

GW - 277

**GENERAL
CORRESPONDENCE**

YEAR(S):

2007-1996



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

February 22, 2007

UPS Next Day Air (Tracking Number 1Z F46 915 22 1005 961 1)

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

**SUBJECT: Big Eddy Compressor Station
Discharge Plan No. GW-277 Renewal
Eddy County, New Mexico**

Dear Mr. Chavez:

DCP Midstream LP submits the following:

- Check in the amount of \$1,700.00 the Big Eddy Compressor Station discharge plan flat fee and
- Signed copy of the Discharge Plan Approval Conditions for the Big Eddy 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

cc: NMOCD District 2 Office (UPS Next Day Tracking Number 1Z F46 915 22 1005 960 2)
1301 W. Grand Avenue
Artesia, NM 88210

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. _____ dated 2/2/07

or cash received on _____ in the amount of \$ 1700⁰⁰

from DCP Midstream LP

for GW-277

Submitted by: Lawrence Porcino Date: 3/8/07

Submitted to ASD by: Lawrence Porcino Date: 3/1/07

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 _____

Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

2006 NOV 16 AM 8 34

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

That she is HR/Administrative Assistant 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:

November 8 2006
 _____ 2006
 _____ 2006
 _____ 2006

That the cost of publication is \$114.76 and that payment Thereof has been made and will be assessed as court costs.

April Hernandez

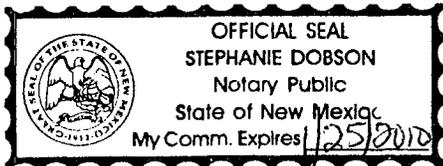
Subscribed and sworn to before me this

8 day of November, 2006

Stephanie Dobson

My commission Expires on 11/25/2010

Notary Public



November 8, 2006

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:

(GW-277) Duke Energy Field Services, Elisabeth Klein, Senior Environmental Specialist, 370. 17th Street, Ste. 2500, Denver, Colorado 80202 (Phone: (303) 595-3331), has submitted a discharge plan renewal application for the previously approved discharge plan for their Big Eddy Compressor Station, located in the NE/4 NE/4 of Section 19, Township 21 South, Range 28 East, NMPM, Eddy County, New Mexico. The natural gas compressor station currently has a horsepower rating of 3,685 HP. Any potential discharge at the facility will be stored in closed top containers prior to transport off site to an OCD approved disposal facility. Some piping changes and installation of a pig receiver are planned.

All effluent and waste solids generated from the installation and operation of the future piping and pig receiver will be stored on-site in enclosed tanks and containers and removed from the facility for off site disposal in accordance with state and federal regulations. Groundwater most likely to be affected by an accidental discharge is at a depth of 40 feet with a total dissolved solids concentration of 6,090 mg/L. The discharge plan addresses how spill, 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. 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 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/>.

Para obtener más información sobre esta solicitud en español, sírvase 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 Mexico (Contacto: Dorothy Phillips, 505-476-3461)

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 3rd day of November 2006.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

SEAL

Chavez, Carl J, EMNRD

From: Klein, Elisabeth A [eaklein@duke-energy.com]
Sent: Tuesday, December 05, 2006 12:47 PM
To: Chavez, Carl J, EMNRD
Subject: Big Eddy Discharge Plan Renewal (GW-277)

Pub comment to 1/5/07

As we discussed today, the local public notice did not get published within the 30 day time period because of the newspaper's oversight. The paper said that they will publish the notice tomorrow, December 6th, and will forward me a copy of the affidavit on Thursday. I will forward you the affidavit as soon as I receive it.

We are in receipt of the draft permit but will not sign and submit until 30 days after the publication of the local public notice to make certain there are no public comments, per your guidance. You mentioned that you have not received any public comment from your website and newspaper publication notice and I have not received any comments from your posted notices.

Please call me if you have any questions.

Thank you.
 Liz Klein
 303-605-1778

From: Rushing, Darlene [mailto:drushing@currentargus.com]
Sent: Monday, December 04, 2006 6:21 PM
To: Klein, Elisabeth A
Subject: RE: Public Notice Request

Liz,
 I just received your email. The original email was forwarded to me but for some reason my email didn't receive it. We had our server down for a day or two in November and I think that must be what happened. I can go ahead and run the notice on Wednesday and will get your affidavit out to you the following day. I am so sorry for the inconvenience, let me know if this will satisfy your requirements or if there is anything else I can do to assist you in getting your notice out to meet your requirements. Thanks,
 Darlene

-----Original Message-----

From: Klein, Elisabeth A [mailto:eaklein@duke-energy.com]
Sent: Monday, December 04, 2006 4:04 PM
To: Hernandez, April
Cc: Rushing, Darlene
Subject: RE: Public Notice Request

Has an affidavit gone out? I need to get it to the agency. Could you fax me a copy...it may be stuck in our interoffice mail 303-605-1957(fax). Thank you.

Liz Klein
 303-605-1778

From: Hernandez, April [mailto:aprilh@currentargus.com]
Sent: Thursday, November 16, 2006 4:18 PM
To: Klein, Elisabeth A
Cc: Rushing, Darlene
Subject: RE: Public Notice Request

Hello Elisabeth,
 I don't handle display legals so I will forward this to Darlene Rushing who will help you with this, I do handle the affidavits and will get one to you as soon as the ad is finished running.

However, in the future if you have a legal please forward that to me.

Thank you,

April Hernandez
Carlsbad Current-Argus
620 S. Main
PO Box 1629
Carlsbad, NM 88220
(505) 628-5554-direct
(505) 885-1066-fax

-----Original Message-----

From: Klein, Elisabeth A [mailto:eaklein@duke-energy.com]
Sent: Thursday, November 16, 2006 4:13 PM
To: Hernandez, April
Subject: Public Notice Request

I would like to have a display ad of Duke Energy Field Services, LP's public notice published in your newspaper on or before November 21, 2006. The ad should be 2-inches by 3-inches and published for one day only. The text for the public notice is in the attached file.

Within 10 days, please send the Affidavit of Publication and invoice to my attention at the following address:

**Duke Energy Field Services, LP
370 17th Street, Suite 2500
Denver, CO 80202
Attn: Elisabeth Klein, EHS Dept.**

If you have any questions, you can reach me at (303) 605-1778.

Thank you.

Elisabeth Klein

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Friday, November 03, 2006 2:43 PM
To: 'eaklein@duke-energy.com'
Cc: Price, Wayne, EMNRD; Gum, Tim, EMNRD
Subject: Duke Energy Big Eddy Compressor Station (Bid Eddy #1 Lateral Compressor Station) GW-277

Elisabeth Klein

**Re: Discharge Plan Renewal Permit GW-277
Duke Energy Field Services
Big Eddy Compressor Station
Eddy County, New Mexico**

Dear Ms. Klein:

The New Mexico Oil Conservation Division (NMOCD) has received Duke Energy Field Services request and initial fee, dated October 19, 2006, to renew GW-277 for the Duke Energy Field Services Big Eddy Compressor Station located in the NE/4 NE/4 of Section 19, Township 21 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,

Carl J. Chavez
Environmental Engineer

CJC/cjc

xc: OCD District II Office, Artesia

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/>
(Pollution Prevention Guidance is under "Publications")

Draft Document

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:

(GW-277) Duke Energy Field Services, Elisabeth Klein, Senior Environmental Specialist, 370 17th Street, Ste. 2500, Denver, Colorado 80202 (Phone: (303) 595-3331), has submitted a discharge plan renewal application for the previously approved discharge plan for their Big Eddy Compressor Station, located in the NE/4 NE/4 of Section 19, Township 21 South, Range 28 East, NMPM, Eddy County, New Mexico. The natural gas compressor station currently has a horsepower rating of 3,685 HP. Any potential discharge at the facility will be stored in closed top containers prior to transport off site to an OCD approved disposal facility. Some piping changes and installation of a pig receiver are planned. All effluent and waste solids generated from the installation and operation of the future piping and pig receiver will be stored on-site in enclosed tanks and containers and removed from the facility for off site disposal in accordance with state and federal regulations. Groundwater most likely to be affected by an accidental discharge is at a depth of 40 feet with a total dissolved solids concentration of 6,090 mg/L. The discharge plan addresses how spill, 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. 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 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/>.

Para obtener más información sobre esta solicitud en español, sirvase comunicarse por favor: New Mexico Energy, Minerals and Natural Resources Department (Depto. Del Energia, Minerals 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 3rd day of November 2006.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

S E A L

Mark Fesmire, Director

October 19, 2006

UPS
PRIORITY OVERNIGHT (Tracking Number 1Z F46 915 21 1000 497 6)

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

Subject:

Big Eddy Compressor Station (Big Eddy #1 Lateral Compressor Station)
Discharge Permit Renewal (GW-277)
Eddy County, New Mexico

Dear Mr. Ford:

As we have discussed previously, DEFS 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. Specifically, NMSA 1978, §74-6-12.G (1999) provides that “[t]he Water Quality Act does not apply to any activity or condition subject to the authority of the oil conservation commission pursuant to the provisions of the Oil and Gas Act, Section 70-2-12 NMSA 1978 and other laws conferring power on the oil conservation commission to prevent or abate water pollution.” NMSA 1978, §70-2-12.B(21) (1996) provides that the OCD has the authority to regulate “the disposition of nondomestic wastes resulting from the exploration, production or storage of crude oil or natural gas to protect public health and the environment.” The language of Section 70-2-12.B(21), DEFS believes, precludes the application of the Water Quality Act to the disposal of wastes from compressor stations. Therefore, DEFS is under no obligation to comply with the discharge plan renewal requirements of the WQCC regulations.

Further, even if the Water Quality Act and regulations applied, the WQCC regulations do not require a discharge plan for this facility. According to the WQCC regulations, 20.6.2.3106B NMAC, a facility must have an approved discharge plan if the facility intends to or has a discharge or discharges that may move directly or indirectly into groundwater.

The Big Eddy Compressor Station does not have any discharges that may move directly or indirectly into groundwater. Therefore, DEFS does not believe that a discharge plan is required under the WQCC regulations. Since the WQCC regulations do not require a discharge plan, DEFS is under no legal obligation to renew Discharge Plan GW-277. DEFS disagrees that any discharge plan is required for this facility under the WQCC’s regulations.

Although DEFS believes that it is not required to have a discharge plan for Big Eddy Compressor Station, DEFS submits the following for Big Eddy Compressor Station:

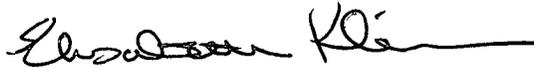
- Enclosed discharge plan renewal application (original and a copy);
- Enclosed check in the amount of \$100 for the discharge plan renewal application filing fee.

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

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

Sincerely,

Duke Energy Field Services, LP



Elisabeth Klein
Senior Environmental Specialist

Enclosures

cc: NMOCD District 2 Office (*UPS Next Day Air Tracking No. 1Z F46 915 21 1000 496 7*)
1301 W. Grand Avenue
Artesia, NM 88210



370 17th Street, Suite 2500
Denver, Colorado 80202
(303) 595-3331
(303) 605-1957 fax

October 19, 2006

UPS

PRIORITY OVERNIGHT (Tracking Number 1Z F46 915 21 1000 497 6)

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

Subject:

Big Eddy Compressor Station (Big Eddy #1 Lateral Compressor Station)
Discharge Permit Renewal (GW-277)
Eddy County, New Mexico

Dear Mr. Ford:

As we have discussed previously, DEFS 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. Specifically, NMSA 1978, §74-6-12.G (1999) provides that "[t]he Water Quality Act does not apply to any activity or condition subject to the authority of the oil conservation commission pursuant to the provisions of the Oil and Gas Act, Section 70-2-12 NMSA 1978 and other laws conferring power on the oil conservation commission to prevent or abate water pollution." NMSA 1978, §70-2-12.B(21) (1996) provides that the OCD has the authority to regulate "the disposition of nondomestic wastes resulting from the exploration, production or storage of crude oil or natural gas to protect public health and the environment." The language of Section 70-2-12.B(21), DEFS believes, precludes the application of the Water Quality Act to the disposal of wastes from compressor stations. Therefore, DEFS is under no obligation to comply with the discharge plan renewal requirements of the WQCC regulations.

Further, even if the Water Quality Act and regulations applied, the WQCC regulations do not require a discharge plan for this facility. According to the WQCC regulations, 20.6.2.3106B NMAC, a facility must have an approved discharge plan if the facility intends to or has a discharge or discharges that may move directly or indirectly into groundwater.

The Big Eddy Compressor Station does not have any discharges that may move directly or indirectly into groundwater. Therefore, DEFS does not believe that a discharge plan is required under the WQCC regulations. Since the WQCC regulations do not require a discharge plan, DEFS is under no legal obligation to renew Discharge Plan GW-277. DEFS disagrees that any discharge plan is required for this facility under the WQCC's regulations.

Although DEFS believes that it is not required to have a discharge plan for Big Eddy Compressor Station, DEFS submits the following for Big Eddy Compressor Station:

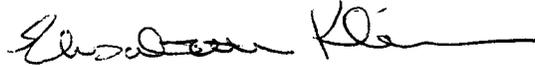
- Enclosed discharge plan renewal application (original and a copy);
- Enclosed check in the amount of \$100 for the discharge plan renewal application filing fee.

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

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

Sincerely,

Duke Energy Field Services, LP



Elisabeth Klein
Senior Environmental Specialist

Enclosures

cc: NMOCD District 2 Office (UPS Next Day Air Tracking No. 1Z F46 915 21 1000 496 7)
1301 W. Grand Avenue
Artesia, NM 88210

Description	FUND	CES	DFA ORG	DF ACC	ED ORG	ED ACCT	AMOUNT	
1 CY Reimbursement Project Tax	064	01		2328	900000	2328134		1
2 Gross Receipt Tax	064	01						2
3 Air Quality Title V	092	13	1300	1896	900000	4169134		3
4 PRP Prepayments	248	14	1400	9696	900000	4989014		4
5 Climax Chemical Co.	248	14	1400	9696	900000	4989015		5
6 Circle K Reimbursements	248	14	1400	9696	900000	4989248		6
7 Hazardous Waste Permits	339	27	2700	1696	900000	4169027		7
8 Hazardous Waste Annual Generator Fees	339	27	2700	1696	900000	4169339		8
9 Water Quality - Oil Conservation Division	341	29		2329	900000	2328029	5200 ⁰⁰	10
10 Water Quality - GW Discharge Permit	341	29	2900	1696	900000	4169029		11
11 Air Quality Permits	631	31	2500	1696	900000	4169031		12
12 Payments under Protest	651	33		2919	900000	2919033		13
13 Xerox Copies	652	34		2349	900000	2349001		14
14 Ground Water Penalties	652	34		2349	900000	2349002		15
15 Witness Fees	652	34		2349	900000	2439003		16
16 Air Quality Penalties	652	34		2349	900000	2349004		17
17 OSHA Penalties	652	34		2349	900000	2349005		18
18 Prior Year Reimbursement	652	34		2349	900000	2349006		19
19 Surface Water Quality Certification	652	34		2349	900000	2349009		20
20 Jury Duty	652	34		2349	900000	2349012		21
21 CY Reimbursements (i.e. telephone)	652	34		2349	900000	2349014		22
22 UST Owner's List	783	24	2500	9696	900000	4989201		*23
23 Hazardous Waste Notifiers List	783	24	2500	9696	900000	4989202		*24
24 UST Maps	783	24	2500	9696	900000	4989203		*25
25 UST Owners Update	783	24	2500	9696	900000	4989205		*26
26 Hazardous Waste Regulations	783	24	2500	9696	900000	4989207		*28
27 Radiologic Tech. Regulations	783	24	2500	9696	900000	4989208		*29
28 Superfund CERLIS List	783	24	2500	9696	900000	4989211		*30
29 Solid Waste Permit Fees	783	24	2500	9696	900000	4989213		31
30 Smoking School	783	24	2500	9696	900000	4989214		32
31 SWQB - NPS Publications	783	24	2500	9696	900000	4989222		*33
32 Radiation Licensing Regulation	783	24	2500	9696	900000	4989228		*34
33 Sale of Equipment	783	24	2500	9696	900000	4989301		*35
34 Sale of Automobile	783	24	2500	9696	900000	4989302		*36
35 Lust Recoveries	783	24	2500	9696	900000	4989814		**37
36 Lust Repayments	783	24	2500	9696	900000	4989815		**38
37 Surface Water Publication	783	24	2500	9696	900000	4989801		39
38 Exxon Reese Drive Ruidoso - CAF	783	24	2500	9696	900000	4989242		40
39 Emerg. Hazardous Waste Penalties NOV	957	32	9600	1696	900000	4164032		41
40 Radiologic Tech. Certification	987	05	0500	1696	900000	4169005		42
41 Ust Permit Fees	989	20	3100	1696	900000	4169020		44
42 UST Tank Installers Fees	989	20	3100	1696	900000	4169021		45
43 Food Permit Fees	991	28	2600	1696	900000	4169026		46
44 Other								43

TOTAL 5200⁰⁰

Gross Receipt Tax Required Site Name & Project Code Required

Contact Person: Wagner Price Phone: 476-3490 Date: 10/27/06
 Received in ASD By: _____ Date: _____ RT #: _____ ST #: _____

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [redacted] dated 10/11/06
or cash received on _____ for the amount of \$ 100⁰⁰

from Duke Energy Field Services
for GW-277 Big Eddy Compressor station

Submitted by: Lawrence Ramirez Date: 10/27/06

Submitted to ASD by: Lawrence Ramirez Date: 10/27/06

Received in ASD by: _____ Date: _____

Filing Fee New Facility _____ Renewal _____

Modification _____ Other _____

Organization Code 52L07 Applicable FY 2004

To be deposited in the Water Quality Management Fund.

Full Payment _____ or Annual Increment _____

OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER WITH VISIBLE FIBERS AND A TRUE WATERMARK ON THE REVERSE SIDE.

Duke Energy Field Services, LP
17th Street, Suite 2500
Denver, CO 80202

JPMORGAN CHASE
Syracuse, NY 30-9371213

Vendor No.	Check Date	Check Number
0000078217	10/11/06	[redacted]

NOT NEGOTIABLE AFTER 120 DAYS

Check Amount
***100.00

Pay One hundred and xx / 100 Dollars

To The Order Of
NEW MEXICO-
WATER QUALITY MANAGEMENT FUND
C/O NEW MEXICO OIL CONSERVATION DIVISION
1220 S ST FRANCIS DRIVE
Santa Fe, NM 87505

Lawrence Ramirez
Authorized Signature

HOLD BETWEEN THUMB AND FOREFINGER, OR BREATHE ON COLORED BOX, COLOR WILL DISAPPEAR, THEN REAPPEAR.

GW-277

Duke Energy Field Services, LP

370 17th Street, Suite 2500

Denver, CO 80202

Vendor Number

0000078217

Vendor Name

NEW MEXICO-

Check Number

Check Date

10/11/06

Invoice Number	Invoice Date	Net Amount	Description
1006-DISCHPERM-ARTE	10/1/06	100.00	1006-DISCHARGE PERMIT RENEWAL APPL FEE-ARTESIA PLT
	Total Paid	100.00	

Please Detach and Retain for Your Records

THE FACE

Duke En

370 1

D

GW-277

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

Form C-144
June 1, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes No

Type of action: Registration of a pit or below-grade tank Closure of a pit or below-grade tank

Operator: Duke Energy Field Services, LP Telephone: (505) 628-0282 e-mail address: _____
 Address: 2010 E. Orchard Lane, Carlsbad, NM 88220
 Facility or well name: Big Eddy Compressor Station API #: _____ U/L or Qtr/Qtr NE/NE Sec 19 T 21S R 28E
 County: Eddy Latitude 32.5484579 Longitude -103.907128 NAD: 1927 1983 Surface Owner Federal State Private Indian

Pit Type: Drilling <input type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input type="checkbox"/> Thickness _____ mil Clay <input type="checkbox"/> Pit Volume _____ bbl	Below-grade tank Water, non-hazardous biodegradable detergent, compressor lube oil (incidental volume), antifreeze (incidental volume), storm water Volume: <u>21</u> bbl Type of fluid: _____ Construction material: <u>Fiberglass</u> Double-walled, with leak detection? Yes <input checked="" type="checkbox"/> If not, explain why not. _____	
	Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet ✓ (20 points) 50 feet or more, but less than 100 feet (10 points) 100 feet or more (0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes (20 points) No ✓ (0 points)	
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet ✓ (10 points) 1000 feet or more (0 points)	
Ranking Score (Total Points)		30

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite offsite If offsite, name of facility _____. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No Yes If yes, show depth below ground surface _____ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit , or an (attached) alternative OCD-approved plan .

Date: 9/08/04
 Printed Name/Title Johnny Lamb/Field Supervisor Signature Johnny Lamb

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:
 Printed Name/Title _____ Signature _____ Date: _____



DUKE ENERGY FIELD SERVICES
370 17th Street
Suite 900
Denver, CO 80202
303 595 3331

May 23, 2003

CERTIFIED MAIL
RETURN RECEIPT REQUESTED (Article No. 7002 2030 0006 2400 0358)

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

SUBJECT: Big Eddy Compressor Station
Eddy County, New Mexico

Dear Mr. Ford:

Duke Energy Field Services, LP (DEFS) requests the approval for the installation of a below-grade tank at the Big Eddy Compressor Station. In accordance with 19.15.1.18A NMAC and NMOCD "Guidelines for the Selection and Installation of Below-Grade Produced Water Tanks" (revised October 1991), DEFS submits the enclosed below-grade tank installation application.

If you have any questions regarding this below-grade tank installation application, please call me at (303) 605-1717.

Sincerely,
Duke Energy Field Services, LP

A handwritten signature in black ink, appearing to read 'Karin Char Kimura', written in a cursive style.

Karin Char Kimura
Senior Environmental Specialist

Enclosure

**Duke Energy Field Services, LP
Big Eddy Compressor Station
Below-grade Tank Installation Application**

Tank Selection

Tank is a Mur-Tex Co. double-walled tank (sump) with a vinyl ester corrosion barrier on the inner tank (~881 gal. capacity). The tank is equipped with an inspection port in the interstitial space to allow the tank to be periodically checked for leaks. Refer to Figure 1 – Tank Construction and Design Details.

Installation

Refer to Figure 2 Facility Plot Plan for the below-grade tank (sump) installation location.

Function

The below-grade tank will collect wastes from various sources for off-site disposal. The table below identifies the wastes, sources, and volumes of effluent that will be collected in the below-grade tank (sump) and disposition.

Tank	Sources	Waste Streams	Activities Generating Waste	Volume	Disposition
Sump	<ul style="list-style-type: none"> • Compressor Skids • Glycol dehydrator skid • Glycol dehydrator Condenser 	<ul style="list-style-type: none"> • Water • Non-hazardous biodegradable detergent • Compressor lube oil (incidental volume) • Triethylene glycol (incidental volume) • Storm water 	<ul style="list-style-type: none"> • Compressor skid wash downs • Incidental leaks/drips from compressors • Incidental leaks/drips from glycol dehydrator • Storm events 	Varies	Aboveground storage tank for off-site disposal

Maintenance

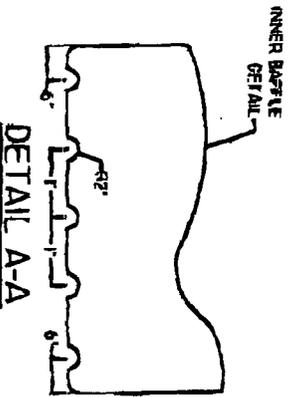
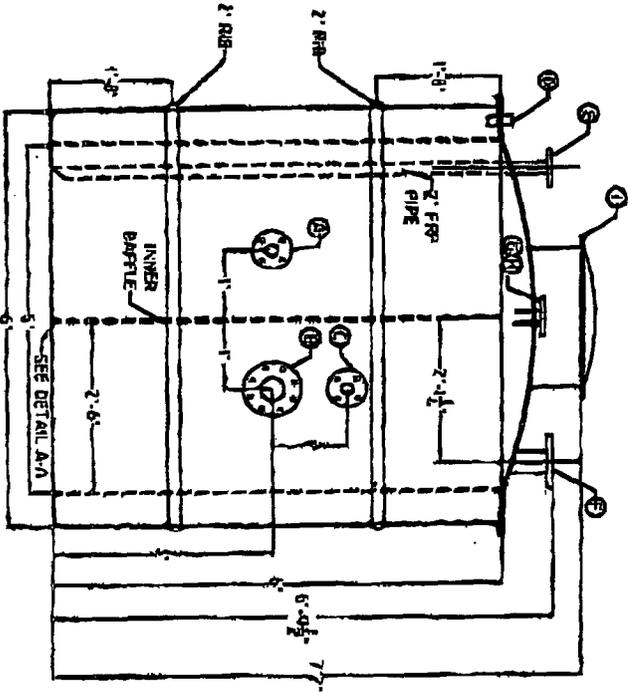
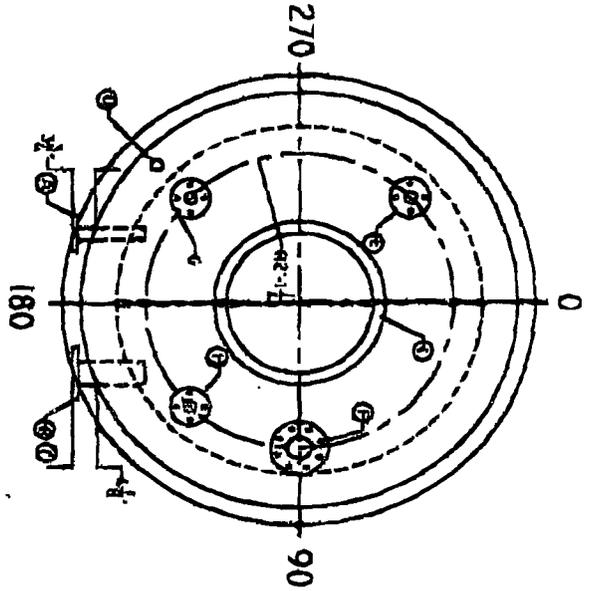
Field operators will use the inspection port to visually inspect the interstitial space of the below-grade tank for leaks on a monthly basis. If any problems are noted, repairs are made in the most expeditious manner possible.

Contingency Plan

In the event of a tank leak, DEFS will respond as outlined in the facility's Spill Prevention Control and Countermeasure Plan and report spills and leaks 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. If necessary, the below-grade tank will be repaired in the most expeditious manner possible.

Figures

Figure 1. Tank Construction and Design Details.



FITTING SCHEDULE			
NO.	DATA (ID)	ELEV	SERVICE
A	7"	SIDE	FLANGE
B	2"	SIDE	FLANGE
C	2"	SIDE	FLANGE
D	2"	TOP	FLANGE
E	2"	TOP	FLANGE
F	2"	TOP	FLANGE
G	2"	TOP	FLANGE
H	2"	TOP	FLANGE
I	2"	TOP	FLANGE

RESIN SPECIFICATION	
SYMBOL	DESCRIPTION
1	RESIN
2	INITIATOR
3	INITIATOR
4	INITIATOR
5	INITIATOR
6	INITIATOR
7	INITIATOR
8	INITIATOR
9	INITIATOR
10	INITIATOR
11	INITIATOR
12	INITIATOR
13	INITIATOR
14	INITIATOR
15	INITIATOR
16	INITIATOR
17	INITIATOR
18	INITIATOR
19	INITIATOR
20	INITIATOR
21	INITIATOR
22	INITIATOR
23	INITIATOR
24	INITIATOR
25	INITIATOR
26	INITIATOR
27	INITIATOR
28	INITIATOR
29	INITIATOR
30	INITIATOR
31	INITIATOR
32	INITIATOR
33	INITIATOR
34	INITIATOR
35	INITIATOR
36	INITIATOR
37	INITIATOR
38	INITIATOR
39	INITIATOR
40	INITIATOR
41	INITIATOR
42	INITIATOR
43	INITIATOR
44	INITIATOR
45	INITIATOR
46	INITIATOR
47	INITIATOR
48	INITIATOR
49	INITIATOR
50	INITIATOR
51	INITIATOR
52	INITIATOR
53	INITIATOR
54	INITIATOR
55	INITIATOR
56	INITIATOR
57	INITIATOR
58	INITIATOR
59	INITIATOR
60	INITIATOR
61	INITIATOR
62	INITIATOR
63	INITIATOR
64	INITIATOR
65	INITIATOR
66	INITIATOR
67	INITIATOR
68	INITIATOR
69	INITIATOR
70	INITIATOR
71	INITIATOR
72	INITIATOR
73	INITIATOR
74	INITIATOR
75	INITIATOR
76	INITIATOR
77	INITIATOR
78	INITIATOR
79	INITIATOR
80	INITIATOR
81	INITIATOR
82	INITIATOR
83	INITIATOR
84	INITIATOR
85	INITIATOR
86	INITIATOR
87	INITIATOR
88	INITIATOR
89	INITIATOR
90	INITIATOR
91	INITIATOR
92	INITIATOR
93	INITIATOR
94	INITIATOR
95	INITIATOR
96	INITIATOR
97	INITIATOR
98	INITIATOR
99	INITIATOR
100	INITIATOR

SYMBOL	DESCRIPTION	THICKNESS	LAYERS
1	RESIN		
2	INITIATOR		
3	INITIATOR		
4	INITIATOR		
5	INITIATOR		
6	INITIATOR		
7	INITIATOR		
8	INITIATOR		
9	INITIATOR		
10	INITIATOR		
11	INITIATOR		
12	INITIATOR		
13	INITIATOR		
14	INITIATOR		
15	INITIATOR		
16	INITIATOR		
17	INITIATOR		
18	INITIATOR		
19	INITIATOR		
20	INITIATOR		
21	INITIATOR		
22	INITIATOR		
23	INITIATOR		
24	INITIATOR		
25	INITIATOR		
26	INITIATOR		
27	INITIATOR		
28	INITIATOR		
29	INITIATOR		
30	INITIATOR		
31	INITIATOR		
32	INITIATOR		
33	INITIATOR		
34	INITIATOR		
35	INITIATOR		
36	INITIATOR		
37	INITIATOR		
38	INITIATOR		
39	INITIATOR		
40	INITIATOR		
41	INITIATOR		
42	INITIATOR		
43	INITIATOR		
44	INITIATOR		
45	INITIATOR		
46	INITIATOR		
47	INITIATOR		
48	INITIATOR		
49	INITIATOR		
50	INITIATOR		
51	INITIATOR		
52	INITIATOR		
53	INITIATOR		
54	INITIATOR		
55	INITIATOR		
56	INITIATOR		
57	INITIATOR		
58	INITIATOR		
59	INITIATOR		
60	INITIATOR		
61	INITIATOR		
62	INITIATOR		
63	INITIATOR		
64	INITIATOR		
65	INITIATOR		
66	INITIATOR		
67	INITIATOR		
68	INITIATOR		
69	INITIATOR		
70	INITIATOR		
71	INITIATOR		
72	INITIATOR		
73	INITIATOR		
74	INITIATOR		
75	INITIATOR		
76	INITIATOR		
77	INITIATOR		
78	INITIATOR		
79	INITIATOR		
80	INITIATOR		
81	INITIATOR		
82	INITIATOR		
83	INITIATOR		
84	INITIATOR		
85	INITIATOR		
86	INITIATOR		
87	INITIATOR		
88	INITIATOR		
89	INITIATOR		
90	INITIATOR		
91	INITIATOR		
92	INITIATOR		
93	INITIATOR		
94	INITIATOR		
95	INITIATOR		
96	INITIATOR		
97	INITIATOR		
98	INITIATOR		
99	INITIATOR		
100	INITIATOR		

SYMBOL	DESCRIPTION	THICKNESS	LAYERS
1	RESIN		
2	INITIATOR		
3	INITIATOR		
4	INITIATOR		
5	INITIATOR		
6	INITIATOR		
7	INITIATOR		
8	INITIATOR		
9	INITIATOR		
10	INITIATOR		
11	INITIATOR		
12	INITIATOR		
13	INITIATOR		
14	INITIATOR		
15	INITIATOR		
16	INITIATOR		
17	INITIATOR		
18	INITIATOR		
19	INITIATOR		
20	INITIATOR		
21	INITIATOR		
22	INITIATOR		
23	INITIATOR		
24	INITIATOR		
25	INITIATOR		
26	INITIATOR		
27	INITIATOR		
28	INITIATOR		
29	INITIATOR		
30	INITIATOR		
31	INITIATOR		
32	INITIATOR		
33	INITIATOR		
34	INITIATOR		
35	INITIATOR		
36	INITIATOR		
37	INITIATOR		
38	INITIATOR		
39	INITIATOR		
40	INITIATOR		
41	INITIATOR		
42	INITIATOR		
43	INITIATOR		
44	INITIATOR		
45	INITIATOR		
46	INITIATOR		
47	INITIATOR		
48	INITIATOR		
49	INITIATOR		
50	INITIATOR		
51	INITIATOR		
52	INITIATOR		
53	INITIATOR		
54	INITIATOR		
55	INITIATOR		
56	INITIATOR		
57	INITIATOR		
58	INITIATOR		
59	INITIATOR		
60	INITIATOR		
61	INITIATOR		
62	INITIATOR		
63	INITIATOR		
64	INITIATOR		
65	INITIATOR		
66	INITIATOR		
67	INITIATOR		
68	INITIATOR		
69	INITIATOR		
70	INITIATOR		
71	INITIATOR		
72	INITIATOR		
73	INITIATOR		
74	INITIATOR		
75	INITIATOR		
76	INITIATOR		
77	INITIATOR		
78	INITIATOR		
79	INITIATOR		
80	INITIATOR		
81	INITIATOR		
82	INITIATOR		
83	INITIATOR		
84	INITIATOR		
85	INITIATOR		
86	INITIATOR		
87	INITIATOR		
88	INITIATOR		
89	INITIATOR		
90	INITIATOR		
91	INITIATOR		
92	INITIATOR		
93	INITIATOR		
94	INITIATOR		
95	INITIATOR		
96	INITIATOR		
97	INITIATOR		
98	INITIATOR		
99	INITIATOR		
100	INITIATOR		

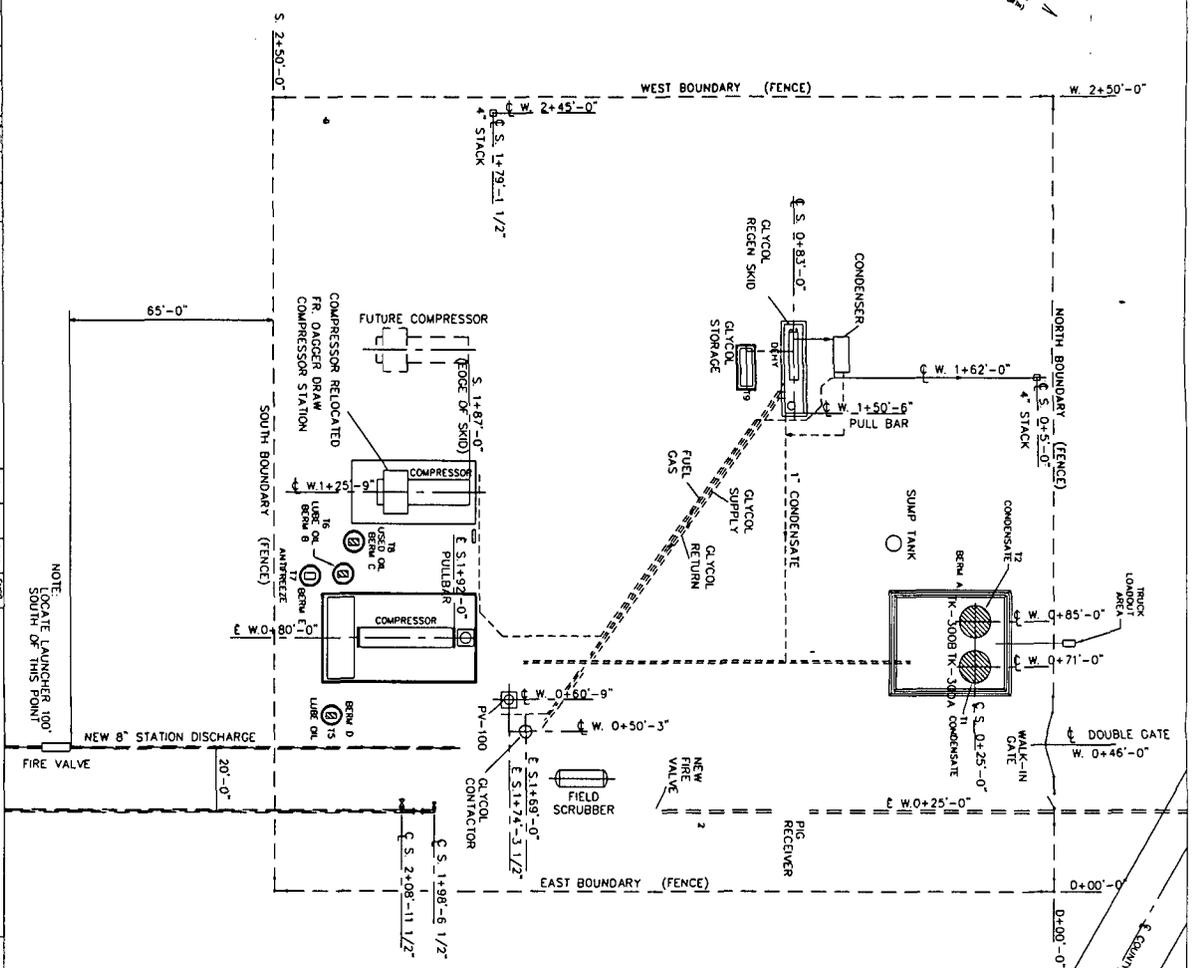
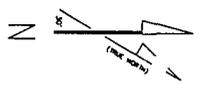
UNLESS OTHERWISE NOTED
 (J) INNER TANK CONSTRUCTED WITH VINYL ESTER
 CORROSION BARRIER

THE MUR-TEX CO.

5' X 6' DUAL TANK
 DUKE ENERGY

NO.	DESCRIPTION	QTY	UNIT	PRICE	TOTAL
1	5' X 6' INNER	2	EA		
2	888 GALLONS				
3	021002-1				
4	LAPE WASCLET				
5	021002-1				
6	021002-1				

Figure 2. Facility Plot Plan.



NOTE:
LOCATE LAUNCHER 100'
SOUTH OF THIS POINT

REV	DATE	REVISION
1	1/17/00	ISSUED FOR APPROVAL
2	1/17/00	ISSUED FOR CONSTRUCTION
3	1/17/00	ADDED NEW COMP. SCRUBBER & RECEIVER

BY	CHK'D	DATE	REVISION
JC	JC		
WFL	WFL		

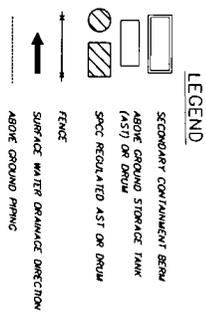
BY	CHK'D	DATE	REVISION



DATE	SCALE	DATE	SCALE
10/17/00	1"=30'	10/17/00	1"=30'

PLOT PLAN
BIG EDDY
COMPRESSOR STATION

NO.	DATE	SCALE
50	MP-1	1"=30'





OIL CONSERVATION DIV.
02 DEC 19 PM 12:57

Duke Energy Field Services
P.O. Box 5493
Denver, Colorado 80217
370 17th Street, Suite 900
Denver, Colorado 80202
303/595-3331

December 18, 2002

FEDERAL EXPRESS
PRIORITY OVERNIGHT (Tracking Number 8336 1954 5464)

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

Subject: Big Eddy Compressor Station (a.k.a. Big Eddy Lateral #1 Compressor Station)
Discharge Plan GW-277
Eddy County, New Mexico

Dear Mr. Ford:

Duke Energy Field Services, LP (DEFS) submits the following for the Big Eddy Compressor Station:

- Signed Discharge Plan Approval Conditions; and
- Check in the amount of \$1700.00 for discharge plan flat fee.

If you have any questions regarding this discharge plan, please call me at (303) 605-1717. Please send all correspondence regarding the Big Eddy Compressor Station discharge plan to me at 370 17th Street, Suite 900, Denver, CO 80202.

Sincerely,
Duke Energy Field Services, LP

Karin Char Kimura
Senior Environmental Specialist

Enclosures

cc: NMOCD District 2 Office (via FedEx Priority Overnight Tracking No. 8336 1954 5431)
1301 W. Grand Avenue
Artesia, NM 88210

THE SANTA FE
NEW MEXICAN

Founded 1849

NOTICE OF PUBLICATION

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

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

(GW-277) - Duke Energy Field Services, LP, Mr. Greg Kardos, Asset Manager, 3300 North A Street, Building 7, Midland, Texas 79705, has submitted a discharge plan renewal application for their Big Eddy Compressor Station located in the NE/4 NE/4, Section 19, Township 21 South, Range 28 East, NMPM, Eddy County, New Mexico. Any potential discharge at the facility will be stored in closed top containers prior to transport of site to an OCD approved disposal facility. Groundwater most likely to be affected by an accidental discharge is at a depth of 40 feet with a total dissolved solids concentration of 6,090 mg/l. The discharge plan addresses how spill, leaks, and other accidental discharges to the surface will be managed.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge plan application may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday thru Friday. Prior to ruling on any proposed discharge plan or its modification, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted to him and public hearing may be requested by any interested person. Request for public hearing shall set forth the reasons why a hearing shall be held. A hearing will be held if the director determines that there is significant public interest.

If no hearing is held, the Director will approve or disapprove the plan based on the information available. If a public hearing is held, the Director will approve the plan based on the information in the plan and information presented at the hearing.

GIVEN under the Seal of New Mexico Conservation Commission at Santa Fe, New Mexico, on this 12th day of August, 2002.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

SEAL
LORI WROTENBERY, Director
Legal #72328
Pub. Oct. 18, 2002

AD NUMBER: 286558 ACCOUNT: 56660
LEGAL NO: 72328 P.O.#: 03-199-0000
181 LINES 1 time(s) at \$ 79.79
AFFIDAVITS: 5.25
TAX: 5.31
TOTAL: 90.35

AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO
COUNTY OF SANTA FE

I, K. Voorhees being first duly sworn declare and say that I am Legal Advertising Representative of THE SANTA FE NEW MEXICAN, a daily newspaper published in the English language, and having a general circulation in the Counties of Santa Fe and Los Alamos, State of New Mexico and being a Newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 on Session Laws of 1937; that the publication #72328 a copy of which is hereto attached was published in said newspaper 1 day(s) between 10/18/2002 and 10/18/2002 and that the notice was published in the newspaper proper and not in any supplement; the first publication being on the 18 day of October, 2002 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

1/S/ K. Voorhees
LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this
21 day of October A.D., 2002

Notary Laura E. Harding
Commission Expires 11/23/03



RECEIVED

OCT 24 2002

OIL CONSERVATION DIVISION

Affidavit of Publication

State of New Mexico, County of Eddy, ss.

Dawn Higgins, being first duly sworn, on oath says:

That she is Business 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:

- October 18, 2002

That the cost of publication is \$ 64.26 and that payment thereof has been made and will be assessed as court costs.

Dawn Higgins (signature)

Subscribed and sworn to before me this

21 day of October, 2002

Stephanie Gibson (signature)

My commission expires 12/13/05 Notary Public



October 18, 2002

NOTICE OF PUBLICATION

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

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

(GW-277)-Duke Energy Field Services, LP, Mr. Greg Kardos, Asset Manager, 3300 North A Street, Building 7, Midland, Texas 79705, has submitted a discharge plan renewal application for their Big Eddy Compressor Station located in the NE/4 NE/4, Section 19, Township 21 South, Range 28 East, NMPM, Eddy County, New Mexico. Any potential discharge at the facility will be stored in closed top containers prior to transport of site to an OCD approved disposal facility. Groundwater most likely to be affected by an accidental discharge is at a depth of 40 feet with a total dissolved solids concentration of 6,090 mg/l. The discharge plan addresses how spill, leaks, and other accidental discharges to the surface will be managed.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge plan application may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday thru Friday. Prior to ruling on any proposal discharge plan or its modification, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted to him and public hearing may be requested by any interested person. Request for public hearing shall set forth the reasons why a hearing shall be held.

A hearing will be held if the director determines that there is significant public interest.

If no hearing is held, the Director will approve or disapprove the plan based on the information available. If a public hearing is held, the Director will approve the plan based on the information in the plan and information presented at the hearing.

GIVEN under the Seal of New Mexico Conservation Commission at Santa Fe, New Mexico, on this 12th day of August, 2002.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

LORI WROTENBERY, Director

NOTICE OF PUBLICATION

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

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

(GW-277) – Duke Energy Field Services, LP, Mr. Greg Kardos, Asset Manager, 3300 North A Street, Building 7, Midland, Texas 79705, has submitted a discharge plan renewal application for their Big Eddy Compressor Station located in the NE/4 NE/4, Section 19, Township 21 South, Range 28 East, NMPM, Eddy County, New Mexico. Any potential discharge at the facility will be stored in closed top containers prior to transport of site to an OCD approved disposal facility. Groundwater most likely to be affected by an accidental discharge is at a depth of 40 feet with a total dissolved solids concentration of 6,090 mg/l. The discharge plan addresses how spill, leaks, and other accidental discharges to the surface will be managed.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above.

The discharge plan application may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday thru Friday. Prior to ruling on any proposed discharge plan or its modification, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted to him and public hearing may be requested by any interested person. Request for public hearing shall set forth the reasons why a hearing shall be held.

A hearing will be held if the director determines that there is significant public interest.

If no hearing is held, the Director will approve or disapprove the plan based on the information available. If a public hearing is held, the Director will approve the plan based on the information in the plan and information presented at the hearing.

GIVEN under the Seal of New Mexico Conservation Commission at Santa Fe, New Mexico, on this 12th day of August, 2002.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


for LORI WROTENBERY, Director

SEAL

September 30, 2002

CERTIFIED MAIL
RETURN RECEIPT

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

Subject: Big Eddy Compressor Station (a.k.a. Big Eddy Lateral #1 Compressor Station)
Discharge Plan GW-277
Eddy County, New Mexico

Dear Mr. Ford:

This letter is in response to Roger Anderson's September 12, 2002 letter regarding the compliance status of Duke Energy Field Services, LP's (DEFS) Big Eddy Compressor Station. In the letter, Mr. Anderson asserted that 20.6.2.311.B required DEFS, as the transferee of Discharge Plan GW-277, to obtain approval from the Oil Conservation Division (OCD) of the discharge plan transfer. As described below, DEFS disagrees that any OCD approval was necessary. In fact, DEFS disagrees that any discharge plan is required for this facility under the WQCC's regulations.

As we have discussed previously, DEFS 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. Specifically, NMSA 1978, §74-6-12.G (1999) provides that "[t]he Water Quality Act does not apply to any activity or condition subject to the authority of the oil conservation commission pursuant to the provisions of the Oil and Gas Act, Section 70-2-12 NMSA 1978 and other laws conferring power on the oil conservation commission to prevent or abate water pollution." NMSA 1978, §70-2.12.B(21) (1996) provides that the OCC has the authority to regulate "the disposition of nondomestic wastes resulting from the exploration, production or storage of crude oil or natural gas to protect public health and the environment." The language of Section 70-2-12.B(21), DEFS believes, precludes the application of the Water Quality Act to the disposal of wastes from compressor stations. Therefore, DEFS was under no obligation to comply with the discharge plan transfer and renewal requirements of the WQCC regulations.

Further, even if the Water Quality Act and regulations applied, the WQCC regulations do not require a discharge plan for this facility. According to the WQCC regulations, 20.6.2.3106B NMAC, a facility must have an approved discharge plan if the facility intends to or has a discharge or discharges that may move directly or indirectly into groundwater. Since the Big Eddy Compressor Station does not have any discharges that may move directly or indirectly into groundwater, DEFS does not believe that a discharge plan is required under the WQCC regulations. Since the WQCC regulations do not require a discharge plan, DEFS is under no legal obligation to renew Discharge Plan GW-277.

RECEIVED

OCT 01 2002

Environmental Bureau
Oil Conservation Division



A New Kind of Energy™
Mr. Jack Ford
Page 2 of 2.
September 30, 2002

Although DEFS believes that it is not required to have a discharge plan for Big Eddy Compressor Station, DEFS submits the following for Big Eddy Compressor Station:

- Enclosed discharge plan renewal application (original and a copy);
- Enclosed check in the amount of \$100 for the discharge plan renewal application filing fee.

Please be advised that DEFS's submittal of the renewal application and application filing fee does not waive DEFS's objection to the OCD's positions taken in the September 12, 2002 letter.

If you have any questions concerning DEFS's position or the renewal application, please contact me at (303) 605-1717.

Sincerely,
Duke Energy Field Services, LP

A handwritten signature in black ink, appearing to read 'Karin Char'.

Karin Char
Environmental Specialist

Enclosures

cc: NMOCD District 2 Office
1301 W. Grand Avenue
Artesia, NM 88210

73

1 00

FedEx *USA Airbill*
Express
FedEx
Tracking
Number

8336 1957 5272

Form
I.D. No.

0215

SAC23

Sender's Copy

1 From *Please print and press hard.*Date 09/30/02 Sender's FedEx Account Number 1121-5530-9Sender's Name KARIN CHAR Phone (303) 595-3331Company DUKE ENERGY FIELD SERVICESAddress 370 17TH ST STE 900 Dept./Floor/Suite/RoomCity DENVER State CO ZIP 80202**2 Your Internal Billing Reference**

First 24 characters will appear on invoice.

OPTIONAL

3 ToRecipient's Name JACK FORD Phone (505) 476-3489Company NEW MEXICO OIL CONSERVATION DIV.Address 1220 S. ST. FRANCIS DR. To "HOLD" at FedEx location, print FedEx address. We cannot deliver to P.O. boxes or P.O. ZIP codes.

Address Dept./Floor/Suite/Room

City SANTA FE State NM ZIP 87505
[Try online shipping at fedex.com](http://www.fedex.com)

By using this Airbill you agree to the service conditions on the back of this Airbill and in our current Service Guide, including terms that limit our liability.

Questions? Visit our Web site at fedex.com
or call 1.800.Go.FedEx® 800.463.3339.

0214236174

4a Express Package Service
Packages up to 150 lbs.
Delivery commitment may be later in some areas.

 FedEx Priority Overnight FedEx Standard Overnight FedEx First Overnight
Next business morning Next business afternoon Earliest next business morning delivery to select locations
 FedEx 2Day FedEx Express Saver
Second business day Third business day
 FedEx Envelope rate not available. Minimum charge: One-pound rate
4b Express Freight Service
Packages over 150 lbs.
Delivery commitment may be later in some areas.

 FedEx 1Day Freight* FedEx 2Day Freight FedEx 3Day Freight
Next business day Second business day Third business day

* Call for Confirmation.

5 Packaging

* Declared value limit \$500

 FedEx Envelope* FedEx Pak* Other
Includes FedEx Small Pak, FedEx Large Pak, and FedEx Sturdy Pak
6 Special Handling

Include FedEx address in Section 3.

 SATURDAY Delivery Available ONLY for FedEx Priority Overnight and FedEx 2Day to select ZIP codes
 HOLD Weekday at FedEx Location NOT Available for FedEx First Overnight
 HOLD Saturday at FedEx Location Available ONLY for FedEx Priority Overnight and FedEx 2Day to select locations

Does this shipment contain dangerous goods?

One box must be checked.

 No Yes As per attached Shipper's Declaration Yes Shipper's Declaration not required Dry Ice Dry Ice, 5, UN 1845 _____ x _____ kg
 Dangerous Goods (including Dry Ice) cannot be shipped in FedEx packaging. Cargo Aircraft Only
7 Payment Bill to:

Enter FedEx Acct. No. or Credit Card No. below.

 Sender Acct. No. in Section 1 will be billed. Recipient Third Party Credit Card Cash/Check
FedEx Acct. No.
Credit Card No.Exp.
Date

Total Packages	Total Weight	Total Declared Value*
		\$.00

*Our liability is limited to \$100 unless you declare a higher value. See back for details.

FedEx Use Only

8 Release Signature *Sign to authorize delivery without obtaining signature.*

By signing you authorize us to deliver this shipment without obtaining a signature and agree to indemnify and hold us harmless from any resulting claims.

447

SRF • Rev. Date 10/01 • Part #157610S • ©1994-2001 FedEx • PRINTED IN U.S.A.

PULL AND RETAIN THIS COPY BEFORE AFFIXING TO THE PACKAGE.

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: Big Eddy 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: 9/27/2002

**Big Eddy Compressor Station (a.k.a. Big Eddy Lateral #1 Compressor Station)
NE/4 NE/4 T 21S, R 28E, Section 19**

DISCHARGE PLAN

This document constitutes a renewal application for a Groundwater Discharge Plan for the Big Eddy Compressor Station as previously approved NMOCD on February 17, 2002. 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

NE/4 NE/4 Section 19, Township 21S, Range 28E

See Figure 1 -- Site Location Map.

4 Landowner

Duke Energy Field Services, LP
370 17th Street, Suite 900
Denver, CO 80202
(303) 595-3331

5 Facility Description

The facility provides compression for the Avalon 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 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.

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 is no on site disposal activities at the facility.

Off-site Disposal

All liquid and solid wastes are disposed off site.

9 Proposed Modifications

*horsepower - 1085 Cat
625
2000 Superior (3685hp)*

An additional compressor will be installed at the facility. All effluent and waste solids generated from the installation and operation of the future additional compressor will be removed from the facility for off site disposal in accordance with applicable NMOCD, NMED, and EPA regulations.

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)

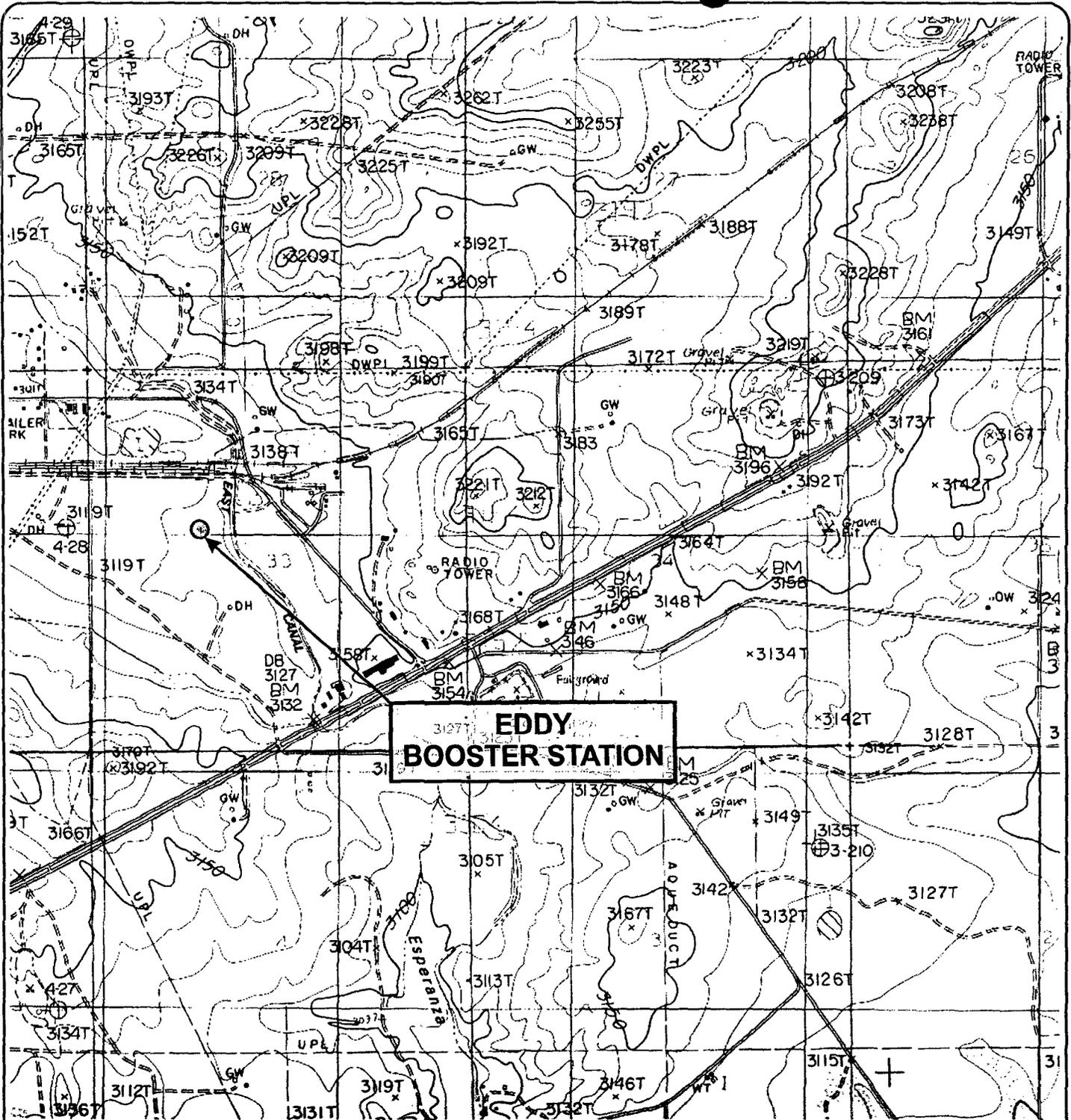
DEFS will respond to spills as outlined in the facility's Spill Prevention Control and Countermeasure Plan and report spills and leaks according to the requirements of the State of New Mexico found in NMOCD Rule 116, 19.15.C.116 NMAC and WQCC regulation, 20.6.2.1203 NMAC.

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.

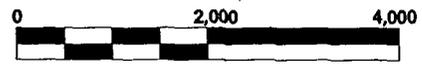
FIGURES

FIGURE 1. Site Location Map – Big Eddy Compressor Station.



QUADRANGLE LOCATION

U.S.G.S. 7.5 MINUTE SERIES (TOPOGRAPHIC)
 CARLSBAD EAST QUADRANGLE
 NEW MEXICO



SCALE IN FEET
 CONTOUR INTERVAL: 10 FEET
 PROVISIONAL EDITION 1985

PENDERGAST SARNI ITELL

1809 Blaka Street, Suite 210
 Denver, Colorado 80202

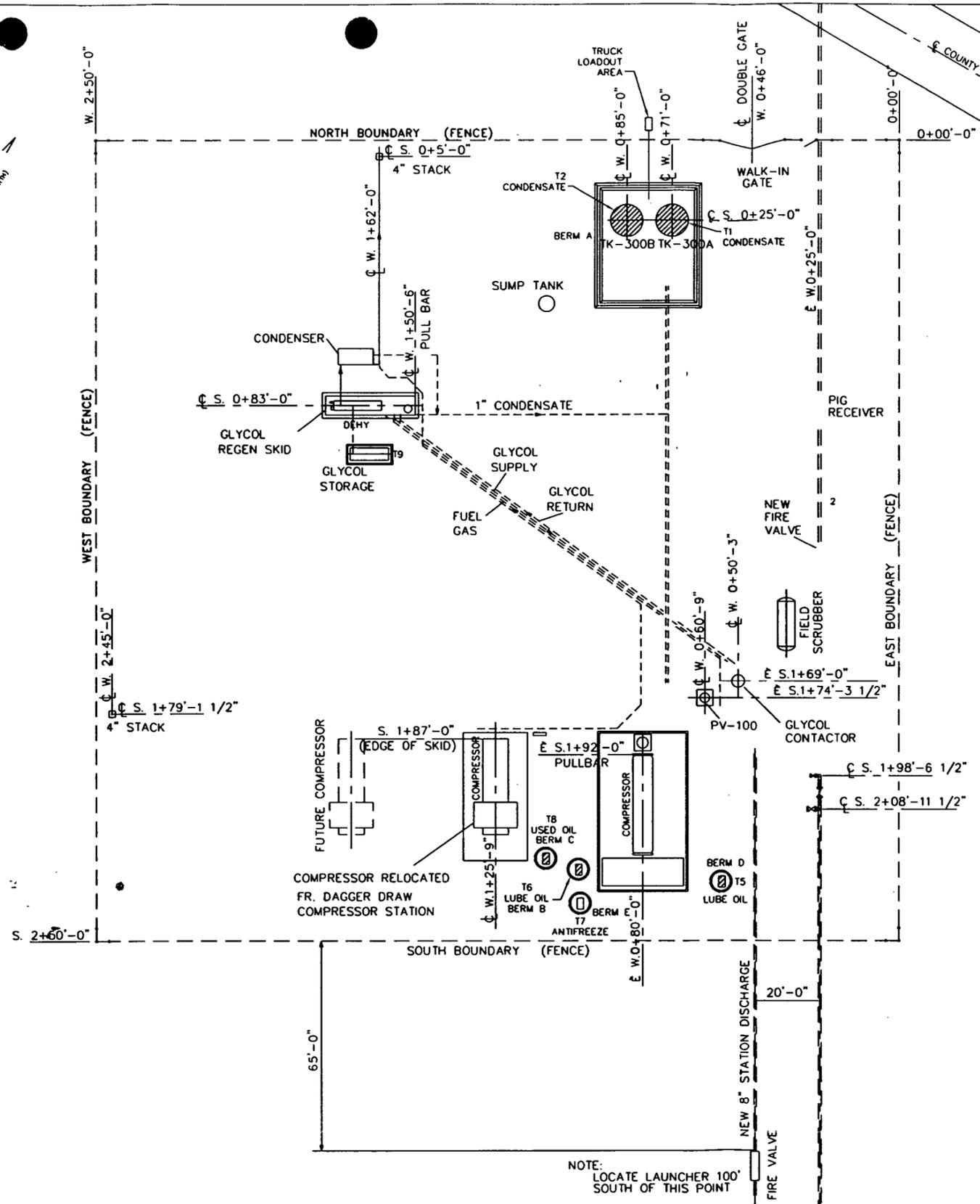
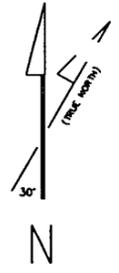


Figure 1

SITE LOCATION MAP
 Duke Energy Field Services, LLC.
 Eddy Booster Station

PROJECT NO.	DRAWING NO.	DATE	REVISION
DUKE.021.00	DUKE-059	11/07/00	A

FIGURE 2. Facility Plot Plan – Big Eddy Compressor Station.



- LEGEND**
- SECONDARY CONTAINMENT BERM
 - ABOVE GROUND STORAGE TANK (AST) OR DRUM
 - SPCC REGULATED AST OR DRUM
 - FENCE
 - SURFACE WATER DRAINAGE DIRECTION
 - ABOVE GROUND PIPING

REV.	DATE	REVISION	BY	CHK'D	ENGR.	ENGR. MGR.	REV.	DATE	REVISION	BY	CHK'D	ENGR.	ENGR. MGR.
A	11/17/00	ISSUED FOR APPROVAL	JC										
1	11/27/00	ISSUED FOR CONSTRUCTION	JC										
2	3/2/01	ADDED NEW COMPR., SCRUBBER & RECEIVER	wrl										



**PLOT PLAN
BIG EDDY
COMPRESSOR STATION**

FIGURE 2
DRAWN: COLEMAN DATE: 10/18/00

JA. NO.	CAD#
AFE. NO.	SCALE
DWG. NO.	GED-1084
SH. NO.	MP-1



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

September 12, 2002

Lori Wrotenbery
Director
Oil Conservation Division

CERTIFIED MAIL
RETURN RECEIPT 3929 9123

Ms. Karin Char
Duke Energy Field Services, LP
P.O. Box 5493
Denver, Colorado 80217

**RE: Big Eddy Lateral #1 Compressor Station – GW-277
Eddy County, New Mexico**

Dear Ms. Char:

Under the provisions of the New Mexico Water Quality Control Commission (WQCC) Regulations, §3111.B, and the authority given the Oil Conservation Division (OCD) the transferee of a site with an approved Discharge Plan is required to obtain approval of the transfer of the discharge plan and certify that the terms and conditions of that Discharge Plan and all rules and regulations of the OCD will be adhered to. Duke Energy Field Services is currently in violation of WQCC §3111 for failure to obtain approval from the OCD of transfer of ownership and providing the required stipulation of compliance with the terms and conditions of discharge plan GW-141. It is the understanding of the OCD that this property was transferred to Duke Energy Field Services effective in December, 2001.

The discharge plan under which the Big Eddy Lateral #1 Compressor Station is operating expired as of February 17, 2002. Pursuant to WQCC §3106.F each day continued operation of the facility without an approved discharge plan constitutes a separate violation of the regulations. If Duke Energy Field Services wishes to continue operations at the facility, submit two copies of a discharge plan renewal application to the OCD Santa Fe office and one copy to the Artesia District Office for review no later than October 1, 2002.

If the facility continues to have potential or actual effluent or leachate discharges and wishes to continue operation, the discharge plan must be renewed. **Pursuant to Section 3106.F., if an application for renewal is submitted at least 120 days before the discharge plan expires, then the existing approved discharge plan for the same activity shall not expire until the application for renewal has been approved or disapproved.** The OCD is reviewing discharge plan submittals and renewals carefully and the review time can extend for several weeks to months.

Ms. Karin Char
GW-277
September 12, 2002
Page 2

Please indicate whether Duke Energy Field Services, Inc. has made or intends to make, any changes in the system, and if so, please include these modifications in the application for renewal.

The discharge plan renewal application for the Big Eddy Lateral #1 Compressor Station is subject to WQCC Regulation 3114. Every billable facility submitting a discharge plan renewal will be assessed a fee equal to the filing fee of \$100.00 plus a flat fee based upon the horsepower rating for gas processing facilities. The \$100.00 filing fee is to be submitted with the discharge plan renewal application and is nonrefundable.

Please make all checks payable to: **NMED-Water Quality Management** and addressed to the OCD Santa Fe Office. Please submit the original discharge plan renewal application and one copy to the OCD Santa Fe Office and one copy to the OCD Artesia District Office. **Note that the completed and signed application form must be submitted with your discharge plan renewal request.** A complete copy of the regulations is available on OCD's website at www.emnrd.state.nm.us/ocd/.

If the Big Eddy Lateral #1 Compressor Station no longer has any actual or potential discharges and a discharge plan is not needed, please notify this office. If the Duke Energy Field Services, Inc. has any questions, please do not hesitate to contact Mr. Jack Ford at (505) 476-3489.

Sincerely,



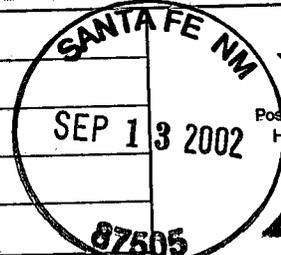
Roger C. Anderson
Chief, Environmental Bureau
Oil Conservation Division

RCA/wjf

cc: OCD Artesia District Office

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To: *K. Char*

Street, Apt. No.;
or PO Box No.: *Duke*

City, State, ZIP+4: *GW-277*

PS Form 3800, January 2001 See Reverse for Instructions

ETB 626 526 322 7002

Martin, Ed

From: Salley Cudney [scudney@enservice.com]
Sent: Thursday, January 10, 2002 9:46 AM
To: Martin, Ed
Subject: RE: Discharge Plans

Terry called me and let me know that Big Eddy belongs to Duke Energy now and I emailed them. You should probably be hearing from them shortly.

Thanks for the heads up. Sorry it took me so long to track down whose it was.

By the way, did you ever come up with a discharge plan renewal date for House Compressor Station owned by Sid Richardson?

Salley Cudney
Environmental Services, Inc.
505-266-6611

-----Original Message-----

From: Martin, Ed [mailto:EMARTIN@state.nm.us]
Sent: Tuesday, January 08, 2002 2:16 PM
To: Terry Christian (E-mail)
Cc: Sally Cudney (E-mail)
Subject: Discharge Plans

Terry, the New Mexico Oil Conservation Division Discharge Plans on the following expire as follows:

GW-277	Big Eddy Lateral #1 Compressor Station	Expires
2/17/02		
GW-290	Trunk C Compressor Station	Expires
12/19/02		
GW-291	Lateral C-15 Compressor Station	Expires
12/19/02		

Renewal application forms may be found on our web site:
<http://www.emnrd.state.nm.us/ocd/ocdforms.htm>

If you have questions, please contact me via e-mail or phone 505-476-3492.

I also need to speak with you at some point in time about inspecting the above facilities.

Ed Martin
New Mexico Oil Conservation Division
Environmental Bureau
1220 S. St. Francis
Santa Fe, NM 87505

Martin, Ed

From: Martin, Ed
Sent: Tuesday, January 08, 2002 2:16 PM
To: Terry Christian (E-mail)
Cc: Sally Cudney (E-mail)
Subject: Discharge Plans

Terry, the New Mexico Oil Conservation Division Discharge Plans on the following expire as follows:

GW-277	Big Eddy Lateral #1 Compressor Station	Expires 2/17/02
GW-290	Trunk C Compressor Station	Expires 12/19/02
GW-291	Lateral C-15 Compressor Station	Expires 12/19/02

Renewal application forms may be found on our web site: <http://www.emnrd.state.nm.us/ocd/ocdforms.htm>

If you have questions, please contact me via e-mail or phone 505-476-3492.

I also need to speak with you at some point in time about inspecting the above facilities.

Ed Martin
New Mexico Oil Conservation Division
Environmental Bureau
1220 S. St. Francis
Santa Fe, NM 87505

Martin, Ed

To: scudney@enservice.com
Subject: Discharge Plans

Here are the CSI discharge plans coming due over the next year:

GW-277	Big Eddy Lateral #1 C.S.	Expires 2/17/02
GW-290	Trunk C C.S.	Expires 12/19/02
GW-291	Lateral C-15 C.S.	Expires 12/19/02

Please let me know who will be handling the renewals.

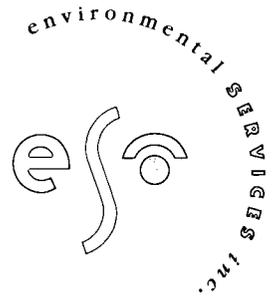
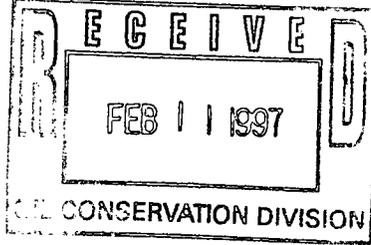
Thank you very much.

RECEIVED

FEB 12 1997

Environmental Bureau
Oil Conservation Division

February 10, 1997



Pat Sanchez
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, NM 87505

Subject: Revision to Discharge Plan Application, Big Eddy Lateral #1, Eddy County, NM

Dear Mr. Sanchez

On behalf of our client, Compressor Systems, Inc. (CSI), we would like to request an additional tank be added to the discharge plan application for the Big Eddy Lateral #1. As per our conversation today, I am submitting the following information regarding this additional tank. It will be a 210-barrel steel aboveground tank storing natural gas liquids. The tank will be installed next to Tank 3, another natural gas liquids tank, at the Big Eddy Lateral #1. Both tanks will be installed on an impermeable layer and contained in a berm constructed to contain 1.33 times the volume of the tanks. If you have any questions, please don't hesitate to contact me or Terry Christian at (915) 495-3155.

Sincerely

Robin K. DeLapp

Robin K. DeLapp
Environmental Scientist

cc: Terry Christian, CSI, Midland
JT Boswell, CSI, Midland
Lee Rice, CSI, Carlsbad
Tim Gum, OCD, Artesia

4665 INDIAN SCHOOL NE

SUITE 106

ALBUQUERQUE

NEW MEXICO

87110

PHO 505 266 6611

RECEIVED

JAN 10 1997

1056

U.S. FISH AND WILDLIFE SERVICE

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, the following discharge plan application has been submitted to the Director of the Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505, Telephone (505) 827-7131:

(GW-277) - Compressor Systems, Inc., Mr. Terry Christian, (915)-495-3155, P.O. Box 6070, Midland, TX, 79111-0760, has submitted a Discharge Plan Application for their Big Eddy Lateral # 1 Compressor Station located in the NE/4 NE/4, Section 19, Township 21 South, Range 28 East, NMPM, Eddy County, New Mexico. Any potential discharge at the facility will be stored in a closed top receptacle. Groundwater most likely to be affected by a spill, leak, or accidental discharge to the surface is at a depth of approximately 40 feet with a total dissolved solids concentration of approximately 6,090 mg/L. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge plan application may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. Prior to ruling on any proposed discharge plan or its modification, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted to him and a public hearing may be requested by any interested person. 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 there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed plan based on information available. If a public hearing is held, the director will approve or disapprove the proposed plan based on information in the discharge plan application and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 9th day of January, 1997.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

William J. Lemay
WILLIAM J. LEMAY, Director

SEAL NO EFFECT FINDING

The described action will have no effect on listed species, wetlands, or other important wildlife resources.

Date February 3, 1997

Consultation # 97GW-OCD1

Approved by *[Signature]*

U.S. FISH and WILDLIFE SERVICE
NEW MEXICO ECOLOGICAL SERVICES FIELD OFFICE
ALBUQUERQUE, NEW MEXICO

RECEIVED

FEB - 4 1997

Environmental Bureau
Oil Conservation Division

Affidavit of Publication

No. 15735

STATE OF NEW MEXICO,

County of Eddy:

Gary D. Scott

being duly

sworn, says: That he is the Publisher of The
Artesia Daily Press, a daily newspaper of general circulation,
published in English at Artesia, said county and state, and that
the hereto attached Legal Notice

~~was published in a regular and entire issue of the said Artesia~~
Daily Press, a daily newspaper duly qualified for that purpose
within the meaning of Chapter 167 of the 1937 Session Laws of
the state of New Mexico for 1 consecutive weeks on
the same day as follows:

First Publication January 16, 1997

Second Publication _____

Third Publication _____

Fourth Publication _____

Gary D. Scott
Subscribed and sworn to before me this 16th day

of January 19 97

Barbara Ann Boars
Notary Public, Eddy County, New Mexico

My Commission expires September 23, 1999

Copy of Publication

RECEIVED

JAN 22 1997

Environmental Bureau
Oil Conservation Division

LEGAL NOTICE

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, the following discharge plan application has been submitted to the Director of the Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505, Telephone (505) 827-7131: (GW-277) - Compressor Systems, Inc., Mr. Terry Christian, (915) -495-3155, P.O. Box 6070, Midland, TX, 79111-0760, has submitted a Discharge Plan Application for their Big Eddy Lateral #1 Compressor Station located in the NE/4 NE/4, Section 19, Township 21 South, Range 28 East, NMPM, Eddy County, New Mexico. Any potential discharge at the facility will be stored in a closed top receptacle. Groundwater most likely to be affected by a spill, leak,

or accidental discharge to the surface is at a depth of approximately 40 feet with a total dissolved solids concentration of approximately 6,090 mg/L. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge plan application may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. Prior to ruling on any proposed discharge plan or its modification, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted to him and a public hearing may be requested by any interested person. 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 there is

significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed plan based on information available. If a public hearing is held, the director will approve or disapprove the proposed plan based on information in the discharge plan application and information submitted at the hearing. GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 9th day of January, 1997.

STATE OF NEW MEXICO
OIL CONSERVATION
DIVISION
s-William J. LeMay
WILLIAM J. LEMAY,
Director

SEAL
Published in the Artesia Daily
Press, Artesia, N.M. January
16, 1997.

Legal 15735

The Santa Fe New Mexican

Since 1849 We Read You

NM OIL DIVISION
ATTN: SALLY MARTIENZ
2040 S. PACHECO
SANTA FE, NM 87505

AD NUMBER: 596256

ACCOUNT: 56689

LEGAL NO: 61045

P.O. #: 96-199-002997

165 LINES ONCE at \$ 66.00

RECEIVED

JAN 21 1997

Environmental Bureau
Oil Conservation Division

Affidavits: 5.25

Tax: 4.45

Total: \$ 75.70

OKay to Pay JWB 1-21-97
AFFIDAVIT OF PUBLICATION

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, the following discharge-plan application has been submitted to the Director of the Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico, 87505, Telephone (505) 827-7131:

(GW-277) - Compressor Systems, Inc., Mr. Terry Christian, (915) 495-3155, P.O. Box 6070, Midland, TX, 79111-0760, has submitted a Discharge Plan Application for their Big Eddy Lateral # 1 Compressor Station located in the NE/4 NE/4, Section 19, Township 21 South, Range 28 East, NMPM, Eddy County, New Mexico. Any potential discharge at the facility will be stored in a closed top receptacle. Groundwater most likely to be affected by a spill, leak, or accidental discharge to the surface is at a depth of approximately 40 feet with a total dissolved solids concentration of approximately 6,000 mg/L. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

Any interested person may obtain further information

from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge plan application may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. Prior to ruling on any proposed discharge plan or its modification, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted to him and a public hearing may be requested by any interested person. 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 there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed plan based on information available. If a public hearing is held, the director will approve or disapprove the proposed plan based on the information in the discharge plan application and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 9th day of January 1997.

STATE OF NEW MEXICO
OIL CONSERVATION
DIVISION
WILLIAM J. LEMAY,
Director
Legal #61045
Pub. January 15, 1997

STATE OF NEW MEXICO COUNTY OF SANTA FE

I, BETSY PERNER being first duly sworn declare and say that I am Legal Advertising Representative of THE SANTA FE NEW MEXICAN, a daily news paper published in the English language, and having a general circulation in the Counties of Santa Fe and Los Alamos, State of New Mexico and being a Newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 on Session Laws of 1937; that the publication # 61045 a copy of which is hereto attached was published in said newspaper once each WEEK for ONE consecutive week(s) and that the notice was published in the newspaper proper and not in any supplement; the first publication being on the 15 day of JANUARY 1997 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

/s/ Betsy Perner
LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this
15 day of JANUARY A.D., 1997



OFFICIAL SEAL

LAURA E. HARDING

CLERK PUBLIC - STATE OF NEW MEXICO

CITY OF SANTA FE

1/23/99
Laura E. Harding

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, the following discharge plan application has been submitted to the Director of the Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505, Telephone (505) 827-7131:

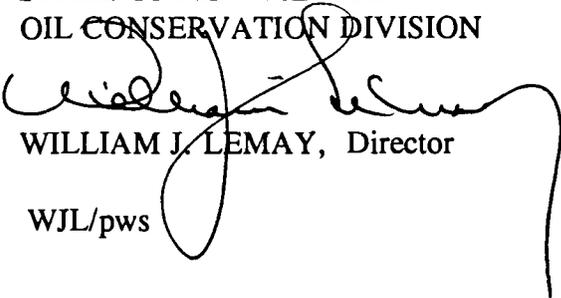
(GW-277) - Compressor Systems, Inc., Mr. Terry Christian, (915)-495-3155, P.O. Box 6070, Midland, TX, 79111-0760, has submitted a Discharge Plan Application for their Big Eddy Lateral # 1 Compressor Station located in the NE/4 NE/4, Section 19, Township 21 South, Range 28 East, NMPM, Eddy County, New Mexico. Any potential discharge at the facility will be stored in a closed top receptacle. Groundwater most likely to be affected by a spill, leak, or accidental discharge to the surface is at a depth of approximately 40 feet with a total dissolved solids concentration of approximately 6,090 mg/L. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge plan application may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. Prior to ruling on any proposed discharge plan or its modification, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted to him and a public hearing may be requested by any interested person. 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 there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed plan based on information available. If a public hearing is held, the director will approve or disapprove the proposed plan based on information in the discharge plan application and information submitted at the hearing.

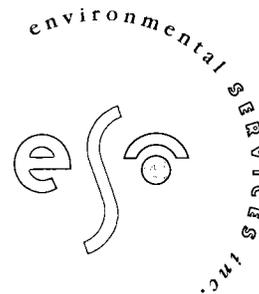
GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 9th day of January, 1997.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY, Director

WJL/pws

S E A L



January 7, 1997

Roger Anderson, Bureau Chief
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, NM 87505

←GW-277→

Subject: Discharge Plan Application, Big Eddy Lateral #1, Eddy County, NM

Dear Mr. Anderson

On behalf of our client, Compressor Systems, Inc. (CSI), I am enclosing two copies of a discharge plan application for the Big Eddy Lateral #1. The site layout diagram, referenced in Item 5, is not included in this application but will be forwarded to your office shortly.

This letter with the attached discharge plan application is also clarification of the December 20, 1996 request from CSI to discharge without an approved discharge plan. CSI plans to begin construction on the facility on Thursday, January 9, 1997 and awaits authorization from the OCD to begin discharging during the application review process.

The \$50 application fee is also enclosed. If you have any questions, please don't hesitate to contact me or Terry Christian at (915) 495-3155.

Sincerely

Robin K. DeLapp

Robin K. DeLapp
Environmental Scientist

RECEIVED

JAN - 8 1997

Environmental Bureau
Oil Conservation Division

cc: Terry Christian, CSI, Midland
JT Boswell, CSI, Midland
Lee Rice, CSI, Carlsbad
Tim Gum, OCD, Artesia

4665 INDIAN SCHOOL NE

SUITE 106

ALBUQUERQUE

NEW MEXICO

87110

PHO 505 266 6611

(FILE COPY)

**Application for
Groundwater Discharge Plan**

BIG EDDY LATERAL #1

<GW-277>

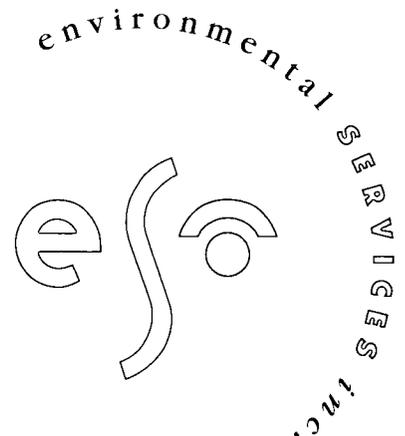
RECEIVED

JAN - 8 1997

Environmental Bureau
Oil Conservation Division

prepared for

Compressor Systems, Inc.
January 1997



4665 INDIAN SCHOOL NE
SUITE 106
ALBUQUERQUE
NEW MEXICO
87110

**Application for
Groundwater Discharge Plan**

BIG EDDY LATERAL #1

prepared for

Compressor Systems, Inc.

P.O. Box 60760

Midland, Texas 79111-0760

January 1997

District I - (505) 393-6161
P. O. Box 1980
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

Revised 12/1/95
Submit Original
Plus 1 Copies
to Santa Fe
1 Copy to appropriate
District Office

<GW-2777

DISCHARGE PLAN APPLICATION FOR SERVICE COMPANIES,
GAS PLANTS, REFINERIES, COMPRESSOR, AND CRUDE OIL PUMP STATIONS
(Refer to the OCD Guidelines for assistance in completing the application)

New Renewal Modification

1. Type: Big Eddy Lateral #1
2. Operator: Compressor Systems Inc.
Address: P.O. Box 60760, Midland, TX 79111-0760
Contact Person: Terry Christian Phone: 915-495-3155
3. Location: NE 1/4 NE 1/4 Section 19 Township 21S Range 28E
Submit large scale topographic map showing exact location.
see attached item 3
4. Attach the name, telephone number and address of the landowner of the facility site.
see attached item 4
5. Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility.
see attached item 5
6. Attach a description of all materials stored or used at the facility.
see attached item 6
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 item 7
8. Attach a description of current liquid and solid waste collection/treatment/disposal procedures.
see attached item 8
9. Attach a description of proposed modifications to existing collection/treatment/disposal systems.
see attached item 9
10. Attach a routine inspection and maintenance plan to ensure permit compliance.
see attached item 10
11. Attach a contingency plan for reporting and clean-up of spills or releases.
see attached item 11
12. Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included.
see attached item 12
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 item 13
14. CERTIFICATION

I herby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: Terry Christian Title: Environmental Coordinator
Signature: Terry Christian Date: January 7, 1997

Item 1

Indicate the major operational purpose of the facility. If the facility is a compressor station include the total combined site rated horsepower.

The Big Eddy Lateral #1 is a natural gas compressor station owned and operated by Compressor Systems Inc. (CSI). The purpose of the facility is to compress gas from a lateral line. The facility will include one portable skid-mounted Caterpillar G3516 TALE engine and associated storage tanks. The site rated horsepower will be 1266. The facility will be located on a Natural Gas Pipeline Company of America (NGPL) right of way.



Item 2

Name of operator or legally responsible party and local representative.

Legally Responsible Party

Erich Hardaway, Western Division Manager
Compressor Systems, Inc.
P.O. Box 60760
Midland, Texas 79711-0760
(915) 495-3199

Local Representative

Lee Rice, Area Service Foreman
Compressor Systems, Inc.
3611 National Parks Highway
Carlsbad, New Mexico 88220
(505) 885-3586

Operator

Terry Christian
Compressor Systems, Inc.
P.O. Box 60760
Midland, TX 79711-0760
915-495-3155



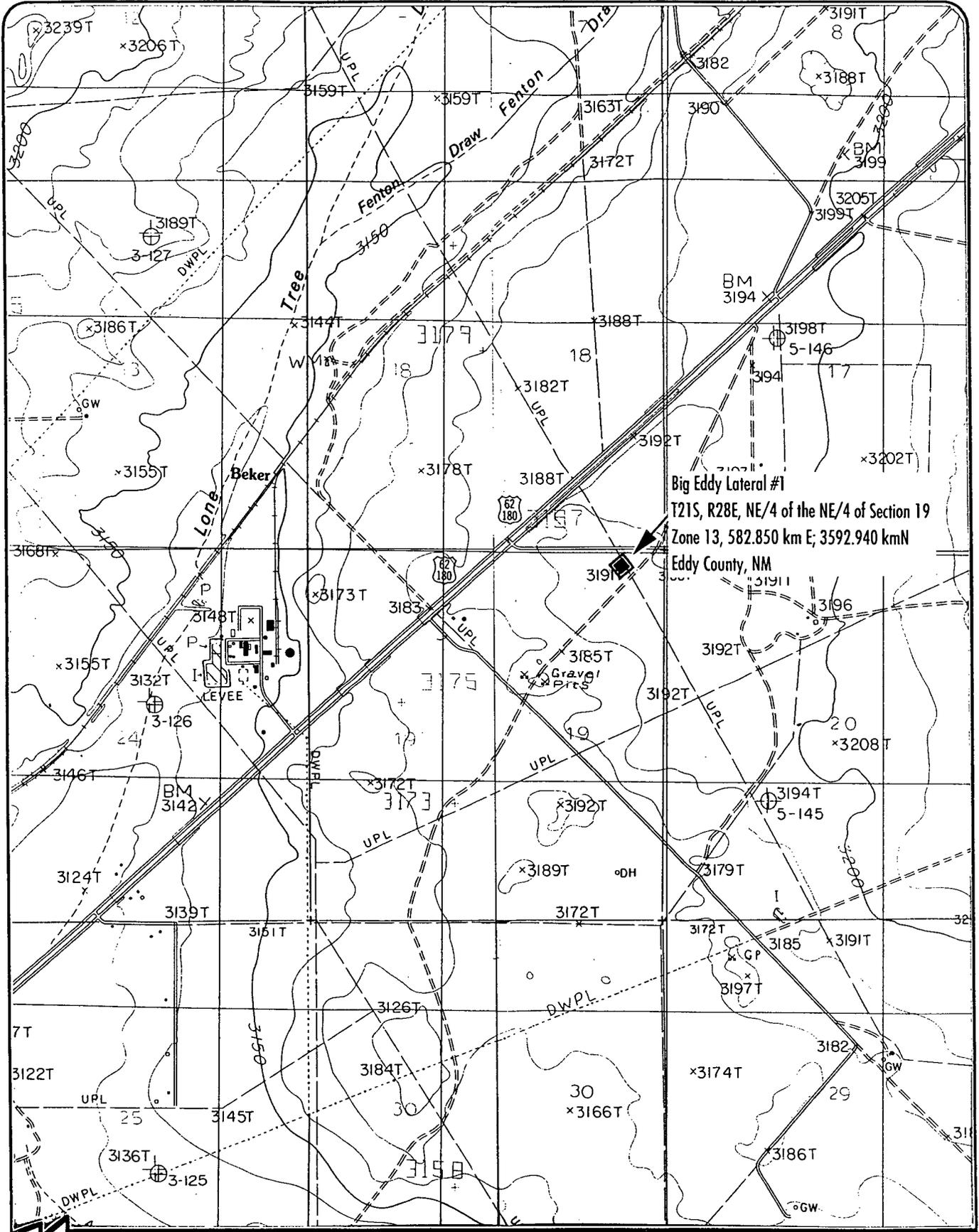
Item 3

Give a legal description of the location and county. Attach a large scale topographic map.

Eddy County, New Mexico

Township 21 South, Range 28 East, NE/4, NE/4 Sec. 19





Scale: 1 in = 2000 ft
1:24,000

Location of Facility

Indian Flats and Carlsbad East, N. Mex. 7.5 Minute Quadrangles

Item 4

Attach the name, telephone number and address of the landowner of the facility site.

Bureau of Land Management
Carlsbad Resources Area
District 6
P.O. Box 1778
Carlsbad, NM 88220
(505) 887-6544



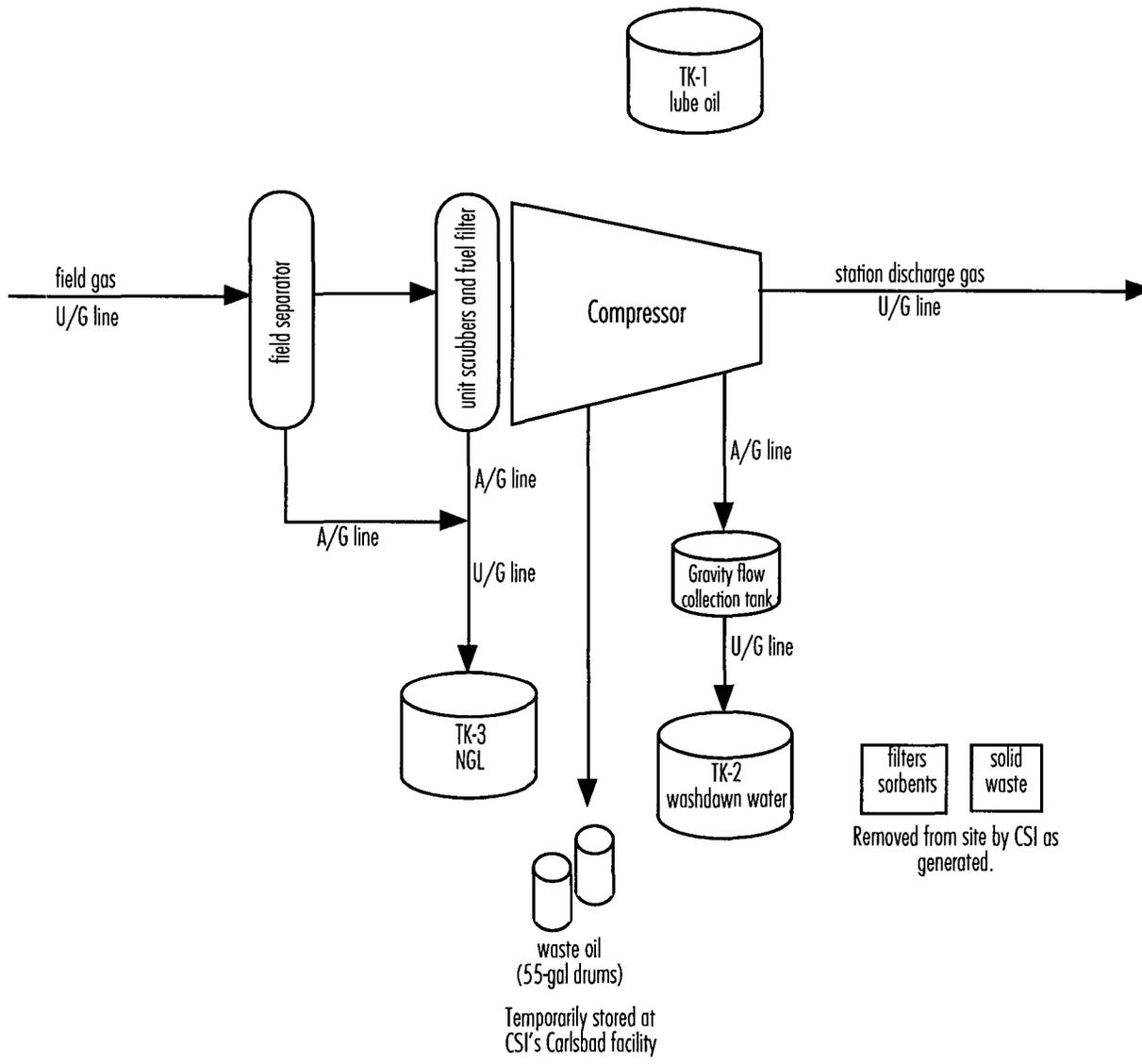
Item 5

Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility.

Simplified process flow and layout diagrams are attached. Natural gas will enter the station from NGPL's lateral line via underground pipelines. The gas will pass through a field separator, fuel filter, and unit scrubbers and then to the compressor which is driven by a Caterpillar G3516 TALE engine. The gas is then discharged back into NGPL's lateral line.

Natural gas liquids (NGL) from the field separator, fuel filter, and unit scrubbers are interconnected aboveground, and routed to an underground piping system that feeds to a storage tank. Washdown water from the compressor engine will flow from a gravity flow collection tank via an underground line to a storage tank.





Big Eddy Lateral #1 Effluent and Solid Waste Production Diagram

Item 6

Attach a description of all materials stored or used at the facility.

Container	ID	Material	Form	Volume	Location	Containment
Steel					Near	Fiberglass containment
AGT-elev	TK-1	Lube Oil	Liquid	500 gal	compressor	basin with curb
Fiberglass		Washdown			Near	Impermeable barrier,
AGT	TK-2	water	Liquid	4200 gal	compressor	surrounded by gravel, secondary containment-dirt
Steel		Natural gas			Near	Impermeable barrier,
AGT	TK-3	liquids	Liquid	8820 gal	compressor	surrounded by gravel, secondary containment-dirt
Drum (not stored on-site)	-	Waste oil	Liquid	55 gal	Removed to CSI's Carlsbad facility	Curbed concrete pad

AGT - aboveground tank (non-pressurized)

AGT-elev - aboveground tank elevated or on saddle tank

All tanks will be installed on an impermeable layer and contained in berms constructed to contain 1.33 times the volume of the tank. Drums will be used to collect waste oil but will not be stored at the facility. Any aboveground saddle tanks will be installed on an impermeable containment such as curbed concrete or a metal pan or fiberglass containment.

MSD sheets for the site are maintained in CSI's corporate office and are available upon request.



Item 7

Attach a description of present sources of effluent and waste solids. Average quality and daily volume of waste water must be included.

<i>Source</i>	<i>Unit</i>	<i>Type of waste</i>	<i>Volume</i>	<i>Quality</i>
Compressor	Caterpillar G3516 TALE	Used engine oil	<106 gal, 6x/yr	Used motor oil with no additives
		Used filters	3 filters, 12x/yr	No additives
		Fuel filters	1-2 filters (as needed)/yr	No additives
		Washdown water	<75 gal, 12x/yr	Water with detergents and lube oil.
		Sorbent material and rags	varies	No additives
Field separator, fuel filter, unit scrubbers		Natural gas liquids	<100 bbl, 12x/yr	No additives
Miscellaneous	Trash	Solid waste	varies	Paper and other solid waste



Item 8

Attach a description of current liquid and solid waste collection/treatment/disposal procedures.

<i>Type of waste</i>	<i>Collection</i>	<i>Storage</i>	<i>Hauled by</i>	<i>Disposal</i>
Used oil, filters, sorbents	Drained in 55-gal drums	Steel drum	Removed as generated by CSI to CSI's corporate office, Carlsbad, NM	Safety-Kleen (formerly Industrial Services Corp.)
Washdown water	Temporarily collects in a gravity flow collection tank then flows via underground steel pipes to TK-2	TK-2	Rowland Trucking	Controlled Recovery Inc.
Solid waste	None on-site	Trash receptacle	Removed as generated by CSI to CSI's corporate office, Carlsbad, NM	City of Carlsbad, municipal landfill
Natural gas liquids	Underground steel pipes	TK-3	Water—Rowland Trucking Hydrocarbons—PetroSource Partners	Water—Shea-Meg Corp. Disposal well, Dorstate #1 Hydrocarbons—taken to LACT facility then sold

Receiving Facilities

Rowland Trucking, 1609 East Greene, Carlsbad, NM, (505) 855-2053

Safety-Kleen (formerly Industrial Services Corp.), P. O. Box 711, Slaton, TX 79364, (800-762-1989). Physical location: Slaton Hwy., Posey, TX

Compressor Systems, Inc., 3611 National Parks Hwy, Carlsbad, NM, (505) 885-3586

Shea-Meg Corp., Disposal Well Dorstate #1 (Maddox), located T25S, R28E, Sec. 27 se/4 of ne/4, Carlsbad, NM, (505) 885-3396

Controlled Recovery Inc., P.O. Box 369, Hobbs, NM 88240, (505) 393-1079

PetroSource Partners Limited, 129 S. Grimes, Hobbs, NM, 88240 (505) 397-7212

Exempt and non-exempt wastes will be managed separately. Only exempt wastes will be disposed down Class II injection wells. Non-exempt waste, such as washdown water, will be disposed at an OCD-permitted surface waste management facility.

Engine washdown water generated during monthly washings will be temporarily drained via aboveground pipes into a gravity flow collection tank. The washdown water will gravity flow into the collection tank, a Jatco environmental tank (model no. J-5000X). When the tank is full, a float operates a valve allowing gas pressure to force the liquids via underground pipes to the washdown water tank TK-2. Specifications on the collection tank are attached. No RCRA-listed hazardous wastes will be contained in the wash water. All piping will be doped and wrapped.

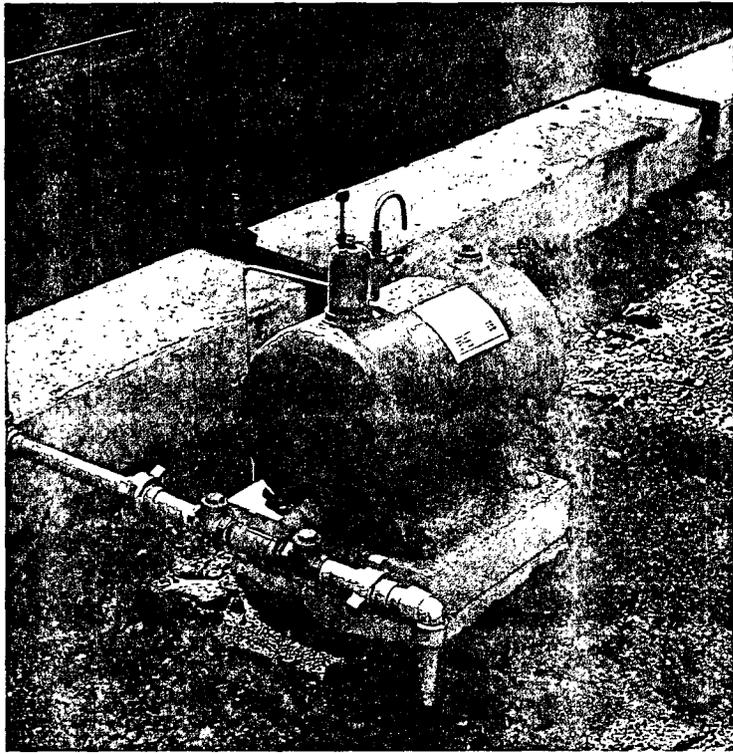


JATCO ENVIRONMENTAL TANKS

The **JATCO Environmental Tank** is designed to prevent soil and ground water pollution generated by oil and gas production, transportation, and refining operations. It protects our environment while saving you time and money previously spent on clean up and maintenance.

The **JATCO Tank** is placed below waste producing equipment where these liquids instead of being allowed to spill and contaminate the soil and water are allowed to gravity flow into the tank where they collect. When the **JATCO Tank** is full of liquid, a float operates a three way valve, allowing gas pressure to force the liquids out of the tank. The discharge side of the tank is connected to a pipe carrying the waste fluids to stock tanks for proper recycling or disposal. When the tank is empty, the float moves the three way valve to the closed position. The gas pressure is then vented from the tank, allowing it to fill again by force of gravity.

The **JATCO Environmental Tank** has a minimum of moving parts, and uses normally available gas pressure as the motive force to pump the waste fluid.

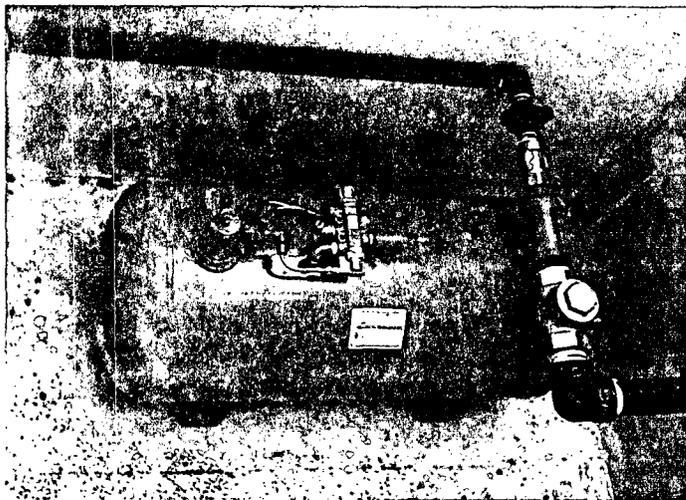


A J-5000 on a compressor catching used lubricating oils.

JATCO Environmental Tank Applications:

- Waste fluid from glycol dehydrators
- Lubricating oil and used engine oil from gas compressors
- Packing leaks from centrifugal and reciprocating pumps
- Packing leaks from oil well pump jacks
- Overflow or vent lines
- Waste liquid from flare lines
- Stormwater runoff from equipment skids
- Distillates pump

The **JATCO Environmental Tanks** are available in three standard sizes: The J-5000, J-5000X, and J-7000. The J-5000 is a 10 gallon receiver and will handle 110 G.P.H. The J-5000X is a 10 gallon receiver and will handle 310 G.P.H. The J-7000 is a 30 gallon vessel with a capacity of 1400 G.P.H.



A J-7000 stormwater run-off installation

Item 9

Attach a description of proposed modifications to existing collection/treatment/disposal systems.

No modifications to the facility are necessary to meet NMOCD requirements.



Item 10

Attach a routine inspection and maintenance plan to ensure permit compliance.

The facility will be inspected daily by the operator. Maintenance will be performed and records will be kept according to CSI procedures in place at other CSI facilities.

The integrity of any buried piping installed at the facility will be tested prior to commencement of operation and then re-tested once every five years.



Item 11

Attach a contingency plan for reporting and clean-up of spills or releases.

CSI will handle all spills and leaks immediately as required by CSI procedures and will report all spills and leaks according to the requirements of the State of New Mexico found in NMOCD Rule 116 and WQCC Section 1203 (attached).



RULE 113. - SHOOTING AND CHEMICAL TREATMENT OF WELLS

(as of 3-1-91)

If injury results to the producing formation, injection interval, casing or casing seat from shooting, fracturing, or treating a well and which injury may create underground waste or contamination of fresh water, the operator shall give written notice to the Division within five (5) working days and proceed with diligence to use the appropriate method and means for rectifying such damage. If shooting, fracturing, or chemical treating results in irreparable injury to the well the Division may require the operator to properly plug and abandon the well.

RULE 114. - SAFETY REGULATIONS

(as of 3-1-91)

A. All oil wells shall be cleaned into a pit or tank, not less than 40 feet from the derrick floor and 150 feet from any fire hazard. All flowing oil wells must be produced through an oil and gas separator of ample capacity and in good working order. No boiler or portable electric lighting generator shall be placed or remain nearer than 150 feet to any producing well or oil tank. Any rubbish or debris that might constitute a fire hazard shall be removed to a distance of at least 150 feet from the vicinity of wells and tanks. All waste shall be burned or disposed of in such manner as to avoid creating a fire hazard.

B. When coming out of the hole with drill pipe, drilling fluid shall be circulated until equalized and subsequently drilling fluid level shall be maintained at a height sufficient to control subsurface pressures. During course of drilling blowout preventers shall be tested at least once each 24-hour period.

RULE 115. - WELL AND LEASE EQUIPMENT

(as of 3-1-91)

A. Christmas tree fittings or wellhead connections shall be installed and maintained in first class condition so that all necessary pressure tests may easily be made on flowing wells. On oil wells the Christmas tree fittings shall have a test pressure rating at least equivalent to the calculated or known pressure in the reservoir from which production is expected. On gas wells the Christmas tree fittings shall have a test pressure equivalent to at least 150 percent of the calculated or known pressure in the reservoir from which production is expected.

B. Valves shall be installed and maintained in good working order to permit pressures to be obtained on both casing and tubing. Each flowing well shall be equipped to control properly the flowing of each well, and in case of an oil well, shall be produced into an oil and gas separator of a type generally used in the industry.

DUE TO BE REVISED, still current as of 10/3/96

RULE 116. - NOTIFICATION OF FIRE, BREAKS, LEAKS, SPILLS
AND BLOWOUTS

(as of 3-1-91)

A. The Division shall be notified of any fire, break, leak, spill, or blowout occurring at any injection or disposal facility or at any oil or gas drilling, producing, transporting, or processing facility in the State of New Mexico by the person operating or controlling such facility.

B. "Facility," for the purpose of this rule, shall include any oil or gas well, any injection or disposal well, and any drilling or workover well; any pipe line through which crude oil, condensate, casinghead or natural gas, or injection or disposal fluid (gaseous or liquid) is gathered, piped, or transported (including field flow-lines and lead-lines but not including natural gas distribution systems); any receiving tank, holding tank, or storage tank, or receiving and storing receptacle into which crude oil, condensate, injection or disposal fluid, or casinghead or natural gas is produced, received, or stored; any injection or disposal pumping or compression station including related equipment; any processing or refining plant in which crude oil, condensate, or casinghead or natural gas is processed or refined; and any tank or drilling pit or slush pit associated with

oil or gas well or injection or disposal well drilling operations or any tank, storage pit, or pond associated with oil or gas production or processing operations or with injection or disposal operations and containing hydrocarbons or hydrocarbon waste or residue, salt water, strong caustics or strong acids, or other deleterious chemicals or harmful contaminants.

C. Notification of such fire, break, leak, spill, or blowout shall be in accordance with the provisions set forth below:

(1) Well Blowouts. Notification of well blowouts and/or fires shall be "immediate notification" described below. ("Well blowout" is defined as being loss of control over and subsequent eruption of any drilling or workover well, or the rupture of the casing, casinghead, or wellhead or any oil or gas well or injection or disposal well, whether active or inactive, accompanied by the sudden emission of fluids, gaseous or liquid, from the well.)

(2) "Major" Breaks, Spills, or Leaks. Notification of breaks, spills, or leaks of 25 or more barrels of crude oil or condensate, or 100 barrels or more of salt water, none of which reaches a watercourse or enters a stream or lake; breaks, spills, or leaks in which one or more barrels of crude oil or condensate or 25 barrels or more of salt water does reach a watercourse or enters a stream or lake; and breaks, spills, or leaks of hydrocarbons or hydrocarbon waste or residue, salt water, strong caustics or strong acids, gases, or other deleterious chemicals or harmful contaminants of any magnitude which may with reasonable probability endanger human health or result in substantial damage to property, shall be "immediate notification" described below.

(3) "Minor" Breaks, Spills, or Leaks. Notification of breaks, spills, or leaks of 5 barrels or more but less than 25 barrels of crude oil or condensate, or 25 barrels or more but less than 100 barrels of salt water, none of which reaches a watercourse or enters a stream or lake, shall be "subsequent notification" described below.

(4) "Gas Leaks and Gas Line Breaks. Notification of gas leaks from any source or of gas pipe line breaks in which natural or casinghead gas of any quantity has escaped or is escaping which may with reasonable probability endanger human health or result in substantial damage to property shall be "immediate notification" described below. Notification of gas pipe line breaks or leaks in which the loss is estimated to be 1000 or more MCF of natural or casinghead gas but in which there is no danger to human health nor of substantial damage to property shall be "subsequent notification" described below.

(5) Tank Fires. Notification of fires in tanks or other receptacles caused by lightning or any other cause, if the loss is, or it appears that the loss will be, 25 or more barrels of crude oil or condensate, or fires which may with reasonable probability endanger human health or result in substantial damage to property, shall be "immediate notification" as described below. If the loss is, or it appears that the loss will be at least 5 barrels but less than 25 barrels, notification shall be "subsequent notification" described below.

(6) Drilling Pits, Slush Pits, and Storage Pits and Ponds. Notification of breaks and spills from any drilling pit, slush pit, or storage pit or pond in which any hydrocarbon or hydrocarbon waste or residue, strong caustic or strong acid, or other deleterious chemical or harmful contaminant endangers human health or does substantial surface damage, or reaches a watercourse or enters a stream or lake in such quantity as may with reasonable probability endanger human health or result in substantial damage to such watercourse, stream, or lake, or the contents thereof, shall be "immediate notification" as described below. Notification of breaks or spills of such magnitude as to not endanger human health, cause substantial surface damage, or result in substantial damage to any watercourse, stream, or lake, or the contents thereof, shall be "subsequent notification" described below, provided however, no notification shall be required where there is no threat of any damage resulting from the break or spill.

(7) IMMEDIATE NOTIFICATION. "Immediate Notification" shall be as soon as possible after discovery and shall be either in person or by telephone to the district office of the Division district in which the incident occurs, or if the incident occurs after normal business hours, to the District Supervisor, the Oil and Gas Inspector, or the Deputy Oil and Gas Inspector. A complete written report ("Subsequent Notification") of

the incident shall also be submitted in DUPLICATE to the appropriate district office of the Division within ten days after discovery of the incident.

(8) SUBSEQUENT NOTIFICATION. "Subsequent Notification" shall be a complete written report of the incident and shall be submitted in duplicate to the district office of the Division district in which the incident occurred within ten days after discovery of the incident.

(9) CONTENT OF NOTIFICATION. All reports of fires, breaks, leaks, spills, or blowouts, whether verbal or written, shall identify the location of the incident by quarter-quarter, section, township, and range, and by distance and direction from the nearest town or prominent landmark so that the exact site of the incident can be readily located on the ground. The report shall specify the nature and quantity of the loss and also the general conditions prevailing in the area, including precipitation, temperature, and soil conditions. The report shall also detail the measures that have been taken and are being taken to remedy the situation reported.

(10) WATERCOURSE, for the purpose of this rule, is defined as any lake-bed or gully, draw, stream bed, wash, arroyo, or natural or man-made channel through which water flows or has flowed.

RULE 117. - WELL LOG, COMPLETION AND WORKOVER REPORTS

(as of 3-1-91)

Within 20 days after the completion of a well drilled for oil or gas, or the recompletion of a well into a different common source of supply, a completion report shall be filed with the Division on Form C-105. For the purpose of this rule, any hole drilled or cored below fresh water or which penetrates oil- or gas-bearing formations or which is drilled by an "owner" as defined herein shall be presumed to be a well drilled for oil or gas.

RULE 118. - HYDROGEN SULFIDE GAS - PUBLIC SAFETY

(as of 3-1-91)

A. The intent of this rule is to provide for the protection of the public's safety in areas where hydrogen sulfide (H_2S) gas in concentrations greater than 100 parts per million (PPM) may be encountered.

B. Producing operations should be conducted with due consideration and guidance from American Petroleum Institute (API) publication "Conducting Oil and Gas Production Operations Involving Hydrogen Sulfide" (RP-55). The operator of a lease producing, or a gas processing plant handling H_2S or any other related facility where H_2S gas is present in concentrations of 100 PPM or more shall take reasonable measures to forewarn and safeguard persons having occasion to be on or near the property. In addition to training operator's employees in H_2S safety such measures may include, but are not necessarily limited to, posting of warning signs, fencing of surface installations, installation of safety devices and wind direction indicators, and maintaining tanks, thief hatches and gaskets, valves and piping in condition so as to prevent avoidable loss of vapors. Where release of hydrogen sulfide is unavoidable, the operator shall burn or vent the gas stream in such a manner as to avoid endangering human life.

C. Wells drilled in known H_2S gas producing areas, or where there is substantial probability of encountering H_2S gas in concentrations of 100 PPM or more, should be planned and drilled with due regard to and guidance from API RP-49 "Recommended Practices for Safe Drilling of Wells Containing Hydrogen Sulfide", latest edition. Wells completed and serviced by well servicing units where there is substantial probability of encountering H_2S gas in concentrations of 100 PPM or more should be worked on with due regard to the latest industry accepted practices. These practices may include, but are not necessarily limited to, the proper training of personnel in H_2S safety and the use of H_2S safety equipment as listed for safe operations by the American Petroleum Institute draft report for "Land, Oil and Gas Well Servicing and Workover Operations Involving Hydrogen Sulfide."*

1995 OCT 27 PM 1:25

B. Plans, specifications and reports required by this Section, if related to facilities for the production, refinement and pipeline transmission of oil and gas, or products thereof, shall be filed instead with the Oil Conservation Division. [1-4-68, 12-1-95]

C. Plans and specifications required to be filed under this Section must be filed prior to the commencement of construction. [9-3-72]

1203. NOTIFICATION OF DISCHARGE--REMOVAL.

A. With respect to any discharge from any facility of oil or other water contaminant, in such quantity as may with reasonable probability injure or be detrimental to human health, animal or plant life, or property, or unreasonably interfere with the public welfare or the use of property, the following notifications and corrective actions are required: [2-17-74, 12-24-87]

1. As soon as possible after learning of such a discharge, but in no event more than twenty-four (24) hours thereafter, any person in charge of the facility shall orally notify the Chief of the Ground Water Protection and Remediation Bureau of the department, or his counterpart in any constituent agency delegated responsibility for enforcement of these rules as to any facility subject to such delegation. To the best of that person's knowledge, the following items of information shall be provided:

- a. the name, address, and telephone number of the person or persons in charge of the facility, as well as of the owner and/or operator of the facility;
 - b. the name and address of the facility;
 - c. the date, time, location, and duration of the discharge;
 - d. the source and cause of discharge;
 - e. a description of the discharge, including its chemical composition;
 - f. the estimated volume of the discharge; and
 - g. any actions taken to mitigate immediate damage from the discharge.
- [2-17-74, 2-20-81, 12-24-87, 12-1-95]

2. When in doubt as to which agency to notify, the

1995 OCT 27 PM 1: 25

person in charge of the facility shall notify the Chief of the Ground Water Protection and Remediation Bureau of the department. If that department does not have authority pursuant to commission delegation, the department shall notify the appropriate constituent agency. [12-24-87, 12-1-95]

3. Within one week after the discharger has learned of the discharge, the facility owner and/or operator shall send written notification to the same department official, verifying the prior oral notification as to each of the foregoing items and providing any appropriate additions or corrections to the information contained in the prior oral notification. [12-24-87]

4. The oral and written notification and reporting requirements contained in this Subsection A are not intended to be duplicative of discharge notification and reporting requirements promulgated by the Oil Conservation Commission (OCC) or by the Oil Conservation Division (OCD); therefore, any facility which is subject to OCC or OCD discharge notification and reporting requirements need not additionally comply with the notification and reporting requirements herein. [2-17-74, 12-24-87]

5. As soon as possible after learning of such a discharge, the owner/operator of the facility shall take such corrective actions as are necessary or appropriate to contain and remove or mitigate the damage caused by the discharge. [2-17-74, 12-24-87]

6. If it is possible to do so without unduly delaying needed corrective actions, the facility owner/operator shall endeavor to contact and consult with the Chief of the Ground Water Protection and Remediation Bureau of the department or appropriate counterpart in a delegated agency, in an effort to determine the department's views as to what further corrective actions may be necessary or appropriate to the discharge in question. In any event, no later than fifteen (15) days after the discharger learns of the discharge, the facility owner/operator shall send to said Bureau Chief a written report describing any corrective actions taken and/or to be taken relative to the discharge. Upon a written request and for good cause shown, the Bureau Chief may extend the time limit beyond fifteen (15) days. [12-24-87, 12-1-95]

7. The Bureau Chief shall approve or disapprove in writing the foregoing corrective action report within thirty (30) days of its receipt by the department. In the event that the report is not satisfactory to the department, the Bureau Chief shall specify in writing to the facility owner/operator any shortcomings in the report or in the corrective actions already taken or proposed to be taken relative to the discharge, and shall give the facility owner/operator a reasonable and clearly specified

1995 OCT 27 PM 1:25

time within which to submit a modified corrective action report. The Bureau Chief shall approve or disapprove in writing the modified corrective action report within fifteen (15) days of its receipt by the department. [12-24-87]

8. In the event that the modified corrective action report also is unsatisfactory to the department, the facility owner/operator has five (5) days from the notification by the Bureau Chief that it is unsatisfactory to appeal to the department secretary. The department secretary shall approve or disapprove the modified corrective action report within five (5) days of receipt of the appeal from the Bureau Chief's decision. In the absence of either corrective action consistent with the approved corrective action report or with the decision of the secretary concerning the shortcomings of the modified corrective action report, the department may take whatever enforcement or legal action it deems necessary or appropriate. [12-24-87, 12-1-95]

9. If the secretary determines that the discharge causes or may with reasonable probability cause water pollution in excess of the standards and requirements of Section 4103 of this Part, and the water pollution will not be abated within one hundred and eighty (180) days after notice is required to be given pursuant to Section 1203.A.1 of this Part, the secretary may notify the facility owner/operator that he is a responsible person and that an abatement plan may be required pursuant to Sections 4104 and 4106.A of this Part. [12-1-95]

B. Exempt from the requirements of this Section are continuous or periodic discharges which are made: [2-17-74]

1. in conformance with regulations of the commission and rules, regulations or orders of other state or federal agencies; or [2-17-74]

2. in violation of regulations of the commission, but pursuant to an assurance of discontinuance or schedule of compliance approved by the commission or one of its duly authorized constituent agencies. [2-17-74]

C. As used in this Section and in Sections 4100 through 4115, but not in other Sections of this Part: [2-17-74, 12-1-95]

1. "discharge" means spilling, leaking, pumping, pouring, emitting, emptying, or dumping into water or in a location and manner where there is a reasonable probability that the discharged substance will reach surface or subsurface water; [2-17-74]

2. "facility" means any structure, installation, operation, storage tank, transmission line, motor vehicle, rolling

1995 OCT 27 PM 1:25

stock, or activity of any kind, whether stationary or mobile;
[2-17-74]

3. "oil" means oil of any kind or in any form including petroleum, fuel oil, sludge, oil refuse and oil mixed with wastes; [2-17-74]

4. "operator" means the person or persons responsible for the overall operations of a facility; and [12-24-87]

5. "owner" means the person or persons who own a facility, or part of a facility. [12-24-87]

D. Notification of discharge received pursuant to this Part or information obtained by the exploitation of such notification shall not be used against any such person in any criminal case, except for perjury or for giving a false statement. [2-17-74]

E. Any person who has any information relating to any discharge from any facility of oil or other water contaminant, in such quantity as may with reasonable probability injure or be detrimental to human health, animal or plant life, or property, or unreasonably interfere with the public welfare or the use of property, is urged to notify the Chief of the Ground Water Protection and Remediation Bureau of the department. Upon such notification, the secretary may require an owner/operator or a responsible person to perform corrective actions pursuant to Sections 1203.A.5 or 1203.A.9 of this Part. [12-1-95]

[1204-1209] Reserved

1210. VARIANCE PETITIONS.

A. Any person seeking a variance pursuant to Section 74-6-4 (G) NMSA 1978, shall do so by filing a written petition with the commission. The petitioner may submit with his petition any relevant documents or material which the petitioner believes would support his petition. Petitions shall: [7-19-68, 11-27-70, 9-3-72]

1. state the petitioner's name and address;
[7-19-68, 11-27-70]

2. state the date of the petition; [7-19-68]

3. describe the facility or activity for which the variance is sought; [7-19-68, 11-27-70]

4. state the address or description of the property upon which the facility is located; [11-27-70]

Item 12

Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included.

Big Eddy Lateral #1 is located east of the Alacran Hills in the Quaternary alluvium fill of the Pecos River Drainage Basin. (Kelley, 1971, Geology of the Pecos country, southeastern New Mexico: New Mexico Bureau of Mines & Mineral Resources, Memoir 24).

The bedrock at the site is a thin layer of Quaternary alluvium (Kelly, 1971). Water quality in the alluvium ranges widely and changes rapidly locally. Total dissolved solids range from 188 to 15,000 mg/l, with an average concentration of 2319 mg/l (Richey, Wells, and Stephens, 1985, Geohydrology of the Delaware Basin and Vicinity, Texas and New Mexico: U.S. Geological Survey, Water-Resources Investigations Report 84-4077).

Below the Quaternary alluvium is the Permian Rustler Formation consisting of anhydrite, gypsum, interbedded sandy clay and shale, and irregular beds of dolomite (Hendrickson and Jones, 1952, Geology and Ground-water Resources of Eddy County, NM, New Mexico Institute of Mining and Technology, Ground-Water Report 3). Water quality in this aquifer varies from slightly saline to brine. Below the Rustler, the Guadalupian Reef carbonates form a deep aquifer of variable water quality (Richey, Wells, and Stephens, 1985).

As of December 26, 1996, no wells have been recorded at the State Engineer's Office in Roswell within one-quarter mile of the facility. Six wells, however, have been recorded with the State Engineer's Office within 0.5 miles northeast of the site. These wells are for domestic or domestic/stock use. Depth to water in these wells range from 30 to 65 feet with the average depth being 42 feet. These locations are the closest found with recorded depth to ground water information. Based on this information, the estimated depth to ground water at the facility would be approximately 40 feet.

Water from a well (#4) dug in 1950 and located approximately 1.1 miles northwest of the facility has been analyzed (Richey, Wells, and Stephens, 1985). The water level was reached at 18.9 feet below the ground surface and the total dissolved solids concentration recorded at this well was 6090 parts per million. At another well recorded approximately 1.5 miles northeast of the site water was reached 19 feet below land surface.

There are no groundwater discharge sites within one mile of the facility on the 1985 Carlsbad East, NM 7.5 minute USGS Quadrangle. The south terminus of Lone Tree Draw is approximately 6000 feet north-northwest of the site.



The soil type at the facility is Karro fine sandy loam, 0 to 3 percent slopes, eroded. The Karro series consists of light-colored, strongly calcareous, loamy soils that developed in deep, old alluvium derived from calcareous, sedimentary rocks. These soils are highly susceptible to wind erosion and the surface layer of this is often eroded (Soil Survey, Eddy County, New Mexico, 1971, U.S.D.A., Soil Conservation Survey).

Flooding potential at the facility is low since water-intake rate is rapid and permeability is moderate. The water-holding capacity is moderate in the surface layer, but it is high in the subsoil (Soil Survey, Eddy County, New Mexico, 1971, U.S.D.A., Soil Conservation Survey). Any runoff from the facility would probably go southwest of the facility since the terrain is slightly sloped in that direction.



Item 13

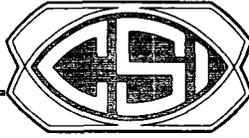
Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.

All reasonable and necessary measures will be taken to prevent the exceedance of 20 NMAC 6.2.3103 ground water standards should CSI choose to permanently close the facility. Closure measures will include removal or closure in place of all underground piping and equipment. All tanks will be emptied. No potentially toxic materials or effluents will remain on the site. All potential sources of toxic pollutants will be inspected. Should contaminated soil be discovered, any necessary reporting under NMOCD Rule 116 and 20 NMAC 6.2.1203 will be made, and clean-up activities will commence. Post-closure maintenance and monitoring plans would not be necessary unless contamination is encountered.





OIL CONSERVATION DIVISION
RECEIVED



Compressor
Systems, Inc.

96 DE 26 11M 8 52

RECEIVED

JAN - 8 1997

Environmental Bureau
Oil Conservation Division

December 20, 1996

6w-277

Mr. Roger Anderson
Oil Conservation Division
P. O. Box 6429
Santa Fe, NM 87505-6429

Dear Mr. Anderson,

Compressor Systems, Inc. (CSI) requests authorization under section 3-106B. of the New Mexico Water Quality Control Commission (WQCC) regulations to discharge without an approved discharge plan at the following facility. This facility will be constructed by CSI and located on Natural Gas Pipeline Co. of America (NGPL) right of way.

Big Eddy Lateral #1, Eddy County, NM
Township 21 South, Range 28 East, NE ¼ section 19

Please feel free to contact me at 915-563-1170, if you have any questions or need clarification.

Regards,

Terry Christian
Environmental Coordinator

cc: W. R. Moler
Ken Havens
Randy Larkin
J. T. Boswell
R. C. Cudney