HITP - 028

TEMPORARY PERMISSION 2012-2013

K. D. (Kent) Mathews
Environmental Specialist

Health, Environment & Safety
Chevron Pipe Line Company
4800 Fournace Place
Bellaire, TX 77401
Tel 713-432-3424
Fax 713-432-3477
kmhr@chevron.com

April 23, 2012

Mr. Brad Jones
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Hydrostatic Test Discharge Permit – Temporary Permission HITP-028
Chevron Pipe Line Co. – Eunice Lateral Pipeline
Lea County, New Mexico

Dear Mr. Jones,

Please find enclosed the Temporary Permission Fee in the amount of $150.00 for the above referenced hydrostatic test discharge. Chevron Pipe Line Co. will begin the hydrostatic testing as described in the permit application within the next couple of weeks. Thank you for your prompt review and issuance of the temporary permit.

Sincerely,

K. D. (Kent) Mathews
Environmental Specialist

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. 24109548 dated 4/17/12

or cash received on _____ in the amount of $ 150 00

from Chevron

for HITP-28

Submitted by: Lawrence Romero Date: 4/27/12

Submitted to ASD by: [signature] Date: 4/27/12

Received in ASD by: _____ Date: _____

Filing Fee _____ New Facility _____ Renewal _____

Modification _____ Other Temp Permission Fee

Organization Code 521.07 Applicable FY 2012

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. 24081366 dated 3/20/12

or cash received on _____ in the amount of $ 100.00

from Chevron

for HITP-28

Submitted by: Lawrence Rosales Date: 4/17/12

Submitted to ASD by: [signature] Date: 4/17/12

Received in ASD by: _____ Date: _____

Filing Fee ✓ New Facility _____ Renewal _____

Modification _____ Other _____

Organization Code 521.07 Applicable FY 2012

To be deposited in the Water Quality Management Fund.

Full Payment _____ or Annual Increment _____

CONESTOGA-ROVERS & ASSOCIATES

2135 S. Loop 250 West
Midland, Texas 79703
Telephone: (432) 686-0086 Fax: (432) 686-0186
www.CRAworld.com

TRANSMITTAL

DATE: 12 April 2012

REFERENCE NO.: 077968

PROJECT NAME: NOI_GPM Eunice Lateral

TO: Mr. Brad Jones 505-476-3487
New Mexico Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, NM 87505

RECEIVED OCD
2012 APR 13 A 10:27

Please find enclosed:
- ☐ Draft
- ☐ Originals
- ☐ Prints
- ☐ Final
- ☒ Other NOI – Responses to Comments

Sent via:
- ☐ Mail
- ☒ Overnight Courier
- ☐ Same Day Courier
- ☐ Other

QUANTITY	DESCRIPTION
1	NOI – Responses to Comments
1	Check in payment for NOI submission fee.

- ☐ As Requested
- ☒ For Your Use
- ☐ For Review and Comment
- ☐
- ☐

COMMENTS:
Dr. Hoy Bryson, PG 432-686-0086
Conestoga-Rovers & Associates, Midland, Texas

Copy to:

Completed by: Hoy Bryson [Please Print] Signed:

Filing: **Correspondence File**

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division

April 12, 2012

Mr. Kent Mathews
Chevron Pipe Line Company
4800 Fournace Place W228A
Bellaire, Texas 77401

RE: Hydrostatic Test Discharge Permit - Temporary Permission HITP- 028
Chevron Pipe Line Company
GPM Eunice Lateral Pipeline
Location: Unit I of Section 5, Township 21 South, Range 36 East, NMPM,
Lea County, New Mexico

Dear Mr. Mathews:

The Oil Conservation Division (OCD) has received Chevron Pipe Line Company's (CPL) notice of intent, dated March 22, 2012, and supplemental information dated April 12, 2012, for authorization to temporary store approximately 13,000 gallons of wastewater generated from a hydrostatic test of approximately 1.7 miles of existing idle 6-inch liquid petroleum gas transmission pipeline. The proposed collection location is within the Unit I of Section 5, Township 21 South, Range 36 East, NMPN, Lea County, New Mexico. No surface discharge is proposed by CPL. The hydrostatic test wastewater will be discharged into a frac tank for temporary storage, transferred from the frac tank to an OCD approved water hauler, and delivered to Sundance Services, Inc. for disposal. This approval will not become effective until OCD receives the filing fee ($100.00) and the temporary permission fee of $150.00 pursuant to 20.6.2.3114 NMAC. Please make the check payable to the **Water Quality Management Fund**.

Based on the information provided in the request, temporary permission is hereby granted for the collection, retention, and disposal of the hydrostatic test wastewater generated from the pipeline test with the following understandings and conditions:

1. CPL will be testing approximately 1.7 miles of existing idle 6-inch liquid petroleum gas transmission pipeline. located approximately 2 miles northwest of the Town of Oil Center, New Mexico;

2. no discharge will occur at the hydrostatic test wastewater collection/discharge location: within CPL's pipeline easement right-of-way in Unit I of Section 5, Township 21 South, Range 36 East, NMPN, Lea County, New Mexico – adjacent to the southeast corner of the

DCP Midstream Eunice Gas Plant facility boundary (GW-016) – approximately 1.4 miles west on Highway 175 from the intersection of Highway 8 and Highway 175

3. the source of the hydrostatic test water will be from a municipal source, the City of Eunice, New Mexico;

4. approximately 13,000 gallons of hydrostatic test wastewater generated from the test will be slowly discharged into one (1) 20,000 gallon frac tank for temporary storage, while awaiting testing, transfer and disposal to Sundance Services, Inc.'s permitted surface waste management facility for disposal (Permit NM1-003);

5. the temporary storage tank shall have impermeable secondary containment (e.g., liners - geomembrane and berms – hay bales or a secondary containment tank), which will contain a volume of at least one-third greater than the total volume of the largest tank or one-third greater than the total volume of all tanks that are inter-connected, whichever is greater;

6. no hydrostatic test wastewater generated from the test will be discharged to the ground, leased area, or within the existing easement right-of-way;

7. the hydrostatic test wastewater will be analyzed to determine if it is a RCRA non-hazardous/non-exempt waste that Sundance Services, Inc. may accept for disposal. If the hydrostatic test wastewater does not meet the criteria for Sundance Services, Inc.'s waste acceptance, the test wastewater shall be sent to a RCRA permitted TSDF for disposal;

8. CPL will ensure the transfer the hydrostatic test wastewater via an OCD approved water hauler to Sundance Services, Inc.'s permitted surface waste management facility for disposal;

9. all hydrostatic test wastewater will be removed from the discharge and/or collection/retention locations within ten (10) calendar days of the completion of the hydrostatic test;

10. any surface area impacted or disturb from the approved activities shall be restored.

11. best management practices must be implemented to contain the discharge and/or collection /retention onsite, not impact adjacent property, and to control erosion;

12. the discharge and/or collection/retention does not cause any fresh water supplies to be degraded or to exceed 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);

13. the landowner(s) of the proposed discharge and/or collection/retention or alternative discharge location must be properly notified of the activities prior to the proposed hydrostatic test event; and

14. CPL shall report all unauthorized discharges, spills, leaks and releases of hydrostatic test water and conduct corrective action pursuant to OCD Rule 29 (19.15.29 NMAC).

It is understood that the hydrostatic test will begin approximately April 30, 2012. This temporary permission will expire within 120 calendar days of its issue date. Temporary permission may be revoked or suspended for violation of any applicable provisions and/or conditions.

This approval will not become effective until OCD receives the filing fee ($100.00) and the temporary permission fee of $150.00 pursuant to 20.6.2.3114 NMAC. Please make the check payable to the **Water Quality Management Fund**.

Please be advised that approval of this request does not relieve CPL of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve CPL of its responsibility to comply with any other applicable governmental authority's rules and regulations.

If there are any questions regarding this matter, please do not hesitate to contact me at (505) 476-3487 or brad.a.jones@state.nm.us.

Sincerely,

Brad A. Jones
Environmental Engineer

BAJ/baj

Cc: OCD District I Office, Hobbs

Jones, Brad A., EMNRD

From: Bryson, Hoy [hbryson@craworld.com]
Sent: Thursday, April 12, 2012 9:34 AM
To: Jones, Brad A., EMNRD
Cc: Mathews, Kent D
Subject: 077968_GPM Eunice Lateral-Responses to Comments
Attachments: Responses to OCD Comments.pdf

Brad:

In response to your comments discussed in a telephone conversation on March 28th, attached please find a revised partial NOI submission. This revised submission includes the transmittal letter and the Attachment -- which is the responses to the requested information in the "Guidelines for Hydrostatic Test Dewatering". As we discussed, these pages are intended to be replacements for the corresponding pages in the original NOI submission, dated March 22, 2012. Since there were no edits required for Page 2 (the signature page) of the of the transmittal correspondence, the original signature page can be retained.

A notable edit was made in this new submission. As you requested, the quality of the test water to be obtained from the DCP Eunice Gas Plant (the "Plant") was investigated. It was determined that necessary water quality data were not reasonably ascertainable for this source. Therefore, proposed plans to utilize test water obtained from the Plant were abandoned, and alternatively potable water will be obtained from the nearby City of Eunice (see "Item g" in the Attachment).

Thank you for accepting this revised submission by email. A hard copy of this submission will be Fed Ex-ed out to you this afternoon, and a check to cover the submission fee also will be included in the FedEx.

Again, thank you for your attention to this matter.

Regards,

Hoy

Dr. Hoy Bryson, PG
CONESTOGA-ROVERS & ASSOCIATES
2135 S. Loop 250 West
Midland, Texas 79703

Office: 432.681.3227
Cell: 432.288.3003
FAX: 432.686-0186
http://www.craworld.com

Perform every task the safe way, the right way, every time!

K. D. (Kent) Mathews
Environmental Specialist

Health, Environment & Safety
Chevron Pipe Line Company
4800 Fournace Place W228A
Bellaire, TX 77401
Tel 713-432-3424
Fax 713-432-3477
kentmathews@chevron.com

April 12, 2012

Mr. Brad Jones
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Dear Mr. Jones:

Re: NOTICE OF INTENT (NOI)
Chevron Pipe Line Company
Hydrostatic Test Dewatering
Existing LPG Pipeline Segment – *GPM Eunice Lateral*
Lea County, New Mexico

Chevron Pipe Line Company (CPL) hereby provides Notice of Intent (NOI) to the New Mexico Oil Conservation Division (OCD) for Hydrostatic Test Dewatering of an existing 6-inch diameter lateral pipeline, approximately 1.7 miles in length. Following the hydrostatic test, approximately 13,000 gallons (~ 315 barrels [bbls.]) of clean, potable-sourced test water will be removed from the pipeline and transferred directly into a "frac" tank[1]. The test water then will be transferred from the frac tank to tanker trucks that will transport it to a facility permitted by the OCD for disposal. No discharge of test water to soils or other environmental media – such as groundwater or surface water -- will occur.

The hydrostatic test is projected to commence on approximately April 30, 2012, with an expected duration of approximately one week -- from mobilizing equipment to demobilizing from the site.

The test water will be transferred directly into the frac tank and will be disposed at a properly permitted facility. Thus, there will be no opportunity for water pollution, as defined by Subsection CCC of §20.6.2.7 NMAC. The hydrostatic test water may be considered a non-exempt waste per the Resource Conservation and Recovery Act. Therefore, should a spill or release of hydrostatic test water occur inadvertently, that circumstance will be addressed aggressively according to requirements of the New Mexico Administrative Code (NMAC) Title 19, Chap. 15, Parts 29 and 30, and the OCD guidance document titled *Guidelines for Remediation of Leaks, Spills and Releases* (August 13, 1993).

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[1] An approximately 500 bbl. tank often used to contain water, etc., used for hydraulic fracturing ("frac"-ing) petroleum-containing geologic strata.

BACKGROUND

The GPM Eunice Lateral is a northeast-southwest trending pipeline located in Lea County, approximately 8.5 miles northwest of the City of Eunice. Constructed in 1995, the 6-inch diameter, approximately 1.7-mile long pipeline was used to transport liquefied petroleum gas, only. However, it was idled several years ago, when it was purged and filled with nitrogen gas. The purpose for hydrostatic testing is to ensure integrity prior to reactivating the lateral for future service.

RESPONSES TO OCD GUIDELINES QUERIES

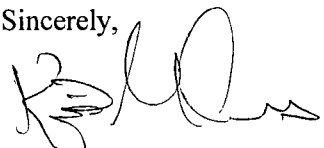
In support of this NOI to remove and dispose approximately 13,000 gallons of water used to hydrostatically test the GPM Eunice Lateral, CPL herewith provides the information requested in the *GUIDELINES FOR HYDROSTATIC TEST DEWATERING* (Rev. Jan. 11, 2007) in an ATTACHMENT to this correspondence.

A check, payable to the Water Quality Management Fund, in the amount of $100.00 to cover the filing fee is enclosed with this submittal. CPL understands an additional fee will be required prior to issuance of the discharge permit. CPL will await further notification from OCD concerning the permit fee amount to be submitted.

At CPL's request, Conestoga-Rovers & Associates (CRA) prepared this submittal. Should any further information be required or if there are questions regarding the proposed hydrostatic test dewatering or the information provided, please contact Dr. Hoy Bryson, CRA, by phone at 432-686-0327 or via email at hbryson@craworld.com.

Thank you for your attention to this NOI submittal.

Sincerely,



Kent Mathews
Environmental Specialist

ATTACHMENT and ENCLOSURE

ATTACHMENT

Chevron Pipe Line Company
Notice of Intent
Hydrostatic Test Dewatering
Existing LPG Pipeline Segment – *GPM Eunice Lateral*
Lea County, New Mexico

The following provides the information requested in the *GUIDELINES FOR HYDROSTATIC TEST DEWATERING* (Rev. Jan. 11, 2007).

Item a. ***Name and address of the proposed discharger.***

Chevron Pipe Line Company
Operator, GPM Eunice Lateral Pipeline
4800 Fournace Place
Bellaire, TX 77401

Mr. Mike Eaton
Project Coordinator
Chevron Pipe Line Co.
15 Smith Rd., Claydesta Plaza
Midland, TX 79705

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

The southwest terminus of the GPM Eunice Lateral pipeline (the "Lateral") is at the DCP Eunice Gas Plant (the "Plant"), within a 100' X 100' fenced area (referred to herein as the "Water Removal Location") adjacent the eastern fenceline of the Plant proper. The hydrostatic test water will be removed from the Lateral and transferred into a 500 bbl. frac tank stationed in the Water Removal Location. The Water Removal Location centers on coordinates N 32° 30' 49.88", W 103° 16' 44.23", in Section 5, Unit I, T21S, R36E.

The DCP Eunice Gas Plant is located approximately two (2) miles northwest of the Town of Oil Center, New Mexico. To reach the Plant, travel north from Oil Center on Highway 8 approximately 0.65 miles to the intersection with Highway 175. Turn left (west-northwest) on Highway 175 and travel approximately 1.4 miles to the Plant, located on the north side of the highway. The pipeline segment to be tested terminates within a fenced area approximately 100' X 100' in size, located outside and adjacent to the fenceline near the southeast corner of the Plant. This fenced Water Removal Location can be accessed from a north-south trending caliche oilfield road paralleling the east side of the Plant and connecting to Highway 175 at its southern extremity.

Item c. ***Legal description of the discharge location.***

As described previously, the Water Removal Location for the hydrostatic test water is immediately adjacent the DCP Eunice Gas Plant -- specifically in Section 5, Unit I, T21S, R36E, with coordinates centering at N 32° 30' 49.88", W 103° 16' 44.23".

Item d. ***Maps (site specific and regional) indicating the location of the pipelines to be tested and the proposed discharge location.***

A General Area Map is provided as Figure 1a, and a Site Specific Map is provided as Figure 1b – each map depicting the Water Removal Location, the GPM Eunice Lateral and the DCP Eunice Gas Plant.

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

i. ***Within 200 feet of a watercourse, lakebed, sinkhole or playa lake.***

There is no watercourse, lakebed, sinkhole, pit, pond or playa lake located within 200 feet of the Water Removal Location.

According to the New Mexico Pit Rule Mapping Portal (the "Pit Rule Mapping Portal"), the nearest surface waterbodies are two closely-associated process water pits located to the northwest -- within the DCP Eunice Gas Plant -- approximately 800 and 1,200 feet from the Water Removal Location (See Figure 2). However, aerial imagery of the Plant, dated 2004, appears to confirm that the largest and nearest pit has been reclaimed. The smaller pit – about 1,200 feet away – appears to be functional in the 2004 imagery. Notably, both pits are shown on the 1985 and 2010 editions of the *Monument South, New Mexico* 7.5-minute USGS Topographic Quadrangle maps.

ii. ***Within an existing wellhead protection area or 100-yr floodplain.***

The Water Removal Location is not within an existing wellhead protection area, as defined by NMAC Title 19, Chapter 15, Part 2.7.W(8). Under the most conservative interpretation of this rule, the Water Removal Location would need to be positioned within 1,000 feet of a water supply well to be considered within the wellhead protection area.

The Water Removal Location is positioned very near the boundary between Sections 4 and 5, T21S, R36E. Consequently, a search radius of 1,000 feet is completely contained within those two sections (See Figure 3). The New Mexico Office of the State Engineer ("NMOSE") Waters Database lists two (2) wells in Section 4 and one (1) in Section 5 (See Figure 3), as follows:

WR File #	Location	Owner
CP 00694	NW¼ Section 4**	Chevron USA, Inc.
CP 00697	SW¼, NE¼, SE¼ Section 4	Chevron USA, Inc.
CP 00670	NW¼, SE¼, SE¼ Section 5	Gulf Oil Corporation.

** The well is assumed to be positioned at the center of the NW quadrant of Section 4.

All three of the wells listed above are intended to provide water for petroleum exploration and production activities, and none is intended for domestic or agricultural purposes. A copy of the NMOSE *Currently Active Points of Diversion* (PODs) listing for Sections 4 and 5 is provided in APPENDIX A. As

demonstrated by Figure 3, all three wells lie outside a search radius of 1,000 feet from the Water Removal Location.

Neither the Lateral nor the Water Removal Location lies within a 100-year floodplain.

The Federal Emergency Management Agency (FEMA) posts a website providing access to GIS mapping of flood zones (http://www.fema.gov). This website was examined for the area of the Lateral and the Water Removal Location. Both were determined to lie totally within the FEMA Panel *35025C1500D (12/16/2008) mapping unit (See Figure 4). The FEMA Panel number *35025C1500D is preceded by an asterisk (*), indicating that the area depicted is entirely in Zone "D". FEMA Zone "D" mapping designates that the area has not been subjected to a thorough flood risk assessment, but FEMA presumes the area has a low risk for flooding.

iii. Within, or within 500 feet of a wetland.

The Water Removal Location is not within, or within 500 feet of a wetland.

The U.S. Fish & Wildlife Service, National Wetlands Inventory mapping system website was accessed for the general area of the Water Removal Location. No wetland was mapped at or within 500 feet of the Water Removal Location (See Figure 5).

Also, The U.S. Department of Agriculture publication *Soil Survey of Lea County, New Mexico* (January 1974) was reviewed. The soil mapping unit containing the Water Removal Location, the complete DCP Eunice Gas Plant and the surrounding area is designated "BE" (See Figure 6). The soil identified by the mapping symbol "BE" is the Berino-Cacique fine sandy loam association. The Berino-Cacique fine sandy loam association soil is NOT listed as a hydric soil in New Mexico. A soil must be listed as hydric to support a classification of an area as being a jurisdictional wetland. This further supports the determination that the Water Removal Location is not within a wetland or within 500 feet of a wetland.

iv. Within the area overlying a subsurface mine.

The Water Removal Location is not within the area overlying a subsurface mine.

The Pit Rule Mapping Portal was accessed with the "Mines and Minerals" layer engaged. A single "mine" was indicated in the general area of the Plant. This "surface mine", located approximately 2,500 feet southwest from the Water Removal Location, is in actuality a quarry -- otherwise referred to as a caliche pit (See Figure 7). No subsurface mine was indicated in the general area of the Plant on the Pit Rule Mapping Portal.

The 1985 and 2010 editions of the *Monument South, New Mexico* 7.5-minute USGS Topographic Quadrangle maps were reviewed. These maps indicate only the caliche pit described in the preceding, and as illustrated on Figure 7, in the general area of the Plant. No subsurface mine was indicated to be in the area.

The New Mexico Abandoned Mine Lands Program GIS website titled *Mines, Mills and Quarries Web Map* was accessed for information concerning abandoned underground mines in the area of the Plant. The website depicted no mines of any description in the area of the Plant (See Figure 8).

v. Within 500 feet from the nearest permanent residence, school, hospital, institution or church.

An aerial photograph of the Plant and surrounding area, dated April 2011, was obtained to form the base imagery for Figure 9. As illustrated by attached Figure 9, there are no structures of any kind (including permanent residence, school, hospital, institution or church) within 500 feet of the Water Removal Location that are not part of the DCP Eunice Gas Plant. The 1985 and 2010 editions of the *Monument South, New Mexico* 7.5-minute USGS Topographic Quadrangle maps also were reviewed. These maps depict no structures in the area, except those associated with the Plant and with exploration and production of petroleum.

Item f. Brief description of the activities that produce the discharge.

CPL proposes to conduct a hydrostatic test of a currently idled 6-inch diameter carbon steel pipeline segment, approximately 1.7 miles in length. This test will be conducted to qualify the pipeline for PIM (pipeline integrity management) and re-commission the line for active service. The segment of pipeline was constructed in 1995. Previously it was in LPG (liquefied petroleum gas) service, but several years ago it was idled with a nitrogen blanket installed. The pipeline will be returned to LPG (liquefied petroleum gas) service after completion of the hydrostatic test.

Before filling with fresh potable water, the pipeline segment will be pressurized with air to verify a tight, closed system. Water will be introduced into the pipeline directly from a water supply truck, and the air will be bled out. After being filled with water, a constant predetermined pressure will be held according to the hydrostatic test plan to determine the maximum allowable operating pressure. If a pressure failure occurs during the test (*i.e.*, loss of pressure signifying a breach or hole in the pipeline), the pressure will be reduced and the suspect section of pipeline repaired or replaced -- then retested. Upon completion of the hydrostatic test, the water will be "pigged" from the pipe, and the pipeline will be dried prior to re-commissioning.

Item g. Method and location for collection and retention of fluids and solids;

Only municipal-sourced potable water obtained from the City of Eunice, New Mexico will be utilized to test the pipeline segment. It is anticipated the test water will be essentially free of solids and contaminants. Hydrostatic test water will be delivered by tanker truck to the Water Removal Location (adjacent to the Plant). Fill hoses will be connected from the tanker truck directly to a pipeline fitting, through which the water will be injected into the Lateral. Following completion of the hydrostatic test, the contained water will be pushed from the pipe into a 500-barrel (20,000-gallon) frac tank stationed at the Water Removal Location. CPL will locate the frac tank within 50' of the pipeline. The test water will be held in the frac tank only as long as necessary. Then it will be transferred to tanker trucks for transport to Sundance Services, Inc.-- an OCD-licensed disposal facility located on Hwy 176 approximately 15.6 miles west of the City of Eunice. During all water transfer activities, operations will be monitored carefully, and water movement will be shut down if a spill or release appears imminent.

Item h. Brief description of best management practices to be implemented to contain the discharge onsite and to control erosion;

No hydrostatic test water will be discharged to the ground, therefore no BMPs for sediment and erosion control will be necessary. CPL will locate the frac tank on a spill liner for secondary containment. Temporary hoses to transfer the water from the pipe to the frac tank, and from the frac tank to tanker

trucks will be in good condition. The hoses will be inspected regularly for cracks and breaks, and to identify loose fittings and connectors. Drip pans and pots will be used, as necessary, at hose connections to collect leakages and drips when disconnecting hoses. CPL conducts daily JSAs (job safety analyses), hazard assessments, and safe work permitting prior to performing any task to promote incident free operations.

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

There are no alternative treatments or discharge locations proposed.

The Water Removal Location is situated at the most practicable, available valve station along the pipeline segment to be tested. Alternatives are deemed unnecessary, because no test water will be discharged to the ground where it could be possible for impacts to surface water and/or groundwater to occur. However, should the test water be classified as a hazardous waste, CPL will obtain a temporary hazardous waste generator identification number and dispose of the test water at a RCRA-permitted disposal facility. The name and address of the disposal facility and documentation for the proper disposal of the water will be provided to OCD, if this situation arises.

Item j. ***Proposed hydrostatic test wastewater sampling plan.***

A grab sample of the hydrostatic test water will be collected from the frac tank in a laboratory-supplied container. The sample will be submitted to a certified laboratory for RCRA hazardous waste characterization -- *i.e., ignitability, corrosively, reactivity, toxicity (See 40 CFR §261.21-24)* -- plus any other analyses prescribed by the disposal facility.

Item k. ***Proposed method of disposal of fluids and solids after test completion, including closure of any pits, in case the water generated from 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);***

As described previously, the hydrostatic test water will be transferred directly from the Lateral into a 500 bbl. frac tank. It then will be transferred from the frac tank to tanker trucks for transport off-site. All test water will be transported to the Sundance Services, Inc. disposal facility, which is properly licensed by OCD. Key Energy Services, LLC (Key) is a Chevron-approved vendor for transportation and is an authorized transporter for hauling water in New Mexico (Order No. C133-134). Key operates transportation facilities in this area and would be the probable choice to haul the hydrostatic test water.

There will be no discharge of hydrostatic test water. No test water will threaten groundwater quality, due to no opportunity to migrate into and through the soil. No pit(s) or pond(s) will be utilized in the test water handling process. No ponds or pits are present at the Water Removal Location.

Item l. ***Brief description of the expected quality and volume of the discharge.***

Based on the diameter and length of the pipeline segment, approximately 13,000 gallons (approximately 315 bbls.) of water is expected to be used during the test. The test water is expected to have measurable but minimal hydrocarbon contamination, based on previous analyses of hydrostatic test water from various pipelines formerly in LPG service. None of the previous test waters have exhibited hazardous waste characteristics. Benzene concentrations have ranged from less than 0.01 mg/l to 0.1 mg/l. Total

petroleum hydrocarbons are expected to range from 1 mg/l to 5 mg/l. Suspended solids are expected, due to internal pipeline scale/rouge dislodged during the filling and removal of the hydrostatic test water.

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

The Pit Rule Mapping Portal was accessed with the "New Mexico Geology" and the "USGS Karst Map" layers engaged. No karst geology was mapped for the general area of the Plant. However, the broad general area at and around the Plant was labeled with the surficial geology identifier "Qe/Qp". The following describes these surficial geology identifiers, according to the *Geologic Map of New Mexico*, 2003, New Mexico Bureau of Geology and Mineral Resources:

Qe Eolian deposits (Holocene to middle Pleistocene).

Qp Piedmont alluvial deposits (Holocene to middle Pleistocene) – includes deposits of higher gradient tributaries bordering major stream valleys, alluvial veneers of the piedmont slope, and alluvial fans. May locally include upper Pliocene deposits.

As stated previously, The U.S. Department of Agriculture publication *Soil Survey of Lea County, New Mexico* identifies the soils at the Plant and surrounding area as the Berino-Cacique fine sandy loam association. This association consists of nearly level and gently sloping, well-drained soils on uplands in the southern part of Lea County. These soils are on plains in the "sand country". The Berino soils are deep fine sands, while the Cacique soils have indurated caliche around a depth of 28 inches. These soils have moderately rapid permeability. Runoff is very slow. Water intake is rapid". In summary, these are sandy soils that exhibit rapid infiltration and are not subject to being easily eroded by overland flow.

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

The depth to groundwater is approximately 52 feet below ground surface (bgs) in the area of the DCP Eunice Gas Plant.

The NMOSE website titled *New Mexico Water Rights Reporting System* was accessed to obtain driller reports for the three water supply wells listed above in Item e.ii. – which are the wells nearest the Water Removal Location. However, no driller's report was available in the POD for any of these three wells (See APPENDIX A).

The Pit Rule Mapping Portal was accessed with the "Statewide Wells" layer engaged. This website displayed the location of the nearest water supply well with "depth to water" (DTW) information indicated. Designated "LRG 03952", that well is in the NE¼, Section 6, T21S, R36E – approximately 2,400 meters northwest from the Water Removal Location. The depth to groundwater in the well was 52 feet bgs.

Total dissolved solids (TDS) concentrations in groundwater were not available for the wells near the Plant. Therefore, the contract engineering firm for the City of Eunice was contacted to obtain information concerning TDS in the municipal water supply. Mr. Clayton Ten Eyck, Molzen Corbin Engineers, reported the average TDS to be 451 mg/L. No other data for total dissolved solids in the immediate area of the proposed hydrostatic test dewatering is available from reasonably ascertainable sources.

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

As described previously, all dewatering of the Lateral will be conducted at the Water Removal Location. The Water Removal Location is a fenced 100' X 100' parcel of land held in a leasehold by Chevron Pipe Line Company. The lessor of the parcel of land is the State of New Mexico, and the lease is administered by the New Mexico State Land Office (SLO). The DCP Eunice Gas Plant property lies immediately adjacent and west of the Water Removal Location. The Plant is owned and operated by DCP Midstream, LLC. All remaining property surrounding the Water Removal Location is owned by the State of New Mexico.

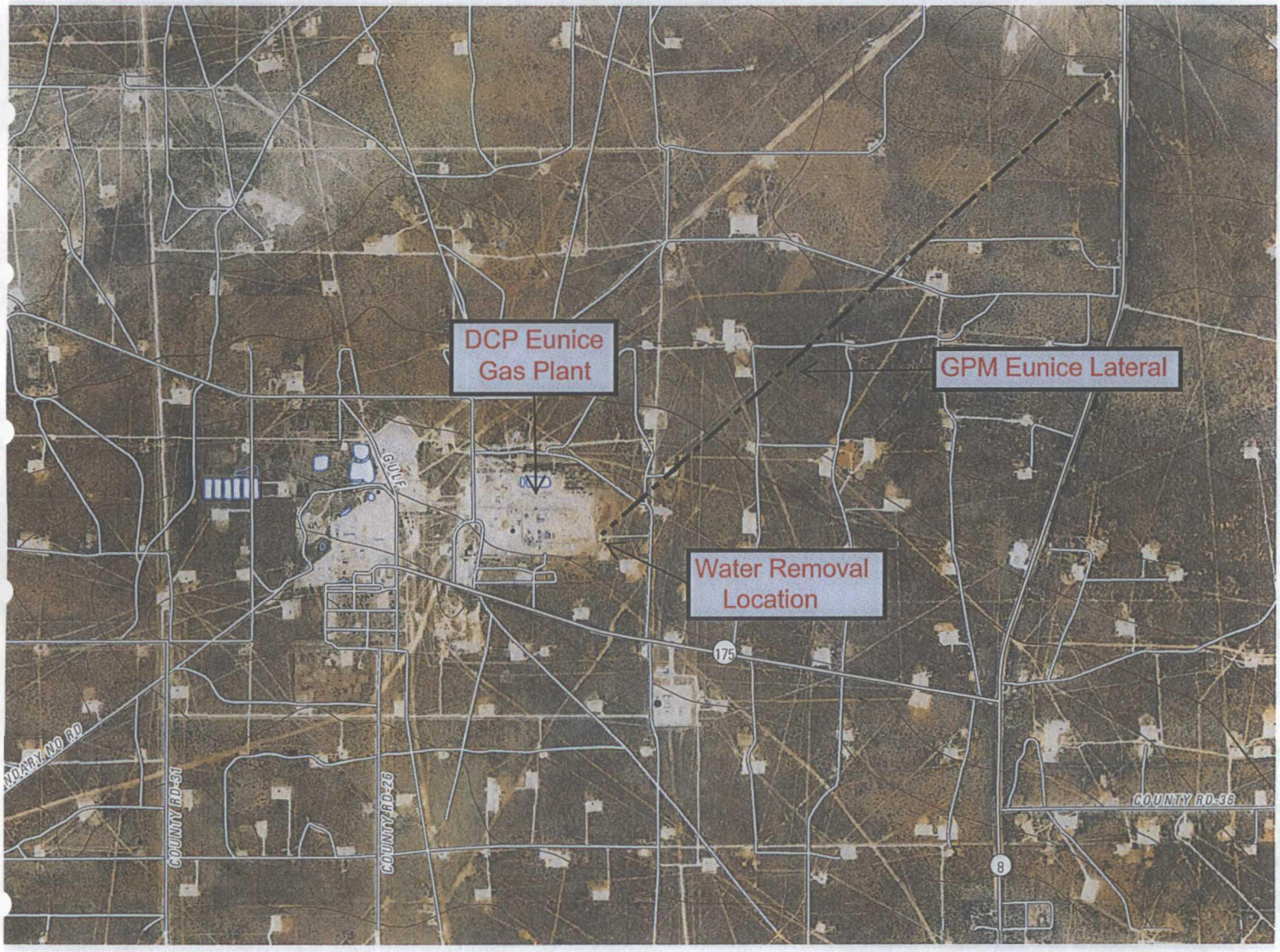


Figure 1a
General Area Map

Figure 1b
Site Specific Map

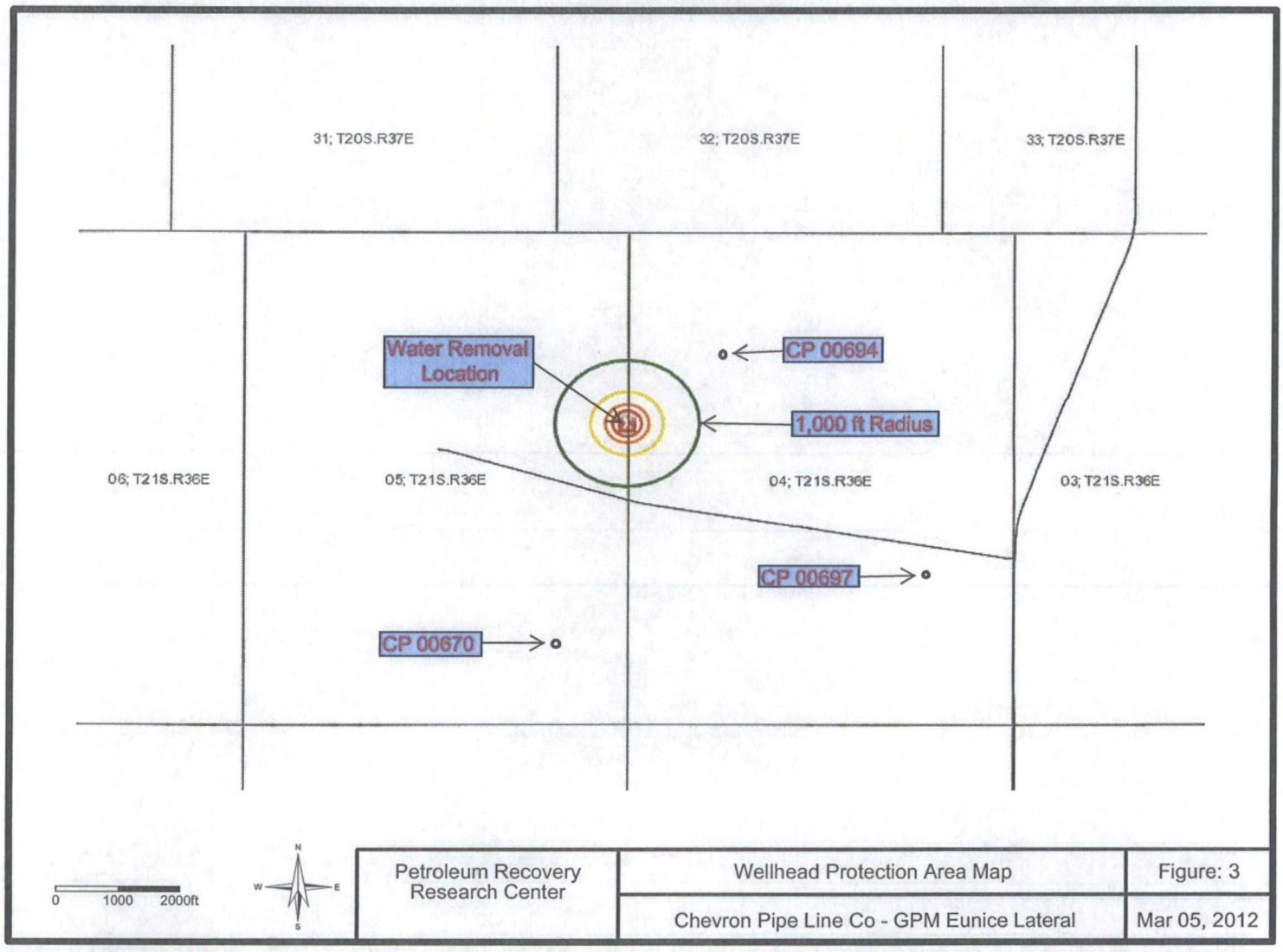
www.source3.com

0 200 400ft

N W E S

Petroleum Recovery Research Center	Surface Water Map	Figure: 2
	Chevron Pipe Line Co - GPM Eunice Lateral	Feb 29, 2012

www.source3.com



Petroleum Recovery Research Center	Wellhead Protection Area Map	Figure: 3
	Chevron Pipe Line Co - GPM Eunice Lateral	Mar 05, 2012

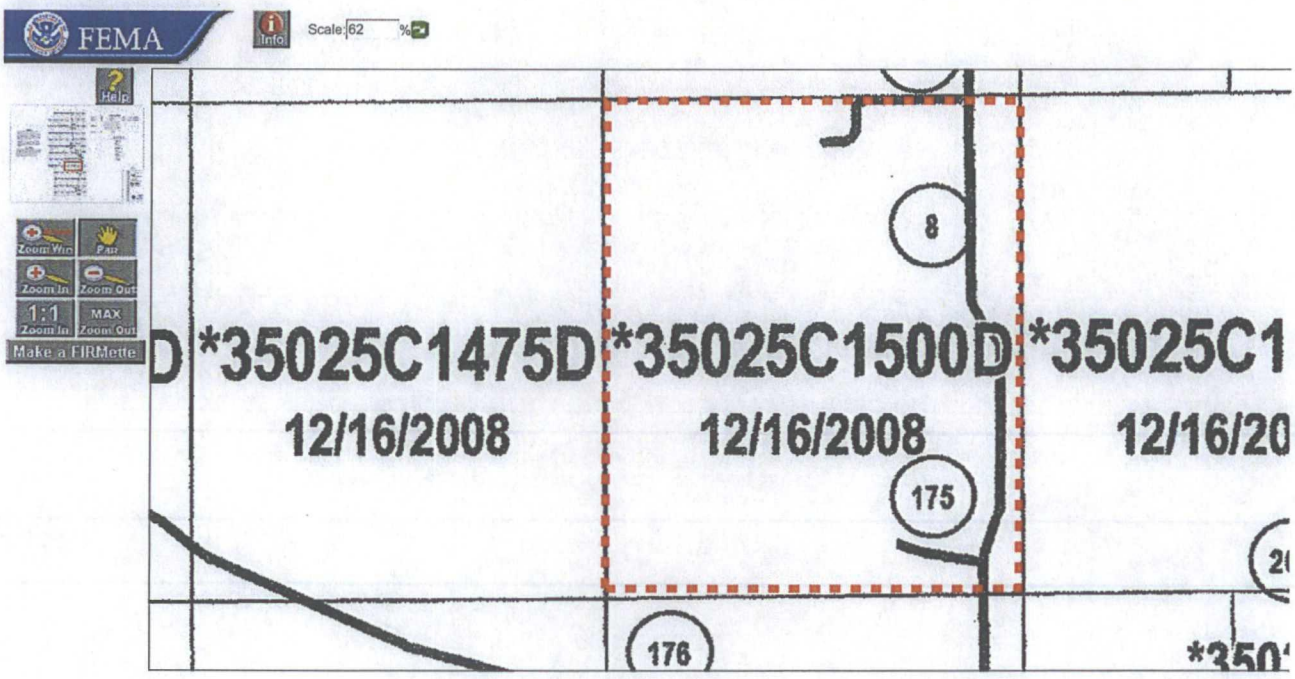


Figure 4
FEMA Floodplain Map

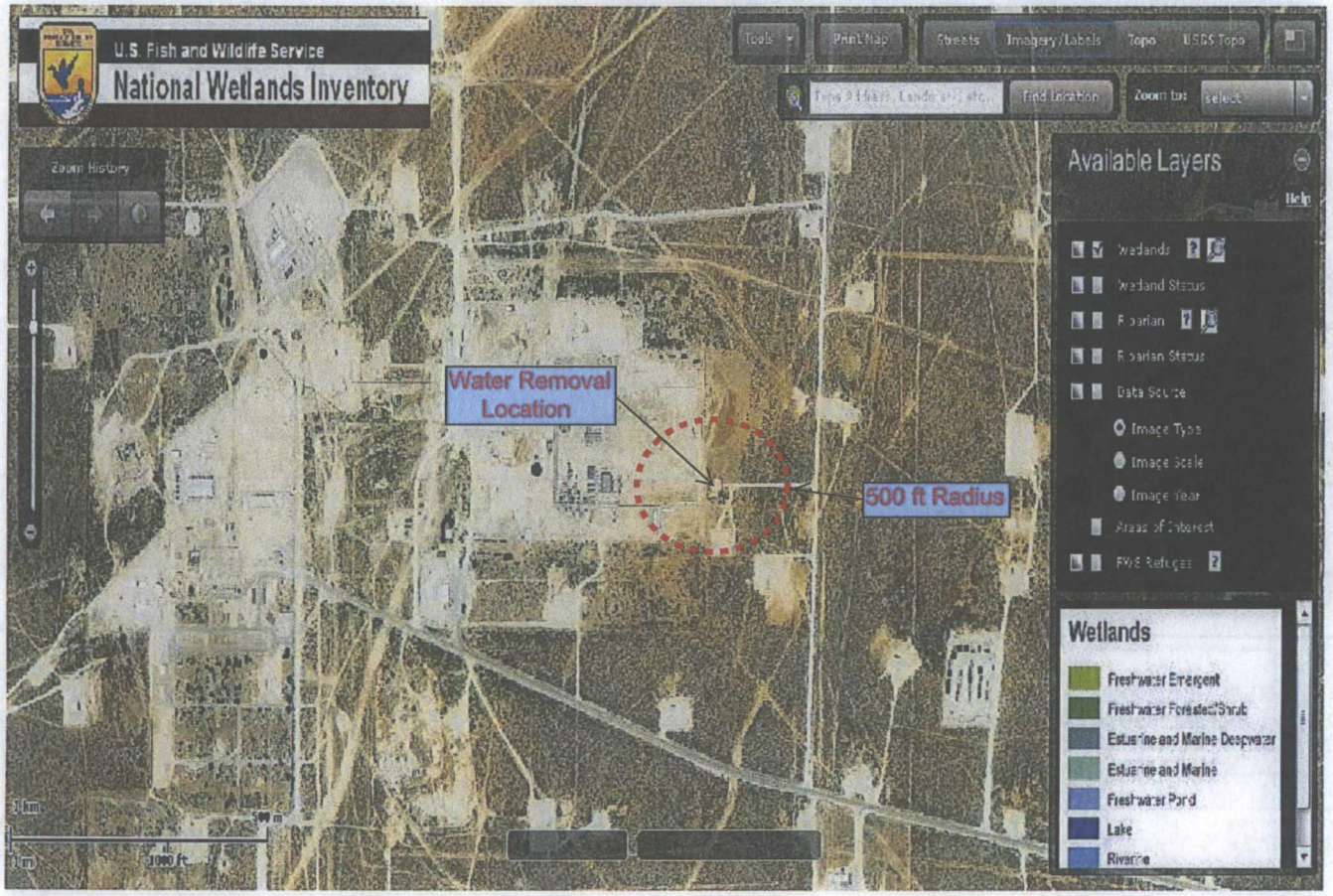


Figure 5
National Wetlands Inventory Map

Figure 6
Soil Survey Map

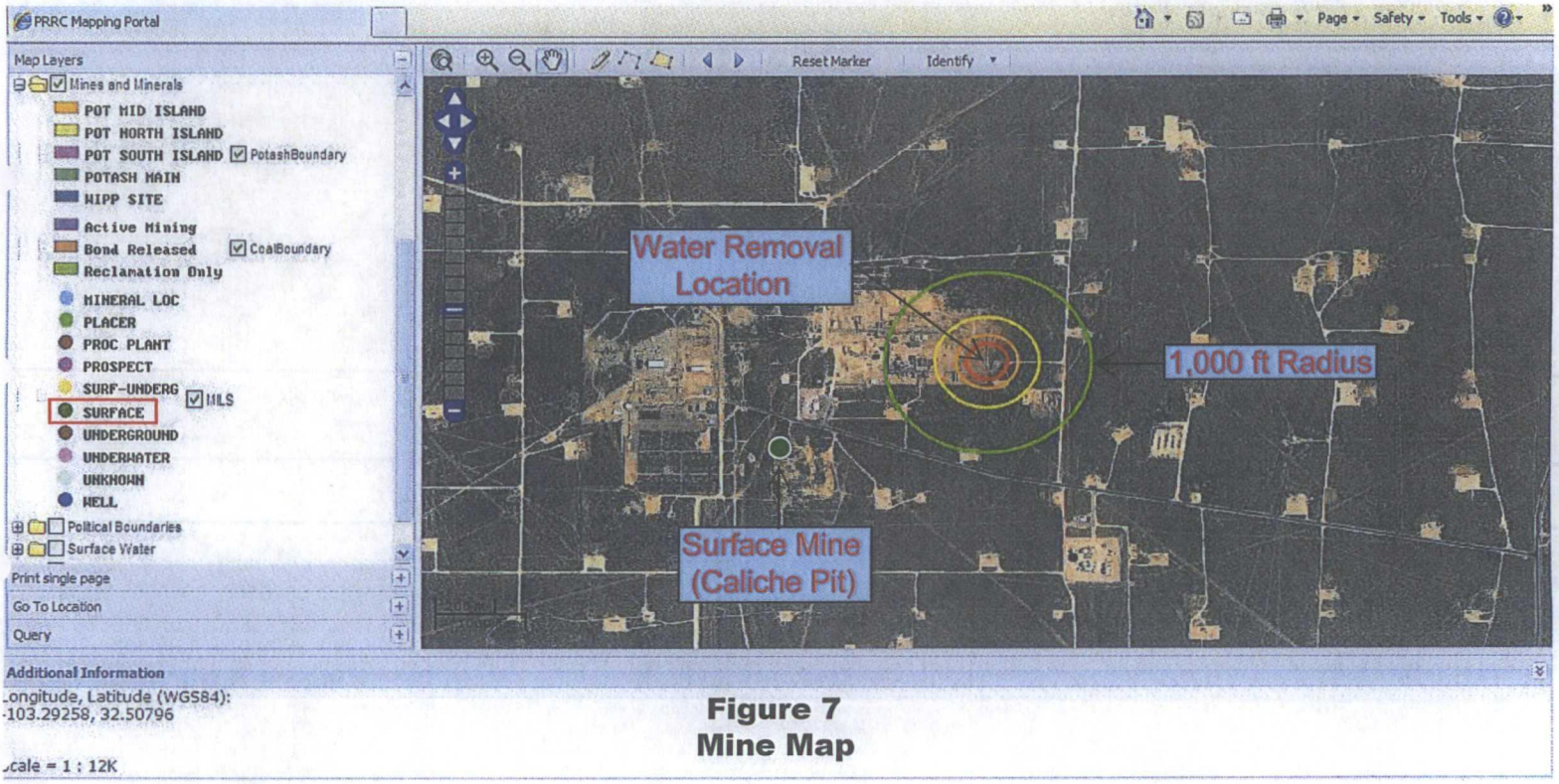


Figure 7
Mine Map

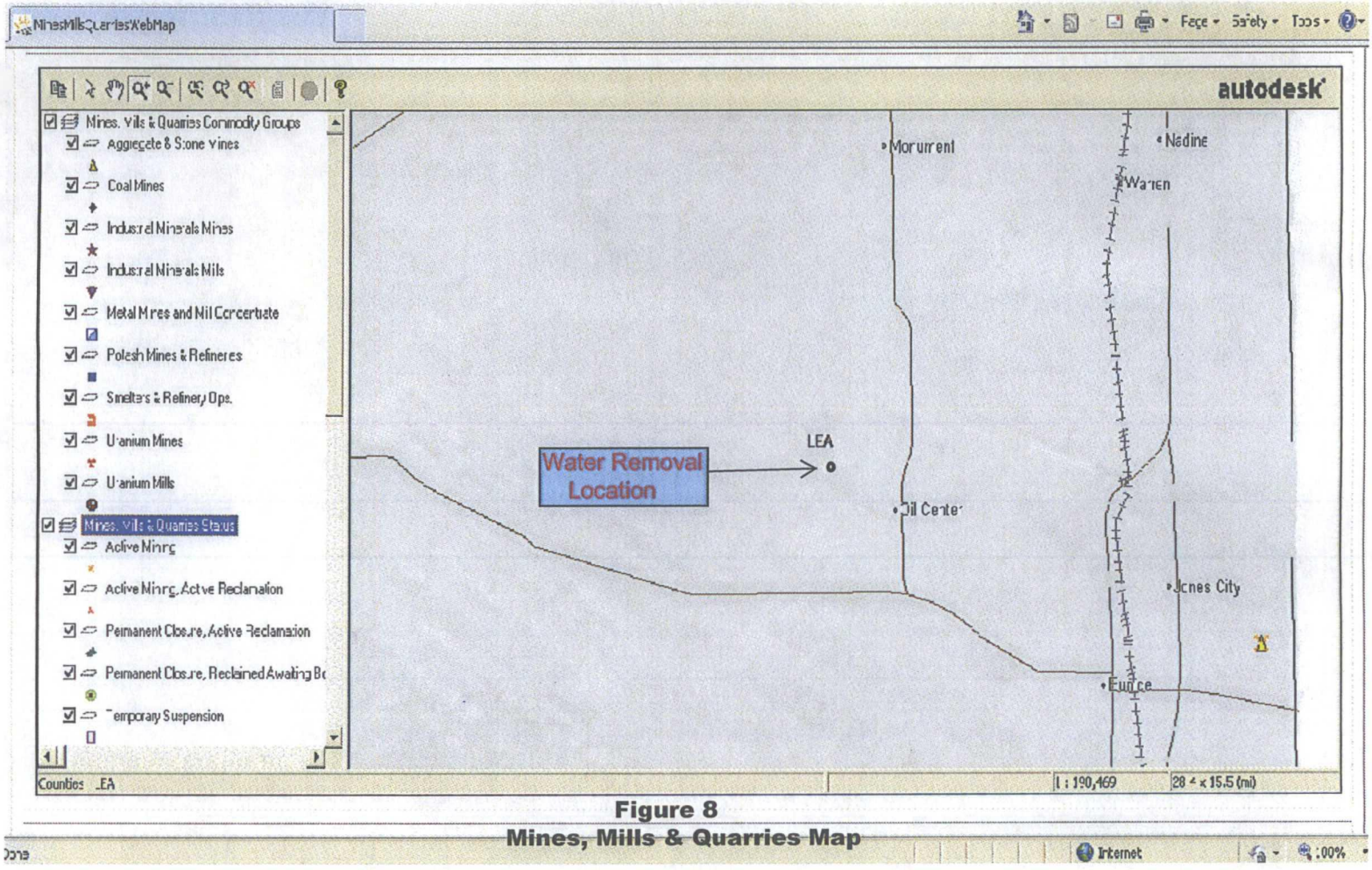


Figure 8
Mines, Mills & Quarries Map

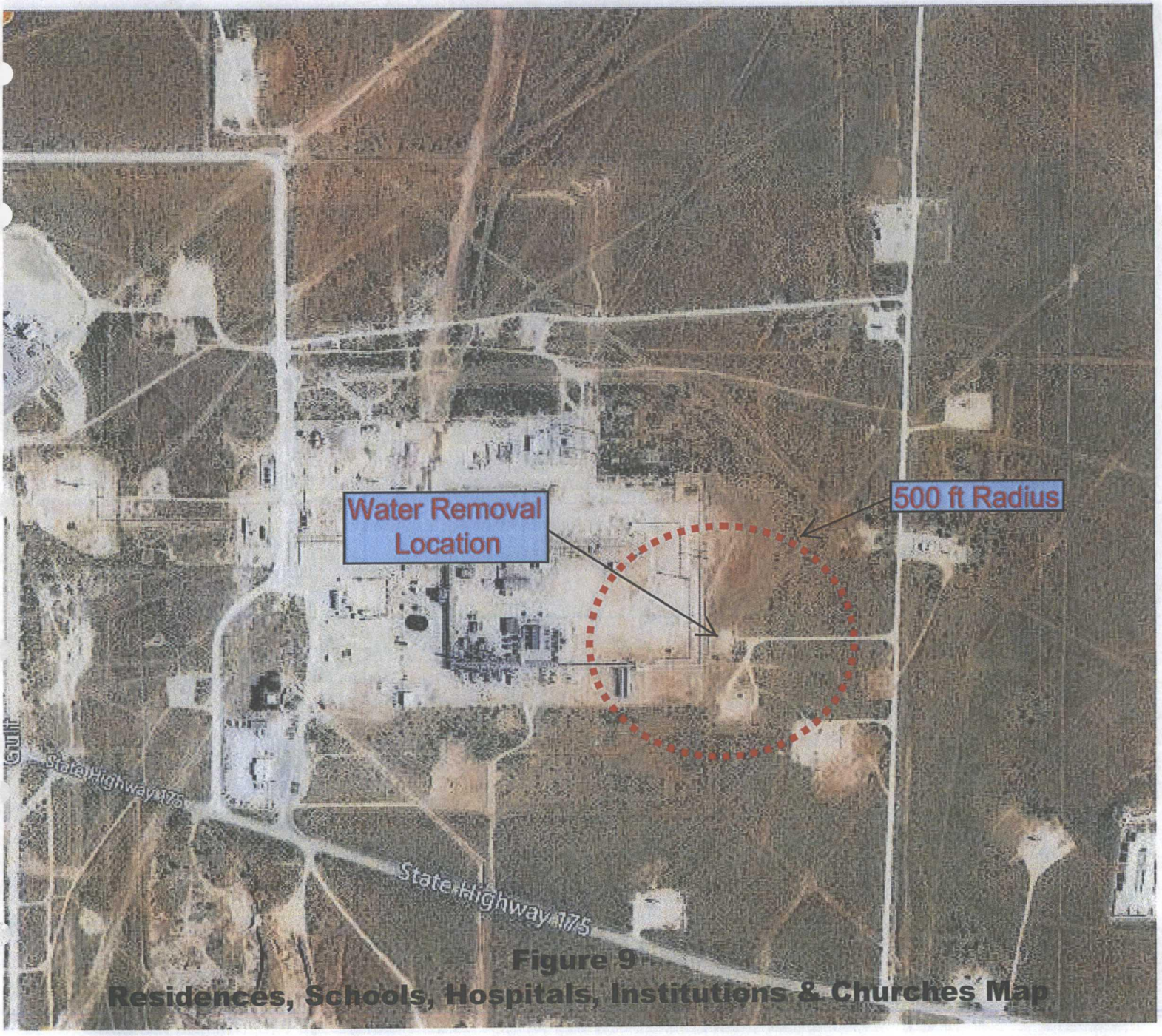


Figure 9
Residences, Schools, Hospitals, Institutions & Churches Map

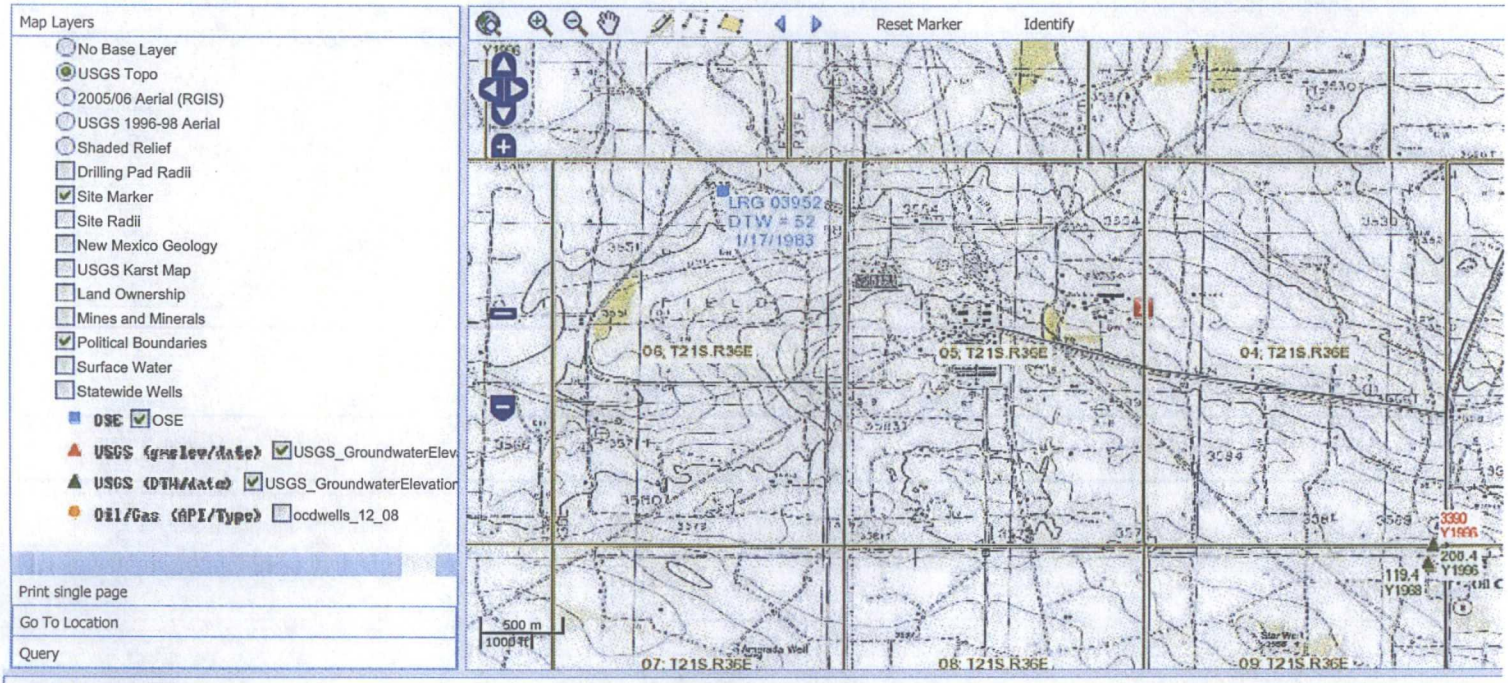


Figure 10
Water Wells Map

New Mexico Office of the State Engineer

Currently Active Points of Diversion

(with Ownership Information)

(acre ft per annum) (quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are smallest to largest) (NAD83 UTM in meters)

WR File Nbr	Sub basin	Use	Diversion	Owner	County	POD Number	Grant	Source	q q q 6416 4	Sec	Tws	Rng	X	Y
CP 00670		SRO	0	GULF OIL CORPORATION	ED	CP 00670		Mixed	1 4 4	05	21S	36E	661383	3597536*
CP 00694		SRO	0	CHEVRON U.S.A. INC.	LE	CP 00694		Mixed	1	04	21S	36E	662073	3598446*
CP 00697		SRO	0	CHEVRON U.S.A. INC.	LE	CP 00697		Shallow	3 2 4	04	21S	36E	662988	3597760*

Record Count: 3

PLSS Search:

Section(s): 4-5 **Township:** 21S **Range:** 36E

Sorted by: File Number

***UTM location was derived from PLSS - see Help**

New Mexico Office of the State Engineer

Currently Active Points of Diversion

(with Ownership Information)

No PODs found.

POD Search:

POD Number: L 00670

New Mexico Office of the State Engineer

Currently Active Points of Diversion

(with Ownership Information)

No PODs found.

POD Search:

POD Number: L 00694

New Mexico Office of the State Engineer

Currently Active Points of Diversion

(with Ownership Information)

No PODs found.

POD Search:

POD Number: L 00697