

GW - ___237___

**H2S CONTINGENCY
PLAN**

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Tuesday, September 20, 2011 8:14 AM
To: 'Jamerson, Kelly D'
Subject: RE: H2S Contingency Plan Receipt and Update

Mr. Jamerson:

I double-checked with OCD Staff to see if we received the analytical for Pecos Diamond and the H2S CP from the Eunice Gas Plant, and the OCD is lacking this information.

I also checked the OCD Online file for the Pecos Diamond (GW-237) at <http://ocdimage.emnrd.state.nm.us/imaging/AEOrderFileView.aspx?appNo=pENV000GW00252>; and Eunice GP (GW-016) at http://ocdimage.emnrd.state.nm.us/Imaging/FileStore/santafeadmin/ao/92708/penv000gw00017_7_ao.tif.

The OCD requests the information. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3490
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us

Website: <http://www.emnrd.state.nm.us/ocd/>

"Why not Prevent Pollution; Minimize Waste; Reduce the Cost of Operations; & Move Forward with the Rest of the Nation?" To see how, go to "Pollution Prevention & Waste Minimization" at: <http://www.emnrd.state.nm.us/ocd/environmental.htm#environmental>)

From: Jamerson, Kelly D [<mailto:KDJamerson@dcpmidstream.com>]
Sent: Sunday, September 18, 2011 11:17 AM
To: Chavez, Carl J, EMNRD
Subject: RE: H2S Contingency Plan Receipt and Update

Mr. Chavez,

Analytical data was submitted on the Pecos Diamond Plant this previous week. Please advise if you do not receive it.

The Eunice Plant is a sour plant and inlet gas contains hydrogen sulfide gas. This plant has a H2S contingency plan on file with the OCC. A copy was previously submitted to the Santa Fe office. Please advise if did not receive.

Kelly Jamerson
Director - SENM Asset
DCP Midstream
575-397-5539 (o)
325-226-3357 (c)

From: Chavez, Carl J, EMNRD [<mailto:CarlJ.Chavez@state.nm.us>]
Sent: Tuesday, September 13, 2011 7:34 AM
To: Jamerson, Kelly D
Subject: H2S Contingency Plan Receipt and Update

Mr. Jamerson:

Good morning. The OCD has received the [H2S] analytical data confirming DCP Midstream, L.P.'s initial determination that OCD H2S Contingency Plans do not apply to the following gas plant facilities:

Eddy County:

- East Carlsbad Gas Plant (GW-069)

Lea County:

- Lee Gas Plant (closed)
- Antelope Ridge Gas Plant (GW-162)
- Hobbs Gas Plant (GW-175)
- Zia Gas Plant (145)

Analytical data from DCP to date has not been received for the following gas plants:

Eddy County:

GW-237	DCP MIDSTREAM, LP	DUKE PECOS DIAMOND GP	Gas Plant	A	Eddy	DUKE PECOS DIAMOND GP	G-3-18 S-27 E
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Lea County:

GW-016	DCP MIDSTREAM, LP	DUKE EUNICE GP	Gas Plant	A	04/25/2009	Keith Warren 303-605-2176	Lea	DUKE EUNICE GP	H-5-21 S-36 E
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The OCD will be expecting the data soon for the above gas plants. Please contact me if you have questions. Thank you.

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Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Tuesday, September 20, 2011 9:10 AM
To: Chavez, Carl J, EMNRD; 'Jamerson, Kelly D'
Cc: Dade, Randy, EMNRD
Subject: Pecos Diamond GP (GW-237) H2S Contingency Plan (Eddy County)

Mr. Jamerson:

The OCD is writing to confirm from the analytical data (June 2011) submitted by DCP Midstream L.P. that a H2S Contingency Plan is not required for above subject facility.

Please notify the OCD if conditions change. Thank you.

Carl J. Chavez, CHMM
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From: Chavez, Carl J, EMNRD
Sent: Tuesday, September 20, 2011 8:58 AM
To: Chavez, Carl J, EMNRD; 'Jamerson, Kelly D'
Subject: RE: H2S Contingency Plan Receipt and Update

Mr. Jamerson:

Mr. Daniel Sanchez just found the Pecos Diamond correspondence in his mail box and provided it to me.

I think we just need the Eunice GP H2S CP.

Thank you.

Carl J. Chavez, CHMM
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RECEIVED OGD
1625 W. Marland Blvd.
Hobbs, NM 88240
2011 SEP 16 A 12:53

September 14, 2011

Mr. Daniel Sanchez-Compliance & Enforcement Manager
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: Pecos Diamond and Gas Facilities that my vent and /or Flare H₂S Gas

Dear Mr. Sanchez:

This letter is in response to your letter dated March 1, 2011 in regards to Pecos Diamond Gas Plant.

Attached is the Monthly Meter Analysis for Pecos Diamond Inlet.

Please contact me should you have any questions at (575) 397-5539.

Sincerely,

Kelly Jamerson
SENM Asset Director

Enclosure

Monthly Meter Analysis

June, 2011



2340220007 PECOS DIAMOND INLET

Component	Mole %	GPMs	Mass %
Carbon Dioxide, CO2	0.3555		0.8117
Nitrogen, N2	0.7159		1.0405
Methane, C1	86.3225		71.8466
Ethane, C2	7.4242	1.9908	11.5818
Propane, C3	2.9641	0.8188	6.7811
iso-Butane, iC4	0.4108	0.1348	1.2387
n-Butane, nC4	0.8334	0.2634	2.5131
iso-Pentane, iC5	0.2488	0.0912	0.9313
n-Pentane, nC5	0.2281	0.0829	0.8538
Hexanes Plus, C6+	0.4967	0.2173	2.4014
Water, H2O			0.0000
Hydrogen Sulfide, H2S	0.0000		0.0000
Oxygen, O2	0.0000		0.0000
Carbon Monoxide, CO			0.0000
Hydrogen, H2			0.0000
Helium, He	0.0000		0.0000
Argon, Ar			0.0000
Totals	100.0000	3.5992	100.0000

Property	Total Sample	C6 Plus Fraction
Pressure Base	14.730	
Temperature Base	60.00	
HCDP @ Sample Pressure		
Cricodentherm		
HV, Dry @ Base P, T	1169.04	
HV, Sat @ Base P, T	1148.70	
HV, Sat @ Sample P, T		
Relative Density	0.6672	
Fws Factor		
Free Water GPM		
Stock Tank Condensate Brls/mm		
26 # RVP Gasoline	0.601	
Testcar Permian	0.537	
Testcar Panhandle	0.554	
Testcar Midcon	0.539	

Sample			
Date:	12/21/2010	Pressure:	434.0
Type:	Spot	Temperature:	76.0

*** End of Report ***



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

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

Daniel Sanchez
Acting Division Director
Oil Conservation Division



March 1, 2011

Mr. Kelly Jamerson
Asset Manager
DCP Midstream, LP
1625 West Marland
Hobbs, NM 88240

Dear Mr. Jamerson:

Re: Pecos Diamond Gas Plant (GW-237) Oil and Gas Facilities/Operations that may Vent and/or Flare H₂S Gas

The New Mexico Oil Conservation Division (OCD) is writing to operators of the above-referenced types of facilities or operations that may have New Mexico Environmental Department (NMED) - Air Quality Bureau (AQB) Oil and Gas type Permits. The purpose of this communication is to inform operators of such facilities regarding OCD Rules that may be applicable to gas plant operators and/or oil and gas facilities/operations in the hope that it provides some clarification regarding the applicability of these rules, and to ultimately increase overall compliance

In New Mexico, the OCD Rules that pertain to Hydrogen Sulfide (H₂S) Gas are provided at § 19.15.11 et seq. NMAC (Hydrogen Sulfide Gas). The OCD Oil and Gas Rules that address “No-Flare” and the OCD Form C-129 process are provided at § 19.15.7.37 et seq. NMAC (Application for Exception to No-Flare). Gas plants have gas gathering pipelines with meters connected to operators who then either sell or vent casinghead gas into the gas gathering pipelines that feed into the plants. The OCD Rules that pertain to “Casinghead Gas” are provided at § 19.15.18.12 et seq. NMAC (Production Operating Practices).

This letter was precipitated by a recent event where a gas plant operator shut-in a “gas gathering pipeline.” This “shutting-in” of the pipeline impacted approximately thirty individually-metered operators who may have continued operating instead of “shutting-in” their well(s). In spite of the fact that approximately thirty operators were impacted, the OCD observed that only one of those thirty operators contacted the OCD via Form C-129 as required under the OCD Rules to obtain approval of their application for an “exception to no-flare.” (The operator initially had contacted the OCD to request approval to vent H₂S gas into the air rather than shut-in the well.) The OCD has serious public safety concerns when operators do not properly shut-in their wells when gas gathering pipelines and/or meters are shut-in, especially where the wells are near populated and/or agricultural areas due to the potential for loss of life from toxic gas.

In subsequent communications with gas plant operators who flare gas, the OCD discovered that the operators were under the impression that if their facility has an NMED- AQB Construction Permit which includes a provision to flare/emit gas, then this is all that is needed to operate in New Mexico. This is actually only partially

Oil Conservation Division
1220 South St. Francis Drive • Santa Fe, New Mexico 87505
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Mr. Jamerson
DCP Midstream, LP
March 1, 2011
Page 2 of 2

correct because operators are also required to comply with the requirements set out in the OCD Rules regarding flaring and venting. For example, in the situation where a gas plant operator has notified connected well operators of a gas-gathering pipeline shut-down, each of those well operators is required to shut-in its well(s) or to obtain OCD District Supervisor approval to flare via an OCD C-129 Form. Operators who do not comply are illegally venting and/or flaring gas under OCD Rules.

In addition, gas plants and/or oil and gas operators may be required to satisfy OCD § 19.15.11 et seq. NMAC (Hydrogen Sulfide Gas) Contingency Plan requirements for facilities and wells in cases where 100 ppm or greater H₂S concentrations may impact public areas. OCD records indicate that DCP Midstream, LP does not currently have an H₂S Contingency Plan (CP) on file with the OCD. If you do not have an approved CP under § 19.15.11 et seq. NMAC (Hydrogen Sulfide Gas) for your gas plant yet, please submit your CP to the OCD Environmental Bureau in Santa Fe on or before August 11, 2011. (The OCD notes that it is aware of some operators who have recently submitted CPs to the OCD that are currently under review. Please advise if this is the case for DCP Midstream.)

The OCD recognizes that when multiple sets of Rules, Regulations and Statutes apply, it can sometimes be tricky to definitively determine which requirements apply, to whom and in what circumstances. Operators must, however, take all care to ensure that they are at all times operating in compliance with all applicable state, federal and/or local rules and regulations. In this instance, this means that operators are subject not only to the requirements imposed by the NMED-AQB permitting structure, but also to those set forth in the OCD Rules.

We hope that this communication has helped to clarify the issue regarding the applicability of the OCD Rules in these situations, regardless of the existence of a valid NMED-AQB permit. Please contact Carl Chavez of my staff at (505) 476-3490 if you have questions or need assistance with the CP. The OCD looks forward to bringing your facility into compliance with OCD Rules if it is not currently already in compliance. Thank you for your cooperation in this matter.

Sincerely,



Daniel Sanchez,
Compliance & Enforcement Manager

xc: Richard Goodyear, NMED- AQB
OCD Environmental Bureau
OCD District Offices