MISC - 002

GENERAL CORRESPONDENCE

2007-2010

Price, Wayne, EMNRD

From: Price, Wayne, EMNRD
Sent: Thursday, January 18, 2007 1:42 PM
To: 'Brenna West'
Cc: 'jim_gross@kindermorgan.com'; Johnson, Larry, EMNRD; Powell, Brandon, EMNRD; Lowe, Leonard, EMNRD
Subject: RE: James Gross's e-mail

Subject: Kinder-Morgan
Cortez PLC Blanco 11-12, Ts26 -R 9 w and Caprock 35-Ts10s-R31e C02 pump stations:

Dear Mr. Gross:
OCD is in receipt of the Notice of Intent (NOI) filed on January 16, 2007. Pursuant to WQCC regulations 20.6.2.1201 NMAC the OCD hereby notifies Kinder-Morgan that a discharge permit for these two facilities is not required at this time. OCD will make plans to visit the facilities once constructed. Please notify this office after construction and operations have begun. If you have any other questions or concerns please do not hesitate to call or write.

Please be advised that this determination does not relieve the owner/operator of responsibility should operations result in pollution of surface water, ground water or the environment, and a permit may be required in the future if discharges are discovered. Nor does this notification of no permit required relieve the owner/operator of its responsibility to comply with any other applicable governmental authority's rules and regulations.

From: Brenna West [mailto:west@ecosphere-services.com]
Sent: Wednesday, January 17, 2007 3:25 PM
To: Price, Wayne, EMNRD
Subject: James Gross's e-mail

James' e-mail is as follows: jim_gross@kindermorgan.com

Brenna West
Environmental Biologist
Ecosphere Environmental Services
4801 North Butler, Suite 15101
Farmington, New Mexico 87401
(505) 327-3088

KINDER MORGAN
CO_2 COMPANY, L.P.

January 16, 2007

Wayne Price
New Mexico Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Notice of Intent to Discharge for Kinder Morgan Cortez Pipeline Company Blanco and Caprock CO_2 Pump Stations

Dear Mr. Price:

Kinder Morgan Cortez Pipeline Company (Kinder Morgan) is proposing to construct two pump stations for the transportation of CO_2 through the existing Cortez Pipeline. The Blanco Pump Station would be located in Sections 11 and 12 of Township 26 North, Range 9 West, New Mexico Principal Meridian (NMPM) in San Juan County, New Mexico. The Caprock Pump Station would be located in Section 35 of Township 10 South, Range 31 East, NMPM in Chaves County, New Mexico. Maps showing the vicinity and project area of each pump station are attached.

The Blanco Pump Station would be built on a 6.33 acre tract of land leased from the Bureau of Land Management. The proposed location of the Blanco Pump Station has been previously disturbed and has an existing microwave tower on the site. The Caprock Pump Station would be built on a 5.73 acre tract of land leased from a private land owner. The Caprock Pump Station site is undeveloped. Each site would include two primary buildings. The first building would be an administration building that would provide offices, restroom facilities, and a mechanics shop. In addition, the control room for the station would be located in the administration building. A water well and septic tank would be associated with the administration building and would be used only for domestic purposes. Solid waste generated by the office building would be transported off of the site by a waste management facility.

The second building would be referred to as the Pump Building. This building would house two 4,000 hp centrifugal pumps provided by Flowserve. In addition, all of the electrical breakers and variable speed drives would be located inside the Pump Building. The pumps would be driven by Siemens 4,000 HP induction motors operating at 4,160 volts. The bearings for the motors would be cooled by a closed loop lube oil system, utilizing synthetic lube oil. Air coolers would be used to cool the return lube oil in the cooling cycle. Each station includes a 10 MVA substation, utilizing two 10 MVA oil filled transformers. The stations also include an aboveground inlet and outlet piping system constructed primarily of 20" heavy wall pipe (0.750" nominal). These systems include electrically actuated ball valves to provide emergency shutdown of the station as well as the ability to block in either of the pumps for maintenance activities. The Blanco station would be equipped with an emergency relief system that will relieve the pressure from the station piping in the event of an over pressure situation.

The contact information of the project manager for the Blanco and Caprock pump stations is as follows:

Operator:	Kinder Morgan Cortez Pipeline Company
Project Manager:	James E. Gross
Address:	One Allen Center
	500 Dallas, Suite 1000
	Houston, Texas 77002
Phone:	(713) 369-9107

The following situations are **not** part of the Kinder Morgan facilities described above:

- On-site waste disposal or storage;
- Process, maintenance, and yard areas;
- Above ground or underground tanks;
- Below-grade tanks/sumps and pits/ponds; or
- Underground process/wastewater lines;

The only waste expected at the pump stations is used/waste lube oil, used for cooling the pump motors. The following **Best Management Practices** for stormwater and drum storage will be used to avoid impacts to the surface water or ground water of the project sites:

Stormwater: The site grading plans are designed to allow any rainfall to drain away from the stations. The drainage would be directed to the same location as the current drainage for each site and no impact is expected for the existing areas outside of the station facilities. Natural rainfall runoff for the general area surrounding the facility is expected to be unaltered.

Drum Storage: The lube oil utilized for cooling the 4,000 hp motors and the transformer oil are the only potential sources for soil or groundwater contamination. The lube oil system for the motor will be contained inside the Pump Building. The lube oil will be stored in two 42 gallon drums inside the building. The drums will sit on plastic grating over a plastic containment tub with plastic curbing. If there is a leak or spill, the oil will fall into the tub and not on the floor. In the event of a leak or spill, the lube oil will be removed from the tub and disposed of in at an approved disposal site.

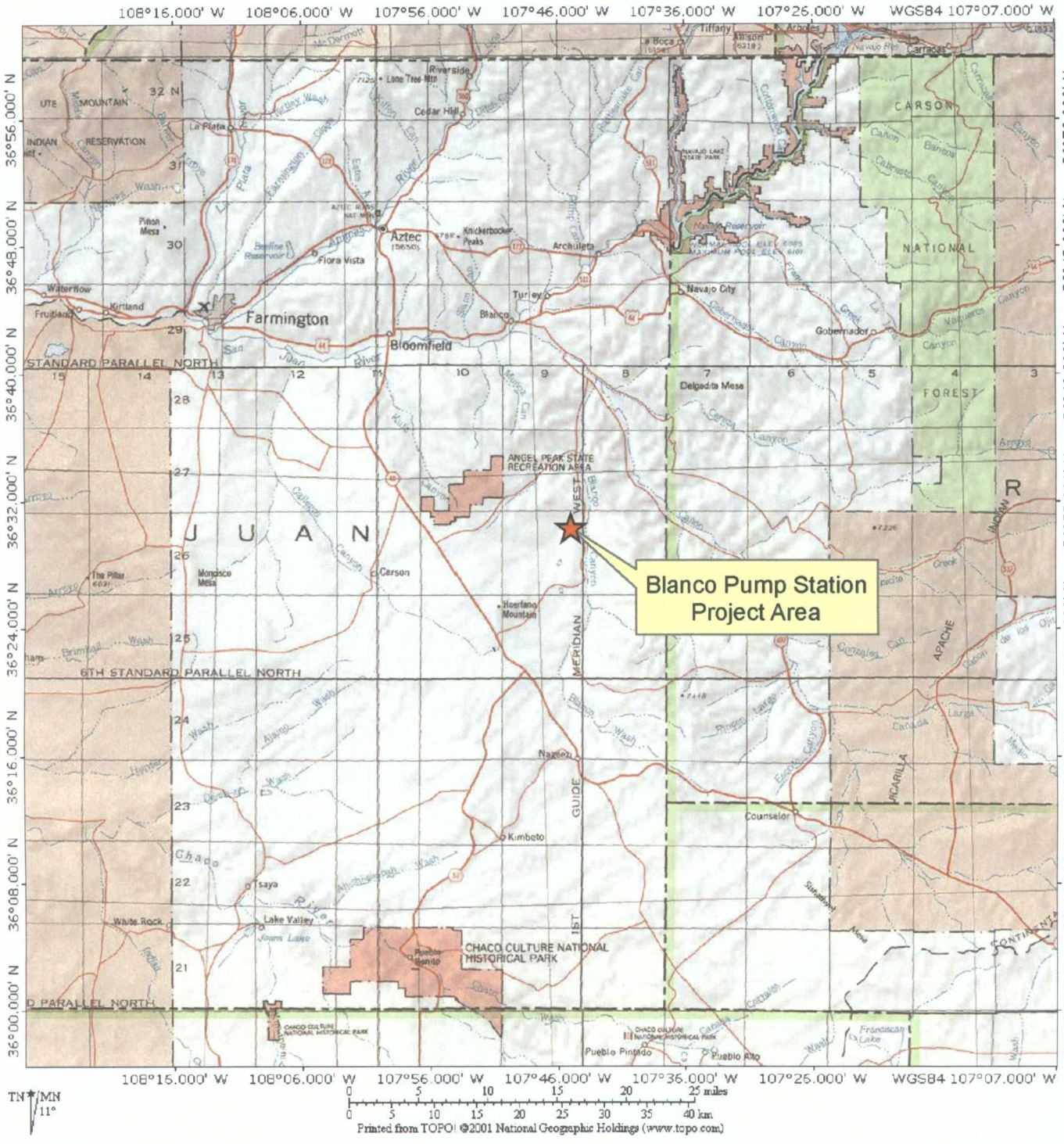
The proposed Blanco and Caprock pump stations are not expected to have any discharges that would contaminate the surface or groundwater in the area of the project locations. Maps showing the existing surface features within 1 mile of each facility are attached.

Please contact Kinder Morgan with any questions regarding the proposed projects.

Best Regards,

James E. Gross
Kinder Morgan

Attachments:
Figure 1. Blanco Pump Station Vicinity Map
Figure 2. Blanco Pump Station Project Area Map
Figure 3. Caprock Pump Station Vicinity Map
Figure 4. Caprock Pump Station Project Area Map
Figure 5. Blanco Pump Station Surface Features Map
Figure 6. Caprock Pump Station Surface Features Map



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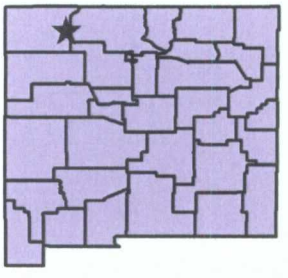
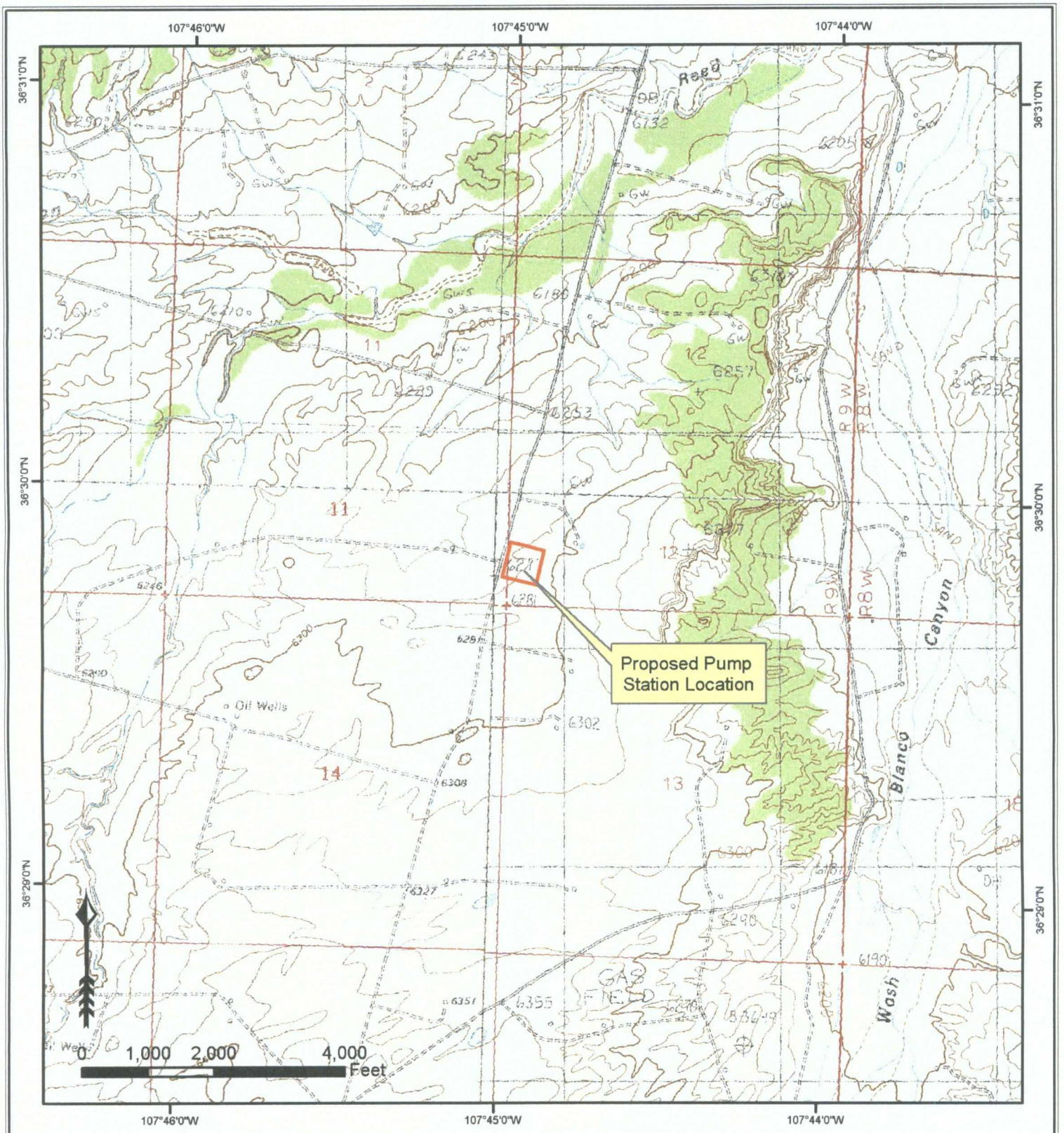
CORTEZ PIPELINE
BLANCO PUMP STATION

FIGURE 1	VICINITY MAP
SAN JUAN COUNTY, NEW MEXICO	11/29/2006





KINDER MORGAN CORTEZ PIPELINE BLANCO PUMP STATION	
TOWNSHIP 26N, RANGE 9W, SECTIONS 11 & 12	FIGURE 2
HUERFANO TRADING POST & THOMPSON MESA QUADRANGLES	PROJECT AREA MAP
SAN JUAN COUNTY, NEW MEXICO	11/29/2006

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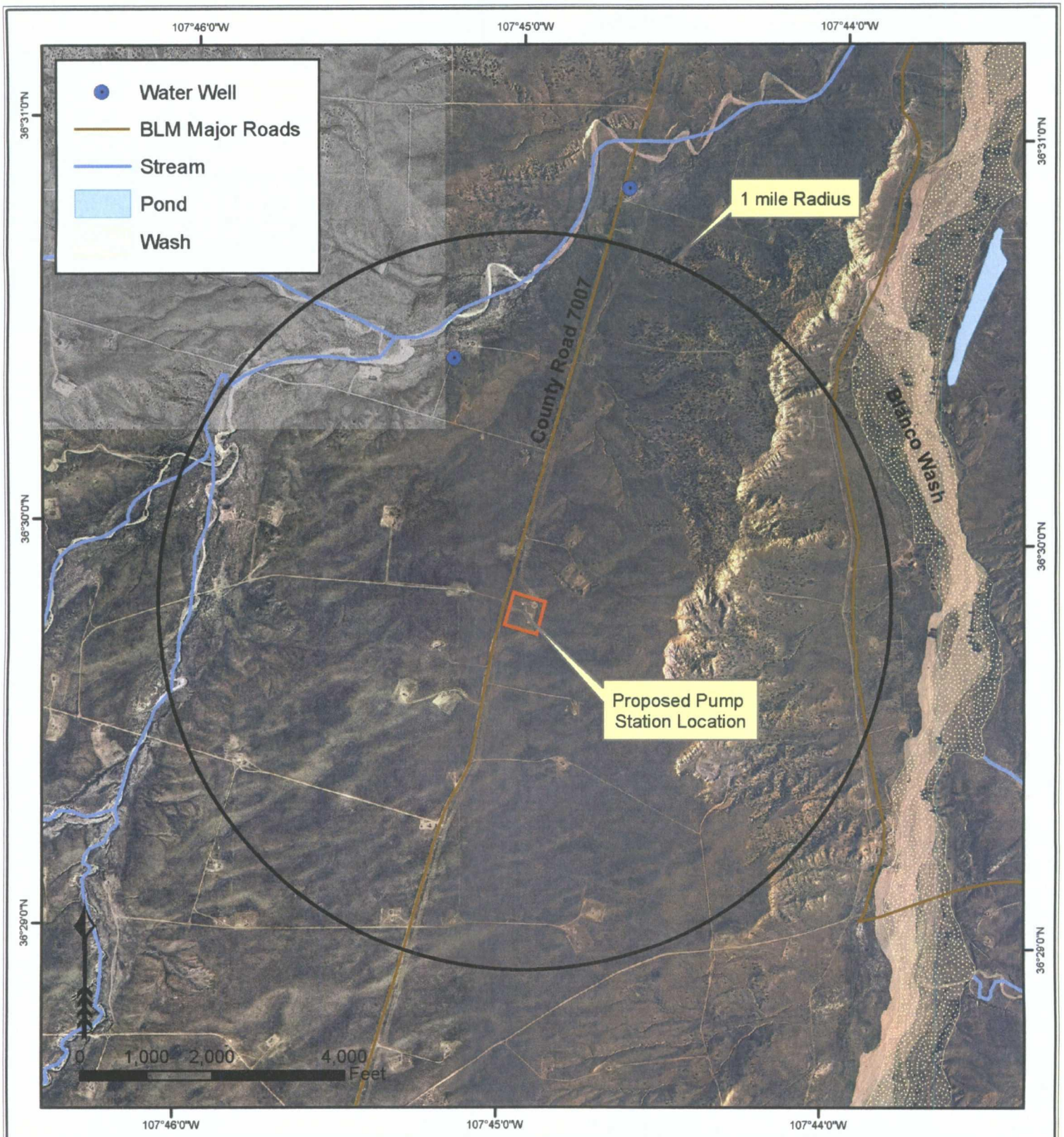

KINDER MORGAN CORTEZ PIPELINE BLANCO PUMP STATION	
TOWNSHIP 26N, RANGE 9W, SECTIONS 11 & 12	FIGURE 5
HUERFANO TRADING POST & THOMPSON MESA QUADRANGLES	SURFACE FEATURES MAP
SAN JUAN COUNTY, NEW MEXICO	1/5/2007

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KINDER MORGAN
CO_2 COMPANY, L.P.

James (Jim) E. Gross
Senior Project Engineer

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