

GW - 137

**PERMITS,
RENEWALS,
& MODS
Application**



RECEIVED
2008 APR 10 PM 1 24

April 3, 2008

UPS Next Day Air (Tracking Number 1Z F46 915 22 1005 919 3)

Mr. Carl Chavez
New Mexico Energy, Minerals
& Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

SUBJECT: Carrasco and Magnum Compressor Station
Discharge Plans No. GW-127 and 137
Eddy County, New Mexico

Dear Mr. Chavez:

DCP Midstream LP submits the following:

- Check in the amount of \$1,700.00 for the Carrasco Compressor Station (GW-127)
- Check in the amount of \$1,700.00 for the Magnum Compressor Station (GW-137)
- Signed copies of the Discharge Plan Approval Conditions for both the Carrasco Compressor Station and the Magnum Compressor Station.

DCP Midstream's submittal of the signed conditions and fee does not waive our objections to the obtaining a discharge permit. DCP Midstream disagrees that any discharge plan is required for this facility under the WQCC's regulations.

If you have any questions regarding this submittal, please call me at (303) 605-1778.

Sincerely,
DCP Midstream LP

Elisabeth A. Klein
Principal Specialist

Enclosures

Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

April Hernandez, being first duly sworn,
on oath says:

That she is HR Manager of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper, and not in supplement thereof on the date as follows, to wit:

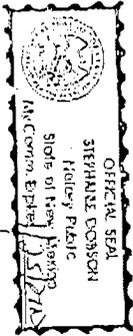
February 6 2008

That the cost of publication is \$ 346.07 that Payment Thereof has been made and will be assessed as court costs.

Subscribed and sworn to before me this

25th day of February 2008
Stephanie Gibson
My commission Expires on 1/31/2010

Notary Public



DGP Midstream, LP, 370 17th Street, Suite 2500, Denver, Colorado 80202 has submitted a discharge plan renewal application for its Carrizo Compressor Station (GW-137) located in the SE4 NW4, Section 14, Township 23 South, Range 28 East, Eddy County, New Mexico to the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. Telephone (505) 476-3440. Carrizo Compressor Station is located east of the intersection of South Donaldson Farm Road and Forch Adkins Road northeast of Loving, New Mexico. ICG Midstream, LP does not propose to discharge effluent or waste solids on site; all effluent and waste solids generated at the facility are removed from the facility for off site disposal in accordance with applicable New Mexico Oil Conservation Division, New Mexico Environment Department, and EPA regulations. Ground water most likely to be affected in an event of an accidental discharge at the surface is at a depth of approximately 50 feet with a total dissolved solids concentration of approximately 3000 mg/L. The discharge plan addresses remediation of soil and ground water and how offfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water. Any interested person may obtain further information, submit comments, and request to be placed on a facility-specific mailing address to receive future notices to the Oil Conservation Division at the address or telephone number given above. The Oil Conservation Division will accept comments and statements of interest regarding the renewal application and will create a facility-specific mailing list for persons who wish to receive future notices.

DGP Midstream, LP, 370 17th Street, Suite 2500, Denver, Colorado 80202 se ha sometido una aplicación de la renovación del plan de la descarga para su Estación de Compresor de Carrizo (GW-137) localizada en el SE4 NW4, la Sección 14, Municipio 23 al sur, la Rango 28 al este, Condado de Eddy, Nuevo México a la División de Conservación de Agua, 1220 South St. Francis Drive, Santa Fe, Nuevo México 87505, el Teléfono (505) 476-3440. La Estación de Compresor Station se encuentra al este del camino del sur de la Granja de Donaldson y la Finca Adkins al noroeste de Loving, New Mexico. Molibdo de la corriente de DGP Midstream, LP, espeje no propone descargar efluente ni los sólidos de desecho en el sitio, solo efluente y los sólidos de desecho generados en la facilidad son quitados de la facilidad para de la disposición del sitio de acuerdo con División de Conservación de Agua, el Departamento del Medio Ambiente y el Departamento de Regulación de EPA. Molibdo agua muy probable de ser afectada en un acontecimiento de una descarga accidental en la superficie está en una profundidad de aproximadamente 50 pies con un suma la concentración disuelta de sólidos de aproximadamente 3000 mg/L. El plan de la descarga dirige el refuerzo de agua de urna y cómo productos de yacimiento petrolífero y materiales serán manejado apropiadamente, serán almacenados, y será desechado de, relativo como se debe, los escapes, y otros descargas accidentales a la superficie serán manejados de proteger agua dulce. Alguna persona interesado puede obtener información adicional, se solicita los comentarios, y el pedido para ser colocado en una dirección de correo facultad-especifico para recibir futuras futuras de la Oil Conservation Division en la dirección o el número de teléfono dados arriba. La Oil Conservation Division aceptará los comentarios y las declaraciones del interés como respecto a la aplicación de la renovación y creará una lista de correo facultad-especifico para personas que desean recibir nuevas futuras.



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NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

March 7, 2008

Ms. Elisabeth Klein
DCP Midstream, LP
370 17th Street, Suite 2500
Denver, CO 80202

Re: Discharge Permit Renewal
Carrasco Compressor Station (GW-137)
SE/4 NW/4 Section 14, Township 23 South, Range 28 East, NMPM,
Eddy County, New Mexico,

Dear Ms. Klein

Pursuant to Water Quality Control Commission (WQCC) Regulations 20.6.2.3104 - 20.6.2.3114 NMAC, the Oil Conservation Division (OCD) hereby approves the discharge permit for the **DCP Midstream, LP** (owner/operator) for the above referenced site contingent upon the conditions specified in the enclosed **Attachment to the Discharge Permit**. Enclosed are two copies of the conditions of approval. **Please sign and return one copy to the New Mexico Oil Conservation Division (OCD) Santa Fe Office within 30 working days of receipt of this letter including permit fees.**

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

If you have any questions, please contact Carl Chavez of my staff at (505-476-3491) or E-mail carlj.chavez@state.nm.us. On behalf of the staff of the OCD, I wish to thank you and your staff for your cooperation during this discharge permit review.

Sincerely,

Wayne Price

Environmental Bureau Chief

LWP/cc

Attachments-1

xc: OCD District Office

ATTACHMENT- DISCHARGE PERMIT APPROVAL CONDITIONS

- 1. Payment of Discharge Plan Fees:** All discharge permits are subject to WQCC Regulations. Every billable facility that submits a discharge permit application will be assessed a filing fee of \$100.00, plus a flat fee (*see* WQCC Regulation 20.6.2.3114 NMAC). The Oil Conservation Division ("OCD") has received the required \$100.00 filing fee. The flat fee for a compressor station with a horsepower rating greater than 1001 horsepower is \$1,700.00. Please submit this amount along with the signed certification item 23 of this document after the final permit is issued in approximately 45 days. Checks should be made out to the New Mexico Water Quality Management Fund.
- 2. Permit Expiration, Renewal Conditions and Penalties:** Pursuant to WQCC Regulation 20.6.2.3109.H.4 NMAC, this permit is valid for a period of five years. **The permit will expire on April 28, 2013** and an application for renewal should be submitted no later than 120 days before that expiration date. Pursuant to WQCC Regulation 20.6.2.3106.F NMAC, if a discharger submits a discharge permit renewal application at least 120 days before the discharge permit expires and is in compliance with the approved permit, then the existing discharge permit will not expire until the application for renewal has been approved or disapproved. ***Expired permits are a violation of the Water Quality Act {Chapter 74, Article 6, NMSA 1978} and civil penalties may be assessed accordingly.***
- 3. Permit Terms and Conditions:** Pursuant to WQCC Regulation 20.6.2.3104 NMAC, when a permit has been issued, the owner/operator must ensure that all discharges shall be consistent with the terms and conditions of the permit. In addition, all facilities shall abide by the applicable rules and regulations administered by the OCD pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38.
- 4. Owner/Operator Commitments:** The owner/operator shall abide by all commitments submitted in its December 19, 2007 discharge plan application, including attachments and subsequent amendments and these conditions for approval. Permit applications that reference previously approved plans on file with the division shall be incorporated in this permit and the owner/operator shall abide by all previous commitments of such plans and these conditions for approval.
- 5. Modifications:** WQCC Regulation 20.6.2.3107.C and 20.6.2.3109 NMAC addresses possible future modifications of a permit. The owner/operator (discharger) shall notify the OCD of any facility expansion, production increase or process modification that would result in any significant modification in the discharge of water contaminants. The Division Director may require a permit modification if any water quality standard specified at 20.6.2.3103 NMAC is being or will be exceeded, or if a toxic pollutant as defined in WQCC Regulation 20.6.2.7 NMAC is present in ground water at any place of withdrawal for present or reasonably foreseeable future use, or that the Water Quality Standards for Interstate and Intrastate streams as specified in 20.6.4 NMAC are being or may be violated in surface water in New Mexico.

6. **Waste Disposal and Storage:** The owner/operator shall dispose of all wastes at an OCD-approved facility. Only oil field RCRA-exempt wastes may be disposed of by injection in a Class II well. RCRA non-hazardous, non-exempt oil field wastes may be disposed of at an OCD-approved facility upon proper waste determination pursuant to 40 CFR Part 261. Any waste stream that is not listed in the discharge permit application must be approved by the OCD on a case-by-case basis.

A. **OCD Rule 712 Waste:** Pursuant to OCD Rule 712 (19.15.9.712 NMAC) disposal of certain non-domestic waste without notification to the OCD is allowed at NMED permitted solid waste facilities if the waste stream has been identified in the discharge permit and existing process knowledge of the waste stream does not change.

B. **Waste Storage:** The owner/operator shall store all waste in an impermeable bermed area, except waste generated during emergency response operations for up to 72 hours. All waste storage areas shall be identified in the discharge permit application. Any waste storage area not identified in the permit shall be approved on a case-by-case basis only. The owner/operator shall not store oil field waste on-site for more than 180 days unless approved by the OCD.

7. **Drum Storage:** The owner/operator must store all drums, including empty drums, containing materials other than fresh water on an impermeable pad with curbing. The owner/operator must store empty drums on their sides with the bungs in place and lined up on a horizontal plane. The owner/operator must store chemicals in other containers, such as tote tanks, sacks, or buckets on an impermeable pad with curbing.

8. **Process, Maintenance and Yard Areas:** The owner/operator shall either pave and curb or have some type of spill collection device incorporated into the design at all process, maintenance, and yard areas which show evidence that water contaminants from releases, leaks and spills have reached the ground surface.

9. **Above Ground Tanks:** The owner/operator shall ensure that all aboveground tanks have impermeable secondary containment (e.g., liners and berms), which will contain a volume of at least one-third greater than the total volume of the largest tank or all interconnected tanks. The owner/operator shall retrofit all existing tanks before discharge permit renewal. Tanks that contain fresh water or fluids that are gases at atmospheric temperature and pressure are exempt from this condition.

10. **Labeling:** The owner/operator shall clearly label all tanks, drums, and containers to identify their contents and other emergency notification information. The owner/operator may use a tank code numbering system, which is incorporated into their emergency response plans.

11. **Below-Grade Tanks/Sumps and Pits/Ponds.**

A. All below-grade tanks and sumps must be approved by the OCD prior to installation and must incorporate secondary containment with leak detection into the design. The owner/operator shall retrofit all existing systems without secondary containment and leak

detection before discharge permit renewal. All existing below-grade tanks and sumps without secondary containment and leak detection must be tested annually or as specified herein. Systems that have secondary containment with leak detection shall have a monthly inspection of the leak detection system to determine if the primary containment is leaking. Small sumps or depressions in secondary containment systems used to facilitate fluid removal are exempt from these requirements if fluids are removed within 72 hours.

B. All pits and ponds, including modifications and retrofits, shall be designed by a certified registered professional engineer and approved by the OCD prior to installation. In general, all pits or ponds shall have approved hydrologic and geologic reports, location, foundation, liners, and secondary containment with leak detection, monitoring and closure plans. All pits or ponds shall be designed, constructed and operated so as to contain liquids and solids in a manner that will protect fresh water, public health, safety and the environment for the foreseeable future. The owner/operator shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal.

C. The owner/operator shall ensure that all exposed pits, including lined pits and open top tanks (8 feet in diameter or larger) shall be fenced, screened, netted, or otherwise rendered non-hazardous to wildlife, including migratory birds.

D. The owner/operator shall maintain the results of tests and inspections at the facility covered by this discharge permit and available for OCD inspection. The owner/operator shall report the discovery of any system which is found to be leaking or has lost integrity to the OCD within 15 days. The owner/operator may propose various methods for testing such as pressure testing to 3 pounds per square inch greater than normal operating pressure and/or visual inspection of cleaned tanks and/or sumps, or other OCD-approved methods. The owner/operator shall notify the OCD at least 72 hours prior to all testing.

12. Underground Process/Wastewater Lines:

A. The owner/operator shall test all underground process/wastewater pipelines at least once every five (5) years to demonstrate their mechanical integrity, except lines containing fresh water or fluids that are gases at atmospheric temperature and pressure. Pressure rated pipe shall be tested by pressuring up to one and one-half times the normal operating pressure, if possible, or for atmospheric drain systems, to 3 pounds per square inch greater than normal operating pressure, and pressure held for a minimum of 30 minutes with no more than a 1% loss/gain in pressure. The owner/operator may use other methods for testing if approved by the OCD.

B. The owner/operator shall maintain underground process and wastewater pipeline schematic diagrams or plans showing all drains, vents, risers, valves, underground piping, pipe type, rating, size, and approximate location. All new underground piping must be approved by the OCD prior to installation. The owner/operator shall report any leaks or loss of integrity to the OCD within 15 days of discovery. The owner/operator shall maintain the results of all tests at the facility covered by this discharge permit and they shall be available for OCD inspection. The owner/operator shall notify the OCD at least 72 hours prior to all testing.

13. **Class V Wells:** The owner/operator shall close all Class V wells (e.g., septic systems, leach fields, dry wells, etc.) that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes unless it can be demonstrated that ground water will not be impacted in the reasonably foreseeable future. Leach fields and other wastewater disposal systems at OCD-regulated facilities that inject non-hazardous fluid into or above an underground source of drinking water are considered Class V injection wells under the EPA UIC program. Class V wells that inject domestic waste only, must be permitted by the New Mexico Environment Department (NMED).

14. **Housekeeping:** The owner/operator shall inspect all systems designed for spill collection/prevention and leak detection at least monthly to ensure proper operation and to prevent over topping or system failure. All spill collection and/or secondary containment devices shall be emptied of fluids within 72 hours of discovery. The owner/operator shall maintain all records at the facility and available for OCD inspection.

15. **Spill Reporting:** The owner/operator shall report all unauthorized discharges, spills, leaks and releases and conduct corrective action pursuant to WQCC Regulation 20.5.12.1203 NMAC and OCD Rule 116 (19.15.3.116 NMAC). The owner/operator shall notify both the OCD District Office and the Santa Fe Office within 24 hours and file a written report within 15 days.

16. **OCD Inspections:** The OCD may place additional requirements on the facility and modify the permit conditions based on OCD inspections.

17. **Storm Water:** The owner/operator shall implement and maintain run-on and runoff plans and controls. The owner/operator shall not discharge any water contaminant that exceeds the WQCC standards specified in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) including any oil sheen in any stormwater run-off. The owner/operator shall notify the OCD within 24 hours of discovery of any releases and shall take immediate corrective action(s) to stop the discharge.

18. **Unauthorized Discharges:** The owner/operator shall not allow or cause water pollution, discharge or release of any water contaminant that exceeds the WQCC standards listed in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) unless specifically listed in the permit application and approved herein. *An unauthorized discharge is a violation of this permit.*

19. **Vadose Zone and Water Pollution:** The owner/operator shall address any contamination through the discharge permit process or pursuant to WQCC 20.6.2.4000-.4116 NMAC (Prevention and Abatement of Water Pollution). The OCD may require the owner/operator to modify its permit for investigation, remediation, abatement, and monitoring requirements for any vadose zone or water pollution. Failure to perform any required investigation, remediation, abatement and submit subsequent reports will be a violation of the permit.

Ms. Elisabeth Klein
DCP Midstream, LP
GW-137
March 7, 2008
Page 6

20. **Additional Site Specific Conditions:** N/A

21. **Transfer of Discharge Permit (WQCC 20.6.2.3111)** Prior to any transfer of ownership, control, or possession (whether by lease, conveyance or otherwise) of a facility with a discharge permit, the transferor shall notify the transferee in writing of the existence of the discharge permit, and shall deliver or send by certified mail to the department a copy of such written notification, together with a certification or other proof that such notification has in fact been received by the transferee.

Upon receipt of such notification, the transferee shall have the duty to inquire into all of the provisions and requirements contained in such discharge permit, and the transferee shall be charged with notice of all such provisions and requirements as they appear of record in the department's file or files concerning such discharge permit. The transferee (new owner/operator) shall sign and return an original copy of these permit conditions and provide a written commitment to comply with the terms and conditions of the previously approved discharge permit.

22. **Closure Plan and Financial Assurance:** Pursuant to 20.6.2.3107 NMAC an owner/operator shall notify the OCD when any operations of the facility are to be discontinued for a period in excess of six months. Prior to closure, or as a condition of this permit, or request from the OCD, the operator will submit an approved closure plan, modified plan, and/or provide adequate financial assurance.

23. **Certification: (Owner/Operator),** by the officer whose signature appears below, accepts this permit and agrees to comply with all submitted commitments, including these terms and conditions contained here. **Owner/Operator** further acknowledges that the OCD may, for good cause shown, as necessary to protect fresh water, public health, safety, and the environment, change the conditions and requirements of this permit administratively.

Conditions accepted by: "I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment."

Tony R Lee
Company Name- print name above

DCP Midstream
Company Representative- print name

Tony R Lee
Company Representative- Signature

Title Asset Manager

Date: 3-17-08



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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12. Underground Process/Wastewater Lines:

A. The owner/operator shall test all underground process/wastewater pipelines at least once every five (5) years to demonstrate their mechanical integrity, except lines containing fresh water or fluids that are gases at atmospheric temperature and pressure. Pressure rated pipe shall be tested by pressuring up to one and one-half times the normal operating pressure, if possible, or for atmospheric drain systems, to 3 pounds per square inch greater than normal operating pressure, and pressure held for a minimum of 30 minutes with no more than a 1% loss/gain in pressure. The owner/operator may use other methods for testing if approved by the OCD.

B. The owner/operator shall maintain underground process and wastewater pipeline schematic diagrams or plans showing all drains, vents, risers, valves, underground piping, pipe type, rating, size, and approximate location. All new underground piping must be approved by the OCD prior to installation. The owner/operator shall report any leaks or loss of integrity to the OCD within 15 days of discovery. The owner/operator shall maintain the results of all tests at the facility covered by this discharge permit and they shall be available for OCD inspection. The owner/operator shall notify the OCD at least 72 hours prior to all testing.

13. Class V Wells: The owner/operator shall close all Class V wells (e.g., septic systems, leach fields, dry wells, etc.) that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes unless it can be demonstrated that ground water will not be impacted in the reasonably foreseeable future. Leach fields and other wastewater disposal systems at OCD-regulated facilities that inject non-hazardous fluid into or above an underground source of drinking water are considered Class V injection wells under the EPA UIC program. Class V wells that inject domestic waste only, must be permitted by the New Mexico Environment Department (NMED).

14. Housekeeping: The owner/operator shall inspect all systems designed for spill collection/prevention and leak detection at least monthly to ensure proper operation and to prevent over topping or system failure. All spill collection and/or secondary containment devices shall be emptied of fluids within 72 hours of discovery. The owner/operator shall maintain all records at the facility and available for OCD inspection.

15. Spill Reporting: The owner/operator shall report all unauthorized discharges, spills, leaks and releases and conduct corrective action pursuant to WQCC Regulation 20.5.12.1203 NMAC and OCD Rule 116 (19.15.3.116 NMAC). The owner/operator shall notify both the OCD District Office and the Santa Fe Office within 24 hours and file a written report within 15 days.

16. OCD Inspections: The OCD may place additional requirements on the facility and modify the permit conditions based on OCD inspections.

17. Storm Water: The owner/operator shall implement and maintain run-on and runoff plans and controls. The owner/operator shall not discharge any water contaminant that exceeds the WQCC standards specified in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) including any oil sheen in any stormwater run-off. The owner/operator shall notify the OCD within 24 hours of discovery of any releases and shall take immediate corrective action(s) to stop the discharge.

18. Unauthorized Discharges: The owner/operator shall not allow or cause water pollution, discharge or release of any water contaminant that exceeds the WQCC standards listed in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) unless specifically listed in the permit application and approved herein. **An unauthorized discharge is a violation of this permit.**

19. Vadose Zone and Water Pollution: The owner/operator shall address any contamination through the discharge permit process or pursuant to WQCC 20.6.2.4000-.4116 NMAC (Prevention and Abatement of Water Pollution). The OCD may require the owner/operator to modify its permit for investigation, remediation, abatement, and monitoring requirements for any vadose zone or water pollution. Failure to perform any required investigation, remediation, abatement and submit subsequent reports will be a violation of the permit.

20. **Additional Site Specific Conditions:** N/A

21. **Transfer of Discharge Permit (WQCC 20.6.2.3111)** Prior to any transfer of ownership, control, or possession (whether by lease, conveyance or otherwise) of a facility with a discharge permit, the transferor shall notify the transferee in writing of the existence of the discharge permit, and shall deliver or send by certified mail to the department a copy of such written notification, together with a certification or other proof that such notification has in fact been received by the transferee.

Upon receipt of such notification, the transferee shall have the duty to inquire into all of the provisions and requirements contained in such discharge permit, and the transferee shall be charged with notice of all such provisions and requirements as they appear of record in the department's file or files concerning such discharge permit. The transferee (new owner/operator) shall sign and return an original copy of these permit conditions and provide a written commitment to comply with the terms and conditions of the previously approved discharge permit.

22. **Closure Plan and Financial Assurance:** Pursuant to 20.6.2.3107 NMAC an owner/operator shall notify the OCD when any operations of the facility are to be discontinued for a period in excess of six months. Prior to closure, or as a condition of this permit, or request from the OCD, the operator will submit an approved closure plan, modified plan, and/or provide adequate financial assurance.

23. **Certification: (Owner/Operator),** by the officer whose signature appears below, accepts this permit and agrees to comply with all submitted commitments, including these terms and conditions contained here. **Owner/Operator** further acknowledges that the OCD may, for good cause shown, as necessary to protect fresh water, public health, safety, and the environment, change the conditions and requirements of this permit administratively.

Conditions accepted by: "I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment."

Company Name-print name above

Company Representative- print name

Company Representative- Signature

Title _____

Date: _____



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

January 23, 2008

Ms. Elisabeth Klein
DCP Midsteam, LP
370 17th Street, Suite 2500
Denver, Colorado 80202

**Re: Discharge Plan Renewal Permit GW-137
DCP Midsteam, LP
Carrasco Compressor Station
Eddy County, New Mexico**

Dear Ms. Klein:

The New Mexico Oil Conservation Division (NMOCD) has received DCP Midsteam, LP's request and initial fee, dated December 28, 2007, to renew GW-137 for the DCP Midsteam, LP Carrasco Compressor Station located in the SE/4 NW/4 of Section 14, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. The initial submittal provided the required information in order to deem the application "administratively" complete.

Therefore, the New Mexico Water Quality Control Commission regulations (WQCC) notice requirements of 20.6.2.3108 NMAC must be satisfied and demonstrated to the NMOCD. NMOCD will provide public notice pursuant to the WQCC notice requirements of 20.6.2.3108 NMAC to determine if there is any public interest.

If there are any questions regarding this matter, please do not hesitate to contact me at (505) 476-3491 or carlj.chavez@state.nm.us. On behalf of the staff of the NMOCD, I wish to thank you and your staff for your cooperation during this discharge permit review.

Sincerely,

A handwritten signature in cursive script, appearing to read "Carl Chavez".

Carl Chavez
Environmental Engineer

CC/cc

xc: OCD District Office



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

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Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

January 23, 2008

Ms. Elisabeth Klein
DCP Midstream, LP
370 17th Street, Suite 2500
Denver, CO 80202

Re: Discharge Permit Renewal
Carrasco Compressor Station (GW-137) **DRAFT**
SE/4 NW/4 Section 14, Township 23 South, Range 28 East, NMPM,
Eddy County, New Mexico,

Dear Ms. Klein

Pursuant to Water Quality Control Commission (WQCC) Regulations 20.6.2.3104 - 20.6.2.3114 NMAC, the Oil Conservation Division (OCD) hereby approves the discharge permit for the **DCP Midstream, LP** (owner/operator) for the above referenced site contingent upon the conditions specified in the enclosed **Attachment to the Discharge Permit**. Enclosed are two copies of the conditions of approval. **Please sign and return one copy to the New Mexico Oil Conservation Division (OCD) Santa Fe Office within 30 working days of receipt of this letter including permit fees.**

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

If you have any questions, please contact Carl Chavez of my staff at (505-476-3491) or E-mail carlj.chavez@state.nm.us. On behalf of the staff of the OCD, I wish to thank you and your staff for your cooperation during this discharge permit review.

Sincerely,

Wayne Price
Environmental Bureau Chief

LWP/cc

Attachments-1
xc: OCD District Office

ATTACHMENT- DISCHARGE PERMIT APPROVAL CONDITIONS

- 1. Payment of Discharge Plan Fees:** All discharge permits are subject to WQCC Regulations. Every billable facility that submits a discharge permit application will be assessed a filing fee of \$100.00, plus a flat fee (*see* WQCC Regulation 20.6.2.3114 NMAC). The Oil Conservation Division (“OCD”) has received the required \$100.00 filing fee. The flat fee for a compressor station with a horsepower rating greater than 1001 horsepower is \$1,700.00. Please submit this amount along with the signed certification item 23 of this document after the final permit is issued in approximately 45 days. Checks should be made out to the New Mexico Water Quality Management Fund.
- 2. Permit Expiration, Renewal Conditions and Penalties:** Pursuant to WQCC Regulation 20.6.2.3109.H.4 NMAC, this permit is valid for a period of five years. **The permit will expire on April 28, 2013** and an application for renewal should be submitted no later than 120 days before that expiration date. Pursuant to WQCC Regulation 20.6.2.3106.F NMAC, if a discharger submits a discharge permit renewal application at least 120 days before the discharge permit expires and is in compliance with the approved permit, then the existing discharge permit will not expire until the application for renewal has been approved or disapproved. *Expired permits are a violation of the Water Quality Act {Chapter 74, Article 6, NMSA 1978} and civil penalties may be assessed accordingly.*
- 3. Permit Terms and Conditions:** Pursuant to WQCC Regulation 20.6.2.3104 NMAC, when a permit has been issued, the owner/operator must ensure that all discharges shall be consistent with the terms and conditions of the permit. In addition, all facilities shall abide by the applicable rules and regulations administered by the OCD pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38.
- 4. Owner/Operator Commitments:** The owner/operator shall abide by all commitments submitted in its December 19, 2007 discharge plan application, including attachments and subsequent amendments and these conditions for approval. Permit applications that reference previously approved plans on file with the division shall be incorporated in this permit and the owner/operator shall abide by all previous commitments of such plans and these conditions for approval.
- 5. Modifications:** WQCC Regulation 20.6.2.3107.C and 20.6.2.3109 NMAC addresses possible future modifications of a permit. The owner/operator (discharger) shall notify the OCD of any facility expansion, production increase or process modification that would result in any significant modification in the discharge of water contaminants. The Division Director may require a permit modification if any water quality standard specified at 20.6.2.3103 NMAC is being or will be exceeded, or if a toxic pollutant as defined in WQCC Regulation 20.6.2.7 NMAC is present in ground water at any place of withdrawal for present or reasonably foreseeable future use, or that the Water Quality Standards for Interstate and Intrastate streams as specified in 20.6.4 NMAC are being or may be violated in surface water in New Mexico.

6. Waste Disposal and Storage: The owner/operator shall dispose of all wastes at an OCD-approved facility. Only oil field RCRA-exempt wastes may be disposed of by injection in a Class II well. RCRA non-hazardous, non-exempt oil field wastes may be disposed of at an OCD-approved facility upon proper waste determination pursuant to 40 CFR Part 261. Any waste stream that is not listed in the discharge permit application must be approved by the OCD on a case-by-case basis.

A. OCD Rule 712 Waste: Pursuant to OCD Rule 712 (19.15.9.712 NMAC) disposal of certain non-domestic waste without notification to the OCD is allowed at NMED permitted solid waste facilities if the waste stream has been identified in the discharge permit and existing process knowledge of the waste stream does not change.

B. Waste Storage: The owner/operator shall store all waste in an impermeable bermed area, except waste generated during emergency response operations for up to 72 hours. All waste storage areas shall be identified in the discharge permit application. Any waste storage area not identified in the permit shall be approved on a case-by-case basis only. The owner/operator shall not store oil field waste on-site for more than 180 days unless approved by the OCD.

7. Drum Storage: The owner/operator must store all drums, including empty drums, containing materials other than fresh water on an impermeable pad with curbing. The owner/operator must store empty drums on their sides with the bungs in place and lined up on a horizontal plane. The owner/operator must store chemicals in other containers, such as tote tanks, sacks, or buckets on an impermeable pad with curbing.

8. Process, Maintenance and Yard Areas: The owner/operator shall either pave and curb or have some type of spill collection device incorporated into the design at all process, maintenance, and yard areas which show evidence that water contaminants from releases, leaks and spills have reached the ground surface.

9. Above Ground Tanks: The owner/operator shall ensure that all aboveground tanks have impermeable secondary containment (e.g., liners and berms), which will contain a volume of at least one-third greater than the total volume of the largest tank or all interconnected tanks. The owner/operator shall retrofit all existing tanks before discharge permit renewal. Tanks that contain fresh water or fluids that are gases at atmospheric temperature and pressure are exempt from this condition.

10. Labeling: The owner/operator shall clearly label all tanks, drums, and containers to identify their contents and other emergency notification information. The owner/operator may use a tank code numbering system, which is incorporated into their emergency response plans.

11. Below-Grade Tanks/Sumps and Pits/Ponds.

A. All below-grade tanks and sumps must be approved by the OCD prior to installation and must incorporate secondary containment with leak detection into the design. The owner/operator shall retrofit all existing systems without secondary containment and leak

detection before discharge permit renewal. All existing below-grade tanks and sumps without secondary containment and leak detection must be tested annually or as specified herein. Systems that have secondary containment with leak detection shall have a monthly inspection of the leak detection system to determine if the primary containment is leaking. Small sumps or depressions in secondary containment systems used to facilitate fluid removal are exempt from these requirements if fluids are removed within 72 hours.

B. All pits and ponds, including modifications and retrofits, shall be designed by a certified registered professional engineer and approved by the OCD prior to installation. In general, all pits or ponds shall have approved hydrologic and geologic reports, location, foundation, liners, and secondary containment with leak detection, monitoring and closure plans. All pits or ponds shall be designed, constructed and operated so as to contain liquids and solids in a manner that will protect fresh water, public health, safety and the environment for the foreseeable future. The owner/operator shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal.

C. The owner/operator shall ensure that all exposed pits, including lined pits and open top tanks (8 feet in diameter or larger) shall be fenced, screened, netted, or otherwise rendered non-hazardous to wildlife, including migratory birds.

D. The owner/operator shall maintain the results of tests and inspections at the facility covered by this discharge permit and available for OCD inspection. The owner/operator shall report the discovery of any system which is found to be leaking or has lost integrity to the OCD within 15 days. The owner/operator may propose various methods for testing such as pressure testing to 3 pounds per square inch greater than normal operating pressure and/or visual inspection of cleaned tanks and/or sumps, or other OCD-approved methods. The owner/operator shall notify the OCD at least 72 hours prior to all testing.

12. Underground Process/Wastewater Lines:

A. The owner/operator shall test all underground process/wastewater pipelines at least once every five (5) years to demonstrate their mechanical integrity, except lines containing fresh water or fluids that are gases at atmospheric temperature and pressure. Pressure rated pipe shall be tested by pressuring up to one and one-half times the normal operating pressure, if possible, or for atmospheric drain systems, to 3 pounds per square inch greater than normal operating pressure, and pressure held for a minimum of 30 minutes with no more than a 1% loss/gain in pressure. The owner/operator may use other methods for testing if approved by the OCD.

B. The owner/operator shall maintain underground process and wastewater pipeline schematic diagrams or plans showing all drains, vents, risers, valves, underground piping, pipe type, rating, size, and approximate location. All new underground piping must be approved by the OCD prior to installation. The owner/operator shall report any leaks or loss of integrity to the OCD within 15 days of discovery. The owner/operator shall maintain the results of all tests at the facility covered by this discharge permit and they shall be available for OCD inspection. The owner/operator shall notify the OCD at least 72 hours prior to all testing.

13. Class V Wells: The owner/operator shall close all Class V wells (e.g., septic systems, leach fields, dry wells, etc.) that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes unless it can be demonstrated that ground water will not be impacted in the reasonably foreseeable future. Leach fields and other wastewater disposal systems at OCD-regulated facilities that inject non-hazardous fluid into or above an underground source of drinking water are considered Class V injection wells under the EPA UIC program. Class V wells that inject domestic waste only, must be permitted by the New Mexico Environment Department (NMED).

14. Housekeeping: The owner/operator shall inspect all systems designed for spill collection/prevention and leak detection at least monthly to ensure proper operation and to prevent over topping or system failure. All spill collection and/or secondary containment devices shall be emptied of fluids within 72 hours of discovery. The owner/operator shall maintain all records at the facility and available for OCD inspection.

15. Spill Reporting: The owner/operator shall report all unauthorized discharges, spills, leaks and releases and conduct corrective action pursuant to WQCC Regulation 20.5.12.1203 NMAC and OCD Rule 116 (19.15.3.116 NMAC). The owner/operator shall notify both the OCD District Office and the Santa Fe Office within 24 hours and file a written report within 15 days.

16. OCD Inspections: The OCD may place additional requirements on the facility and modify the permit conditions based on OCD inspections.

17. Storm Water: The owner/operator shall implement and maintain run-on and runoff plans and controls. The owner/operator shall not discharge any water contaminant that exceeds the WQCC standards specified in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) including any oil sheen in any stormwater run-off. The owner/operator shall notify the OCD within 24 hours of discovery of any releases and shall take immediate corrective action(s) to stop the discharge.

18. Unauthorized Discharges: The owner/operator shall not allow or cause water pollution, discharge or release of any water contaminant that exceeds the WQCC standards listed in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) unless specifically listed in the permit application and approved herein. **An unauthorized discharge is a violation of this permit.**

19. Vadose Zone and Water Pollution: The owner/operator shall address any contamination through the discharge permit process or pursuant to WQCC 20.6.2.4000-.4116 NMAC (Prevention and Abatement of Water Pollution). The OCD may require the owner/operator to modify its permit for investigation, remediation, abatement, and monitoring requirements for any vadose zone or water pollution. Failure to perform any required investigation, remediation, abatement and submit subsequent reports will be a violation of the permit.

20. Additional Site Specific Conditions: N/A

21. Transfer of Discharge Permit (WQCC 20.6.2.3111) Prior to any transfer of ownership, control, or possession (whether by lease, conveyance or otherwise) of a facility with a discharge permit, the transferor shall notify the transferee in writing of the existence of the discharge permit, and shall deliver or send by certified mail to the department a copy of such written notification, together with a certification or other proof that such notification has in fact been received by the transferee.

Upon receipt of such notification, the transferee shall have the duty to inquire into all of the provisions and requirements contained in such discharge permit, and the transferee shall be charged with notice of all such provisions and requirements as they appear of record in the department's file or files concerning such discharge permit. The transferee (new owner/operator) shall sign and return an original copy of these permit conditions and provide a written commitment to comply with the terms and conditions of the previously approved discharge permit.

22. Closure Plan and Financial Assurance: Pursuant to 20.6.2.3107 NMAC an owner/operator shall notify the OCD when any operations of the facility are to be discontinued for a period in excess of six months. Prior to closure, or as a condition of this permit, or request from the OCD, the operator will submit an approved closure plan, modified plan, and/or provide adequate financial assurance.

23. Certification: (Owner/Operator), by the officer whose signature appears below, accepts this permit and agrees to comply with all submitted commitments, including these terms and conditions contained here. **Owner/Operator** further acknowledges that the OCD may, for good cause shown, as necessary to protect fresh water, public health, safety, and the environment, change the conditions and requirements of this permit administratively.

Conditions accepted by: "I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment."

Company Name-print name above

Company Representative- print name

Company Representative- Signature

Title

Date: _____

NOTICE OF PUBLICATION

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations (20.6.2.3106 NMAC), the following discharge permit application(s) has been submitted to the Director of the New Mexico Oil Conservation Division ("NMOCD"), 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

DCP Midstream, LP, Elisabeth Klein, Environmental Specialist, 370 17th Street, Suite 2500, Denver, Colorado 80202, has submitted renewal applications for the previously approved discharge plans listed below.

(GW-044) The Hobbs Booster Compressor Station, located in the NE/4 NW/4 of Section 4, Township 19 South, Range 38 East, NMPM, Lea County, New Mexico, approximately one mile west of Hobbs, New Mexico on US-180. Current operations at the facility are limited to remediation operations. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 50 feet, with a total dissolved solids concentration of approximately 500 mg/l. The discharge plan addresses remediation of soil and ground water and how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

(GW-127) The Magnum Compressor Station (formerly Burton Flats Gas Plant), located in the SW/4 NE/4 of Section 9, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. It is located 13.9 mi. east of Carlsbad on US 180/62 to CR-238 on the left; turn north 2.1 mi. on CR-238 to where CR-238 turns west and continue 2.9 mi. to road on right and turn north and drive 2 miles to the facility access road on the right; turn east and drive 0.6 miles into facility. All wastes generated will be stored in closed top receptacles prior to off-site disposal or recycling at an OCD permitted facility. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 80 feet, with a total dissolved solids concentration of approximately 800 mg/l. The discharge plan addresses remediation of soil and ground water and how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

(GW-137) DCP Midstream, LP, Elisabeth Klein, Environmental Specialist, 370 17th Street, Suite 2500, Denver, Colorado 80202, has submitted a renewal application for the previously approved discharge plan for their Carrasco Compressor Station, located in the SE/4 NW/4 of Section 14, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico, east of the intersection of South Donaldson Farm Road and Potash Mines Road northeast of Loving, New Mexico. Current operations at the facility are limited to compression of natural gas. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 30 feet, with a total dissolved solids concentration of approximately 5000 mg/l. The discharge plan addresses remediation of soil and ground water and how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

(GW-288) DCP Midstream, LP, Elisabeth Klein, Environmental Specialist, 370 17th Street, Suite 2500, Denver, Colorado 80202, has submitted a renewal application for the previously approved discharge plan for their Pardue Compressor Station, located in the SE/4 NW/4 of Section 10, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico, approximately one-half mile northeast of the intersection of Carter and Nymeyer Roads northwest of Loving, New Mexico. The facility previously provided compression for the Linam Gathering System. Current operations at the facility are currently shut down and a closure plan will eventually be submitted. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 20 feet, with a total dissolved solids concentration of approximately 550 mg/l. The discharge plan addresses remediation of soil and ground water and how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

The NMOCD has determined that the application is administratively complete and has prepared a draft permit. The NMOCD will accept comments and statements of interest regarding this application and will create a facility-specific mailing list for persons who wish to receive future notices. Persons interested in obtaining further information, submitting comments or requesting to be on a facility-specific mailing list for future notices may contact the Environmental Bureau Chief of the Oil Conservation Division at the address given above. The administrative completeness determination and draft permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday, or may also be viewed at the NMOCD web site <http://www.emnrd.state.nm.us/ocd/>. Persons interested in obtaining a copy of the application and draft permit may contact the NMOCD at the address given above. Prior to ruling on any proposed discharge permit or major modification, the Director shall allow a period of at least thirty (30) days after the date of publication of this notice, during which interested persons may submit comments or request that NMOCD hold a public hearing. Requests for a public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines that there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed permit based on information available, including all comments received. If a public hearing is held, the director will approve or disapprove the proposed permit based on information in the permit application and information submitted at the hearing.

Para obtener más información sobre esta solicitud en español, sirvase comunicarse por favor: New Mexico Energy, Minerals and Natural Resources Department (Depto. Del Energia, Minerales y Recursos Naturales de Nuevo México), Oil Conservation Division (Depto. Conservación Del Petróleo), 1220 South St. Francis Drive, Santa Fe, New México (Contacto: Dorothy Phillips, 505-476-3461)

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 23rd day of January 2008.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

S E A L

Mark Fesmire, Director

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Tuesday, January 22, 2008 4:53 PM
To: 'Klein, Elisabeth A'
Cc: Price, Wayne, EMNRD
Subject: FW: DCP Midstream, LP Status of Discharge Plans (Active, Inactive & Closed) & Other Miscellaneous Discharge Plans
Attachments: GW-150 DP.tif

Elisabeth:

Re: DCP Midstream LP Letter of January 31, 2007 Renewal of Expired Discharge Plans as Requested by Carl Chavez & Other DPs currently being processed

Hi. Please find below the status of the DPs, etc. that were included in the above referenced letter.

1) Pure Gold "28" CS (GW-150): The permit expired on 11/22/2003 and is still active. Our records reflect a draft permit was issued to ConocoPhillips (COP) on January 23, 2004, but the final permit was never signed and returned to OCD with the \$1,700 flat fee. Please find attached a copy of the permit (COP), please sign and return the final permit with the \$1,700 to OCD. We apologize for the changes; however, considering the situation, it is the most expedient means of resolving the discharge plan for the facility.

2) Rambo C.S. (formerly Avalon Gas Plant) (GW-24): The permit expired on 9/18/2005 and is listed as inactive. According to your letter the OCD received the pit closure reports and analytical results required by the OCD's April 7, 2004 approval letter and were provided in your letter. The OCD requests to know the status of operations at the facility? Does DCP Midstream, LP wish to close the facility? If so, the OCD needs a closure plan. The OCD requires inactive facilities to submit a closure plan, unless it plans to continue operations, which will require a discharge plan renewal.

3) Apex C.S. (GW-163): Currently in litigation.

4) Hobbs Gas Plant (GW-175) currently in litigation.

5) Eunice Gas Plant (GW-16): According to OCD records GW-009 and GW-016 were merged into GW-16. The permit expires 4/25/2009 and is active. No action needed at this time.

6) CP-1 C.S. (GW-139): The permit was closed.

7) Indian Hills Gas Plant (GW-42): OCD records indicate that the facility is inactive. The OCD requests the status of the facility and if it is inactive, we request a closure plan. The OCD will be conducting an inspection of this facility.

Discharge Plan Renewals processed tomorrow are:

1) Hobbs Booster Station (GW -44): OCD records indicate that the facility is active with an expiration date of 12/27/2007. A \$100 filing fee was received and determined to be administratively complete and OCD will issue public notice, a draft discharge plan, and administratively complete letter on its website tomorrow. The facility is closed and only remediation activities are ongoing at present.

2) Magnum C.S. (GW-127): OCD records indicate that the facility is active with an expiration date of 2/3/2008. A \$100 filing fee was received and determined to be administratively complete and OCD will issue public notice, a draft discharge plan, and administratively complete letter on its website tomorrow.

3) Carrasco C.S. (GW-137): OCD records indicate that the facility is active with an expiration date of 4/28/2008.

1/23/2008

A \$100 filing fee was received and determined to be administratively complete and OCD will issue public notice, a draft discharge plan, and administratively complete letter on its website tomorrow.

4) Pardue C.S. (GW-288): OCD records indicate that the facility is active with an expiration date of 11/24/2007. A \$100 filing fee was received and determined to be administratively complete and OCD will issue public notice, a draft discharge plan, and administratively complete letter on its website tomorrow. DCP Midstream, LP is in the process of completing a closure plan and will submit it prior to completion of closure.

DCP Midstream, LP Discharge Plans awaiting final signature of discharge plan with \$1,700 final fee:

1) Northeast Carlsbad C.S. (GW-280)

Miscellaneous Discharge Plans:

1) Lee C.S. (GW-227): The permit expired on 12/28/2005 and is listed as inactive. Also, our records show LG&E Hadson Gillespie/Feagan C.S. for the facility name. According to an OCD e-mail msg. dated 12/21/2006, and DPC correspondence dated 12/28/2006, the facility was going to remain inactive and a closure plan was to be submitted to permanently close the facility. Upon receipt of the closure plan info. and verification that no contamination exists at the facility, and some photos to display what the site currently looks like, the OCD was going to consider closure of the facility. The OCD requests to know the status of operations at the facility?

Please provide me with an update on each of the above items and contact me if you have questions. 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) 476-3491
 Fax: (505) 476-3462
 E-mail: CarlJ.Chavez@state.nm.us
 Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
 (Pollution Prevention Guidance is under "Publications")

From: Chavez, Carl J, EMNRD
Sent: Thursday, January 17, 2008 2:27 PM
To: 'Klein, Elisabeth A'
Subject: Northeast Carlsbad Compressor Station (GW-280) Signed Discharge Plan w/ \$1,700.00 Renewal Fee

Ms. Klein:

Good afternoon. I am now working on DCP Midstream L.P. applications, etc.

NMOCD records show that we never received the final signed DP for GW-280 (NE Carlsbad C.S.) with the \$1,700.00 renewal fee. NMOCD mailed a letter with the attached final discharge plan for DCP Midstream L.P.'s signature and remittance w/ final payment; however, we did not receive it. Please locate the final discharge plan that was dated June 13, 2007, sign it, and remit it to me with the final \$1,700.00 renewal fee so we may update our records and finalize the permit at this facility.

I have been in receipt of DCP Midstream L.P. Discharge Plans (GWs-24, 44, 127, 137, 150, and 288). I am planning to process them by next Wednesday, January 23, 2008. I will let you know if I need anything based on my review.

Please contact me if you have questions. Thank you.

Carl J. Chavez, CHMM
 New Mexico Energy, Minerals & Natural Resources Dept.

1/23/2008

Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")



RECEIVED

2007 DEC 28 AM 11:22

December 28, 2007

UPS NEXT DAY AIR (Tracking Number 1Z F46 915 22 1006 283 0)

Mr. Wayne Price, Chief
Environmental Bureau
Oil Conservation Division
New Mexico Energy, Minerals
& Natural Resources Department
1220 South St. Francis Drive
Santa Fe, NM 87505

Subject: Carrasco Compressor Station
Discharge Permit Renewal (GW-137)
Eddy County, New Mexico

Dear Mr. Price:

Enclosed are the original and one copy of DCP Midstream, LP's ("DCP MIDSTREAM") discharge permit renewal application for the Carrasco Compressor Station. Also enclosed is a check in the amount of \$100 for the discharge plan renewal application filing fee.

Upon receipt of confirmation from the OCD that the renewal application is complete, DCP MIDSTREAM will satisfy the requirements of 20.6.2.3108(A) NMAC by providing notice under Paragraph (2) of Subsection C of 20.6.2.3108 NMAC. DCP MIDSTREAM plans to publish a public notice in the Carlsbad Current Argus for the Carrasco Compressor Station Discharge Permit Renewal. DCP MIDSTREAM will publish a synopsis of the notice, in English and in Spanish, in a display ad at least two inches by three inches, not in the classified or legal advertisements section in the Carlsbad Current Argus. Additionally, DCP MIDSTREAM will provide the owner of the property, Lionel and Nelda Onsurez, P.O. Box 141, Loving, NM 88256 notice via certified mail.

As we have discussed previously, DCP MIDSTREAM does not believe that the New Mexico Water Quality Act, NMSA 1978, §§74-6-1 to 17, and the regulations adopted under that act are applicable to compressor stations. Further, even if the Water Quality Act and regulations applied, the WQCC regulations do not require a discharge plan for this facility. The Carrasco Compressor Station does not have any discharges that may move directly or indirectly into groundwater. Therefore, DCP MIDSTREAM does not believe that a discharge plan is required under the WQCC regulations. Since the WQCC regulations do not require a discharge plan, DCP MIDSTREAM is under no legal obligation to renew Discharge Plan GW-137.

Please be advised that DCP MIDSTREAM's submittal of the renewal application and application filing fee does not waive DCP MIDSTREAM's objection to the OCD's position regarding applicability of the WQCC regulations.

If you have any questions concerning DCP MIDSTREAM's position or the renewal application, please contact me at (303) 605-1778. Please send all correspondence regarding this renewal to me at 370 17th Street, Suite 2500, Denver, CO 80202.

Sincerely,
DCP Midstream, LP

Elisabeth Klein
Principal Environmental Specialist

Enclosures

cc: NMOCD District 2 Office (UPS Next Day Air Tracking No. 1Z F46 915 22 1006 284 9)
1301 W. Grand Avenue
Artesia, NM 88210

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rjo Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Revised June 10, 2003

Submit Original
Plus 1 Copy
to Santa Fe
1 Copy to Appropriate
District Office

**DISCHARGE PLAN APPLICATION FOR SERVICE COMPANIES, GAS PLANTS,
REFINERIES, COMPRESSOR, GEOTHERMAL FACILITES
AND CRUDE OIL PUMP STATIONS**

(Refer to the OCD Guidelines for assistance in completing the application)

New Renewal Modification

1. Type: Carrasco Compressor Station (GW-137)

2. Operator: DCP Midstream, LP

Address: 10 Desta Drive, Suite 400 W, Midland, TX 79705

Contact Person: Tony Lee - Asset Manager Phone: 505-397-5520

3. Location: SE /4 NW /4 Section 14 Township 23S Range 28E
Submit large scale topographic map showing exact location.

4. Attach the name, telephone number and address of the landowner of the facility site.
See attached discharge plan.
5. Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility.
See attached discharge plan.
6. Attach a description of all materials stored or used at the facility.
See attached discharge plan.
7. Attach a description of present sources of effluent and waste solids. Average quality and daily volume of waste water must be included.
See attached discharge plan.
8. Attach a description of current liquid and solid waste collection/treatment/disposal procedures.
See attached discharge plan.
9. Attach a description of proposed modifications to existing collection/treatment/disposal systems.
See attached discharge plan.
10. Attach a routine inspection and maintenance plan to ensure permit compliance.
See attached discharge plan.
11. Attach a contingency plan for reporting and clean-up of spills or releases.
See attached discharge plan.
12. Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included.
See attached discharge plan.
13. Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.
See attached discharge plan.
14. CERTIFICATION I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: Tony Lee

Title: Asset Manager

Signature: 

Date: 12-19-07

E-mail Address: tlee@dcpmidstream.com

Carrasco Compressor Station
SE ¼ NW ¼ Section 14, T23S, R28E

DISCHARGE PLAN

This document constitutes a renewal application for a Groundwater Discharge Permit (GW-137) for the Carrasco Compressor Station as previously approved NMOCD on March 2, 1998. This Discharge Permit application has been prepared in accordance with the NMOCD "Guidelines for the Preparation of Discharge Plans at Natural Gas Plants, Refineries, Compressor and Crude Oil Pump Stations" (revised 12-95) and New Mexico Water Quality Control Commission (WQCC) regulations, 20.6.2.3106.C NMAC.

1 Type of Operation

The Carrasco Compressor Station compresses natural gas. DCP Midstream, LP does not intend to discharge, and has not discharged, effluent or leachate from the facility that may move directly or indirectly into groundwater.

2 Operator / Legally Responsible Party

Operator

DCP Midstream, LP (formerly Duke Energy Field Services LP)
10 Desta Drive, Suite 400W
Midland, TX 79705
(505) 397-5520
Contact Person: Mr. Tony Lee – Asset Manager

Legally Responsible Party

DCP Midstream, LP
370 17th Street, Suite 2500
Denver, CO 80020
(303) 595-3331
Contact Person: John Admire – Director, Environmental Protection

3 Location Facility

SE ¼ NW ¼ Section 14, Township 23 South, Range 28 East, Eddy County, New Mexico

See Figure 1 – Site Location Map.

4 Landowner

Lionel and Nelda Onsurez
P.O. Box 141
Loving, NM 88256

5 Facility Description

The facility provides separation of liquid hydrocarbons from the natural gas stream and compression for the Carlsbad Gathering System.

6 Materials Stored or Used

There are no materials stored on-site or used that are discharged so that they may move directly or indirectly into groundwater.

Material Stored/Used	Method of Storage
Condensate/Slop Oil	Aboveground storage tanks within secondary containment.
Lube Oil	Aboveground storage tank within secondary containment.
Antifreeze	Aboveground storage tank within secondary containment.
Engine Skid Drain Storage -- (equipment wash down water and stormwater)	Double walled sump with a high level alarm

7 Sources and Quantities of Effluent and Waste Solids

There are no effluents or waste solids are discharged on site onto or below the surface of the ground so that they may move directly or indirectly into groundwater. All effluent and waste solids generated at the facility are stored in enclosed, above-ground tanks with secondary containment or a double-walled sump with a high level alarm and removed from the facility for off-site disposal in accordance with applicable NMOCD, NMED, and EPA regulations. Approximate quantities are provided in the table in the following response to Item #8.

Separators/Scrubbers

Effluent or waste solids generated from separators or scrubbers are not discharged on site; wastewater from the inlet scrubber is routed via piping to an aboveground storage tank within secondary containment and is trucked off site for disposal to the Artesia Plant SWD, Well No. 1, a NMOCD permitted Class II well.

Boilers and Cooling Towers/Fans

There are no boilers or cooling towers/fans at the facility.

Process and Storage Equipment Wash Down

Effluent or waste solids generated from process equipment wash down is collected in an aboveground storage tank and transported off-site for disposal at Artesia Plant SWD, Well No. 1, a NMOCD permitted Class II well.

Solvents/Degreasers

Solvents or degreasers are not used at the facility.

Spent Acids/Caustics

Spent acids or caustics are not typically generated at the facility. If generated at the facility, spent acids or caustics will be collected and stored in aboveground storage containers and disposed off-site in accordance with applicable Federal, State, and local regulations.

Used Engine Coolants

Used engine coolants are not generated at the facility. The engine coolant is consumed by the engines so no waste coolant is generated. Engine coolants are not discharged on site so that they may move directly or indirectly into groundwater.

Waste Lubrication and Motor Oils

Lubricating and motor oils are not discharged on site. Used oil is stored in aboveground storage containers within secondary containment and removed by a contractor for off-site recycling.

Used Oil Filters

Used oil filters generated at the facility are collected in an aboveground storage bin and are removed by a contractor for off-site recycling.

Solids and Sludges

Solids and sludges are not discharged on site. Any solids or sludges generated on site are collected and stored in aboveground storage tanks within secondary containment for off-site disposal.

Painting Wastes

Painting wastes are not discharged on site. All paint wastes generated on site are managed in aboveground containers and disposed off-site in accordance with applicable Federal, State, and local regulations.

Sewage

Sewage is not generated at the facility.

Lab Wastes

There is no laboratory at the facility. Lab wastes are not generated at the facility.

Other Liquids and Solid Wastes

There are no other liquids or solid wastes generated at the facility.

8 Liquid and Solid Waste Collection / Storage / Disposal

Collection/Storage

All liquid and solid waste are collected and stored in containers for off-site disposal in accordance with applicable NMOCD, NMED, and EPA regulations.

On-site Disposal

There is no on-site disposal at the facility. None of the containment structures at the facility are equipped with valves. Rainwater collected inside containment structures is lost through evaporation or pumped out by a contractor for off site disposal in accordance with applicable NMOCD, NMED, and EPA regulations.

Off-site Disposal

All liquid and solid wastes are disposed off site in accordance with applicable NMOCD, NMED, and EPA regulations.

The following table provides information regarding wastes collected and stored for off site disposal and/or recycling.

Waste	Collection Method/Storage	Quantity Generated	Final Disposition	Receiving Facility
Slop Oil /Equipment Skid/Washdown Water	Aboveground storage tank within secondary containment	~ 300 bbls per month	Off-site disposal or recycling	Artesia Plant SWD, Well No. 1 or Eunice Heater Treater
Used Oil Filters	Aboveground storage tank within secondary containment	~ 6 per year	Off-site recycling	Thermofluids
Used Oil	Aboveground storage tank within secondary containment	~ 1000 gal per year	Off-site recycling	Thermofluids

9 Proposed Modifications

No modifications are proposed at the facility.

10 Inspection, Maintenance, and Reporting

Routine inspections and maintenance are performed monthly to ensure proper collection, storage, and off site disposal of all wastes generated at the facility.

11 Spill / Leak Prevention and Reporting (Contingency Plans)

DCP Midstream will respond to spills according to the requirements of the State of New Mexico found in NMOCD Rule 116, 19.15.C.116 NMAC and WQCC regulation, 20.6.2.1203 NMAC.

12 Site Characteristics

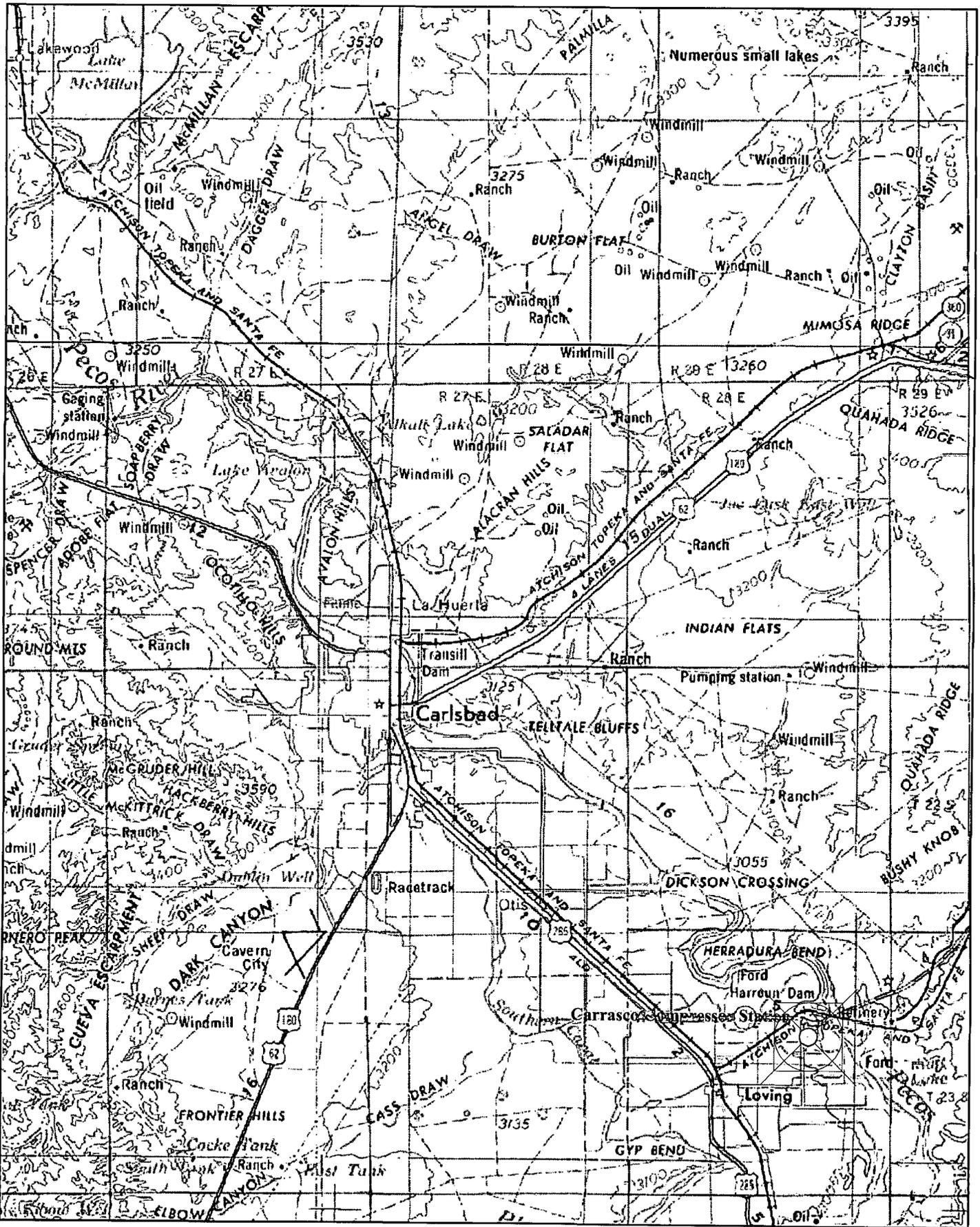
No changes are proposed.

13 Additional Information

All unauthorized releases and discharges will be reported to the NMOCD in accordance with NMOCD Rule 116, 19.15.C.116 NMAC and WQCC regulation, 20.6.2.1203 NMAC.

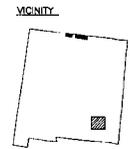
FIGURES

FIGURE 1. Site Location Map – Carrasco Compressor Station.



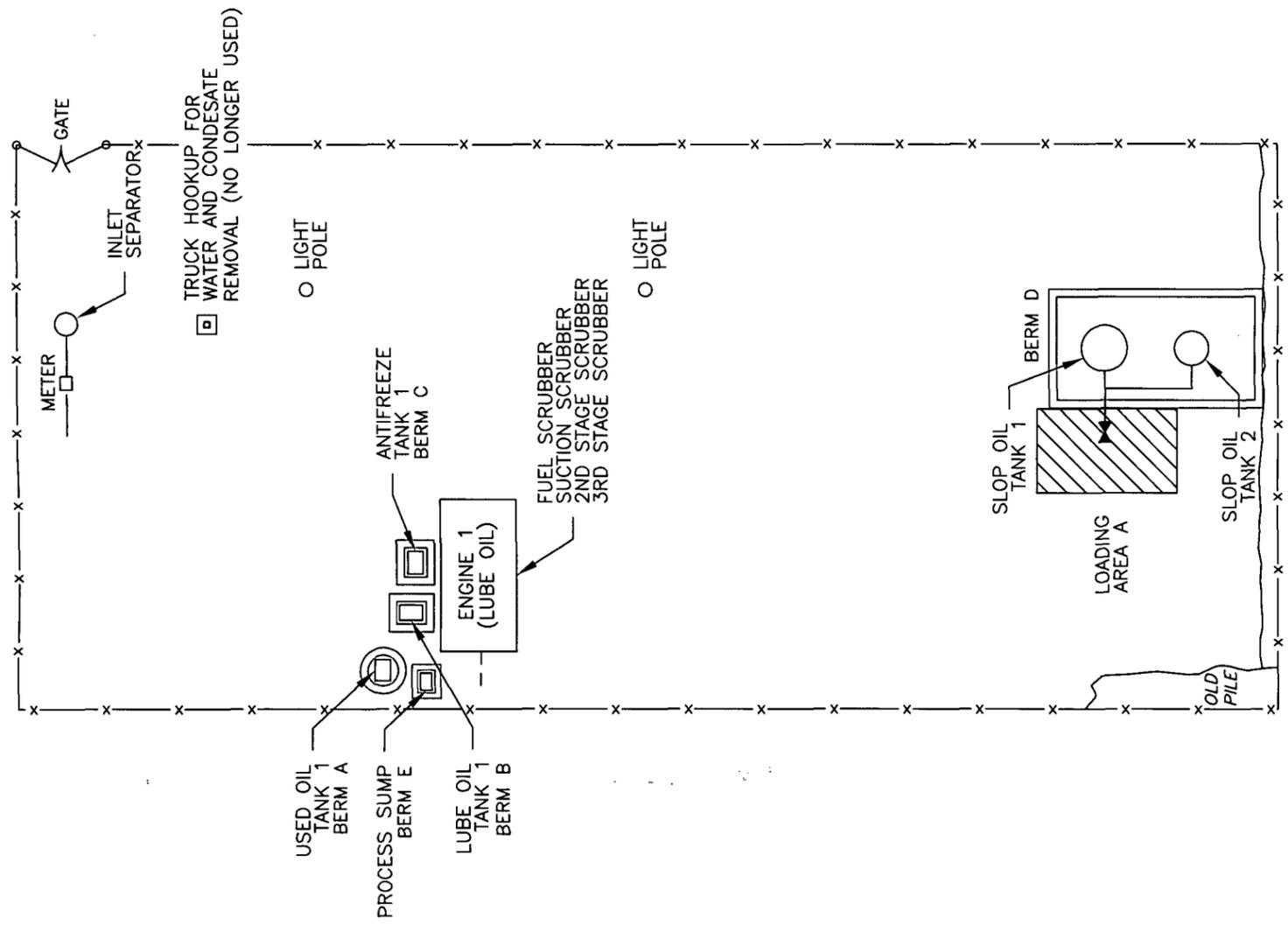
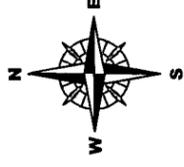
Duke Energy Field Services
A Duke Energy Company

Carrasco Compressor Station
Eddy County, New Mexico
Zone 13 UTMH 588423m UTMV 3574614m



32104A1 Carlsbad
Source: USGS 1:250,000 scale
Drawn by: JMW
Revised by: DKP
Date 03-23-00
ENVIRONMENTAL AFFAIRS DEPARTMENT

FIGURE 2. Facility Plot Plan – Carrasco Compressor Station.



System ID	Vessel/Equipment ID	Contents
Open Drain System	Process Sump	Slop Oil
Compressor Scrubber System	Suction Scrubber	NGLs
Compressor Scrubber System	2nd Stage Scrubber	NGLs
Compressor Scrubber System	3rd Stage Scrubber	NGLs
Compressor Scrubber System	Fuel Scrubber	NGLs
Inlet Separator	Inlet Separator	NGLs

Note: 1 Oil-containing pipes are detailed in the Carrasco Gas Processing Gathering System P&ID booklet located in the Carrasco Field Office.

NOT TO SCALE
 Note: This drawing is based on a field sketch and depicts the location and contents of each oil containing container, equipment, and piping (as required by 40 CFR 112.7(3)). This drawing should only be used for Spill Prevention Control and Countermeasure Plan (SPCC) purposes. As drawing is not to scale, actual containers, equipment, or piping may vary in size and position from those represented here.

REV	DATE	REVISION	BY	CHK'D	ENGR.	ENGR. HBR.
0	6-28-04	DRAWN FROM FIELD NOTES	G.S.			



CARRASCO COMPRESSOR STATION
CARLSBAD GATHERING SYSTEM
 Eddy County
 NEW MEXICO
 DWG. NAME: Carrasco Compressor Station_SPCC_Plan.dwg

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. dated 12/21/07

or cash received on _____ in the amount of \$ 100⁰⁰

from DCP M. Stream LP

for GW-137

Submitted by: LAWRENCE RENEID Date: 11/4/08

Submitted to ASD by: LAWRENCE RENEID Date: 11/4/08

Received in ASD by: _____ Date: _____

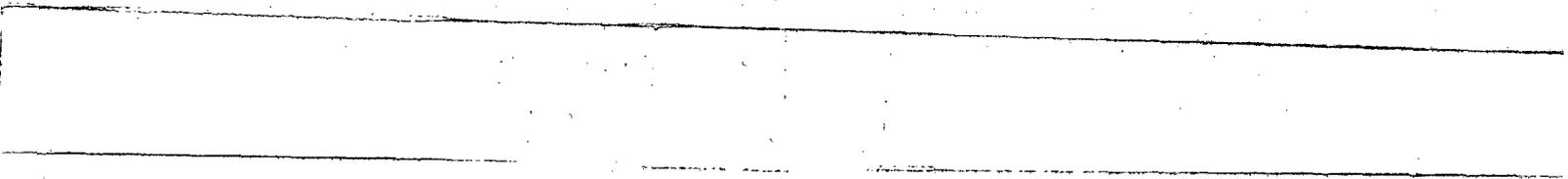
Filing Fee New Facility _____ Renewal

Modification _____ Other _____

Organization Code 521.07 Applicable FY 2004

To be deposited in the Water Quality Management Fund.

Full Payment _____ or Annual Increment _____





DCP Midstream
370 17th Street, Suite 2500
Denver, CO 80202
303-595-3331

2007 FEB 2 PM 1 15

January 31, 2007

UPS

PRIORITY OVERNIGHT (Tracking Number 1Z F46 915 22 1005 083 4)

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

Subject: Renewal of Expired Discharge Plans as Requested by Mr. Carl Chavez

Dear Mr. Price:

On December 15, 2006 DCP MIDSTREAM LP (formerly Duke Energy Field Services LP) received an email from Mr. Carl Chavez, Oil Conservation Division (OCD) stating that the discharge permits for the following 16 facilities had expired and that they must be renewed: Pure Gold 28 Compressor Station (GW-150), Antelope Ridge Gas Plant (GW-162), Malaga Compressor Station (GW-167), Cotton Draw Compressor Station (GW-311), Hat Mesa Compressor Station (GW-316), Boot Leg Compressor Station (GW-176), Lee Compressor Station (GW-227), Feagen Booster Station (GW-168), Maljamar Compressor Station (GW-177), Wonton Compressor Station (GW-178), Avalon Gas Plant (GW-24), Apex Compressor Station (GW-163), Hobbs Gas Plant (GW-175), Eunice Gas Plant (GW-16), CP-1 Compressor Station (GW-139) and Indian Hills Gas Plant (GW-42). As DCP MIDSTREAM LP has discussed previously, the company has not renewed these permits because none of the facilities listed actually discharge effluent or leachate so that they may move directly or indirectly into ground water, requiring a discharge permit under 20.6.2.3104 NMAC and because it does not believe that the New Mexico Water Quality Act, NMSA 1978, §§74-6-1 to 17, and the regulations adopted under that act are applicable to compressor stations.

However, as discussed below, DCP MIDSTREAM LP agrees to submit renewal applications for most of the listed facilities and provide information for the other facilities to demonstrate that the facilities are closed and no longer capable of discharging or have current discharge plans.

DCP MIDSTREAM LP is not submitting renewal applications for Hobbs Gas Plant or Apex Compressor Station because the obligation to obtain discharge permits for these facilities is currently in litigation. DCP MIDSTREAM LP is willing to discuss the measures being implemented by DCP MIDSTREAM LP to assure that discharges do not occur and that ground water is protected at these facilities. Additionally, on September 22, 2006, DCP Midstream LP discussed with you, Daniel Sanchez and Carl Chavez, the company's development of best management practices (BMPs) for facilities listed in the consent orders and you indicated that it would be discussed within the agency. DCP Midstream LP has not heard anything regarding our suggestions; however, we are ready to proceed ahead with working on the BMPs this year. We would like to schedule a meeting with you, as previously requested, to discuss moving ahead with implementing the BMPs with you.

Permit Renewals To Be Submitted

DCP MIDSTREAM LP agrees to submit discharge permit renewal applications for the following facilities by March 1, 2007: Antelope Ridge Gas Plant (GW-162), Malaga Compressor Station (GW-167), Cotton Draw Compressor Station (GW-311), Hat Mesa Compressor Station (GW-316), Boot Leg Compressor Station (GW-176), Maljamar Compressor Station (GW-177) and Wonton Compressor Station (GW-178). In addition, DCP MIDSTREAM LP will submit renewal applications for the Lee Compressor Station (GW-227) and Feagen Booster Station (GW-168) even though closure plans have been submitted to the OCD for these facilities.



Permit Renewals That Will Not Be Submitted

DCP MIDSTREAM LP will not submit permit renewals for the remaining seven (7) facilities referred to in the December 15, 2006 email.

1. Pure Gold "28" Compressor Station (GW-150) - A renewal application for this facility was previously submitted and received by the OCD in 2003. Copies of this documentation are in Attachment 1.
2. Avalon Gas Plant (Rambo Compressor) (GW-24) - DCP MIDSTREAM LP previously renewed the permit for this facility. An approval letter, dated April 7, 2004, from the OCD was received by the company. DCP MIDSTREAM LP was required, as a condition of the approval, to submit pit closure reports and analytical results. The report and results were submitted to the OCD on April 23, 2004. Copies of this documentation are in Attachment 2.
3. Apex Compressor Station (GW-163) - DCP MIDSTREAM LP's obligation to obtain a discharge permit for this facility is currently in litigation; so, no renewal application will be submitted.
4. Hobbs Gas Plant (GW-175) - DCP MIDSTREAM LP's obligation to obtain a discharge permit for this facility is currently in litigation; so, no renewal permit will be submitted.
5. Eunice Gas Plant (GW-16) - DCP MIDSTREAM LP has an effective discharge permit for this facility, which does not expire until April 25, 2009. Therefore, no renewal application is required at this time. A copy of this discharge permit is in Attachment 3.
6. CP-1 Compressor Station (GW-139) - This facility was dismantled and only a meter run exists on the site. The OCD sent a closure letter to the company on October 15, 2003. A copy of the closure letter is in Attachment 4.
7. Indian Hills Gas Plant (GW-42) - This facility was dismantled and only a meter facility and pig launcher exist on the site. A copy of the company's notification, dated December 10, 2001, to the OCD regarding the status of this site and OCD's receipt of this letter is in Attachment 5.

GW-137

By agreeing to submit the renewal applications and the application filing fees, DCP MIDSTREAM LP is not waiving its position that no discharge permits are required for these facilities.

If you have any questions concerning DCP MIDSTREAM LP's position or the information outlined above, please contact me at (303) 605-1713. Please send all correspondence regarding these renewals to my attention at 370 17th Street, Suite 2500, Denver, CO 80202.

Sincerely,
DCP MIDSTREAM LP
(Formerly Duke Energy Field Services, LP)

A handwritten signature in cursive script that reads "Ruth M. Lang".

Ruth M. Lang
Manager of Water & Waste Programs

Enclosures

cc:
Mr. Carl Chavez, OCD



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Lori Wrotenberg

Director

Oil Conservation Division

February 17, 2003

Mr. Greg Kardos
Duke Energy Field Services, LP
3300 N. A Street, Building 7
Midland, Texas 79705

**RE: Discharge Permit Renewal Approval GW-137
Duke Energy Field Services, LP
Carrasco Compressor Station
Eddy County, New Mexico**

Dear Mr. Kardos:

The ground water discharge permit renewal GW-137 for the Duke Energy Field Services, LP Carrasco Compressor Station located in the SE/4 NW/4 of Section 14, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico, **is hereby approved** under the conditions contained in the enclosed attachment. Enclosed are two copies of the conditions of approval. **Please sign and return one copy to the New Mexico Oil Conservation Division (OCD) Santa Fe Office within 30 days of receipt of this letter.**

The original discharge permit application was submitted on February 23, 1993 and approved April 28, 1993. The discharge permit renewal application, dated December 11, 2002, was submitted pursuant to Sections 5101.B.3. of the New Mexico Water Quality Control Commission (WQCC) Regulations. The discharge permit is renewed pursuant to Sections 5101.A. and 3109.C. Please note Section 3109.G., which provides for possible future amendment of the permit. Please be advised that approval of this permit does not relieve Duke Energy Field Services, LP of liability should operations result in pollution of surface water, ground water, or the environment.

Please be advised that all exposed pits, including lined pits and open tanks (tanks exceeding 16 feet in diameter), shall be screened, netted, or otherwise rendered nonhazardous to wildlife including migratory birds.

Please note that Section 3104 of the regulations provides: "When a permit has been approved, discharges must be consistent with the terms and conditions of the permit." Pursuant to Section 3107.C., Duke Energy Field Services, LP is required to notify the Director of any facility expansion, production increase, or process modification that would result in any change in the discharge of water quality or volume.

Mr. Greg Kardos

GW-137 Carrasco Compressor Station
February 17, 2003
Page 2

Pursuant to Section 3109.H.4., this discharge permit is for a period of five years. This permit will expire on **April 28, 2007**, and Duke Energy Field Services, LP should submit an application in ample time before this date. Note that under Section 3106.F. of the regulations, if a discharger submits a discharge permit renewal application at least 120 days before the discharge permit expires and is in compliance with the approved permit, then the existing discharge permit will not expire until the application for renewal has been approved or disapproved. It should be noted that all discharge permit facilities will be required to submit the results of an underground drainage testing program as a requirement for discharge permit .

The discharge permit application for the Duke Energy Field Services, LP Carrasco Compressor Station is subject to WQCC Regulation 3114. Every billable facility submitting a discharge permit renewal application will be assessed a non-refundable fee equal to the filing fee of \$100. There is a flat fee assessed for compressor stations with greater than 1001 horsepower rating equal to \$1,700.00. The OCD has received the filing fee.

**Please make all checks payable to: Water Management Quality Management Fund
C/o: Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505.**

If you have any questions please contact Mr. W. Jack Ford at (505) 476-3489. On behalf of the staff of the OCD, I wish to thank you and your staff for your cooperation during this discharge permit review.

Sincerely,



Roger C. Anderson
Chief, Environmental Bureau
Oil Conservation Division

RCA/wjf
Attachment

xc: OCD Artesia District Office

ATTACHMENT TO THE DISCHARGE PERMIT RENEWAL GW-137

DUKE ENERGY FIELD SERVICES, LP
CARRASCO COMPRESSOR STATION
DISCHARGE PERMIT APPROVAL CONDITIONS
(February 17, 2003)

1. Payment of Discharge Permit Fees: The \$100.00 filing fee has been received by the OCD. There is a flat fee assessed for compressor stations with greater than 1001 horsepower rating equal to \$1,700.00. The required flat fee may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the permit, with the first payment due upon receipt of this approval.
2. Duke Energy Field Services, LP Commitments: Duke Energy Field Services, LP will abide by all commitments submitted in the discharge permit renewal application dated December 11, 2002 and these conditions for approval.
3. Waste Disposal: All wastes will be disposed of at an OCD approved facility. Only oilfield exempt wastes shall be disposed of down Class II injection wells. Non-exempt oilfield wastes that are non-hazardous may be disposed of at an OCD approved facility upon proper waste determination per 40 CFR Part 261. Any waste stream that is not listed in the discharge permit will be approved by OCD on a case-by-case basis.
4. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums will be stored on their sides with the bungs in and lined up on a horizontal perimete. Chemicals in other containers such as sacks or buckets will also be stored on an impermeable pad and curb type containment.
5. Process Areas: All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.
6. Above Ground Tanks: All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new tanks or existing tanks that undergo a major modification, as determined by the Division, must be placed within an impermeable bermed enclosure.
7. Above Ground Saddle Tanks: Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.
8. Labeling: All tanks, drums and containers will be clearly labeled to identify their contents and other emergency notification information.

9. Below Grade Tanks/Sumps: All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All pre-existing sumps and below-grade tanks must demonstrate integrity on an annual basis. Integrity tests include pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps, or other OCD approved methods. The OCD will be notified at least 72 hours prior to all testing.
10. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity every 5 years. The permittee may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD. The OCD will be notified at least 72 hours prior to all testing.
11. Class V Wells: No Class V wells that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes will be closed unless it can be demonstrated that groundwater will not be impacted in the reasonably foreseeable future. Leach fields and other wastewater disposal systems at OCD regulated facilities which inject non-hazardous fluid into or above an underground source of drinking water are considered Class V injection wells under the EPA UIC program. Class V wells that inject domestic waste only must be permitted by the New Mexico Environment Department.
12. Housekeeping: All systems designed for spill collection/prevention will be inspected by a Duke Energy Field Services, LP's representative on a regular basis and after each storm event to ensure proper operation and to prevent overtopping or system failure. A record of inspections will be retained for a period of five years.
13. Spill Reporting: All spills/releases will be reported pursuant to OCD Rule 116 and WQCC 1203 to the OCD Artesia District Office.
14. Transfer of Discharge Permit: The OCD will be notified prior to any transfer of ownership, control, or possession of a facility with an approved discharge permit. A written commitment to comply with the terms and conditions of the previously approved discharge permit must be submitted by the purchaser and approved by the OCD prior to transfer.
15. Storm Water Permit: Duke Energy Field Services, LP, Inc. shall maintain storm water runoff controls. As a result of Duke Energy Field Services, LP, Inc.'s operations any water contaminant that exceeds the WQCC standards listed in 20 NMAC 6.2.3101 is discharged in any storm water runoff then Duke Energy Field Services, LP, Inc. shall notify the OCD within 24 hours, modify the permit within 15 days and submit for OCD approval. Duke Energy Field Services, LP shall also take immediate corrective actions pursuant to Item 12 of these conditions.

16. Closure: The OCD will be notified when operations of the Carrasco Compressor Station are discontinued for a period in excess of six months. Prior to closure of the Carrasco Compressor Station a closure permit will be submitted for approval by the Director. Closure and waste disposal will be in accordance with the statutes, rules and regulations in effect at the time of closure.
17. Certification: Duke Energy Field Services, LP, by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. Duke Energy Field Services, LP further acknowledges that these conditions and requirements of this permit may be changed administratively by the Division for good cause shown as necessary to protect fresh water, human health and the environment.

Accepted:

DUKE ENERGY FIELD SERVICES, LP.

by _____

Title _____

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Revised January 24, 2001
Submit Original
Plus 1 Copy
to Santa Fe
1 Copy to Appropriate
District Office

**DISCHARGE PLAN APPLICATION FOR SERVICE COMPANIES, GAS PLANTS,
REFINERIES, COMPRESSOR, GEOTHERMAL FACILITIES
AND CRUDE OIL PUMP STATIONS**

(Refer to the OCD Guidelines for assistance in completing the application)

New Renewal Modification

1. Type: Carrasco Compressor Station
2. Operator: *See enclosed discharge plan.*
3. Location: *See enclosed discharge plan.*
4. Attach the name, telephone number and address of the landowner of the facility site. *See enclosed discharge plan.*
5. Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility. *See enclosed discharge plan.*
6. Attach a description of all materials stored or used at the facility. *See enclosed discharge plan.*
7. Attach a description of present sources of effluent and waste solids. Average quality and daily volume of waste water must be included. *See enclosed discharge plan.*
8. Attach a description of current liquid and solid waste collection/treatment/disposal procedures. *See enclosed discharge plan.*
9. Attach a description of proposed modifications to existing collection/treatment/disposal systems. *See enclosed discharge plan.*
10. Attach a routine inspection and maintenance plan to ensure permit compliance. *See enclosed discharge plan.*
11. Attach a contingency plan for reporting and clean-up of spills or releases. *See enclosed discharge plan.*
12. Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included. *See enclosed discharge plan.*
13. Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders. *See enclosed discharge plan.*
14. CERTIFICATION: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: Greg Kardos

Title: Asset Manager

Signature: _____



Date: _____

12/11/02

Carrasco Compressor Station
SE/4 NW/4 Section 14, T 23S, R 28E

DISCHARGE PLAN

This document constitutes a renewal application for a Groundwater Discharge Plan for the Carrasco Compressor Station as previously approved NMOCD on March 2, 1998. This Discharge Plan application has been prepared in accordance with the NMOCD "Guidelines for the Preparation of Discharge Plans at Natural Gas Plants, Refineries, Compressor and Crude Oil Pump Stations" (revised 12-95) and New Mexico Water Quality Control Commission (WQCC) regulations, 20.6.2.3-104 and 3-106 NMAC.

1 Type of Operation

The facility does not intend or have a discharge or discharges that may move directly or indirectly into groundwater.

2 Operator / Legally Responsible Party

Operator

Duke Energy Field Services, LP
3300 N. A Street, Building 7
Midland, TX 79705
(505) 628-0282
Contact Person: Greg Kardos – Asset Manager

Legally Responsible Party

Duke Energy Field Services, LP
370 17th Street, Suite 900
Denver, CO 8020
(303) 595-3331
Contact Person: John Admire – Director, Environmental Protection

3 Location Facility

SE/4 NW/4 Section 14, Township 23S, Range 28E

See Figure 1 – Site Location Map.

4 Landowner

Lionel and Nelda Onsurez
P.O. Box 141
Loving, NM 88256

5 Facility Description

The facility provides separation of liquid hydrocarbons from the natural gas stream and compression for the gathering system.

6 Materials Stored or Used

There are no materials stored on-site or used that are discharged on site so that they may move directly or indirectly into groundwater.

7 Sources and Quantities of Effluent and Waste Solids

There are no effluent or waste solids that are discharged on site so that they may move directly or indirectly into groundwater. All effluent and waste solids generated at the facility are removed from the facility for off site disposal in accordance with applicable NMOCD, NMED, and EPA regulations.

Separators/Scrubbers

Effluent or waste solids generated from separators or scrubbers are not discharged on site so that they may move directly or indirectly into groundwater.

Boilers and Cooling Towers/Fans

There are no boilers or cooling towers/fans at the facility.

Process and Storage Equipment Wash Down

Effluent or waste solids generated from process and storage equipment wash down are not discharged on site so that they may move directly or indirectly into groundwater.

Solvents/Degreasers

Solvent or degreasers are not discharged on site so that they may move directly or indirectly into groundwater.

Spent Acids/Caustics

Spent acids or caustics are not discharged on site so that they may move directly or indirectly into groundwater.

Used Engine Coolants

Engine coolants are not discharged on site so that they may move directly or indirectly into groundwater.

Waste Lubrication and Motor Oils

Lubrication and motor oils are not discharged on site so that they may move directly or indirectly into groundwater.

Used Oil Filters

Used oil filters are not discharged on site so that they may move directly or indirectly into groundwater.

Solids and Sludges

Solids and sludges are not discharged on site so that they may move directly or indirectly into groundwater.

Painting Wastes

Painting wastes that are not discharged on site so that they may move directly or indirectly into groundwater.

Sewage

Sewage is not generated at the facility; there are no leach fields located on site.

Lab Wastes

Lab wastes are not generated at the facility.

Other Liquids and Solid Wastes

Other liquids or solid wastes are not discharged on site so that they may move directly or indirectly into groundwater.

8 Liquid and Solid Waste Collection / Storage / Disposal

Collection/Storage

All liquid and solid wastes are collected and stored in containers for off site disposal.

On-site Disposal

There are no on site disposal activities at the facility.

Off-site Disposal

All liquid and solid wastes are disposed off site.

9 Proposed Modifications

None

10 Inspection, Maintenance, and Reporting

Routine inspections and maintenance are performed to ensure proper collection, storage, and off site disposal of all wastes generated at the facility.

11 Spill / Leak Prevention and Reporting (Contingency Plans)

DEFS will respond to and report spills as outlined in the facility Spill Prevention, Control and Countermeasure Plan and in accordance with the requirements of NMOCD Rule 116 [19.15.C.116 NMAC] and WQCC regulation [20.6.2.1203 NMAC].

12 Site Characteristics

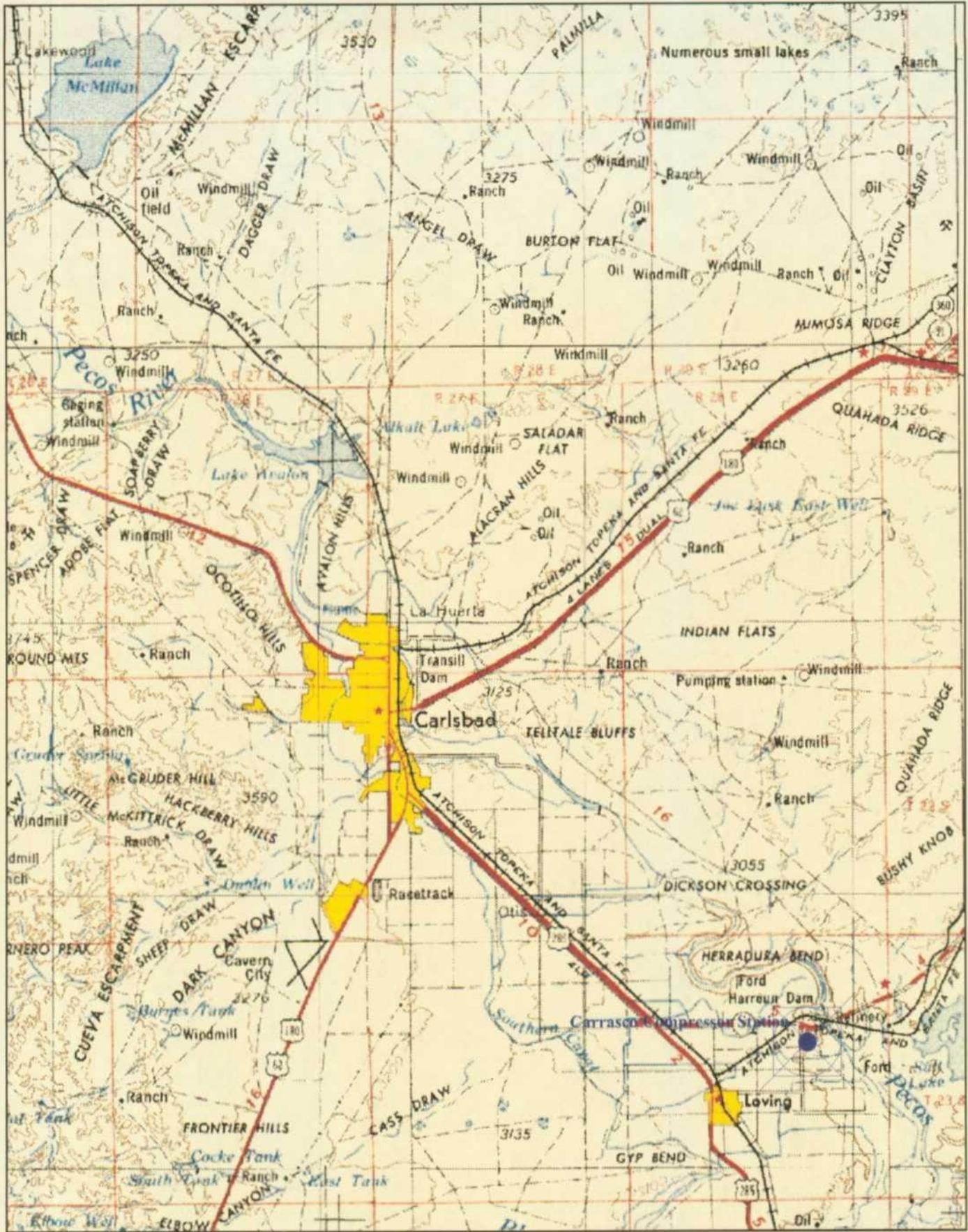
No Changes.

13 Additional Information

All unauthorized releases and discharges will be reported to the NMOCD in accordance with NMOCD Rule 116, 19.15.C.116 NMAC and WQCC regulation, 20.6.2.1203 NMAC.

FIGURES

FIGURE 1. Site Location Map – Carrasco Compressor Station.



Carrasco Compressor Station
 Eddy County, New Mexico
 Zone 13 UTMH 588423m UTMV 3574614m

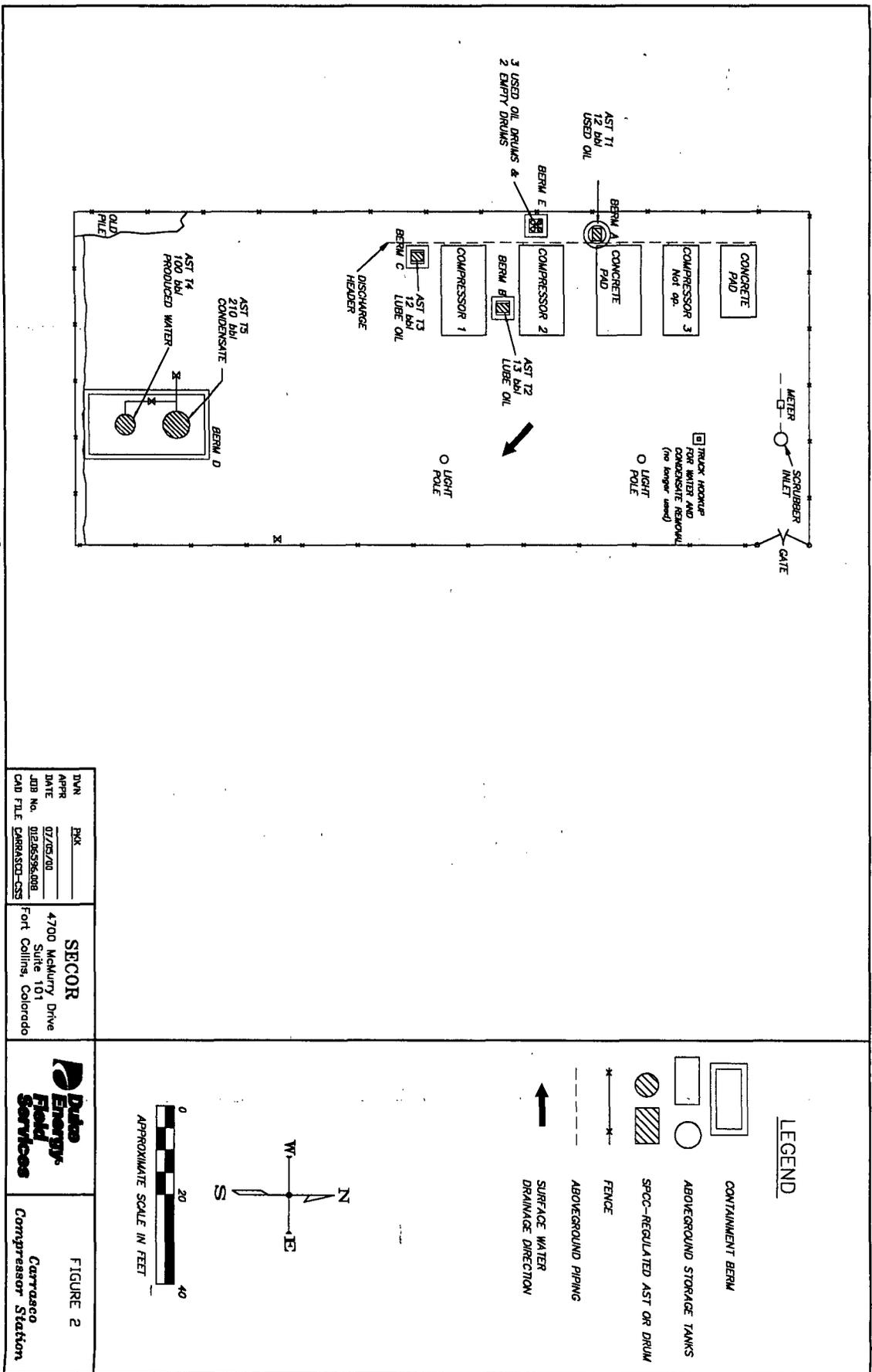


Duke Energy Field Services.
 A Duke Energy Company



32104A1 Carlsbad
 Source: USGS 1:250,000 scale
 Drawn by: JMW
 Revised by: DKP
 Date 03-23-00
 ENVIRONMENTAL
 AFFAIRS DEPARTMENT

FIGURE 2. Facility Plot Plan – Carrasco Compressor Station.



DWN _____
 APPR _____
 DATE 07/05/00
 JOB No. 01246596-008
 CAD FILE 24664501-CSS

SECOR
 4700 McMurry Drive
 Suite 101
 Fort Collins, Colorado



FIGURE 2
 Carrizosa
 Compressor Station

ATTACHMENT TO THE DISCHARGE PLAN GW-137 RENEWAL
UNION PACIFIC RESOURCES COMPANY
CARRASCO COMPRESSOR STATION
DISCHARGE PLAN APPROVAL CONDITIONS
(March 2, 1998)

1. Payment of Discharge Plan Fees: The \$690 flat fee shall be submitted upon receipt of this approval. The required flat fee may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the plan, with the first payment due upon receipt of this approval.
2. Union Commitments: Union will abide by all commitments submitted in the discharge plan application dated February 2, 1998.
3. Waste Disposal: All wastes shall be disposed of at an OCD approved facility. Only oilfield exempt wastes shall be disposed of down Class II injection wells. Non-exempt oilfield wastes that are non-hazardous by characteristics may be disposed of at an OCD approved facility upon proper waste characterization per 40 CFR Part 261.
4. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums will be stored on their sides with the bungs in and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets will also be stored on an impermeable pad and curb type containment.
5. Process Areas: All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.
6. Above Ground Tanks: All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new facilities or modifications to existing facilities must place the tank on an impermeable type pad within the berm.
7. Above Ground Saddle Tanks: Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.
8. Labeling: All tanks, drums and containers should be clearly labeled to identify their contents and other emergency information necessary if they were to rupture, spill, or ignite.

9. **Below Grade Tanks/Sumps:** All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All pre-existing sumps and below-grade tanks must demonstrate integrity on an annual basis. Integrity tests include pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps, or other OCD approved methods. The OCD will be notified at least 72 hours prior to all testing.
10. **Underground Process/Wastewater Lines:** All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity at present and then every 5 years thereafter, or prior to discharge plan renewal. Permittees may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD. The OCD will be notified at least 72 hours prior to all testing.
11. **Class V Wells:** Leach fields and other wastewater disposal systems at OCD regulated facilities which inject fluid other than domestic waste sewage below the surface are considered Class V injection wells under the EPA UIC program. All class V wells will be closed unless, it can be demonstrated that protectable groundwater will not be impacted in the reasonably foreseeable future. Class V wells must be closed through the Santa Fe Office. The OCD allows industry to submit closure plans which are protective of human health, environment and groundwater as defined by the WQCC, and are cost effective.
12. **Housekeeping:** All systems designed for spill collection/prevention should be inspected to ensure proper operation and to prevent overtopping or system failure.
13. **Spill Reporting:** All spills/releases shall be reported pursuant to OCD Rule 116 and WQCC 1203 to the OCD Artesia District Office.
14. **Transfer of Discharge Plan:** The OCD will be notified prior to any transfer of ownership, control, or possession of a facility with an approved discharge plan. A written commitment to comply with the terms and conditions of the previously approved discharge plan must be submitted by the purchaser and approved by the OCD prior to transfer.
15. **Closure:** The OCD will be notified when operations of the facility are discontinued for a period in excess of six months. Prior to closure of the facility a closure plan will be submitted for approval by the Director. Closure and waste disposal will be in accordance with the statutes, rules and regulations in effect at the time of closure.

16. **Certification:** Union, by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. Union further acknowledges that these conditions and requirements of this permit may be changed administratively by the Division for good cause shown as necessary to protect fresh water, human health and the environment.

Accepted: *Karen Sengletary*
UNION PACIFIC RESOURCES COMPANY

by *# Environmental Specialist*
Title



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

April 28, 1993

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

CERTIFIED MAIL
RETURN RECEIPT NO. P-111-334-196

Mr. Wayne Chang
Operations Manager
Continental Natural Gas Inc.
P.O. Box 21470
Tulsa, Oklahoma 74119

**Re: Discharge Plan (GW-137)
Carrasco Compressor Station
Eddy County, New Mexico**

Dear Mr. Chang:

The groundwater discharge plan GW-137 for the Continental Natural Gas Inc. Carrasco Compressor Station located in the SE/4, NW/4, Section 14, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico is **hereby approved** under the conditions contained in the enclosed attachment. The discharge plan consists of the application dated February 26, 1993.

The discharge plan was submitted pursuant to section 3-106 of the Water Quality Control Commission Regulations. It is approved pursuant to section 3-109.A.. Please note Section 3-109.F., which provides for possible future amendment of the plan. Please be advised that approval of this plan does not relieve you of your liability should your operation result in actual pollution of surface or ground waters or the environment which may be actionable under other laws and/or regulations.

Please be advised that all exposed pits, including lined pits and open top tanks (exceeding 16 feet in diameter) shall be screened, netted, or otherwise rendered nonhazardous to wildlife including migratory birds.

Please note that section 3-104 of the regulations requires that "when a plan has been approved, discharges must be consistent with the terms and conditions of the plan". Pursuant to Section 3-107.C. you are required to notify the Director of any facility expansion, production increase,

Mr. Wayne Chang
April 28, 1993
Page 2

or process modification that would result in any change in the discharge of water quality or volume.

Pursuant to Section 3-109.G.4., this approval is for a period of five years. This approval will expire April 28, 1998 and you should submit an application for renewal in ample time before that date.

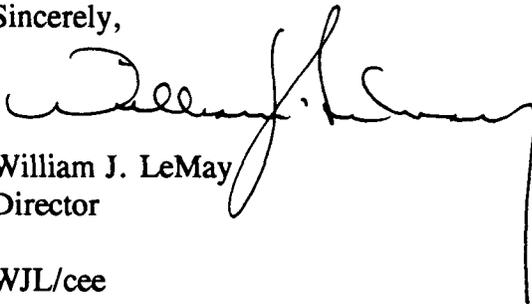
The discharge plan application for the Continental Natural Gas Inc. Carrasco Compressor Station is subject to the WQCC Regulation 3-114 discharge plan fee. Every billable facility submitting a discharge plan will be assessed a fee equal to the filing fee of fifty (50) dollars plus the flat rate of thirteen-hundred eighty (1380) dollars for compressor facilities of 3000 horsepower.

The OCD has received your \$50 filing fee. The flat fee for an approved discharge plan may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the plan, with the first payment due upon receipt of this approval.

Please make all checks payable to: **NMED-Water Quality Management** and addressed to the OCD Santa Fe Office.

On behalf of the staff of the Oil Conservation Division, I wish to thank you and your staff for your cooperation during this discharge plan review.

Sincerely,



William J. LeMay
Director

WJL/cee
Attachment

xc: OCD Artesia Office

ATTACHMENT TO THE DISCHARGE PLAN GW-137 APPROVAL
CONTINENTAL NATURAL GAS, INC
CARRASCO COMPRESSOR STATION
DISCHARGE PLAN REQUIREMENTS
(April 28, 1993)

1. Payment of Discharge Plan Fees: The \$1380 flat fee (either total payment or installment) will be paid upon receipt of this approval.
2. Drum Storage: All drums will be stored on pad and curb type containment.
3. Sump Inspection: Any new sumps or below-grade tanks will incorporate leak detection in their designs.
4. Berms: All tanks that contain materials other than freshwater will be bermed to contain one and one-third (1-1/3) the capacity of the largest tank within the berm or one and one-third (1-1/3) the total capacity of all interconnected tanks.
5. Pressure testing: All discharge plan facilities are required to pressure test all underground piping at the time of discharge plan renewal. All new underground piping shall be designed and installed to allow for isolation and pressure testing at 3 psi above normal operating pressure.
6. Spills: All spills and/or leaks will be reported to the OCD district office pursuant to WQCC Rule 1-203 and OCD Rule 116.