic vegetation communities in the general vicinity of the property include xeric species such as cacti, creosote shrubs, acacia shrubs, sagebrush, and miscellaneous native grasses. The facility site remains cleared of vegetation, though surrounding areas of the facility currently include creosote shrubs, Russian thistle, mesquite shrubs, miscellaneous grasses, and seasonal forbes.

2.2 Soil Type

Soil types on site were reviewed through the U.S. Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS). The facility property is comprised of one soil type, Reeves-Gypsum land complex, 0 to 3 percent slopes (RG). This soil type is not classified as hydric. A map illustrating soil types and their spatial arrangement within and surrounding the facility property is provided in **Appendix A**. The NRCS soil map unit description for RG is as follows:

The Reeves component makes up 55 percent of the map unit. Slopes are 0 to 1 percent. This component is on gypsum hills, uplands. The parent material consists of residuum weathered from gypsum. Depth to a root restrictive layer is greater than 60 inches. The natural drainage class is well-drained. Water movement in the most restrictive layer is very low. Available water to a depth of 60 inches (or restricted depth) is low. Shrink-swell potential is moderate. This soil is not flooded. It is not ponded. There is no zone of water saturation within a depth of 72 inches. Organic matter content in the surface horizon is about 1 percent. This component is in the R070BC007NM Loamy ecological site. Nonirrigated land capability classification is 7s. Irrigated land capability classification is 3s. This soil does not meet hydric criteria. The calcium carbonate equivalent within 40 inches, typically, does not exceed 20 percent. The soil has a slightly saline horizon within 30 inches of the soil surface. The soil has a maximum sodium adsorption ratio of 2 within 30 inches of the soil surface.

The Gypsum land component makes up 30 percent of the map unit. The Gypsum land is a miscellaneous area.

2.3 Nearby Waterbodies

The facility site perimeter is located approximately 0.43-mile northwest of the Southern Canal, a man-made, ephemeral tributary of the Black River. The facility is located approximately 1.8 miles northeast of the Black River, a relatively permanent waterbody. The National Wetlands Inventory (NWI) classification codes for the Southern Canal and the Black River are R4SBJx and R3UBH, respectively.

2.4 Groundwater & Monitoring Wells

There are currently no groundwater monitoring wells located on the facility property. The depth to groundwater is approximately 60 feet and no impacts to groundwater have been identified on site.

Two (2) groundwater wells owned by Sendero (Sendero Well IDs# C-4311 and C-4037) are present within the facility site. A facility map with the locations of the wells can be found in **Appendix A**. Use of the water is specified as drinking and sanitary uses incidental to the operations of the facility. Copies of the well permit information and a well log issued to the New Mexico Office of the State Engineer are provided in **Appendix B**.

2.5 Aquifers

The facility site is underlain by the Capitan Reef Aquifer, a minor aquifer encompassing the southerly regions of Eddy and Lea counties, New Mexico, and portions of west Texas in the Guadalupe Mountains. The Capitan Reef Aquifer includes the Capitan Reef Formation, portions of the Goat Seep Formation, and the Carlsbad Formation. This aquifer is characterized by high primary porosity, high permeability, and an abundance of limestone karst with sandstone and dolomite facies. The aquifer is capable of providing large quantities of fresh water and is a significant water source for the City of Carlsbad. Aquifer sensitivity in the vicinity of the facility is moderate to high.

2.6 Geology

The facility is located within the Delaware Basin, a geologic embayment bordered by the Capitan Reef Complex and covered by a shallow sea during the Permian Geologic Period. The facility property is situated on sandstone, gypsum, and dolomite soils of the Reeves-Gypsum land complex (RG), as described in the Eddy County USDA NRCS soil unit description. Depth to a restrictive layer is over 60 inches.

2.7 Flooding Potential

The flow of surface water onto the property appears to migrate in a south to southeasterly direction towards the Southern Canal, a man-made tributary to the Black River, a relatively permanent waterbody. According to the Federal Emergency Management Agency (FEMA) (FIRM panels

35015C1325D and 35015C1350D) and USGS Topographic maps of the area (**Appendix A**), the subject tract does not lie within the 100-year FEMA floodplain of the Black River and flooding potential on the facility is low.

3. Potential and Intentional Discharges

The facility does not produce any intentional discharges. Any discharge occurring on site would be the result of an unintentional spill or equipment failure. The information below describes materials stored on site and potential sources and volumes of discharge that may adversely affect groundwater quality.

3.1 Materials Used and Stored

A comprehensive list of materials stored or used at the facility, including container types and basic compositional information, are listed below. **Appendix A** contains a Facility Map with the locations of contained materials.

Table 3. Comprehensive Materials List

Material	Liquid/ Solid	Volume Stored	Primary Container & Material	Secondary Containment	Lined/ Unlined	Location at Facility; (Tank ID #)
Main Containment 1						
Condensate	Liquid	Six 1,000 barrel tanks	AST - Steel	Metal dike	Lined	Main Containment 1; (1-6)
Slop Oil	Liquid	One 210 barrel tank	AST - Steel	Metal dike	Lined	Main Containment 1; (7)
Main Containment 2						
Condensate	Liquid	One 10,000 barrel tank	AST - Steel	Metal dike	Lined	Main Containment 2; (23)
Main Containment 3						
Triethylene Glycol	Liquid	One 166.7 barrel tank	Poly	Metal dike	Lined	Main Containment 3; (22)
Main Containment 4						
Amine	Liquid	One 210 barrel tank	AST - Steel	Metal dike	Lined	Main Containment 4; (19)
RO Water	Liquid	Two 210 barrel tanks	AST - Steel	Metal dike	Lined	Main Containment 4 (18, 20)
Reclaimed water	Liquid	One 210 barrel tank	AST - Steel	Metal dike	Lined	Main Containment 4 (21)
Day Tank Containments						

Methanol	Liquid	Three 12.4 barrel tanks	AST - Steel	Poly containment	Lined	Center of facility (8-10)
Cryo Methanol	Liquid	One 12.4 barrel tank	AST - Steel	Poly containment	Lined	Center of facility (32)
Sling Methanol	Liquid	One 12.4 barrel tanks	AST - Steel	Poly containment	Lined	W side of facility (16)
OHC Methanol	Liquid	One 12.4 barrel tank	AST - Steel	Poly containment	Lined	W side of facility (17)
Compressor Oil (Residue & OHC)	Liquid	Thirteen 12.4 barrel tanks	AST - Steel	Poly containment	Lined	W side and SW corner (11-15, 24-27,28-31)
Transformers						
Transformer Oil (Type II Mineral Oil & Envirotemp FR3)	Liquid	Two 153.5 barrel, one 135.8 barrel, and two 46.4 barrel, Two 58.9 barrel, one 17.4 barrel, and one 8.83 barrel	AST - Steel	Earthen dike	Lined	Transformer containments - NW corner of facility; (33-41)
TOTAL						**6,384 Barrels**

3.2 Sources of Effluent and Waste Streams

Table 4 below outlines the facility's waste streams and their hazardous classifications and disposal methods. Waste streams on site consist primarily of RCRA-exempt waste materials or materials subsequently classified as RCRA-exempt through recycling and disposal protocols. The RCRA exemption applies to waste created as a result of the exploration, development, and production of crude oil or natural gas. Waste streams determined to be RCRA-exempt were confirmed by EDGE Engineering and Science in October 2021 based on facility operations.

Table 4. Facility Waste Streams

WASTE STREAM	CLASSIFICATION	TRANSPORTER	DISPOSAL OPTIONS (BASED ON CLASSIFICATION)	VOLUMES ON SITE
Absorbent Rags & Pads	RCRA Exempt	Contact Environmental Services	Accumulated on site and transported to recycler.	20-yard roll off dumped once a year
Batteries - Vehicle, Rechargeable (Ni-cad; Lithium; etc.)	Exempt if managed as Universal Waste, otherwise considered hazardous	Continental Battery Systems	Returned to retailer for recycling.	83
Fluorescent Bulbs; Lamps	Exempt if managed as Universal Waste, otherwise considered hazardous	TAS Environmental, LP	Accumulated on site and transported to Universal Waste Handler.	All LED lights and the office are new – no waste of this nature has been produced.
Condensate	RCRA Exempt	Gibson Energy, Texas Gathering	Collected in Tank Battery, pumped out and hauled off.	Stabilized Condensate (99,810 bbl.) NGLs (4,600,058

WASTE STREAM	CLASSIFICATION	TRANSPORTER	DISPOSAL OPTIONS (BASED ON CLASSIFICATION)	VOLUMES ON SITE
				bbl.)
Electronics - used (e-waste)	Exempt if managed as Universal Waste, otherwise considered hazardous	Contact Environmental Services	Accumulated on site and transported to Universal Waste Handler.	N/A – office is new, no waste of this nature has been produced.
Filters - Dehy	RCRA Exempt	TAS Environmental, LP	Collected in a roll off container and transported to a landfill.	20-yard roll off dumped once a year
Filters - Fuel Gas	RCRA Exempt	TAS Environmental, LP	Collected in a roll off container and transported to a landfill.	20-yard roll off dumped once a year
Filters - Gas Separators	RCRA Exempt	TAS Environmental, LP	Collected in a roll off container and transported to a landfill.	20-yard roll off dumped once a year
Filters - Air	Non-Hazardous	TAS Environmental, LP	Collected in a roll off container and transported to a landfill.	20-yard roll off dumped once a year
Filters - Oil	Exempt, if recycled; Hazardous dependent upon testing	TAS Environmental, LP	Collected in roll off container and sent to recycler. Hazardous waste if landfilled.	20-yard roll off dumped once a year
Oil - Used	Exempt, if recycled; Hazardous dependent upon testing	SB Oilfield Services	Collected by contractor for reclamation.	2470 bbl.
Petroleum Contaminated Solids (filters, gravel, pads, etc.)	RCRA Exempt	TAS Environmental, LP	Placed into a ~20-yard Roll- Off Bin and hauled off when full.	20-yard roll off dumped once a year
Pigging Debris (solids)	RCRA Exempt	TAS Environmental, LP	Collected in a roll off container and transported to a landfill.	20-yard roll off dumped once a year
Pipeline Fluid Contaminated Media	RCRA Exempt	TAS Environmental, LP	Collected in a roll off container and transported to a landfill.	20-yard roll off dumped once a year
Produced Fluids	RCRA Exempt	SB Oilfield Services & Rockbridge	Collected in Tank Battery, pumped out and hauled off to a Saltwater Disposal Well.	SB – 5232 bbl. Rockbridge – 4805 bbl.
Trash (Plant)/ Refuse	Non-Hazardous	Waste Management	Accumulated in dumpster and hauled to landfill when full.	Two 4-yard dumpsters picked up weekly

3.3 Discharge Predictions

Flooding potential and surface water flow are discussed in Section 2.7. Sources of potential releases include rupture or leakage of containers (including flowlines), valve failure, leakage or failure of pumps and associated equipment, overfill of tanks and spills during transfer operations. Discharge predictions for spill sources, flow rates, and quantities of discharge are identified in Table 5.

Table 5. Potential Sources of Discharge

Potential Event	Maximum Volume Released (barrels)	Maximum Discharge Rate	Direction of Flow	Secondary Containment
Bulk Storage Area (Aboveground Storage Tanks)				
Failure of an Aboveground Tank (puncture or collapse below product level)	10,506	Gradual to instantaneous	South-southeast	Earthen or metal dike
Tank Overfill	1 to 10,506	15 barrels/minute	South-southeast	Earthen or metal dike
Pipe Failure	1 to 10,506	15 barrels/minute	South-southeast	Active containment; Earthen or metal dike
Leaking valve packing or pipe	1 to 10,506	15 barrels/minute	South-southeast	Active containment; Earthen or metal dike
Oil-filled Ancillary Equipment Areas (Aboveground Storage Tanks)				
Tank leak or failure	1 to 193	Gradual to instantaneous	South-southeast	Earthen or general containment
Loading/Unloading Area				
Tank truck leak or failure inside the rollover berm	1 to 200	Gradual to instantaneous	South-southeast	Rollover berm
Tank truck leak or failure outside the rollover berm	1 to 200	Gradual to instantaneous	South-southeast	Rollover berm
Hose leak during truck loading	1 to 200	60 gallons/minute	South-southeast	Rollover berm
Other Areas				
Tanks less than 1,000 gallons and 55-gallon drums	1 to 26	Gradual to instantaneous	South-southeast,	Rollover berm; Earthen or metal dike

Due to the spill prevention measures described in the facility's SPCC Plan and the site's distant proximity to nearby waters, the probability of a release into adjacent or public waters is extremely low. In the event of a major release of oil or condensate during either dry weather or storm events, a spill would be contained by its secondary containment system. The secondary containment structures provide a minimum of a 110% containment rate and are capable of containing a spill until cleanup is complete. Each containment structure is constructed to hold the volume of the largest tank plus sufficient freeboard to account for a precipitation event.

Given the facility's current spill prevention programs including secondary containment, management practices, and inspection practices, it appears a natural disaster would be the most likely cause of a major release.

3.4 Piping and Additional Storage Areas

The facility contains pressurized pipelines above and below ground. Buried metallic piping has a protective coating or equivalent and is cathodically protected if soil conditions warrant. In the event a buried pipeline becomes exposed, it will be inspected for deterioration and corrective action taken relative to the existing damage. When a pipeline is not in service or is on standby, the terminal connection at the transfer point will be marked, isolated, capped, or blank-flanged, or the on/off switch tagged as to its origin. No surface storage impoundments exist within the facility.

4. Inspection and Maintenance

Facility procedures regarding routine inspection, employee training, and recordkeeping are described in this section.

4.1 Periodic Integrity Testing

The material and construction of bulk storage are compatible with the material stored and storage conditions, such as pressure and temperature. Integrity testing of tanks, piping and equipment at the facility is regulated by the Company's Operation and Maintenance plans, where applicable. This facility complies with the Steel Tank Institute SP001 *Standard for the Inspection of Aboveground Storage Tanks*, which recommends formal external inspections every 5 years and formal internal inspections every 10 years. Above ground bulk storage tanks will have formal external inspections performed every 5 years and the need for formal internal inspections will be evaluated at the 10-year mark. Above ground bulk storage tanks at the facility are provided with a leak detection barrier (gravel base in metal collar) allowing the detection of leaks from the bottom of bulk tanks located inside the secondary containment. The visual leak inspection method satisfies environmental protection requirements as would be provided by other nondestructive tests, such as ultrasonic testing.

4.2 Routine Inspection

Monthly facility inspections are conducted using the forms provided in **Appendix D**. The operator will perform more frequent, informal inspections by conducting walk-throughs of the facility and visually inspecting the following:

- Storage tanks for indications of leaks or spills.
- Loading areas to ensure load line drip pots are in place and load line valves are maintained closed and plugged/capped.
- Containment for indication of spills, damage, excessive accumulation of rainwater, closed drain (if applicable).
- Station piping, equipment, flanges, connections, valves, and mechanical equipment for indications of leaks.
- Master flow and drain valves and any other valves permitting direct outward flow of spilled substances to waters of the state are securely locked, tagged, or sealed in the closed position when unattended.

- General area for any indications of leaks.

Any issues or concerns identified during routine inspections will be corrected promptly. The operator or management team will be contacted to report unsafe conditions or if there appears to be a potential for a release.

4.3 Flow-through Process Vessels

The operator of the facility may choose to implement the alternate requirements as described below in lieu of sized secondary containment for flow-through process vessels:

- Periodically visually inspect and/or test flow-through process vessels and associated components (such as dump valves) for leaks, corrosion, or other conditions potentially leading to a discharge.
- Make corrective repairs to flow-through process vessels and any associated components as indicated by regularly scheduled visual inspections, tests, or evidence of an oil discharge.
- Promptly remove and/or remediate any accumulations of oil discharges associated with flow-through process vessels.

4.4 Produced Water Containers

Produced water containers on site maintain adequate secondary containment and are inspected on a regular basis with other facility installations for evidence of leaks, corrosion, or other conditions that could lead to discharge.

4.5 Piping Inspection

Buried metallic piping has a protective coating and is cathodically protected if soil conditions warrant. Pipeline components such as aboveground flange joints, expansion joints, valves, catch pans, pipeline supports, and metal surfaces are inspected on a monthly basis. Integrity and leak testing of buried piping at the time of installation, modification, construction, relocation, or replacement are conducted on an as-needed basis. If a section of buried line is exposed for any reason, it shall be carefully examined for deterioration. If corrosion damage is found, additional inspection and corrective action shall be taken relative to the magnitude of damage. When a pipeline is not in service or on standby for an extended period of time, the terminal connection at the transfer point will be marked, isolated, capped, or blank-flanged, or the on/off switch tagged as to origin.

4.6 Drainage of Diked Areas

The preferred method for removal of uncontaminated, accumulated storm water is by natural dissipation and evaporation provided the accumulation does not damage equipment or structures, inhibit operations, or significantly reduce the capacity of the secondary containment. If needed, secondary containments are drained under direct supervision of facility personnel. The accumulated rainwater is observed for signs of oil prior to dewatering. The containment valves, if

present, are kept in a closed position except when draining the dike. Dike drainage events are recorded on the form included in *Record of Containment Dike Drainage* of the facility's SPCC plan. Facility drainage from undiked areas with a potential for discharges is designed to retain oil-contaminated water on the facility's property. If necessary, accumulated rainwater may be hauled off or placed in temporary water holding tanks.

4.7 Personnel Training

Operators will schedule and conduct spill prevention briefings for their operating personnel and appropriate contractors at intervals frequent enough to assure adequate understanding of the SPCC Plan for this facility. Such briefings highlight and describe known spill events or failures, malfunctioning components, and recently developed precautionary measures. Spill prevention briefings for oil-handling personnel are conducted when they are hired and at least once a year thereafter to assure adequate understanding of the SPCC Plan for the facility. These briefings include:

- discussion of the SPCC Plan, its location, and its contents
- applicable oil spill prevention (State & Federal) laws, rules, and regulations
- general facility operations
- procedures for the operation, maintenance, and inspection of equipment to prevent oil discharges
- potential equipment failures potentially resulting in discharges
- new developments in spill control measures
- any near misses or spill incidents are discussed at these meetings in order to prevent them from recurring
- oil discharge procedure protocols

4.8 Recordkeeping

All records will be kept for a period of three years. Completed inspection forms will be stored in conjunction with the SPCC Plan or electronically within Sendero's file server system. In accordance with 40 CFR 112.5b, a complete a review and evaluation of the on-site SPCC Plan will occur at least once every five years from the date the Plan becomes active. The Plan is reviewed for changes in personnel and contact information. In the event changes are made to the facility design, operation, maintenance, Sendero will reobtain the signature of a professional engineer.

5. Discharge Prevention and Reporting - Contingency Plan for Releases

Should a release occur at the facility, the appropriate personnel will be notified and repairs and cleanup will begin as soon as practicable. Reporting of leaks will be completed pursuant to

19.15.29 NMAC regarding the volume and type of notification required. All cleanup and remediation of releases will occur pursuant to 19.15.29 NMAC.

The U.S. Environmental Protection Agency (EPA) through 40 CFR 112.4 requires written notification within 60 days of a release of oil greater than 1,000 gallons in a single release or two releases of greater than 42 gallons within a 12-month period. The release should be reported to the EPA Regional Administrator. The National Response Center (NRC) should be notified immediately under 40 CFR 110.6 of a discharge of oil threatening impact waters or resulting in a sheen on water.

5.1 Spill & Leak Prevention Measures

Periodic tank, containment, and general facility inspections are the main discharge prevention measures. Other discharge prevention measures include proper operation and maintenance of facility equipment, routine procedures for loading/unloading, employee trainings, and a company culture of safe work practices.

Secondary containment structures are inspected prior to discharge of accumulated rainwater. Tanks are elevated off the natural ground through the use of gravel pads or other means to inhibit corrosion. Signage is placed as needed to warn truck drivers and other mobile traffic of potential hazards. The secondary containment structures provide a minimum of a 110% containment rate and are capable of containing a spill until cleanup is complete.

5.2 Spill & Leak Controls and Countermeasures

In the event of a spill outside containment, base material and soil on site will contain or absorb small spills. The secondary containments are adequately sized to contain larger spills even in lieu of potential precipitation events. Upon discovery of a release, Sendero will take appropriate cleanup measures to promptly remove or remediate oil impacted media present on the ground or in containment structures. A contractor with the specialization to handle cleanup and disposal will conduct response and remediation of any discharges leaving facility boundaries or exceeding the capability of facility personnel and equipment. In the event of a spill, corrective actions and/or countermeasures will also be implemented to prevent future occurrences of spills. Corrective actions are documented within the on-site SPCC Plan and available to all employees on site.

5.3 Truck Loading Operations & Tank Overfill Protection

The transport truck operator is required to remain near the truck during all loading/unloading operations. The tank battery has been constructed utilizing a stairway and walkway with rails, which allows for inspection of tanks. Load lines at the facility are typically constructed so they remain within the secondary containment area, and/or are equipped with drip-pots to prevent any spills during loading operations. Truck operators follow their company's protocol when transloading oil from tank batteries to trucks. Typical practice includes the following minimum activities:

- Ensure all valves are closed before connecting hoses.
- Check to see if space is available for loading.
- Secure hoses to truck and battery load line.
- Open valves and load truck.

- When loaded, shut off pump, close load line valves and truck valves.
- Empty hoses into appropriate containers.

Tank safe fill levels and volumes have been determined (see Table 3) and are posted for facility personnel. Tank levels are determined or gauged prior to filling. Tanks are appropriately sized so as to not overfill if there is a delay in off-loading.

5.4 Spill & Leak Notification and Reporting

For all releases regardless of volume, the responsible party shall remediate the release. Reporting of leaks will comply with 19.15.29 NMAC regarding volume and type of notification required.

"Minor Release" – Spills Greater Than 5 but Less Than 25 Barrels
For spills greater than five barrels but less than 25 barrels, the facility operator will notify NMOCD within 15 days of the discharge via the OCD's online Permitting System using Form C-141. The landowner and response contractor will be contacted if needed. The NMOCD will be notified within 24 hours if there are impacts to waters.

"Major Release" – Spills Greater Than 25 Barrels and Catastrophic Releases
For spills greater than 25 barrels, the NMOCD will be notified verbally or via email within 24 hours and appropriate facility representatives would be contacted to manage clean-up and disposal of the discharge. The facility operator must also notify the NMOCD in writing within 15 days of discovering the release by completing and filing form C-141. The written notification would verify the prior verbal or e-mail notification and include additions or corrections to the information contained in the prior verbal or e-mail notification.

For catastrophic releases of crude oil or condensate, the facility operator will contact appropriate internal personnel and the NMOCD immediately. If warranted, the National Response Center will be contacted. If there is a potential hazard to a waterway or the public, local emergency personnel (fire and police department) will be contacted immediately. Additionally, the landowner and response contractor may be contacted.

5.5 Spill Response Procedures

If less than five barrels or a manageable amount of crude oil or condensate is detected in containment areas, the following response procedures will be followed:

- remove oil and contaminated storm water via vacuum truck and properly dispose of or recycle waste.
- locate defects allowing oil or contaminants to enter the area; and
- take appropriate corrective actions to repair defects.

Table 6 below lists appropriate actions taken by Sendero in the event of a larger or less manageable spill event. Impacted water and soil will be recovered or disposed of in accordance with applicable legal requirements.

Table 6. Spill Response Actions

Action	Description
Notification	Contact the appropriate internal and external personnel.
Stopping Product Flow	Activate emergency shutdown procedures. Close valves if possible.
Safely Responding	Placement of apparatus uphill, upwind, and upgrade of the incident.
Isolating and Denying Access/Entry	Disallow anyone from entering or accessing the hazardous area. Using banner tape, vehicles, or emergency response agencies will help accomplish this.
Command	Establish an Incident Command System and appoint a Safety Officer. Initiate perimeter controls.
Identification of Material	This can be accomplished through recognition, pipeline markers, placards, shipping papers, labels, inventory records or Safety Data Sheets.
Assessment/Action Plan	Plan offensive mitigation action. Must be in writing and conveyed to the entire response team through a field briefing.
Protective Equipment	Select personal protective equipment based on hazards presented. Establish control zones and perform continuous air monitoring.
Control	Eliminate ignition sources; consider confinement and/or containment options. Contain spilled fluids to prevent further spread. Temporary dikes and emergency pits can be utilized.
Protective Action	Initiate evacuation and/or shelter-in-place operations. Establish and maintain adequate safety zones for the duration of the incident.
Decontamination	Incident Command will establish and provide an adequate level of decontamination.
Disposal	Incident Command will ensure appropriate disposal of all recovered product(s) and contaminated soil.
Termination	Conduct emergency-phase closure, equipment status evaluation, personnel debriefing, and assignments for post-incident analysis.
Medical	Document all exposures to personnel. Perform field medical evaluations on all exposed personnel and give recommendations for further medical attention.
Evaluation	Incident Command will schedule a post-incident analysis within 48 hours and inform all personnel involved.
Documentation	Incident Command will ensure necessary emergency-phase documentation is gathered and secured.

6. Facility Closure Plan & Financial Assurance

In the event of facility closure, 20.6.2.3107(A)(11) NMAC requires financial assurance for the facility be submitted to the NMOCD and a Facility Closure Plan must be implemented by Sendero. A Facility Closure Plan with approximate closure costs is provided in in **Appendix E.** Financial assurance will be provided to the NMOCD upon acceptance of this permit application.

7. Public Notice & Certification Statement

Pursuant to 20.6.2.3108(A) NMAC, public notice is required for this Ground Water Discharge Plan to be deemed administratively complete. A copy of the Public Notice is available in **Appendix F**. A physical copy of this notice will be posted on site at the facility office and at the Carlsbad Public Library, located at 101 S Halagueno Street, Carlsbad, NM 88220. A notice will also be placed in the Carlsbad Current Argus newspaper. Additionally, a signed certification statement from the Director of Operations of the facility verifying the information provided in this permit is provided in **Appendix G**.

Appendix A
Facility Maps & Diagrams

Image Source: ESRI
Projection: NAD 83, UTM Zone 13N
GIS Contact: ifreiday@lja.com

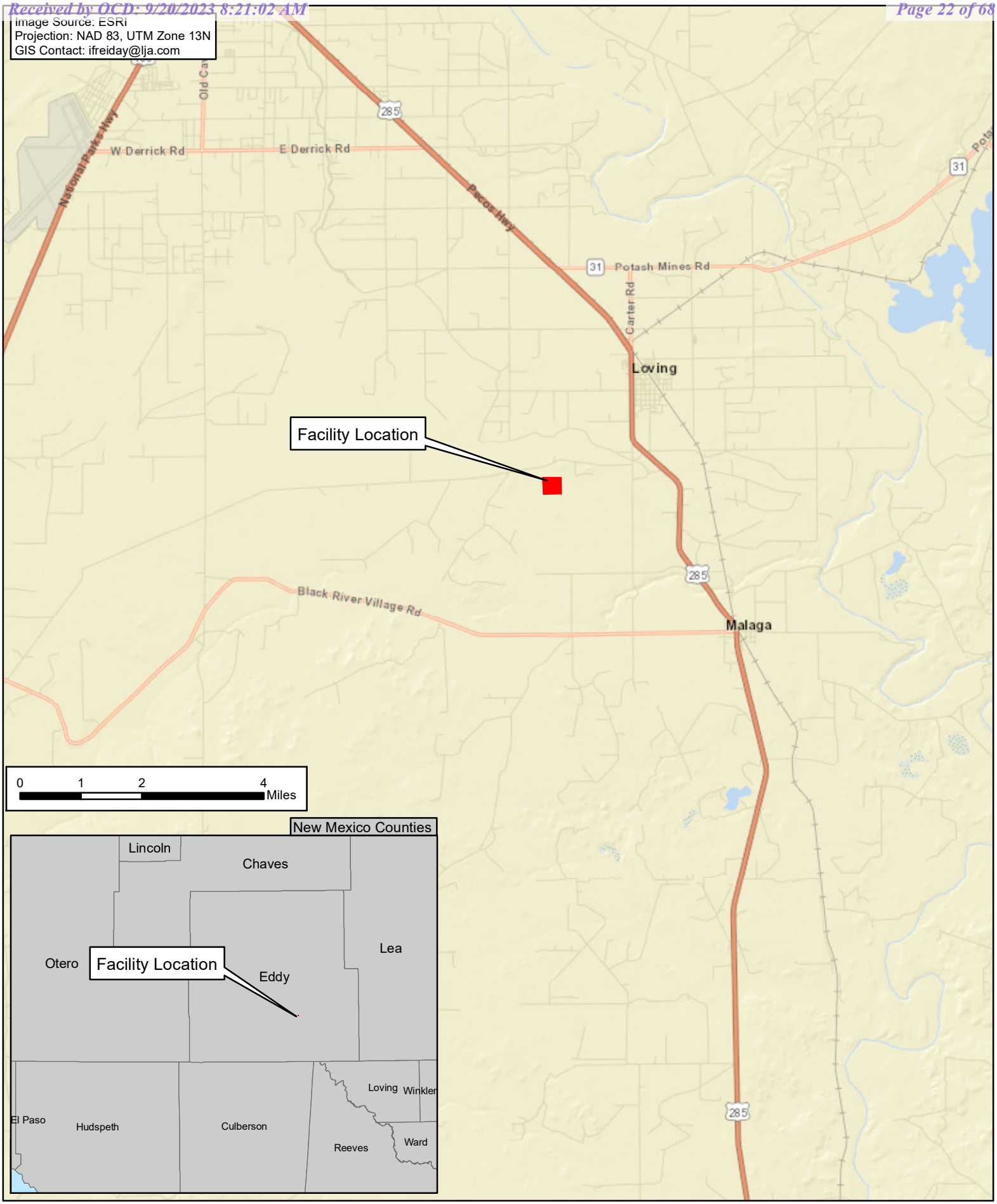


FIGURE 1 - FACILITY SITE VICINITY MAP

N

Project #: LJAES046-22124
For: Sendero Midstream Plants I & II SPCC
Location: W of County Rd 716 & Bounds Rd
Eddy County, New Mexico

Facility Site
53 acres

LJA ENVIRONMENTAL SERVICES
ENVIRONMENTAL SCIENCE & LAND USE CONSULTANTS
14701 ST. MARY'S LANE, SUITE 400 HOUSTON, TEXAS 77079
(281)589-0898 http://www.ljaenvironmental.com

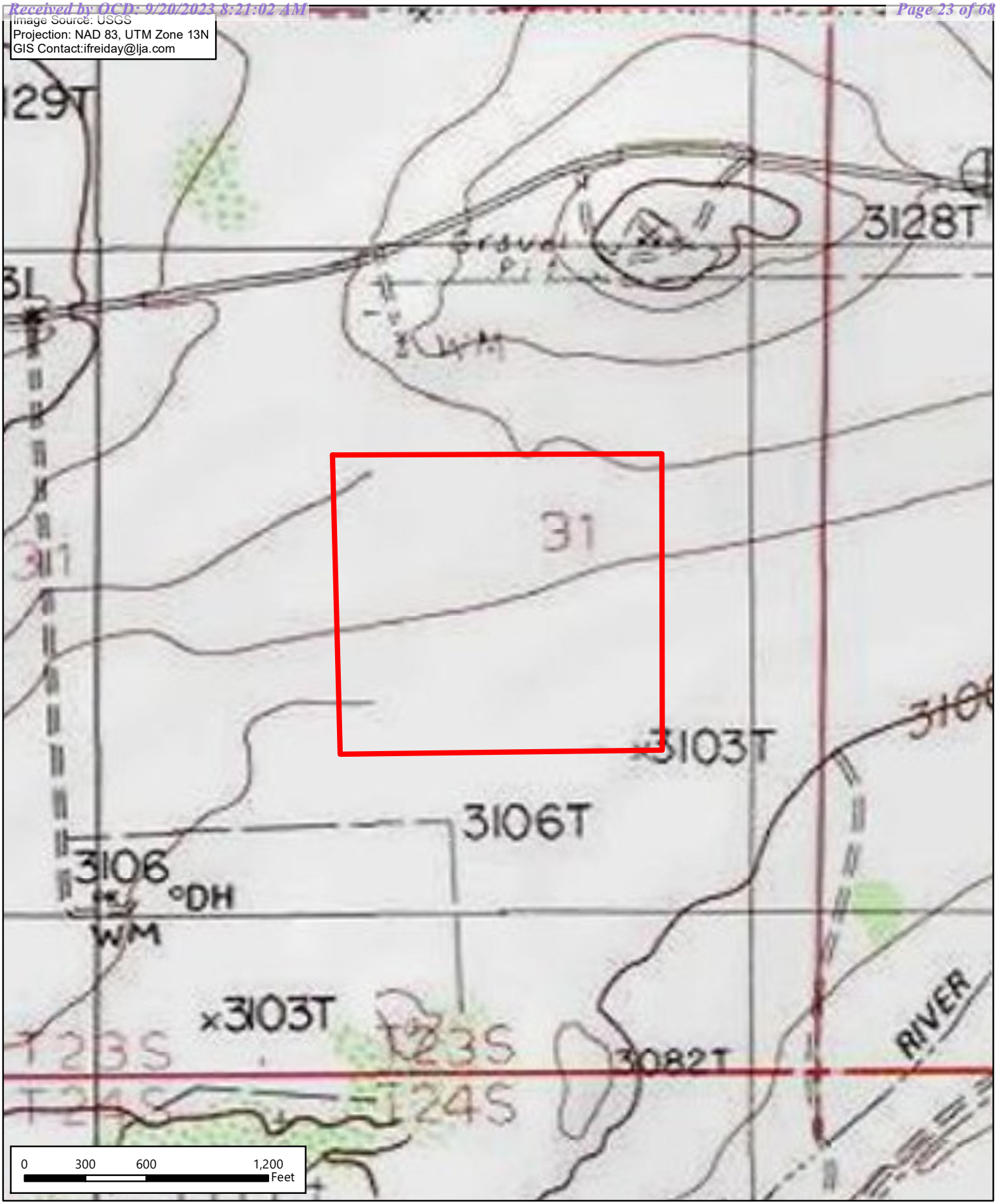


FIGURE 2 - USGS TOPOGRAPHIC MAP

N

Project #: LJAES046-22124
For: Sendero Midstream Plants I & II SPCC
Location: W of County Rd 716 & Bounds Rd
Eddy County, New Mexico

Facility Site

LJA ENVIRONMENTAL SERVICES
ENVIRONMENTAL SCIENCE & LAND USE CONSULTANTS
14701 ST. MARY'S LANE, SUITE 400 HOUSTON, TEXAS 77079
(281)589-0898 http://www.ljaenvironmental.com

Image Source: Esri
Projection: NAD 83, UTM Zone 13N
GIS Contact:ifreiday@lja.com

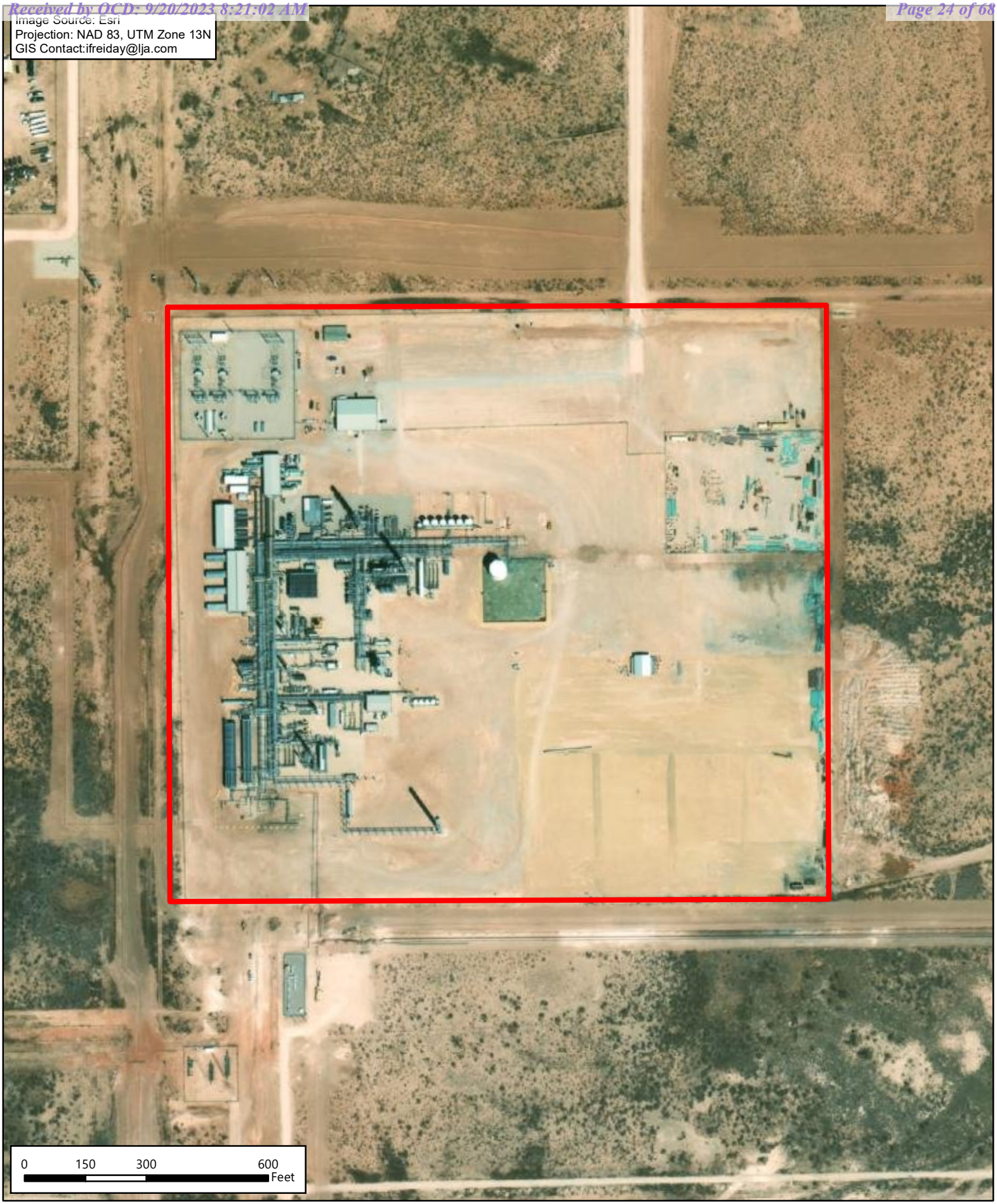


FIGURE 3 - ESRI AERIAL IMAGERY

N

Project #: LJAES046-22124.910
For: Sendero Midstream Plants I & II SPCC
Location: W of County Rd 716 & Bounds Rd
Eddy County, New Mexico

Facility Site

LJA ENVIRONMENTAL SERVICES
ENVIRONMENTAL SCIENCE & LAND USE CONSULTANTS
14701 ST. MARY'S LANE, SUITE 400 HOUSTON, TEXAS 77079
(281)589-0898 http://www.ljaenvironmental.com

Data Source: FEMA
Image Source: Esri
Projection: NAD 83, UTM Zone 13N
GIS Contact: ifreiday@lja.com

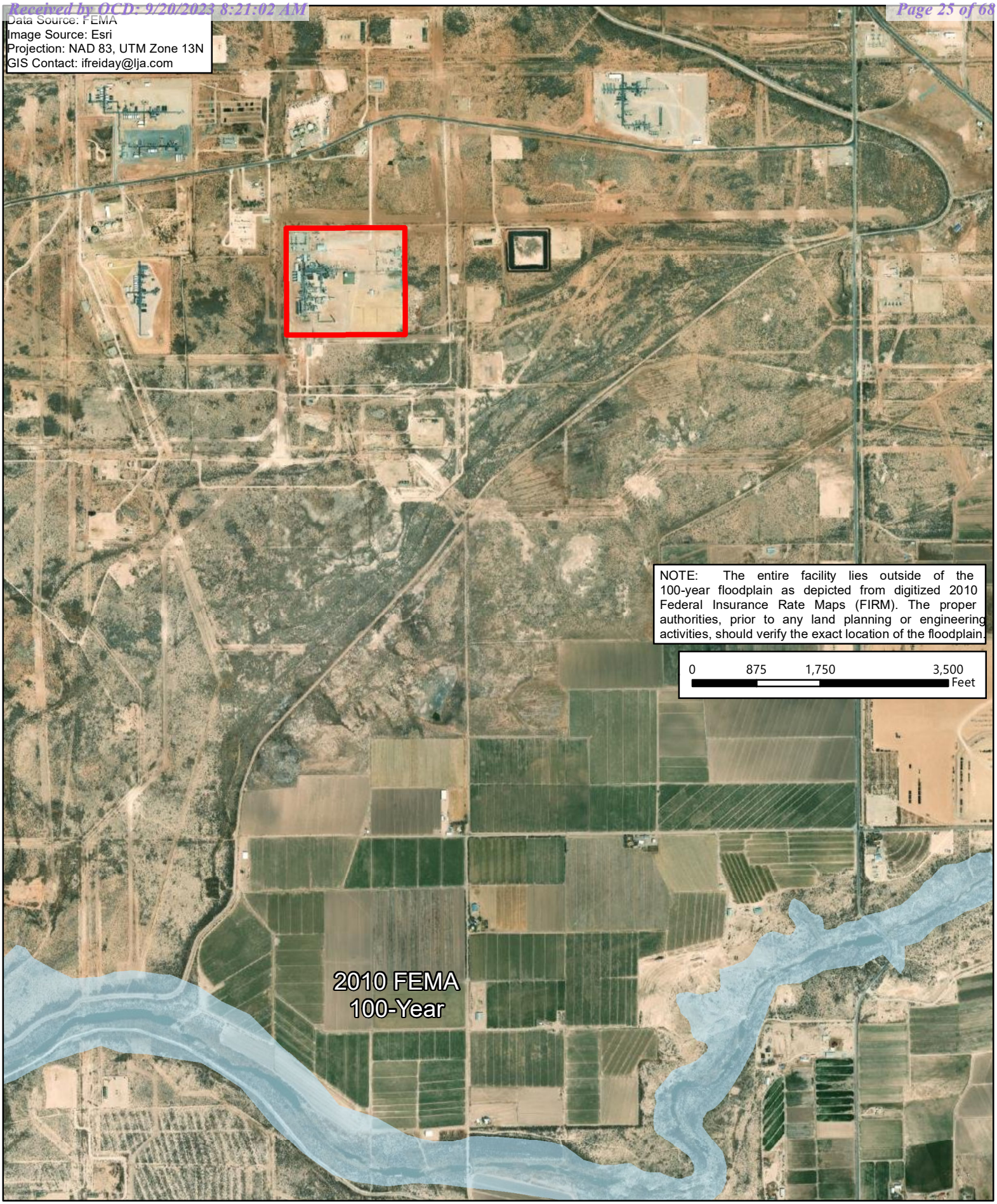


FIGURE 4 - FEMA 100-YEAR FLOODPLAIN

N

Project #: LJAES046-22124
For: Sendero Midstream Plants I & II SPCC
Location: W of County Rd 716 & Bounds Rd
Eddy County, New Mexico

Facility Site

LJA ENVIRONMENTAL SERVICES
ENVIRONMENTAL SCIENCE & LAND USE CONSULTANTS
14701 ST. MARY'S LANE, SUITE 400 HOUSTON, TEXAS 77079
(281)589-0898 http://www.ljaenvironmental.com

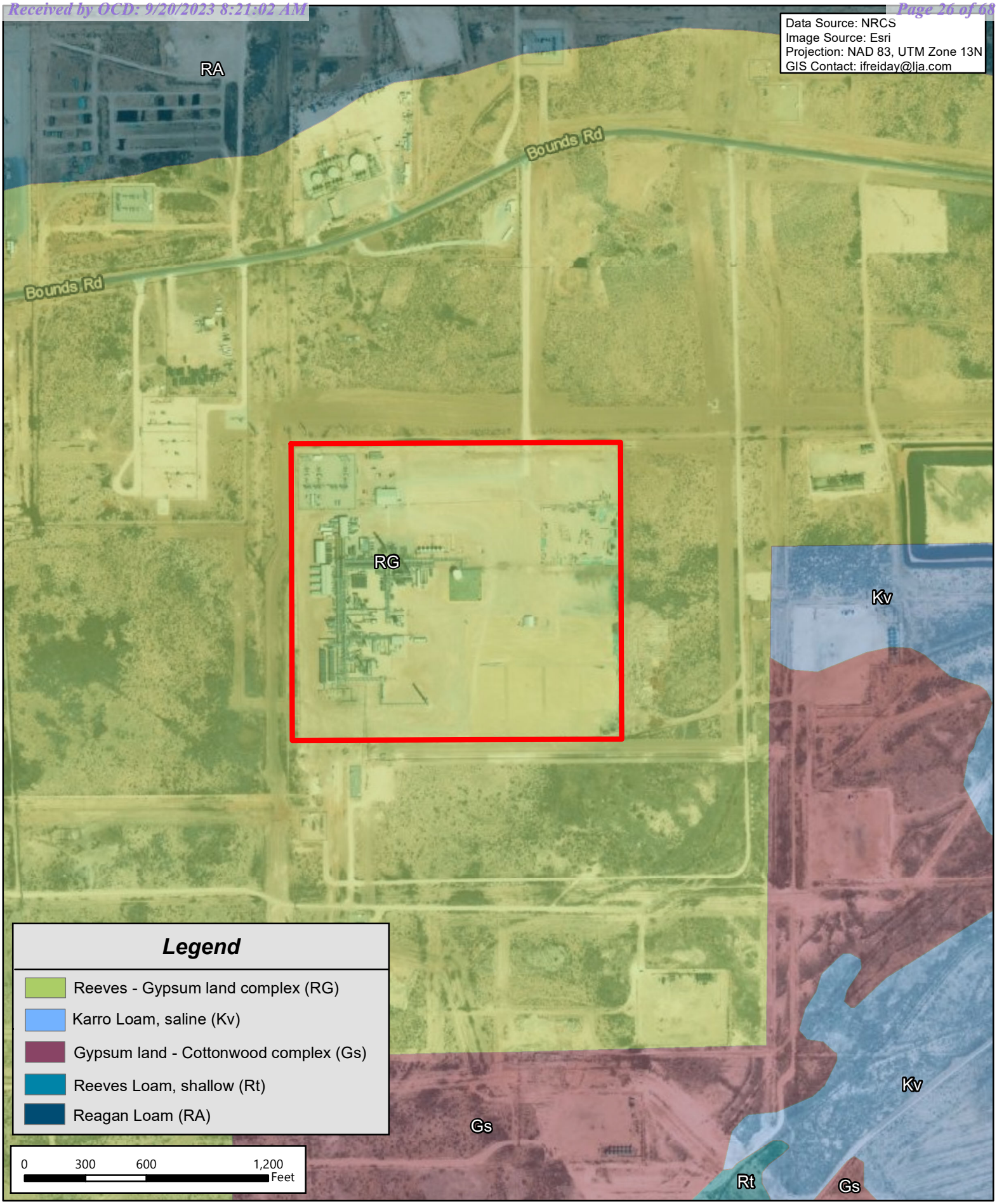


FIGURE 5 - NRCS COUNTY SOILS

N

Project #: LJAES046-22124
For: Sendero Midstream Plants I & II SPCC
Location: W of County Rd 716 & Bounds Rd
Eddy County, New Mexico

Facility Site

LJA ENVIRONMENTAL SERVICES
ENVIRONMENTAL SCIENCE & LAND USE CONSULTANTS
14701 ST. MARY'S LANE, SUITE 400 HOUSTON, TEXAS 77079
(281)589-0898 http://www.ljaenvironmental.com

Image Source: Esri
Projection: NAD 83, UTM Zone 13N
GIS Contact:ifreiday@lja.com

FIGURE 7 - USFWS NATIONAL WETLANDS INVENTORY ON ESRI AERIAL IMAGERY

Project #: LJAES046-22124.910
For: Sendero Midstream Plants I & II SPCC
Location: W of County Rd 716 & Bounds Rd
Eddy County, New Mexico

Facility Site

LJA ENVIRONMENTAL SERVICES
ENVIRONMENTAL SCIENCE & LAND USE CONSULTANTS
14701 ST. MARY'S LANE, SUITE 400 HOUSTON, TEXAS 77079
(281)589-0898 http://www.ljaenvironmental.com

Image Source: Esri
Projection: NAD 83, UTM Zone 13N
GIS Contact:ifreiday@lja.com

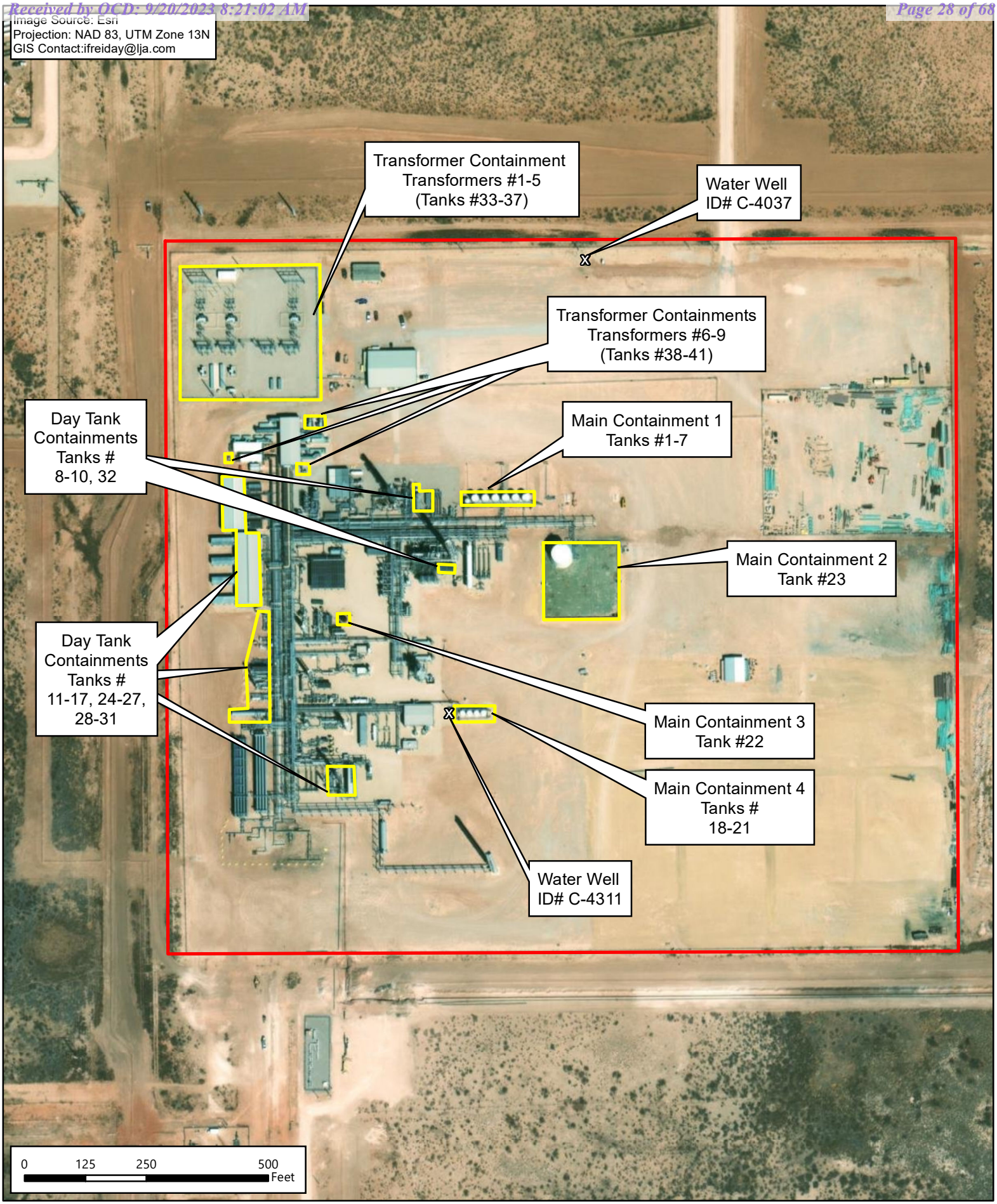


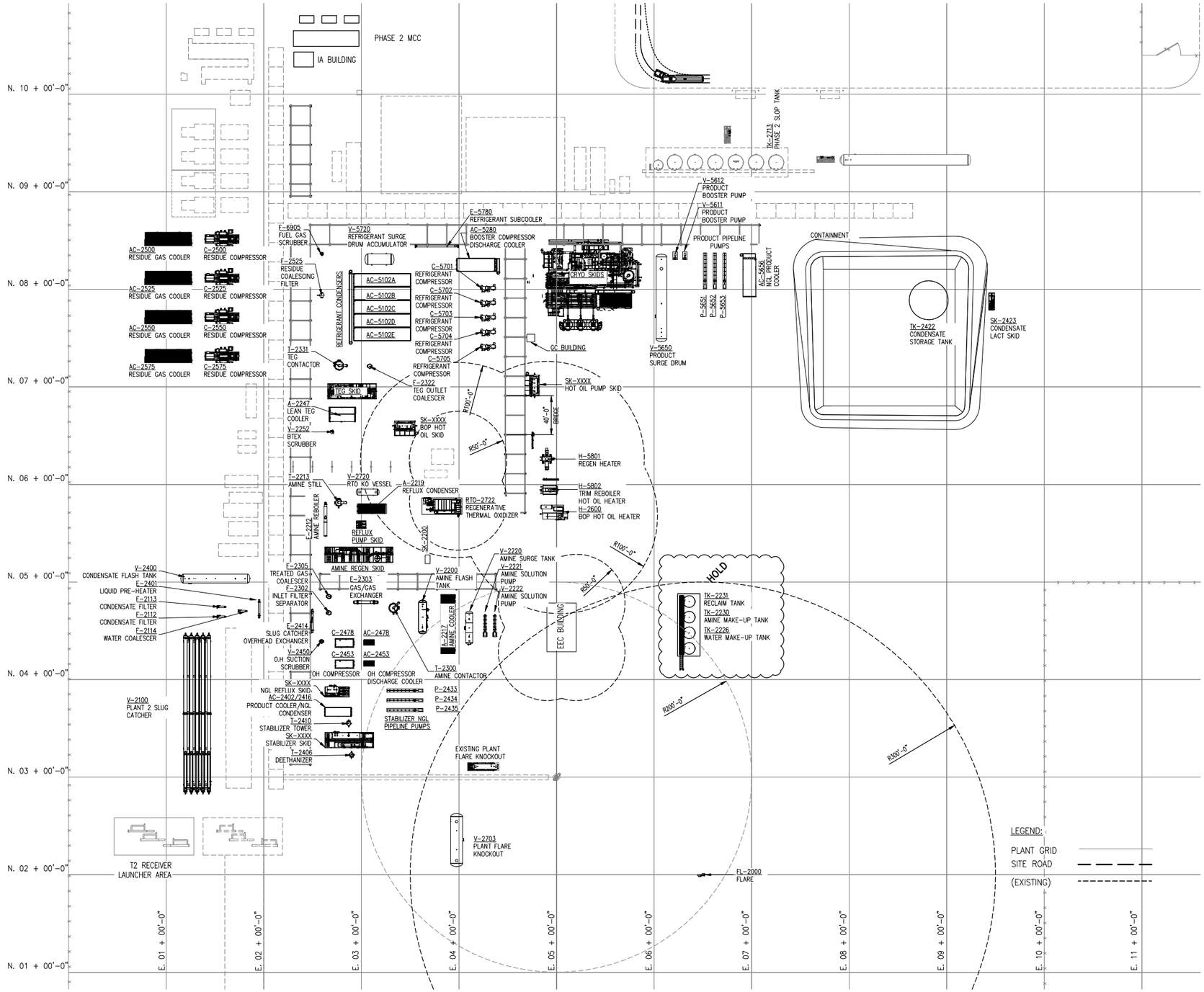
FIGURE 6 - FACILITY CONTAINMENT LAYOUT

N

Project #: LJAES046-22124
For: Sendero Midstream Plant GWD
Location: West of County Rd 716 & Bounds Rd
Eddy County, New Mexico

Facility Boundary

LJA ENVIRONMENTAL SERVICES
ENVIRONMENTAL SCIENCE & LAND USE CONSULTANTS
14701 ST. MARY'S LANE, SUITE 400 HOUSTON, TEXAS 77079
(281)589-0898 http://www.ljaenvironmental.com



PLOT PLAN
SCALE: 1" = 50'-0"

50' 0 50' 100'
scale feet

NOTES:

REFERENCE DRAWINGS	
DWG. NO.	TITLE

REVISIONS					
NO.	DESCRIPTION	BY	DATE	CHK.	DATE	APPR.	DATE
B	ISSUED FOR APPROVAL	ET	09/20/18	EA	09/20/18	EA	09/20/18
A	ISSUED FOR PRELIMINARY REVIEW	ET	08/28/18	EA	8/28/18	EA	08/28/18

MCSI MOORE CONTROL SYSTEMS, INC.

SENDERO MIDSTREAM

SENDERO CARLSBAD PLANT

KAHUNA VENTURES LLC
WESTMINSTER, CO 80021
303-451-7374
BY: KAHUNA DESIGN LLC.

PLOT PLAN
TRAIN 2 EXPANSION 220MM

DRAWN BY: ET	CHECKED: EA	APPROVED: –
CREATION DATE: 08/28/18	CHECK DATE: 08/28/18	APPR. DATE: –
Proj. No.: 4083.0540.00	DWG. No.: SCP-PP-2008	SHEET No.: 1 OF 1
SCALE: 1" = 50'-0"		B

FILE LOCATION: N:\PROJECTS\MOORE CONTROL\SENDERO CARLSBAD PLANT\4083.0540.00 - SENDERO PHASE 2 BALANCE OF PLANT\2000-SITE PLAN - GA'S\SCP-PP-2008.DWG LAST SAVED: 09/20/18 BY: Eduardo Tapia PLOT TIME/DATE: September 20, 2018

Appendix B
Well Information

File No. C-4311

NEW MEXICO OFFICE OF THE STATE ENGINEER

APPLICATION FOR PERMIT TO USE UNDERGROUND WATERS IN ACCORDANCE WITH SECTIONS 72-12-1.1, 72-12-1.2, OR 72-12-1.3 NEW MEXICO STATUTES

For fees, see State Engineer website: http://www.ose.state.nm.us/

1. APPLICANT(S)

Name: Sendero Carlsbad Midstream, LLC	Name:
Contact or Agent: check here if Agent ☐ Richard Bright	Contact or Agent: check here if Agent ☒ Travis Mann
Mailing Address: 16430 Park Ten Place Suite 675	Mailing Address: 505 S. 8th St
City: Houston	City: Carlsbad
State: TX Zip Code: 77804	State: NM Zip Code: 88220
Phone: (575) 725-9064 ☐ Home ☐ Cell Phone (Work):	Phone: (575) 887-6918 ☐ Home ☐ Cell Phone (Work):
E-mail (optional):	E-mail (optional): jrfugate@hydroresolutions.com

☐ Check here if existing well. Enter OSE File No. _____

2. WELL LOCATION Required: Coordinate location must be New Mexico State Plane (NAD 83), UTM (NAD 83), or Lat/Long (WGS84). District II (Roswell) and District VII (Cimarron) customers, provide a PLSS location in addition to above.

NM State Plane (NAD83) - In feet	NM West Zone ☐ NM Central Zone ☐ NM East Zone ☐	X (in feet): Y (in feet):					
UTM (NAD83) - In meters	UTM Zone 13N ☐ UTM Zone 12N ☐	Easting (in meters): Northing (in meters):					
Lat/Long (WGS84) - To 1/10th of second ☒ Check if seconds are decimal format	Lat:	32	deg	15	min	35.7227	sec
	Long:	104	deg	07	min	27.1530	sec

Other Location Information (complete the below, if applicable):

PLSS Quarters or Halves: NE/4, NW/4, SE/4 Section: 31 Township: 23S Range: 28E

County: Eddy

Land Grant Name (if applicable):

Lot No: Block No: Unit/Tract: Subdivision:

Hydrographic Survey: Map: Tract:

Other description relating well to common landmarks, streets, or other:

Well is on Land Owned by (Required): Applicant

FOR OSE INTERNAL USE Application for Permit, Form wr-01, Rev 6/30/17

File No.: C-4311	Trn. No.: 640423	Receipt No.: 2-40537
Well Tag ID No. (if applicable): 22215	Sub-Basin: C	Log Due Date: 03-15-2020

Page 1 of 2

3. PURPOSE OF USE

- ☐ Domestic use for one household
- ☐ Livestock watering
- ☐ Domestic use for more than one household. Number of households _____ Note: List each lot and owner contact information.
- ■ Drinking and sanitary uses that are incidental to the operations of a governmental, commercial, or non-profit facility
- ☐ Prospecting, mining or drilling operations to discover or develop natural resources
- ☐ Construction of public works, highways and roads
- ☐ Domestic use for one household and livestock watering
- ☐ Domestic use for multiple households and livestock watering
- ☐ Domestic well to accompany a house or other dwelling unit constructed for sale
- ☐ New well (with new purpose)
- ☐ Amend purpose of use on existing well
- ☐ No change in purpose

4. WELL INFORMATION: CHECK THOSE THAT APPLY ☐ Existing Well ☐ Known Artesian

File Information: (If existing well, provide OSE no. & indicate below if well is to be replacement, repaired or deepened, or supplemental. If new well, leave blank, as OSE must assign no.)

OSE Well No.(If Existing)	New Well No. (provided by OSE)
Well Driller Name: Travis Mann	**Well Driller License Number:** WD 1778
Approximate Depth of Well (feet): 300	Outside Diameter of Well Casing (inches): 5

☐ Replacement well (List all existing wells if more than one):	☐ Repair or Deepen: ☐ Clean out well to original depth ☐ Deepen well from _____ to _____ ft. ☐ Other (Explain):	☐ Supplemental well (List OSE No. for all wells this will supplement):

5. ADDITIONAL STATEMENTS OR EXPLANATIONS (Use additional sheets if necessary)

ACKNOWLEDGEMENT

I, We (name of applicant(s)), Travis Mann
Print Name(s)

affirm that the foregoing statements are true to the best of (my, our) knowledge and belief.

Travis Mann
Applicant Signature

Applicant Signature

ACTION OF THE OFFICE OF THE STATE ENGINEER (FOR OSE USE ONLY)

This application is approved subject to the attached general and specific conditions of approval.

Witness my hand and seal this 15th day of March 20 19, for the New Mexico State Engineer.

By: _____ MARK HAMMOND
Signature Print

FOR OSE INTERNAL USE

Well Tag ID Issued? ☑ Yes ☐ No

Application for Permit, Form wr-01, Rev 6/30/17

File No.: C-4311	Trn No.: 640423	Well ID Tag No.: 22215

NEW MEXICO STATE ENGINEER OFFICE
APPLICATION FOR PERMIT TO USE UNDERGROUND WATERS
IN ACCORDANCE WITH SECTION 72-12-1 NEW MEXICO STATUTES

GENERAL CONDITIONS OF APPROVAL (A thru R)

17-A The maximum combined diversion of all wells that may be appropriated under this permit is 1.000 acre-feet in any year (One acre-foot equals 325,851 gallons).

17-B The well shall be drilled by a driller licensed in the State of New Mexico in accordance with 72-12-12 NMSA 1978. A licensed driller shall not be required for the construction of a well driven without the use of a drill rig; provided that the casing shall not exceed two and three-eighths (2 3/8) inches outside diameter.

17-C The well driller must file the well record with the State Engineer and the applicant within 30 days after the well is drilled or driven. It is the well owner's responsibility to ensure that the well driller files the well record. The well driller may obtain the well record form from any District Office or the Office of the State Engineer website.

17-D The production casing shall not exceed 7 inches outside diameter except under specific conditions in which reasons satisfactory to the State Engineer are shown.

17-E To request a change to the purpose of use of water authorized under this permit, the permittee shall file an application with the State Engineer.

17-F An application for a new 72-12-1.1 NMSA 2003 domestic well permit where the proposed point of diversion is to be located on the same legal lot of record as an operational 72-12-1.1 NMSA domestic well shall be treated as an application for a supplemental well and the combined diversion may not exceed the maximum annual diversion permitted.

17-G If artesian water is encountered, the well driller shall comply with all rules and regulations pertaining to the drilling and casing of artesian wells.

17-H The drilling of the well and amount and uses of water permitted are subject to such limitations as may be imposed by a court or by lawful municipal or county ordinance which are more restrictive than the conditions of this permit and applicable State Engineer regulations.

Trn Desc: C 04311 POD1 File Number: C 04311
Log Due Date: 03/14/2020 Trn Number: 640423
Form: wr-01 page: 1

NEW MEXICO STATE ENGINEER OFFICE
APPLICATION FOR PERMIT TO USE UNDERGROUND WATERS
IN ACCORDANCE WITH SECTION 72-12-1 NEW MEXICO STATUTES

GENERAL CONDITIONS OF APPROVAL (Continued)

17-I The permittee shall utilize the highest and best technology available to ensure conservation of water to the maximum extent practical.

17-J The well shall be set back a minimum of 50 ft. from an existing well of other ownership unless a variance has been granted by the State Engineer. The State Engineer may grant a variance for a replacement well or to allow for maximum spacing of the well from a source of groundwater contamination. The well shall be set back from potential sources of contamination in accordance with federal, state, and local requirements.

17-K Pursuant to section 72-8-1 NMSA 1978, the permittee shall allow the State Engineer and OSE representatives entry upon private property for the performance of their respective duties, including access to the ditch or acequia to measure flow and also to the well for meter reading and water level measurement.

17-L The permit is subject to cancellation for non-compliance with the conditions of approval or if otherwise not exercised in accordance with the terms of the permit.

17-M The right to divert water under this permit is subject to curtailment by priority administration as implemented by the State Engineer or a court.

17-N In the event of any change of ownership to this permit the new owner shall file a change of ownership form with the State Engineer in accordance with Section 72-1-2.1 NMSA 1978.

17-O This well permit shall automatically expire unless the well is completed and the well record is filed with the State Engineer within one year of the date of issuance of the permit.

17-P The well shall be constructed, maintained, and operated to prevent inter-aquifer exchange of water and to prevent loss of hydraulic head between hydrogeologic zones.

17-Q The State Engineer retains jurisdiction over this permit.

NEW MEXICO STATE ENGINEER OFFICE
APPLICATION FOR PERMIT TO USE UNDERGROUND WATERS
IN ACCORDANCE WITH SECTION 72-12-1 NEW MEXICO STATUTES

GENERAL CONDITIONS OF APPROVAL (Continued)

17-R The State Engineer shall supply a well identification tag for the well driller to firmly affix to the well casing or cap with a steel band upon completion in accordance with Subsection M of 19.27.4.29 NMAC.
The permit holder is responsible for maintaining the well identification tag.

Well Tag(s) associated with this permit:
22215

SPECIFIC CONDITIONS OF APPROVAL

17-1A Depth of the well shall not exceed the thickness of the valley fill.

17-5B The well owner shall cause to be installed, a totalizing meter before the first branch of the discharge line from the well and the installation shall be acceptable to the State Engineer; the Engineer shall be advised of the make, model, serial number, date of installation, and initial reading of the meter prior to appropriation of water; pumping records shall be submitted to the District Supervisor on or before the 10th of Jan., April, July and Oct. of each year for the 3 preceding calendar months.

17-10 Total diversion from all wells under this permit number shall not exceed 1.000 acre-feet per annum.

17-13 This permit authorizes the diversion of water for drinking and sanitary uses that are incidental to the operations of a governmental, commercial, or non-profit facility. The total diversion of water under this permit shall not exceed 1.000 acre-feet per year. Water may not be used under this type of permit for any commercial use such as the manufacture of a product, car wash, water bottling, concrete batching, or the irrigation of crops grown for commercial sale.

LOG This permit will automatically expire unless the well C 04311 is completed and the well record filed on or before 03/14/2020.

Trn Desc: C 04311 POD1 File Number: C 04311
Log Due Date: 03/14/2020 Trn Number: 640423
Form: wr-01 page: 3

NEW MEXICO STATE ENGINEER OFFICE
APPLICATION FOR PERMIT TO USE UNDERGROUND WATERS
IN ACCORDANCE WITH SECTION 72-12-1 NEW MEXICO STATUTES

ACTION OF STATE ENGINEER

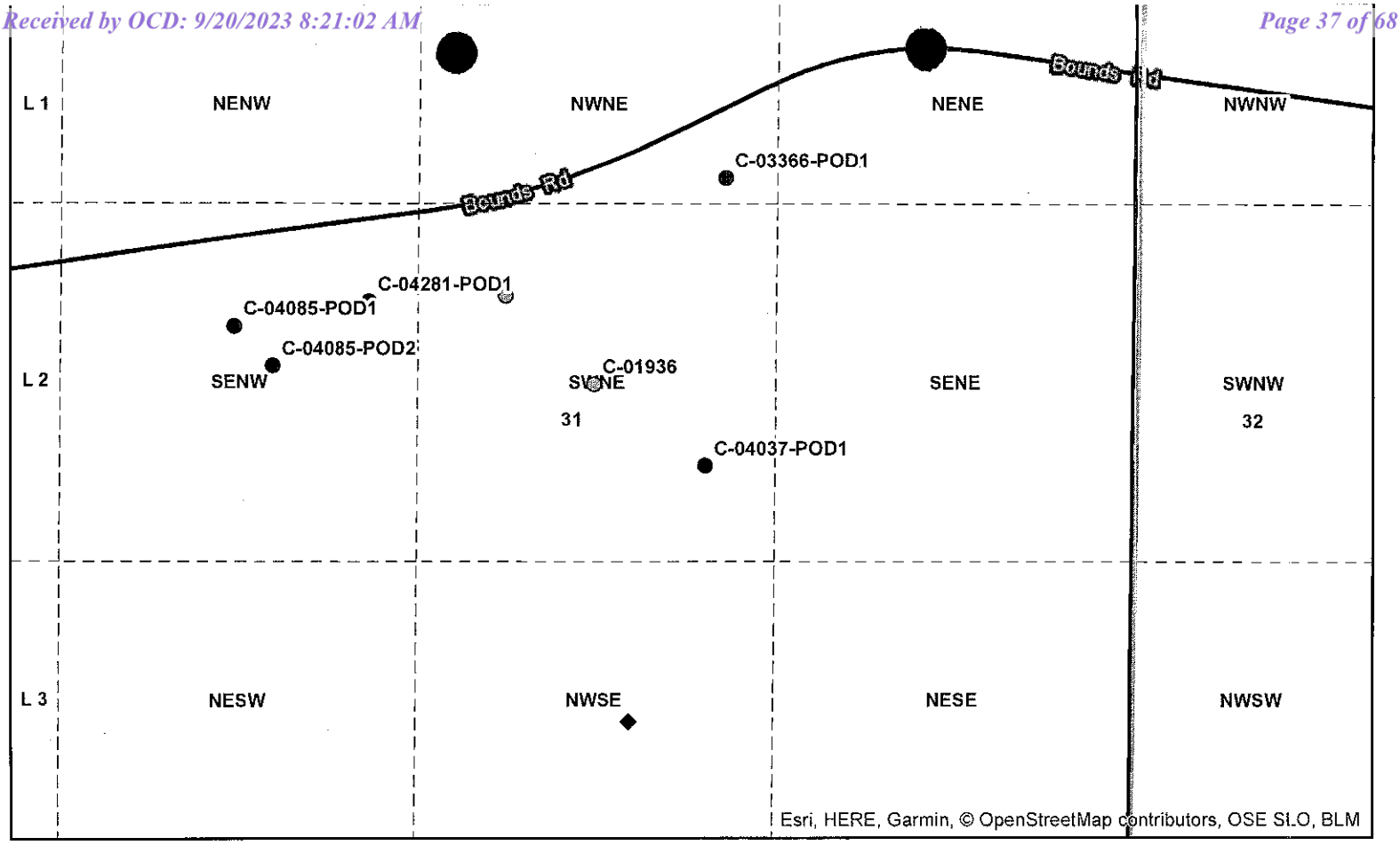
This application is approved for the use indicated, subject to all general conditions and to specific conditions listed above.

Witness my hand and seal this 15 day of Mar A.D., 2019

John R. D Antonio, Jr., P.E. , State Engineer

By: MARET AMARAL

Trn Desc: C 04311 POD1 File Number: C 04311
Log Due Date: 03/14/2020 Trn Number: 640423
Form: wr-01 page: 4



Coordinates

UTM - NAD 83 (m) - Zone 13

Easting 582491.177

Northing 3569582.728

State Plane - NAD 83 (f) - Zone E

Easting 605982.878

Northing 458354.188

Degrees Minutes Seconds

Latitude 32 : 15 : 35.722700

Longitude -104 : 7 : 27.153000

Location pulled from Coordinate Search

NEW MEXICO OFFICE OF THE STATE ENGINEER

1:9,028

ft

0 185 370 740

N

MA 3/15/2019

Office of the State Engineer

Interstate Stream Commission

Reasonable efforts have been made by the New Mexico Office of the State Engineer (OSE) to verify that these maps accurately interprets the source data used in their preparation; however, a degree of error is inherent in all maps, and these maps may contain omissions and errors in scale, resolution, rectification, positional accuracy, development methodology, interpretation of source data, and other circumstances. These maps are distributed "as is" without warranty of any kind.

Spatial Information

County: Eddy

Groundwater Basin: Carlsbad

Abstract Area: Carlsbad 72-12-1-C

Land Grant: Not in Land Grants Carlsbad Underground Basin-Cl

Restrictions:

NA

PLSS Description

SWNENWSE Qtr of Sec 31 of 023S 028E

Derived from CADNSDI- Qtr Sec. locations are calculated and are only approximations

Parcel Information

UPC/DocNum: 4-163-138-374-295

Parcel Owner: SENDERO CARLSBAD

Address: SE of 1011 BOUNDS ROAD

Legal: Subd: CONNALLY LAND DIVISION Tract: 1A Quarter: SE S: 31 T: 23S R: 28E SE, NE SE,NE MAP# 420B-CLD-1A, CAB# 6-629-1 ODD SHAPE TRACT DEATH DEED 1015/635

POD Information

Owner: SENDERO CARLSBAD MIDSTREAM

File Number:

POD Status: NoData

Permit Status: NoData

Permit Use: NoData

Purpose: DRINK & SANT

◆ Coord Search Location

OSE District Boundary

Sections

GIS WATERS PODs

BLM Land Grant

Other

PLSSTownship

ACT

PLSSFirstDiv...

PEN

PLSSSecond...

John R. D Antonio, Jr., P.E.
State Engineer

Roswell Office
1900 WEST SECOND STREET
ROSWELL, NM 88201

STATE OF NEW MEXICO
OFFICE OF THE STATE ENGINEER

Trn Nbr: 640423
File Nbr: C 04311

Mar. 15, 2019

RICHARD BRIGHT
SENDERO CARLSBAD MIDSTREAM LLC
16430 PARK TEN PLACE
SUITE 675
HOUSTON, TX 77804

Greetings:

Enclosed is your copy of the above numbered permit that has been approved in accordance with NM Statute Section 72-12-1 subject to the conditions set forth on the approval page.

Carefully review the attached conditions of approval for these specific permit requirements:

* The applicant is responsible for providing the contracted driller with the permit Conditions of Approval and the enclosed well identification tag (if applicable), which must be firmly affixed to the well casing or cap.

* If metering is required, a meter report form must be properly completed and submitted to this office upon installation.

* The well record and log must be submitted within 30 days of the completion of the well or if the attempt was a dry hole. When conditions require a replaced well be plugged, a plugging record must be properly completed and submitted to this office within 30 days of plugging.

* This permit expires and will be cancelled if no well is drilled and/or a well log is not received by the date set forth in the conditions of approval.

Appropriate forms can be downloaded from the OSE website www.ose.state.nm.us or will be mailed upon request.

Sincerely,

Maret Amaral
(575)622-6521

Enclosure

wr_01app

New Mexico Office of the State Engineer
Transaction Summary

72121 All Applications Under Statute 72-12-1

Transaction Number: 604776 **Transaction Desc:** C 04037 POD1 **File Date:** 03/23/2017

Primary Status: PMT Permit
Secondary Status: LOG Well Log Received
Person Assigned: *******
Agent: TRAILHEAD ENGINEERING
Contact: SAM HEFFINGTON
Applicant: SENDERO CARLSBAD MIDSTREAM LLC
Contact: SAM HEFFINGTON

Events

	Date	Type	Description	Comment	Processed By
get images	03/23/2017	APP	Application Received	*	*******
	03/28/2017	FIN	Final Action on application		*******
	03/28/2017	WAP	General Approval Letter		*******
	05/05/2017	ARW	WRAB Main File Rm Arch Sect	C 04037 Archived	*******
get images	08/28/2017	LOG	Well Log Received	*	*******
	09/01/2017	CN5	Meter Installation Request		*******
	10/12/2017	QAT	Quality Assurance Completed	DATA	*******
	10/25/2017	QAT	Quality Assurance Completed	IMAGE	*******

Change To:

WR File Nbr	Acres	Diversion	Consumptive	Purpose of Use
C 04037		1		
**Point of Diversion				
C 04037 POD1		582531	3569915	

Conditions

1A Depth of the well shall not exceed the thickness of the valley fill.

5B A totalizing meter shall be installed before the first branch of the discharge line from the well and the installation shall be acceptable to the State Engineer; the Engineer shall be advised of the make, model, serial number, date of installation, and initial reading of the meter prior to appropriation of water; pumping records shall be submitted to the District Supervisor on or before the 10th of Jan., April, July and Oct. of each year for the 3 preceding calendar months.

10 Total diversion from all wells under this permit number shall not exceed 1 acre-feet per annum.

13 This permit authorizes the diversion of water for drinking and sanitary uses that are incidental to the operations of a governmental, commercial, or non-profit facility. The total diversion of water under this permit shall not exceed 1 acre-feet per year. Water may not be used under this type of permit for any commercial use such as the manufacture of a product, car wash, water bottling, concrete batching, or the irrigation of crops grown for commercial sale.

Q The State Engineer retains jurisdiction over this permit.

K Pursuant to section 72-8-1 NMSA, the permittee shall allow the State Engineer and his representatives entry upon private property for the performance of their respective duties, including access to the ditch or acequia to measure flow and also to the well for meter reading and water level measurement.

---

x

Action of the State Engineer

**** See Image For Any Additional Conditions of Approval ****

Approval Code: A - Approved
Action Date: 03/28/2017
Log Due Date: 03/28/2018
State Engineer: Tom Blaine, P.E.

3/30/23 12:50 PM TRANSACTION SUMMARY

WELL RECORD & LOG

OFFICE OF THE STATE ENGINEER

www.ose.state.nm.us

2017 AUG 28 AM 10 47

1. GENERAL AND WELL LOCATION

OSE POD NO. (WELL NO.)	WELL TAG ID NO.	OSE FILE NO(S).
C-4037		

WELL OWNER NAME(S)	PHONE (OPTIONAL)
Sendero Calrsbad Midstream LLC	

WELL OWNER MAILING ADDRESS	CITY	STATE	ZIP
16430 Park Ten Place Suite 675	Houston	TX	77084

WELL LOCATION (FROM GPS)	DEGREES	MINUTES	SECONDS	
LATITUDE	32	15	45.1	N
LONGITUDE	104	07	23.8	W

* ACCURACY REQUIRED: ONE TENTH OF A SECOND
* DATUM REQUIRED: WGS 84

DESCRIPTION RELATING WELL LOCATION TO STREET ADDRESS AND COMMON LANDMARKS – PLSS (SECTION, TOWNSHIP, RANGE) WHERE AVAILABLE

Well is off of Bounds Rd. at Sendero refinery. Location is close to the northern fence line.

2. DRILLING & CASING INFORMATION

LICENSE NO.	NAME OF LICENSED DRILLER	NAME OF WELL DRILLING COMPANY
WD-1348	Clinton E. Taylor	Taylor Water Well Service

DRILLING STARTED	DRILLING ENDED	DEPTH OF COMPLETED WELL (FT)	BORE HOLE DEPTH (FT)	DEPTH WATER FIRST ENCOUNTERED (FT)
7/17/2017	7/18/2017	98.5	100	60

COMPLETED WELL IS: ☐ ARTESIAN ☐ DRY HOLE ☑ SHALLOW (UNCONFINED)

STATIC WATER LEVEL IN COMPLETED WELL (FT): 34

DRILLING FLUID: ☑ AIR ☐ MUD ADDITIVES – SPECIFY:

DRILLING METHOD: ☑ ROTARY ☐ HAMMER ☐ CABLE TOOL ☐ OTHER – SPECIFY:

DEPTH (feet bgl) FROM	DEPTH (feet bgl) TO	BORE HOLE DIAM (inches)	CASING MATERIAL AND/OR GRADE (include each casing string, and note sections of screen)	CASING CONNECTION TYPE (add coupling diameter)	CASING INSIDE DIAM. (inches)	CASING WALL THICKNESS (inches)	SLOT SIZE (inches)
+1.5	58.5	8 1/2	PVC	Spline	4 1/2	SDR 17	
58.5	98.5	8 1/2	PVC	Spline	4 1/2	SDR 17	.032

3. ANNULAR MATERIAL

DEPTH (feet bgl) FROM	DEPTH (feet bgl) TO	BORE HOLE DIAM. (inches)	LIST ANNULAR SEAL MATERIAL AND GRAVEL PACK SIZE-RANGE BY INTERVAL	AMOUNT (cubic feet)	METHOD OF PLACEMENT
0	20	8 1/2	20% Bentonite Grout	3 Sacks	Tremie
20	98.5	8 1/2	3/8" Pea Gravel	2 Yards	Dump

FOR OSE INTERNAL USE

WR-20 WELL RECORD & LOG (Version 06/30/17)

FILE NO. C-4037	POD NO. 1	TRN NO. 604776	
LOCATION Drink Sanit 235.28E.31.234		WELL TAG ID NO. ———	PAGE 1 OF 2

4. HYDROGEOLOGIC LOG OF WELL

DEPTH (feet bgl) FROM	DEPTH (feet bgl) TO	THICKNESS (feet)	COLOR AND TYPE OF MATERIAL ENCOUNTERED - INCLUDE WATER-BEARING CAVITIES OR FRACTURE ZONES (attach supplemental sheets to fully describe all units)	WATER BEARING? (YES / NO)	ESTIMATED YIELD FOR WATER-BEARING ZONES (gpm)
0	5	5	Clay: rd,sme stringers of wht anhydrite	Y ✔ N	
5	32	27	Anhydrite:frstd,rd,clr,swht,fn xln-dns,sme rd silt stone	Y ✔ N	
32	52	20	Clay:rd,smth,stky in prt	Y ✔ N	
52	60	8	Clay:rd brn,sndy,slty	Y ✔ N	
60	82	22	Clay:rd,brn,slty,thin layers of frstd wht anhydrite,sme water	✔ Y N	
82	100	18	Clay:rd brn,sme rd siltstone,sme thin layers of wht anhydrite	✔ Y N	8.00
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	

METHOD USED TO ESTIMATE YIELD OF WATER-BEARING STRATA:

☑ PUMP ☐ AIR LIFT ☐ BAILER ☐ OTHER – SPECIFY:

TOTAL ESTIMATED WELL YIELD (gpm): 8.00

5. TEST; RIG SUPERVISION

WELL TEST: TEST RESULTS - ATTACH A COPY OF DATA COLLECTED DURING WELL TESTING, INCLUDING DISCHARGE METHOD, START TIME, END TIME, AND A TABLE SHOWING DISCHARGE AND DRAWDOWN OVER THE TESTING PERIOD.

MISCELLANEOUS INFORMATION: Water quality is about 3000 parts per million of total disolved solids.

PRINT NAME(S) OF DRILL RIG SUPERVISOR(S) THAT PROVIDED ONSITE SUPERVISION OF WELL CONSTRUCTION OTHER THAN LICENSEE:

6. SIGNATURE

THE UNDERSIGNED HEREBY CERTIFIES THAT, TO THE BEST OF HIS OR HER KNOWLEDGE AND BELIEF, THE FOREGOING IS A TRUE AND CORRECT RECORD OF THE ABOVE DESCRIBED HOLE AND THAT HE OR SHE WILL FILE THIS WELL RECORD WITH THE STATE ENGINEER AND THE PERMIT HOLDER WITHIN 30 DAYS AFTER COMPLETION OF WELL DRILLING:

CE Taylor — SIGNATURE OF DRILLER / PRINT SIGNEE NAME

8/23/2017 — DATE

FOR OSE INTERNAL USE — WR-20 WELL RECORD & LOG (Version 06/30/2017)

FILE NO.	POD NO.	TRN NO.
LOCATION	WELL TAG ID NO.	PAGE 2 OF 2

Tom Blaine, P.E.
State Engineer

Roswell Office
1900 WEST SECOND STREET
ROSWELL, NM 88201

STATE OF NEW MEXICO
OFFICE OF THE STATE ENGINEER

Trn Nbr: 604776
File Nbr: C 04037
Well File Nbr: C 04037 POD1

Sep. 01, 2017

SAM HEFFINGTON
TRAILHEAD ENGINEERING
16430 PARK TEN PLACE
SUITE 675
HOUSTON, TX 77084

Greetings:

The well driller's record for the above numbered well has been received in this office indicating your well has been completed.

Your permit was granted with the condition that a meter(s) be installed and meter readings submitted to this office.

Per Condition 5B, please advise this office within 30 days, on the attached form, of the make, model, serial number, date of installation, and initial reading of the meter(s) prior to appropriation of the water.

If you have any questions, please feel free to contact us.

Sincerely,

Yolanda Mendiola
(575)622-6521

Enclosure

wellcon5

Appendix C
Site Photographs

Site Photos
Carlsbad Plant

View of Main Containment 1 with metal dike containment, facing south.

View of facility piping associated with Main Containment 1, facing north.

View of Main Containment 2 with metal dike containment, facing southeast.

View of Main Containment 3 with metal dike containment, facing west.

View of Main Containment 4 with metal dike containment, facing southeast.

View of general equipment and piping on southern portion of the facility, facing west.

General equipment and piping on the central portion of the facility, facing southeast.

General equipment and piping on the northwest portion of the facility, facing west.

General equipment and piping on the southern portion of facility, facing east.

General equipment and piping on the northern portion of the facility, facing north.

General equipment and piping on the central portion of the facility, facing northwest.

General equipment and piping on the central portion of the facility, facing north.

View of the western perimeter of the facility, facing south.

Appendix D
Facility Inspection Forms

Crestwood
Connections for America's Energy™

SPCC MONTHLY INSPECTION FORM

To be used in conjunction with Site Map and Tank/Sump Inventory – both located in SPCC Plan

Facility Name	**(Number of tanks inspected_____)** **(Number of drums on-site_____)** **(Number of totes on-site _____)**
Inspector	**Supervisor**

1. Have there been any additions or removals of tanks or equipment that may require an update to the SPCC plan, i.e. new or removed tanks? No Yes
If "yes," identify & notify your Regional ESR Representative.

2. Visible leaks on tanks, tank seams, connections, fittings, valves? No Yes
If "yes," identify tank & describe leak. Record action taken to correct problem and date completed.

3. Visible leaks on aboveground piping, pipe seams, connections, fittings, flanges, threaded connections, pumps or valves? (Make sure load lines are plugged or capped) No Yes
If "yes," identify & describe leak. Record action taken to correct problem and date completed.

4. Are concrete/gravel surfaces and ground free of any evidence of new leakage or spillage? No Yes
If "no," describe. Record action taken to correct problem and date completed.

5. Secondary containment system free of tank product or other liquids/debris, such as standing water, vegetation, trash, etc.? (Make sure plugs are installed) No Yes
If "no," identify containment. Record action taken to correct problem and date completed.

6. Are berms or containment structures properly maintained? No Yes
If "no," identify containment. Record action taken to correct problem and date completed.

7. Are tank labels and warning signs faded, peeling or missing? – (Make sure label information is correct-see SDS if unsure) No Yes If "yes," identify & describe issue. Record action taken to correct problem and date completed.

8. Are drums properly labeled, caps/bungs installed, reasonably free of corrosion, and in a proper storage location?
No Yes If "no," record action taken to correct problem and date completed.

9. Do spill kits have sufficient inventory and are they properly maintained? No Yes
If "no," notify your Regional ESR Representative.

Signed	**Inspection Date**

Report All Leaks or Spills to Crestwood Midstream Partners LP
For Emergency Call
855-265-7377

Annual Inspection Form

This inspection record must be completed *each year.* If any response requires further elaboration, provide comments in Description & Comments space provided. Further description and comments, if necessary, must be provided on a separate sheet of paper and attached to this sheet. *Any item that receives "yes" as an answer must be described and addressed immediately.

	Y*	N	Description & Comments
Storage tanks			
Tank #1 or Tank ID:			
Tank surfaces show signs of leakage			
Tank is damaged, rusted or deteriorated			
Bolts, rivets or seams are damaged			
Tank supports are deteriorated or buckled			
Tank foundations have eroded or settled			
Level gauges or alarms are inoperative			
Vents are obstructed			
Tank #2 or Tank ID:			
Tank surfaces show signs of leakage			
Tank is damaged, rusted, or deteriorated			
Bolts, rivets, or seams are damaged			
Tank supports are deteriorated or buckled			
Tank foundations have eroded or settled			
Level gauges or alarms are inoperative			
Vents are obstructed			
Tank #3 or Tank ID:			
Tank surfaces show signs of leakage			
Tank is damaged, rusted, or deteriorated			
Bolts, rivets, or seams are damaged			
Tank supports are deteriorated or buckled			
Tank foundations have eroded or settled			
Level gauges or alarms are inoperative			
Vents are obstructed			

Notes:

Annual Inspection Form (continued)

	Y*	N	Description & Comments
Storage tanks			
Tank #4 or Tank ID:			
Tank surfaces show signs of leakage			
Tank is damaged, rusted or deteriorated			
Bolts, rivets or seams are damaged			
Tank supports are deteriorated or buckled			
Tank foundations have eroded or settled			
Level gauges or alarms are inoperative			
Vents are obstructed			
Tank #5 or Tank ID:			
Tank surfaces show signs of leakage			
Tank is damaged, rusted, or deteriorated			
Bolts, rivets, or seams are damaged			
Tank supports are deteriorated or buckled			
Tank foundations have eroded or settled			
Level gauges or alarms are inoperative			
Vents are obstructed			
Tank #6 or Tank ID:			
Tank surfaces show signs of leakage			
Tank is damaged, rusted, or deteriorated			
Bolts, rivets, or seams are damaged			
Tank supports are deteriorated or buckled			
Tank foundations have eroded or settled			
Level gauges or alarms are inoperative			
Vents are obstructed			
Tank #7 or Tank ID:			
Tank surfaces show signs of leakage			
Tank is damaged, rusted, or deteriorated			
Bolts, rivets, or seams are damaged			
Tank supports are deteriorated or buckled			
Tank foundations have eroded or settled			
Level gauges or alarms are inoperative			
Vents are obstructed			

Notes:

Annual Inspection Form (continued)

	Y*	N	Description & Comments
Concrete dike			
Secondary containment is stained			
Dike drainage valve is open or is not locked			
Dike walls or floors are cracked or are separating			
Dike is not retaining water (following large rainfall)			
Piping			
Valve seals or gaskets are leaking			
Pipelines or supports are damaged or deteriorated			
Joints, valves and other appurtenances are leaking			
Buried piping is exposed			
Out-of-service pipes are not capped			
Warning signs are missing or damaged			
Loading/unloading and transfer equipment			
Loading/unloading rack is damaged or deteriorated			
Connections are not capped or blank-flanged			
Rollover berm is damaged or stained			
Berm drainage valve is open or is not locked			
Drip pans have accumulated oil or are leaking			
Oil/water separator			
Oil/water separator > 2 inches of accumulated oil			
Oil/water separator effluent has a sheen			
Security			
Fencing, gates, or lighting is non-functional			
Pumps and valves are not locked (and not in use)			
Response equipment			
Response equipment inventory is complete			

Notes:

Annual Inspection Form (continued)

Annual Reminders:
---Hold SPCC briefing for all oil-handling personnel, document the briefing and place documentation with the plan.
---Check contact information.

Inspection Comments: _____

_____

_____

_____

_____

_____

Corrective Action and Dates of Completion (if needed): _____

_____

_____

_____

_____

_____

Inspection Comments: _____

_____

_____

_____

_____

_____

_____ _____

Name (type or print) Signature

_____ _____

Title Date

Record of Annual Discharge Prevention Briefing

PRINTED NAME OF TRAINER	SIGNATURE	TRAINING DATE

Training Topic	**Was this topic covered?**	
	YES	**NO**
Discussion of the SPCC Plan and its contents.		
Applicable oil spill prevention (State & Federal) laws, rules, and regulations.		
General Facility operations.		
Procedures for the operation, maintenance and inspection of equipment to prevent oil discharges.		
Potential equipment failures that may result in discharges.		
New developments in spill control measures.		
Any near misses or spill incidents are discussed at these meetings in order to prevent them from recurring.		
Oil discharge procedure protocols.		

In attendance were the following:

PRINTED NAME	SIGNATURE

Notes:
Continue attendee list on back or another sheet of paper if necessary.

Appendix E
Facility Closure Plan

Facility Closure Plan

Once activities at the location have completed, the facility will be closed, and the area reclaimed according to the closure plan detailed below.

Liquid Removal

All liquids will be removed from liquid containers and equipment and disposed of as required or re-used at other Crestwood facilities where applicable. Chemical containments will be emptied, and their contents disposed of. Engine oils will be taken to other sites with compression operated by Crestwood or recycled according to applicable regulations regarding the recycling of oil. Condensate will be sold to a third-party and produced water will be disposed of at a third-party commercial disposal well. Unused coolants will be taken to other sites with compression operated by Crestwood, returned to the vendor from which they were obtained, or disposed of with a local disposal contractor. The deionized water tank and the amine tank will be taken to other sites with compression operated by Crestwood, returned to the vendor from which they were obtained, or disposed of with a local disposal contractor. Unused glycol will be removed from the above ground glycol tank and transported by a third-party vendor to another Crestwood location to be used for other oil and gas operations. Liquids in the slop oil tank will be disposed of with a local disposal contractor.

Estimated cost of liquids removal activities: $20,000

Equipment Removal

On-site equipment will be cleaned and removed from the location for disposal, recycling, or re-use, depending on the condition of the on-site equipment at the time of site closure. All equipment will be disposed of or recycled in a manner approved by the NMOCD. Compressors, generators and processing equipment will be removed from location to be used at another location operated by Crestwood, will be sold for re-use or disposed of as scrap metal. Tanks will be removed and reused at another location operated by Crestwood or will be disposed of or recycled in accordance with NMOCD requirements. Knockouts, contactors, and separators will be cleaned out, and the cleanout water disposed of at Crestwood's saltwater disposal well or transported to a third-party commercial disposal well. The knockout, contactor or separator will then be transported to another Crestwood location for re-use or will be disposed of or recycled in accordance with NMOCD requirements. Above ground piping and meter runs will be disconnected by a third-party contractor and will be recycled as scrap metal. All underground piping will be excavated and removed by a third-party contractor, with all piping being recycled as scrap metal. Other non-production type equipment and materials will be removed from the site, and either sold to a third party, recycled, or disposed of at the municipal landfill. Materials include an office, storage container with spare parts, fencing, liner materials, culverts and assorted equipment stored on location.

Estimated cost of equipment removal activities: $1,000,000

Environmental Remediation

Any areas of visual staining or soil impacts encountered and observed after all equipment has been removed will be remediated pursuant to 19.15.29 NMAC standards for the site, with confirmation samples being collected pursuant to those listed in Table I for sites greater than 51 feet and less than 100 feet above

groundwater. Impacted soils will be removed by a third-party contractor. Once impacted soils have been removed, confirmation samples will be collected pursuant to 19.15.29 NMAC Table I for sites greater than 51 feet and less than 100 feet above groundwater. Impacted soils will be transported to an NMOCD approved soil remediation facility.

Estimated cost of environmental remediation activities: $50,000

Reclamation

After all equipment and materials have been removed, the site will be reclaimed. All gravel brought in for berms and walking areas will be removed by a third-party contractor and will be hauled to other Crestwood locations for use on berms or parking areas. The site will be flattened and contoured to match the natural drainage of the surrounding area and to prevent ponding of water on the former location of the plant. Finally, the disturbed area will be seeded using a native mix and monitored for three growing seasons to ensure uniform vegetative cover has been established.

Estimated cost of reclamation activities: $75,000

Total Estimated Costs: $1,045,000

Appendix F
Copy of Public Notice

Public Notice

Sendero Midstream has submitted an application to the New Mexico Energy, Minerals, and Natural Resources Department Oil Conservation Division (NMOCD) for a groundwater discharge plan permit for their Carlsbad Plant Facility, a 53-acre facility located at 1025 Bounds Rd, Loving, NM 88256. The facility provides midstream oil and natural gas compression and processing and the does not engage in any intentional discharges.

Materials stored or used at the facility include Triethylene glycol, amines, transformer oils, slop oil, methanols, condensate, compressor oils, sanitary wastewater, and waste waters from facility operations. Average daily throughputs for the facility in 2023 include 236 million cubic feet (MMcf) of gas with 190 MMcf of residue, and an average daily production of 28,244 barrels (bbl) of liquid natural gas with 554 bbl of condensate. Megawatt (MW) cogeneration for the facility is zero. The facility produces approximately 4,192,020 gallons per year of stabilized condensate and 193,202,436 gallons per year of natural gas condensate through the natural gas compression process. Additionally, the facility produces 115,080 gallons used oil and 421,554 gallons per year of other produced fluids. The facility manages a total of approximately 268,128 gallons of various aforementioned liquid materials on site at a given time.

All waste streams on site are classified as exempt per the Resource Conservation and Recovery Act (RCRA) Subtitle C regulations listed in 40 CFR261.4(b)(5), or subsequently classified as RCRA-exempt through recycling and disposal protocols. Sendero manages, transports, and disposes of these wastes using appropriate contractors. All liquids utilized at the facility are stored in dedicated above-ground storage tanks constructed of appropriate materials. All storage tanks are verified as properly engineered and have OCD approved secondary containments.

The aquifer most likely to be affected in the event of a discharge is the Capitan Reef Aquifer, a minor aquifer encompassing the southerly regions of Eddy and Lea counties, New Mexico. The depth to groundwater for this aquifer is approximately 60 feet. The total dissolved solids concentration is approximately 3,000 milligrams per liter (mg/L).

Any interested person or persons may obtain information, submit comments, or request to be placed on a facility-specific mailing list for future notices by contacting Leigh Barr at the New Mexico OCD at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, telephone (505) 795-1722, or email LeighP.Barr@emnrd.gov. The OCD will accept comments and statements of interest regarding this discharge application and will create a facility-specific mailing list for persons who wish to receive future notices.

Appendix G
Certification Statement

Certification Statement:

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

Name: Clint Cone Title: Director, Operations

Signature: Date: 5-17-2023

State of New Mexico
Energy, Minerals and Natural Resources Department

BY ELECTRONIC MAIL ONLY

September 28, 2023

Clint Cone
Sendero Midstream-Crestwood Equity Partners, LP
1025 Bounds Road
Loving, NM 88256
Clint.Cone@crestwoodlp.com

RE: Sendero Midstream-Crestwood Equity Partners, LP - Notice of an Administratively Complete Discharge Permit Application for Carlsbad Gas Plant

Dear Mr. Cone:

The New Mexico Energy, Minerals and Natural Resource Department's Oil Conservation Division (OCD) has reviewed your amended discharge permit application, dated September 20, 2023, for Sendero Midstream-Crestwood Equity Partners, LP's (Sendero) Carlsbad Gas Plant. OCD has determined that the amended discharge permit application is administratively complete.

Given OCD's determination, Sendero must provide public notice within 30 days of receipt of this letter (i.e., October 28, 2023) 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 Sendero's main office and at the Carlsbad Public Library 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, Sendero shall provide notice to owners of record of the next nearest adjacent properties not owned by the discharger;

3. Providing notice by certified mail, return receipt requested, to the owner of the discharge site if Sendero 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 Carlsbad Current-Argus.

Within 15-days of completion of the public notice requirements in 20.6.2.3108(B) NMAC, Sendero 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 discharge permit application, Sendero 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 $1,045,000. 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., October 28, 2023).

If you have any questions, please do not hesitate to contact me by email at LeighP.Barr@emnrd.nm.gov or by phone at (505) 795-1722. On behalf of the OCD, I wish to thank you and your staff for your cooperation during this process.

Regards,

Leigh Barr

Leigh Barr
Administrative Permitting Supervisor

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

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

CONDITIONS

Action 267323

CONDITIONS

Operator: Crestwood New Mexico Pipeline LLC 811 Main St. Suite 3400 Houston, TX 77002	OGRID: 330564
	Action Number: 267323
	Action Type: [UF-DP] Discharge Permit (DISCHARGE PERMIT)

CONDITIONS

Created By	Condition	Condition Date
lbarr	None	9/28/2023