GW - 296

GENERAL CORRESPONDENCE

YEAR(S):

2003-1998

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:

June 24, 2003

, 2003

, 2003

, 2003

, 2003

, 2003

That the cost of publication is $169.04
and that payment thereof has been made and will be assessed as court costs.

Dawn Higgins

Subscribed and sworn to before me this
20 day of June, 2003

Stephanie Dobson

My commission expires 12/13/05
Notary Public

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 permit application(s) has been submitted to the Director of the Oil Conservation Division, 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505,
Telephone (505) 476-3440:

(GW-296)-Flatrock Energy Partners on behalf of Raptor Gas Transmission LLC, operated by ConocoPhillips Midstream Operations, Joyce Miley, (281) 293-4498, P.O. Box 2197-Humble 3036, Houston, Texas 77252-2197, has submitted a discharge permit renewal application for the Cedar Canyon Compressor Station located in the SE/4 SE/4 of Section 9, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. All wastes generated will be stored in closed top receptacles prior to offsite disposal or recycling at an OCD approved site. Ground water most likely to be affected in the event of an accidental discharge is at a depth of approximately 50 feet with a total dissolved solids concentration of approximately 1000 mg/l. Natural gas products, waste oil and water is stored in above ground tanks prior to being transported off-site to OCD approved facilities. The discharge permit addresses how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

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 permit application and draft discharge permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. The draft discharge permit may also be viewed at OCD's web site http://www.emnrd.state.nm.us/ocd/. Prior to ruling on any proposed discharge permit 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 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 aprove or disapprove the proposed permit based on information available. If a public hearing is held, the Director will approve or disapprove the proposed permit based on information in the permit and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 17th day of June 2003.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
LORI WROTENBERY, Director

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:

June 29, 2003

, 2003

, 2003

, 2003

, 2003

, 2003

That the cost of publication is $99.81 and that payment thereof has been made and will be assessed as court costs.

Dawn Higgins

Subscribed and sworn to before me this

1 day of July, 2003

Stephanie Dobson

My commission expires 12/13/05
Notary Public

June 29, 2003

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 permit application(s) has been submitted to the Director of the Oil Conservation Division, 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

(GW-296) - Flatrock Energy Partners on behalf of Raptor Gas Transmission LLC, operated by Conoco Phillips Midstream Operations, Joyce Miley, (281) 293-4498, P.O. Box 2197-Humble 3036, Houston, Texas 77252-2197, has submitted a discharge permit renewal application for the Cedar Canyon Compressor Station located in the SE/4 SE/4 of Section 9, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. All wastes generated will be stored in closed top receptacles prior to offsite disposal or recycling at an OCD approved site. Ground water most likely to be affected in the event of an accidental discharge is at a depth of approximately 50 feet with a total dissolved solids concentration of approximately 1000 mg/l. Natural gas products, waste oil and water is stored in above ground tanks prior to being transported off-site to OCD approved facilities. The discharge permit addresses how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

(GW-143) - Flatrock Energy Partners on behalf of Raptor Gas Transmission LLC, operated by Conoco Phillips Midstream Operations, Joyce Miley, (281) 293-4498, P.O. Box 2197-Humble 3036, Houston, Texas 77252-2197, has submitted a discharge permit renewal application for the Cal-Mon Compressor Station located in the SE/4 NW/4 of Section 35, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico. All wastes generated will be stored in closed top receptacles prior to offsite disposal or recycling at an OCD approved site. Ground water most likely to be affected in the event of an accidental discharge is at a depth of approximately 200 feet with a total dissolved solids concentration approximately 3500 mg/l. Natural gas products, waste oil and water are stored in above ground tanks prior to being transported off-site to OCD approved facilities. The discharge permit addresses how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

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 permit application and draft discharge permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. The draft discharge permit may also be viewed at OCD's web site http://www.emnrd.state.nm.us/ocd/. Prior to ruling on any proposed discharge permit 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 hearing is held, the Director will approve or disapprove the proposed permit based on information available. If a public hearing is held, the director will approve or disapprove the proposed permit based on information in the permit and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 17th day of June 2003.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
LORI WROTENBERY,
Director

RECEIVED
JUL 7 2003
Oil Conservation Division

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 permit application(s) has been submitted to the Director of the Oil Conservation Division, 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

(GW-296) – Flatrock Energy Partners on behalf of Raptor Gas Transmission LLC, operated by ConocoPhillips Midstream Operations, Joyce Miley, (281) 293-4498, P.O. Box 2197-Humble 3036, Houston, Texas 77252-2197, has submitted a discharge permit renewal application for the Cedar Canyon Compressor Station located in the SE/4 SE/4 of Section 9, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. All wastes generated will be stored in closed top receptacles prior to offsite disposal or recycling at an OCD approved site. Ground water most likely to be affected in the event of an accidental discharge is at a depth of approximately 50 feet with a total dissolved solids concentration of approximately 1000 mg/l. Natural gas products, waste oil and water is stored in above ground tanks prior to being transported off-site to OCD approved facilities. The discharge permit addresses how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

(GW-143) – Flatrock Energy Partners on behalf of Raptor Gas Transmission LLC, operated by ConocoPhillips Midstream Operations, Joyce Miley, (281) 293-4498, P.O. Box 2197-Humble 3036, Houston, Texas 77252-2197, has submitted a discharge permit renewal application for the Ca[illegible] Compressor Station located in the SE/4 NW/4 of Section 35, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico. All wastes generated will be stored in closed top receptacles prior to offsite disposal or recycling at an OCD approved site. Ground water most likely to be affected in the event of an accidental discharge is at a depth of approximately 200 feet with a total dissolved solids concentration of approximately 3500 mg/l. Natural gas products, waste oil and water are stored in above ground tanks prior to being transported off-site to OCD approved facilities. The discharge permit addresses how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

(GW-136) - Williams Field Services, Michael K. Lane, (505) 632-4625, 118 CR 4900, Bloomfield, New Mexico 87413, has submitted a discharge plan renewal application for the Williams Field Services 29-7 #1 CDP Compressor Station located in the NE/4 SE/4 of Section 15, Township 29 North, Range 7 West, NMPM, Rio Arriba County, New Mexico. Approximately 5000 to 15000 gallons per year of waste water is stored in an above ground storage tank prior to transport to an OCD approved off-site disposal facility. The total dissolved solids (TDS) of the waste water is approximately 1,100 milligrams per liter (mg/l). Ground water most likely to be affected in the event of an accidental discharge at the surface is at a depth of 50 to 200 feet with estimated total dissolved solids concentration of approximately 2,000 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

(GW-149) - Williams Field Services, Michael K. Lane, (505) 632-4625, 118 CR 4900, Bloomfield, New Mexico 87413, has submitted a discharge plan renewal application for the Williams Field Services El Cedro Compressor Station located in the NW/4 of Section 31, Township 29 North, Range 5 West, NMPM, San Juan County, New Mexico. Approximately 1000 to 4000 barrels per year of processed water is stored in an above ground steel tank prior to transport to an OCD approved off-site disposal facility. The total dissolved solids (TDS) of the waste water is approximately 1,100 milligrams per liter (mg/l). Ground water most likely to be affected in the event of an accidental discharge at the surface is at a depth of approximately 145 feet with estimated total dissolved solids concentration of approximately 2,000 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

(GW-295) – Smith Services (formerly B & B Machine Shop), Mr. Maurice Sticker, (505) 393-4964, 1120 West Bender Blvd., Hobbs, New Mexico 88240, has submitted a discharge renewal application for the Smith Services (formerly B & B Machine Shop) Hobbs Facility located in Section 21, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico. Approximately 30 gallons per month of waste motor oils are collected in drums then transported offsite for disposal. Approximately 2 gallons per month of used solvents are recycled on site. Scrap metals are collected in barrels and transported off site for recycling. Ground water most likely to be affected in the event of an accidental discharge is at an estimated depth of 50 feet with a total dissolved solids concentration ranging from 390 to 480 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

(GW-045) - Williams Field Services, Michael K. Lane, (505) 632-4625, 118 CR 4900, Bloomfield, New Mexico 87413, has submitted a discharge plan renewal application for the Williams Field Services Kutz Canyon Gas Processing Plant facility located in the SW/4 of Section 12, NE/[illegible] of Section 13, SE/4 of Section 14, Township 28 North, Range 11 West, NMPM, San Juan County, New Mexico. Approximately 1 to 1.5 million gallons per year of process waste water is disposed of in an OCD approved double lined evaporation pond with leak detection. The total dissolved solids (TDS) of the waste water is approximately 1,500 milligrams per liter (mg/l). Ground water most likely to be affected in the event of an accidental discharge at the surface is shallow perched water with TDS concentrations ranging from 8,000 to 18,000 mg/l. Deeper ground water is at a depth of 200 feet with estimated total dissolved solids concentration ranging from 2,000 to 4,000 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

(GW-129) - Williams Field Services, Michael K. Lane, (505) Ground water most likely to be affected in the event of an accidental discharge is at an estimated depth of approximately 300 feet with a total dissolved solids concentration of approximately 2,000 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

(GW-293) - Williams Field Services, Michael K. Lane, (505) 632-4625, 188 CR 4900, Bloomfield, New Mexico 87413, has submitted a discharge renewal application for the Williams Field Services Gallegos compressor station facility located in the NW/4 NW/4 of Section 7, Township 25 North, Range 10 West, NMPM, San Juan County, New Mexico. Approximately 200 gallons per year of waste water is collected in a fiberglass storage tank then transported offsite for disposal. Ground water most likely to be affected in the event of an accidental discharge is at an estimated depth of 200 feet or more with a total dissolved solids concentration of approximately 3,700 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

(GW-133) - Williams Field Services, Michael K. Lane, (505) 632-4625, 118 CR 4900, Bloomfield, New Mexico 87413, has submitted a discharge plan renewal application for the Williams Field Services 30-8 CDP Compressor Station located in the SW/4 SE/4 of Section 32, Township 31 North, Range 8 West, NMPM, San Juan County, New Mexico. Approximately 1000 to 4000 barrels per year of processed water is stored in an above ground steel tank prior to transport to an OCD approved off-site disposal facility. The total dissolved solids (TDS) of the waste water is approximately 1,100 milligrams per liter (mg/l). Ground water most likely to be affected in the event of an accidental discharge at the surface is at a depth of 220 feet with estimated total dissolved solids concentration of approximately 2,000 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

(GW-134) - Williams Field Services, Michael K. Lane, (505) 632-4625, 118 CR 4900, Bloomfield, New Mexico 87413, has submitted a discharge plan renewal application for the Williams Field Services Crouch Mesa CDP Compressor Station located in the SE/4 NE/4 of Section 23, Township 29 North, Range 12 West, NMPM, San Juan County, New Mexico. Approximately 1000 to 4000 barrels per year of processed water is stored in an above ground steel tank prior to transport to an OCD approved off-site disposal facility. The total dissolved solids (TDS) of the waste water is approximately 1,100 milligrams per liter (mg/l). Ground water most likely to be affected in the event of an accidental discharge at the surface is at a depth of 200 feet with estimated total dissolved solids concentration of approximately 2,000 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

(GW-133) - Williams Field Services, Michael K. Lane, (505) 632-4625, 118 CR 4900, Bloomfield, New Mexico 87413, has submitted a discharge plan renewal application for the Williams

Field Services Decker Junction Compressor Station located in the NE/4 SE/4 of Section 19, Township 32 North, Range 10 West, NMPM, San Juan County, New Mexico. Approximately 1000 to 4000 barrels per year of processed water is stored in an above ground steel tank prior to transport to an OCD approved off-site disposal facility. The total dissolved solids (TDS) of the waste water is approximately 1,100 milligrams per liter (mg/l). Ground water most likely to be affected in the event of an accidental discharge at the surface is at a depth of 30 feet with estimated total dissolved solids concentration of approximately 2,000 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

(GW-155) - Williams Field Services, Michael K. Lane, (505) 632-4625, 118 CR 4900, Bloomfield, New Mexico 87413, has submitted a discharge plan renewal application for the Williams Field Services Aztec CDP Compressor Station located in the SW/4 SW/4 of Section 8, Township 32 North, Range 10 West, NMPM, San Juan County, New Mexico. Approximately 1000 to 4000 barrels per year of processed water is stored in an above ground steel tank prior to transport to an OCD approved off-site disposal facility. The total dissolved solids (TDS) of the waste water is approximately 1,100 milligrams per liter (mg/l). Ground water most likely to be affected in the event of an accidental discharge at the surface is at a depth of 50 feet with estimated total dissolved solids concentration of approximately 2,000 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

(GW-306) - Williams Field Services, Michael K. Lane, (505) 632-4625, 118 CR 4900, Bloomfield, New Mexico 87413, has submitted a discharge plan renewal application for the Williams Field Services Trunk N Compressor Station located in the NW/4 NE/4 of Section 8, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico. Approximately 1000 to 4000 barrels per year of processed water is stored in an above ground steel tank prior to transport to an OCD approved off-site disposal facility. The total dissolved solids (TDS) of the waste water is approximately 1,100 milligrams per liter (mg/l). Ground water most likely to be affected in the event of an accidental discharge at the surface is at a depth of 200 feet with estimated total dissolved solids concentration of approximately 2,000 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

(GW-292) - Williams Field Services, Michael K. Lane, (505) 632-4625, 188 CR 4900, Bloomfield, New Mexico 87413, has submitted a discharge renewal application for the Williams Field Services facility located on the boundary of the NE/4 NE/4 of Section 7 and the NW/4 NW/4 of Seciton 8, Township 31 North, Range 6 West, NMPM, San Juan County, New Mexico. Approximately 2,400 gallons per year of waste water is collected in a fiberglass storage tank then transported offsite for disposal. Ground water most likely to be affected in the event of an accidental discharge is at an estimated depth of approximately 300 feet with a total dissolved solids concentration of approximately 2,000 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

(GW-293) - Williams Field Services, Michael K. Lane, (505) 632-4625, 188 CR 4900, Bloomfield, New Mexico 87413, has submitted a discharge renewal application for the Williams Field Services Gallegos compressor station facility located in the NW/4 NW/4 of Section 7, Township 25 North, Range 10 West, NMPM, San Juan County, New Mexico. Approximately 200 gallons per year of waste water is collected in a fiberglass storage tank then transported offsite for disposal. Ground water most likely to be affected in the event of an accidental discharge is at an estimated depth of 200 feet or more with a total dissolved solids concentration of approximately 3,700 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 permit application and draft discharge permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. The draft discharge permit may also be viewed at OCD's web site http://www.emnrd.state.nm.us/ocd/. Prior to ruling on any proposed discharge permit 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.

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GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 17th day of June 2003.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

SEAL

LORI WROTENBERY, Director
Legal #73614
Pub. July 1, 2003

NOTICE OF PUBLICATION

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

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(GW-296) – Flatrock Energy Partners on behalf of Raptor Gas Transmission LLC, operated by ConocoPhillips Midstream Operations, Joyce Miley, (281) 293-4498, P.O. Box 2197-Humble 3036, Houston, Texas 77252-2197, has submitted a discharge permit renewal application for the Cedar Canyon Compressor Station located in the SE/4 SE/4 of Section 9, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. All wastes generated will be stored in closed top receptacles prior to offsite disposal or recycling at an OCD approved site. Ground water most likely to be affected in the event of an accidental discharge is at a depth of approximately 50 feet with a total dissolved solids concentration of approximately 1000 mg/l. Natural gas products, waste oil and water is stored in above ground tanks prior to being transported off-site to OCD approved facilities. The discharge permit addresses how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

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GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 17th day of June 2003.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

S E A L

LORI WROTENBERY, Director

ACKNOWLEDGEMENT OF RECEIPT OF CHECK/CASH

I hereby acknowledge receipt of check No. [redacted] dated 4/11/03

or cash received on _____ in the amount of $ 100.00

from FLATROCK ENERGY (CONOCO-PHILLIPS)

for CEDAR CANYON (Facility Name) GW-296 (DP No.)

Submitted by: WAYNE PRICE Date: 6/9/03

Submitted to ASD by: _____ Date: 11

Received in ASD by: _____ Date: _____

Filing Fee X New Facility ___ Renewal ___

Modification ___ Other _____ (specify)

Organization Code 521.07 Applicable FY 2003

To be deposited in the Water Quality Management Fund.

Full Payment ___ or Annual Increment ___

FLATROCK ENERGY PARTNERS, LP 05-00
15600 SAN PEDRO, SUITE 100
SAN ANTONIO, TX 78232-3738

COMPASS BANK
SAN ANTONIO TX 78216
35-1054/1130

[redacted]

4/11/2003

PAY TO THE ORDER OF State of New Mexico $ **100.00

One Hundred and 00/100********** DOLLARS

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

MEMO OCD Permit Application Fee for Cedar Canyon

P. Scott Martin MP

GW-296 [redacted]

Flatrock Energy
PARTNERS

15600 San Pedro, Suite 401
San Antonio, Texas 78232
P: 210.494.6777
F: 210.499.1192

4/10/2003
State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Re: Renewal Application for Discharge Plan GW-296
Cedar Canyon Compressor Station
Eddy County, New Mexico

Dear Sir or Madam:

Flatrock Energy Partners on behalf of Raptor Gas Transmission LLC operated by ConocoPhillips Midstream Operations (ConocoPhillips) hereby submits the attached documentation and application for renewal of Discharge Plan GW-296. This submittal includes the application filing fee of $100.

In order to maintain consistency with other facilities in this area, ConocoPhillips requests that this discharge plan be rolled in with the "blanket" discharge permit issued on June 16, 1998 (see appendix B for blanket discharge permit documentation and conditions). The blanket discharge permit provides coverage for other facilities in the area that are operated by ConocoPhillips Midstream Operations.

Please contact me at 210 494 6777 or Mark Bishop at 505-391-1956 if you have questions or require additional information.

Sincerely,

Clay Y. Smith, PE

cc: Mark Bishop – Hobbs, NM
Joyce Miley – Houston, TX

215-5-1

NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

June 16, 1998

Certified Mail
Return Receipt No. Z-357-869-978

Ms. Larissa Forseth
Conoco, Inc.
P.O. Box 2197 - HU 3038
Houston, Texas 77252

Dear Ms Forseth:

The Oil Conservation Division (OCD) has received and reviewed the Conoco, Inc (Conoco) June 11, 1998 Notice of Intent (NOI) to Discharge for the listed compressor stations in Eddy and Lea Counties, New Mexico. Based on the information provided in NOI, formal Discharge Plans will not be required at this time if the following conditions are followed at each facility:

1. Discharges: There will be NO discharges onto or below the ground surface.

2. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums will be stored on their sides with the bungs in and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets will also be stored on an impermeable pad and curb type containment.

3. Process Areas: All process and maintenance areas must be either paved and curbed or have some type of spill collection device incorporated into the design.

4. Above Ground Tanks: All existing above ground tanks that contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new facilities or modifications to existing facilities must place the tank on an impermeable type pad within the berm.

5. Above Ground Saddle Tanks: Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that become gases at atmospheric temperature and pressure.

6. Labeling: All tanks, drums and containers should be clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill, or ignite.

7. Below Grade Tanks/Sumps: All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All pre-existing sumps and below-grade tanks must demonstrate integrity on an annual basis. Integrity tests include pressure testing to 3 pounds per square inch above normal operating pressure and or visual inspection of cleaned out tanks and/or sumps. The OCD will be notified at least 72 hours prior to all testing so that an OCD representative may witness the testing.

8. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity at present and then every 5 years thereafter. Operators may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD. The OCD will be notified at least 72 hours prior to all testing so that an OCD representative may witness the testing.

9. Housekeeping: All systems designed for spill collection/prevention should be inspected to ensure proper operation and to prevent overtopping or system failure.

10. Spill Reporting: All spills/releases shall be reported pursuant to OCD Rule 116 and WQCC 1203 to the OCD Aztec District Office.

11. Waste Disposal: All wastes shall be disposed of at an OCD approved disposal site. Only oilfield exempt wastes shall be disposed of down Class II injection wells. Non-exempt oilfield wastes that are non-hazardous by characteristic may be disposed of at an OCD approved facility upon proper characterization pursuant to 40 CFR Part 261.

All facilities identified in your request will be periodically inspected by an OCD representative to assure compliance. Failure to comply with the above conditions at a facility may result in the requirement to submit a Discharge Plan Application.

If you have any questions, please contact me at (505) 827-7152.

Roger C. Anderson
Environmental Bureau Chief

xc: OCD Aztec District Office

OIL CONSERVATION DIV.

Mark Bishop
Environmental Specialist
SH&E Services
Natural Gas & Gas Products

01 APR 16 PM 3:20

Conoco Inc.
P.O. Box 90
Maljamar NM 88264
Phone 505-676-3519
Cell (281) 380-0018
E-mail mark.a.bishop@usa.conoco.com

04/06/2001

Return Receipt Requested
Certified Mail No.
7099 3220 0001 4997 4251

Mr. Wayne Price
New Mexico Energy, Minerals & Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, NM 87505

Re: Discharge Plan GW – 296, Cedar Canyon Compressor Station
Inspection frequency change request

Dear Mr. Price:

Conoco, Inc. requests that the inspection frequency required in Discharge Plan Approval Condition 12 (Housekeeping) be changed to monthly. This will allow us to maintain consistency with other facility Discharge Plans.

If you have any questions or require more information please contact me at 505-676-3519.

Sincerely,

Mark Bishop

Mark Bishop

CC:
Joyce Miley
File: Env

Mark Bishop
Environmental Specialist
SH&E Services
Natural Gas & Gas Product

Conoco Inc.
921 W. Sanger
Hobbs, NM 88240
Phone 505-393-2153
Cell (281) 380-0018
E-mail mark.a.bishop@usa.conoco.com

October 5, 2001

Return Receipt Requested
Certified Mail No.
7099 3220 0001 4997 0888

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

RE: GW-296 Discharge Plan
Cedar Canyon Compressor Station
Testing of, Underground process/ Wastewater Lines and Below Grade Tanks and Sumps

Dear Mr. Price:

In accordance with our OCD discharge plan the following actions were performed. Mr. Jerry Guy of the Oil conservation Division in Artesia was notified on July 31, 2001 of scheduled integrity tests to be performed at our Cedar Canyon compressor Station. On August 8, 2001 the required integrity tests were performed with no underground leaks or lack of integrity observed. A copy of the test notes and circle charts are included for your inspection.

If you have any questions or require more information please contact me at, 505-393-2153.

Sincerely,

Mark Bishop

Mark Bishop

CC: Joyce Miley
Jeff Driver
File: 215-2-22-10

OCD Underground Line Integrity Test

Cedar Canyon

August 8, 2001

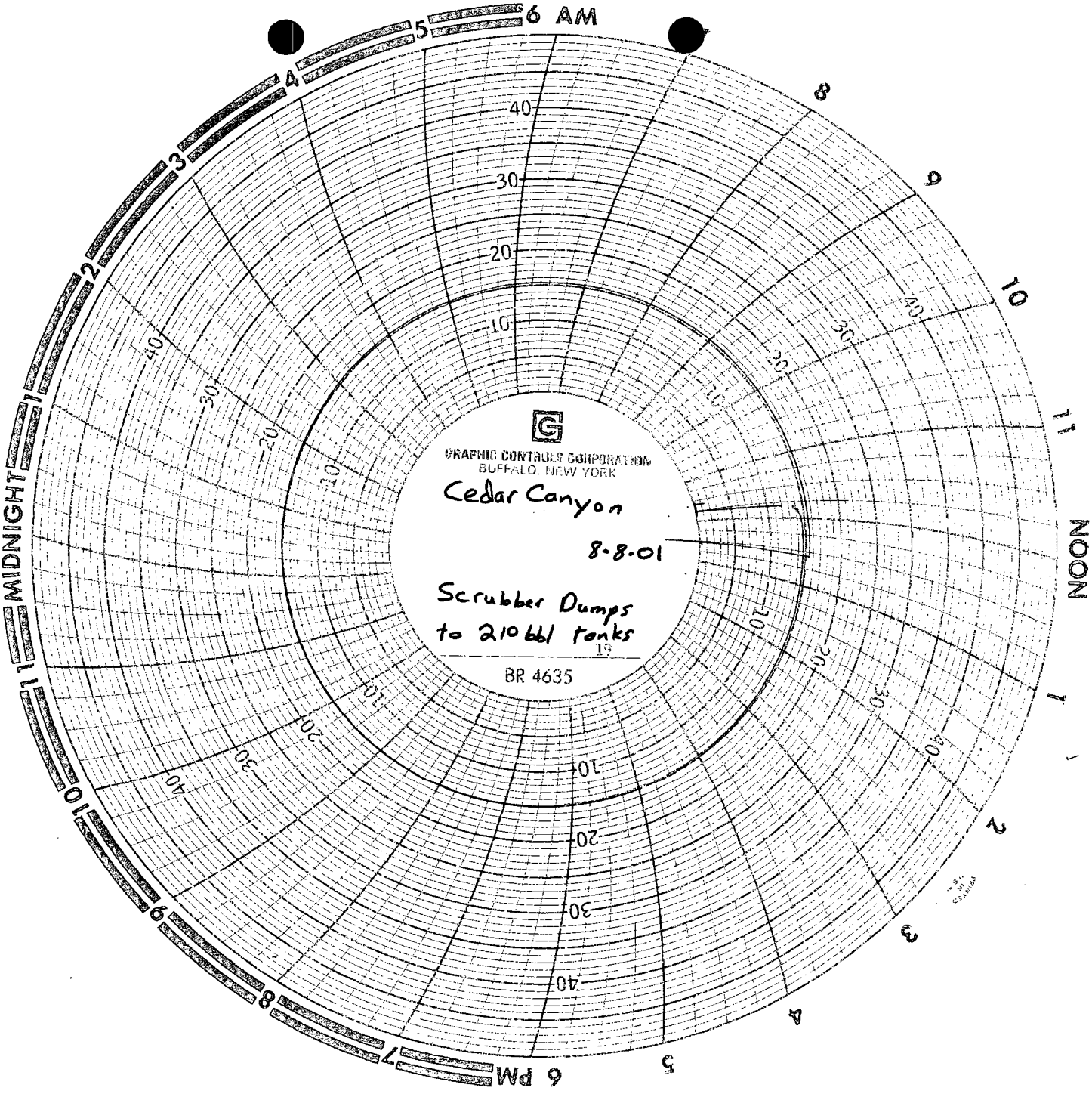
On August 8, 2001 underground liquid lines at the Cedar Canyon compressor station were pressure tested to comply with the Oil Conservation Divisions annual and five-year integrity test requirements. Mr. Jerry Guy with the Artesia OCD office was notified on July 31, 2001 that tests were scheduled for both the Cedar Canyon and Cotton Draw compressor stations.

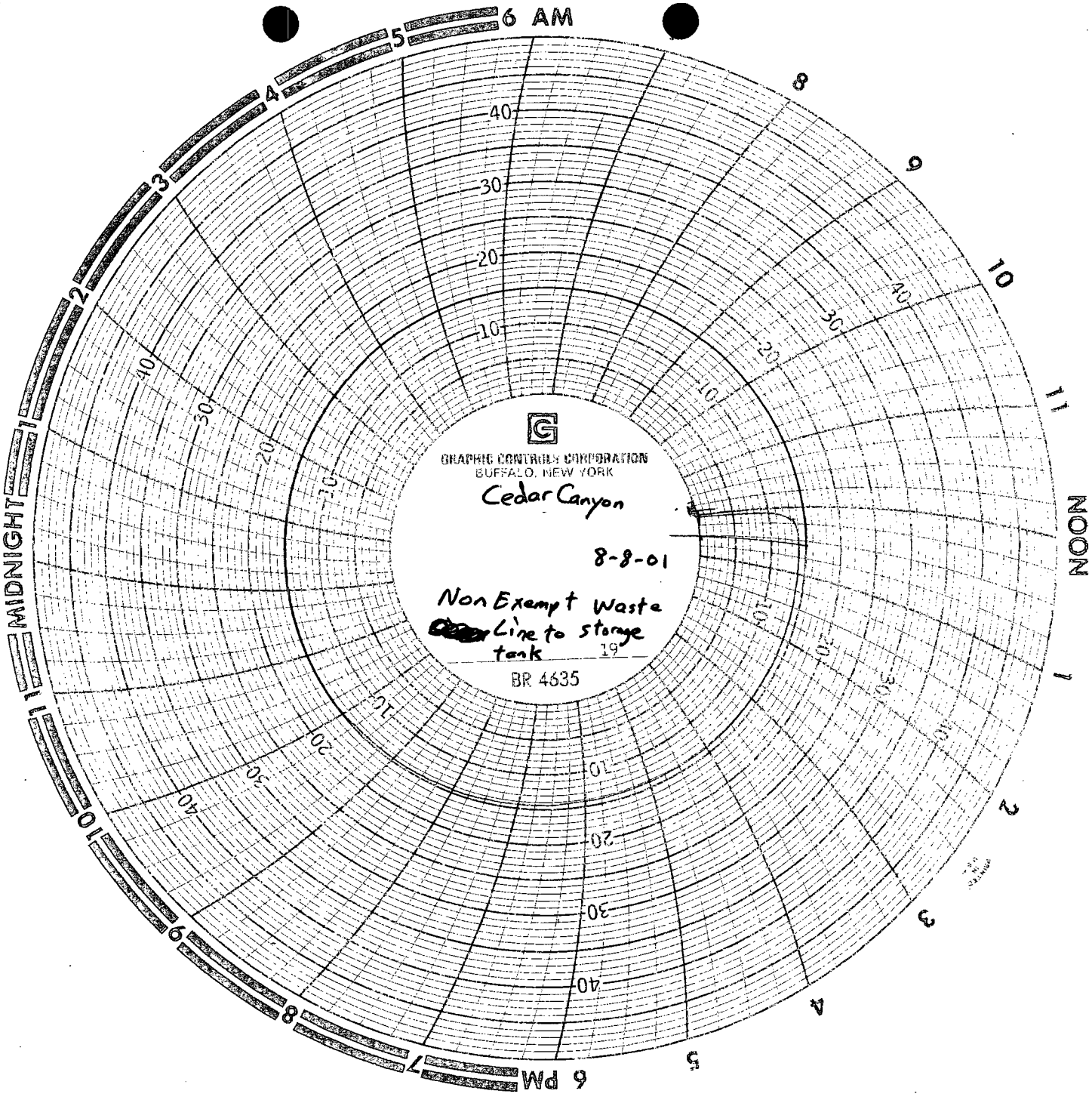
Two separate tests were conducted at the Cedar Canyon station. The first test involved scrubber dump lines to the 210 bbl atmospheric condensate tank. This section of line was isolated and pressured up with gas to 15 psig and recorded on a circle chart recorder for 1 hour. (see attached chart)

The second test involved the non-exempt waste line from the sump tank to the non-exempt waste storage tanks. This section of line was isolated and pressured up with compressed air to 14 psig and recorded on a circle chart recorder for 1 hour. (see attached chart)

During these tests the sump tank and all associated containments were inspected and found to be in proper working condition.

Jon Kizer
Carlsbad Area
Maint. Supervisor


6 AM
NOON
MIDNIGHT
Wd 9
GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK
Cedar Canyon
8-8-01
Scrubber Dumps
to 21066 tanks
BR 4635


6 AM
NOON
MIDNIGHT
6 PM
GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK
Cedar Canyon
8-8-01
Non Exempt Waste
Line to storage
tank
BR 4635

Joyce M. Miley
Environmental Consultant
Engineering and Compliance
Natural Gas & Gas Products Department

Conoco Inc.
600 N. Dairy Ashford Rd.
P.O. Box 2197, HU3036
Houston, TX 77252
Telephone: (281) 293-4498
Facsimile: (281) 293-1214

November 30, 2000

Certified Mail No. 7099 3220 0003 1150 1803
Return Receipt Requested

Mr. Roger Anderson
Environmental Bureau Chief
New Mexico Energy, Minerals & Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Change of Ownership
Conoco Inc., Natural Gas & Gas Products Department

Dear Mr. Anderson:

Effective December 1, 2000, Conoco Inc., Natural Gas & Gas Products Department (NG&GP) assumed ownership of LG&E Natural Gathering & Processing LLC,: and LG&E Natural Pipeline LLC (LG&E). These LG&E entities, in turn, own certain natural gas facilities in SE New Mexico. These facilities and their OCD Groundwater Discharge numbers are listed in the table below.

Facility Name	OCD Groundwater Discharge Permit
Antelope Ridge Gas Plant	GW-162
Hobbs Gas Plant	GW-175
Apex Compressor Station	GW-163
Bootleg (aka. NBR) Compressor Station	GW-176
Bright/Yates Compressor Station	GW-160
Cedar Canyon Compressor Station	GW-296
Cal-Mon Compressor Station	GW-143
NE Carlsbad Compressor Station	GW-280
Cotton Draw Compressor Station	GW-311
Hat Mesa Compressor Station	GW-316
Lee (aka. Lea and/or Fagan/Gillespie) Compressor Station	GW-227
Pardue Farms Compressor Station	GW-288
Pure Gold 28 Compressor Station	GW-150
Parker & Parsley (aka. Malaga) Compressor Station	GW-167

Several of these locations have conditions in their permits that require the new owner to supply a written commitment to comply with the terms and conditions of the previously approved discharge plans. LG&E has informed Conoco that all above locations are in compliance with the discharge plans. Conoco has copies of all of the approval letters and LG&E signed conditions of approval for these locations. We agree to continue to operate the locations in conformance with the groundwater permits, the approval conditions and the OCD regulations.

In addition, pursuant to certain requirements of the transaction in which Conoco acquired the entities, the names of certain entities have been changed to the following: Raptor Natural Gathering & Processing LLC and Raptor Natural Pipeline LLC (in each case replacing LG&E with Raptor).

Conoco Inc. requests that all future correspondence concerning these facilities be forwarded to me at the address above. If you have any questions or require additional information, please do not hesitate to contact Mr. Mark Bishop at (505) 623-5659 or myself at (281) 293-4498.

Sincerely,

Joyce M. Miley

cc.:

Ms. Patricia Merrill
LG&E Energy Corp.
220 West Main Street
PO Box 32030
Louisville, KY 40232-2030

Certified Mail No. 7099 3220 0003 1150 1797
Return Receipt Requested

LG&E ENERGY MARKETING℠

LG&E Energy Marketing Inc.
921 West Sanger
Hobbs, New Mexico 88240
505-393-2153
505-393-0381 FAX

July 29, 1998

Energy, Minerals and Natural Resources Department
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505
Attention: Roger C. Anderson

Dear Mr. Anderson,

Enclosed is the Attachment to the Discharge Plan GW-296 for Cedar Canyon Compressor Station signed by John Delaney, General Manager, per you request. If you have any questions please contact me at 505-393-2153.

Sincerely Yours,

Ed Sloman

ES/ls
enclosures

The Santa Fe New Mexican
Since 1849. We Read You.

NM OIL CONSERVATION DIVISION
ATTN: SALLY MARTINEZ
2040 S. PACHECO ST.
SANTA FE, NM 87505

AD NUMBER: 18031 ACCOUNT: 56689
LEGAL NO: 63254 P.O. #: 98-199-000257

RECEIVED
MAR - 3 1998
OIL CONSERVATION DIVISION

168	LINES	ONCE	at $ 67.20
Affidavits:			5.25
Tax:			4.53
Total:			$ 76.98

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(s) have been submitted to the Director of the Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505, Telephone (505) 827-7131:

(GW-296) - LG&E Natural Gathering and Processing Co.,) John r. Delaney, (505) 393-2153, 912 West Sanger, Hobbs, NM 88240, has submitted a discharge application for the Cedar Canyon Booster Compressor Station located in the SE/4 SE/4 of Section 9, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. Approximately 30 barrels per day of process waste water is collected in a 210 barrel steel API storage tank. Waste water from the treater operations will be trucked off site and disposed of in an OCD approved Class II disposal well. Groundwater most likely to be affected in the event of an accidental discharge is at a depth of approximately 50 feet with a total dissolved solids concentration of approximately 1,000 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(s) 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 application(s), 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 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 plan(s) based on information available. If a public hearing is held, the Director will approve the plan(s) based on the information in the discharge plan application(s) and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 23rd day of March 1998.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
LORI WROTENBERY, Director

Legal #63254
Pub. March 31, 1998

AFFIDAVIT OF PUBLICATION

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 # 63254 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 31 day of MARCH 1998 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 31 day of MARCH A.D., 1998

Notary B Mathie
Commission Expires 3-13-2001

OFFICIAL SEAL
B. MATHIE
NOTARY PUBLIC
STATE OF NEW MEXICO
My Commission Expires 3-13-2001

NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

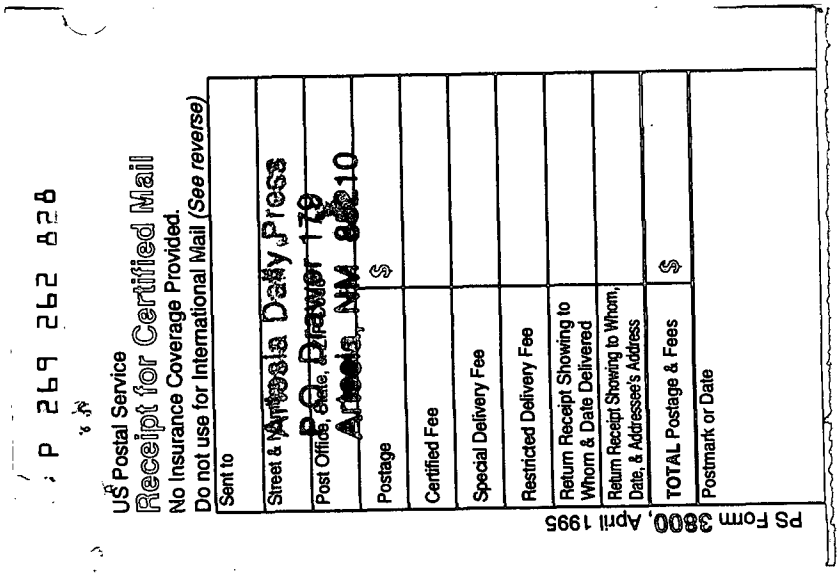
March 25, 1998

Artesia Daily Press
Attention: Advertising Manager
Post Office Box 190
Artesia, New Mexico 88211

Re: Notice of Publication

_____
_____
_____

Dear Sir/Madam:



Please publish the attached notice one time immediately on receipt of this request. Please proofread carefully, as any error in a land description or in a key word or phrase can invalidate the entire notice.

Immediately upon completion of publication, please send the following to this office:

1. ***Publisher's affidavit in duplicate.***
2. ***Statement of cost (also in duplicate).***
3. ***Certified invoices for prompt payment.***

We should have these immediately after publication in order that the legal notice will be available for the hearing which it advertises, and also so that there will be no delay in your receiving payment.

Please publish the notice no later than April 1, 1998.

Sincerely,

Sally Martinez

Sally Martinez
Administrative Secretary

Attachment

NOTICE OF PUBLICATION

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

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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(s) 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 application(s), 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 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(s) based on information available. If a public hearing is held, the Director will approve or disapprove the proposed plan(s) based on the information in the discharge plan application(s) and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 23th day of March, 1998.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Roger C. Anderson

for LORI WROTENBERY, Director

SEAL

NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

March 25, 1998

The New Mexican
***Attention:** Betsy Perner*
202 East Marcy
Santa Fe, New Mexico 87501

Re: Notice of Publication
PO # 98-199-00257

Dear Ms. Perner:

Please publish the attached notice one time immediately on receipt of this request. Please proofread carefully, as any error in a land description or in a key word or phrase can invalidate the entire notice.

Immediately upon completion of publication, please send the following to this office:

1. ***Publisher's affidavit.***
2. ***Invoices for prompt payment.***

We should have these immediately after publication in order that the legal notice will be available for the hearing which it advertises, and also so that there will be no delay in your receiving payment.

Please publish the notice no later than Tuesday, March 31, 1998.

Sincerely,

Sally Martinez

Sally Martinez
Administrative Secretary

Attachment

NOTICE OF PUBLICATION

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

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GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 23th day of March, 1998.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Roger C. Anderson

SEAL

for LORI WROTENBERY, Director

5/92

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87501

DISCHARGE PLAN APPLICATION FOR NATURAL GAS PROCESSING PLANTS, OIL REFINERIES AND GAS COMPRESSOR STATIONS

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

RECEIVED
MAR 2 3 1997
Environmental Bureau
Oil Conservation Division

I. TYPE: COMPRESSOR STATION

II. OPERATOR: LG&E NATURAL GATHERING AND PROCESSING

ADDRESS: 921 W. SANGER, HOBBS, NM 88240

CONTACT PERSON: ED SLOMAN PHONE: 505-393-2153

III. LOCATION: SE /4 SE /4 Section 9 Township 24S Range 29E
Submit large scale topographic map showing exact location.

IV. Attach the name and address of the landowner(s) of the disposal facility site.

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

VI. Attach a description of sources, quantities and quality of effluent and waste solids.

VII. Attach a description of current liquid and solid waste transfer and storage procedures.

VIII. Attach a description of current liquid and solid waste disposal procedures.

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

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

XI. Attach geological/hydrological evidence demonstrating that disposal of oil field wastes will not adversely impact fresh water. Depth to and quality of ground water must be included.

XII. Attach such other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.

XIII. CERTIFICATION

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

Name: JOHN R. DELANEY Title: GENERAL MANAGER

Signature: [signature] Date: 2-20-98

DISTRIBUTION: Original and one copy to Santa Fe with one copy to appropriate Division District Office.

Project 1110.
Cedar Canyon
Discharge Plan

I.

The major purpose of this facility, The Cedar Canyon Compressor Station, is to compress natural gas.

This compressor station will be a "Booster," station. We will take gas from a Producer's gathering system, boost the pressure of the natural gas, and move the natural gas at a higher pressure to a section of our gathering pipeline system. To accomplish this goal we will be using one natural gas fired engine driven compressor of approximately 600 H. P.

At this facility we will have an inlet scrubber to the compressor station, and skid mounted scrubbers on the compressor itself. There will be a dehydrator on the outlet side of this station. These scrubbers will remove free liquid from the inlet stream of natural gas before it is compressed. There will be two 210 bbl. Standard API closed tank, and one 100 bbl. Standard API tank installed at this location. All of the fluids from the scrubbers and dehydrator will be piped into the 210 bbl. tanks for storage. As the liquids separate into condensate and water, the water will be transferred to one of the 210 bbl. tanks. The tanks will be emptied into trucks as often as necessary, and transported to either market, or to a licensed disposal which ever is applicable. All fluids will be dealt with in an approved manner.

The fluids caught from the compressor skid from wash down water, and rain water will be piped into a sump system. The fluids will be transferred from this sump system into the 100 bbl. tank. This tank will not be connected to the other two tanks.

II.

The Owner/Operator of this facility will be:
LG&E Natural Gathering and Processing Co.
921 West Sanger
Hobbs, New Mexico 88240

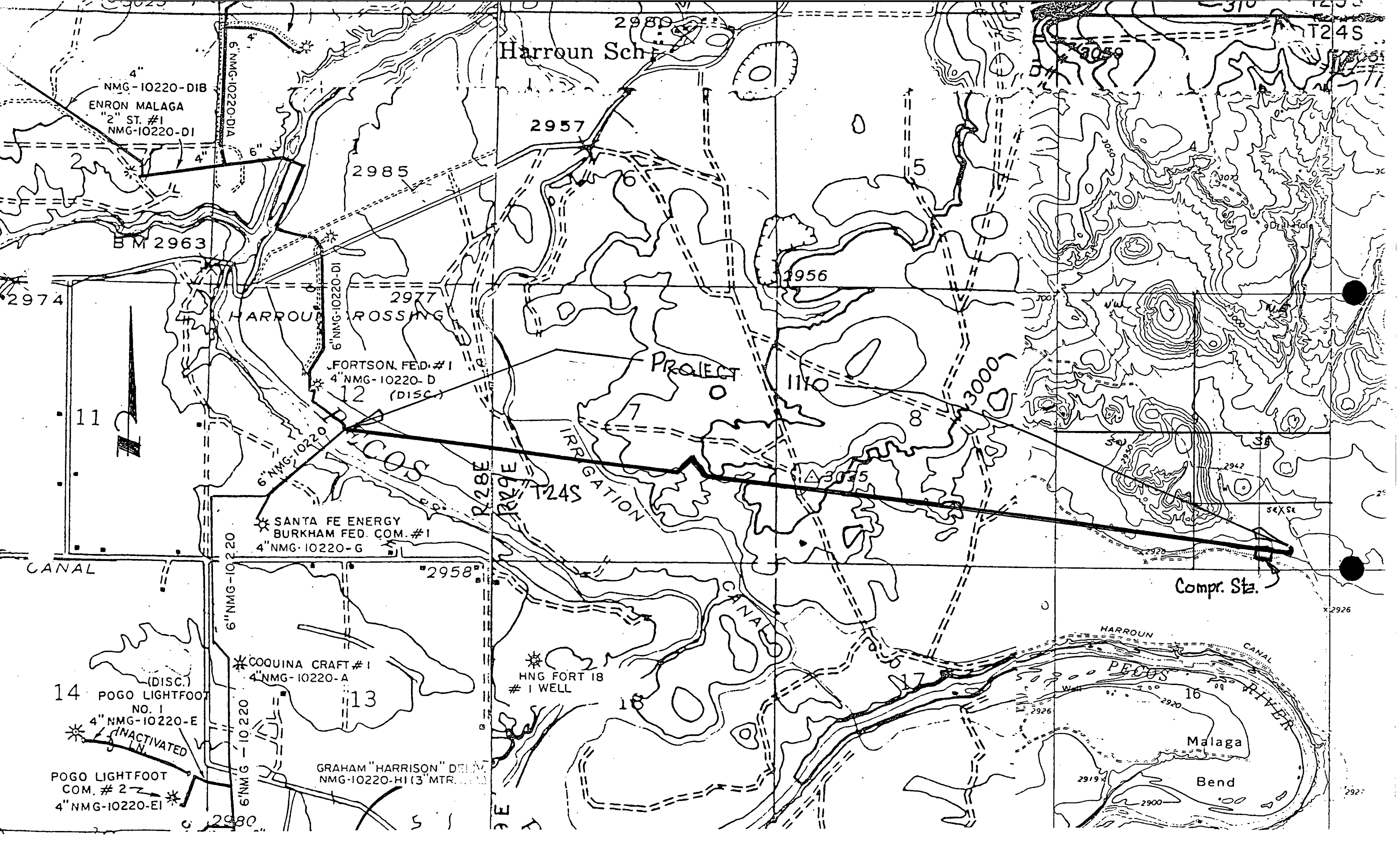
Mr. J. R. Delaney
General Manager; Operations and Construction
921 West Sanger
Hobbs, New Mexico 88240

(505) 393-2153

III.

Location: SE/4: SE/4: Section 9, Township 24 S, Range 29 E,
NMPM, Eddy County, New Mexico:

Attached please find a copy of the topographic map showing the location of the compressor station.



Harroun Sch
T24S
2980
2957
2985
4"
NMG-10220-DIB
ENRON MALAGA
"2" ST. #1
NMG-10220-DI
6" NMG-10220-DIA
BM 2963
2974
2977
HARROUN CROSSING
6" NMG-10220-DI
FORTSON FED #1
4" NMG-10220-D
(DISC.)
PROJECT
1110
3000
2956
PECOS
6" NMG-10220
R28E
R29E
T24S
IRRIGATION
SANTA FE ENERGY
BURKHAM FED. COM. #1
4" NMG-10220-G
CANAL
"2958"
6" NMG-10220
COQUINA CRAFT #1
4" NMG-10220-A
HNG FORT 18
1 WELL
(DISC.)
POGO LIGHTFOOT
NO. 1
4" NMG-10220-E
INACTIVATED
POGO LIGHTFOOT
COM. # 2
4" NMG-10220-EI
GRAHAM "HARRISON" DELV.
NMG-10220-H1 (3" MTR.)
6" NMG-10220
Compr. Sta.
HARROUN
CANAL
PECOS RIVER
Malaga
Bend
2926
2920
2919
2900

IV.

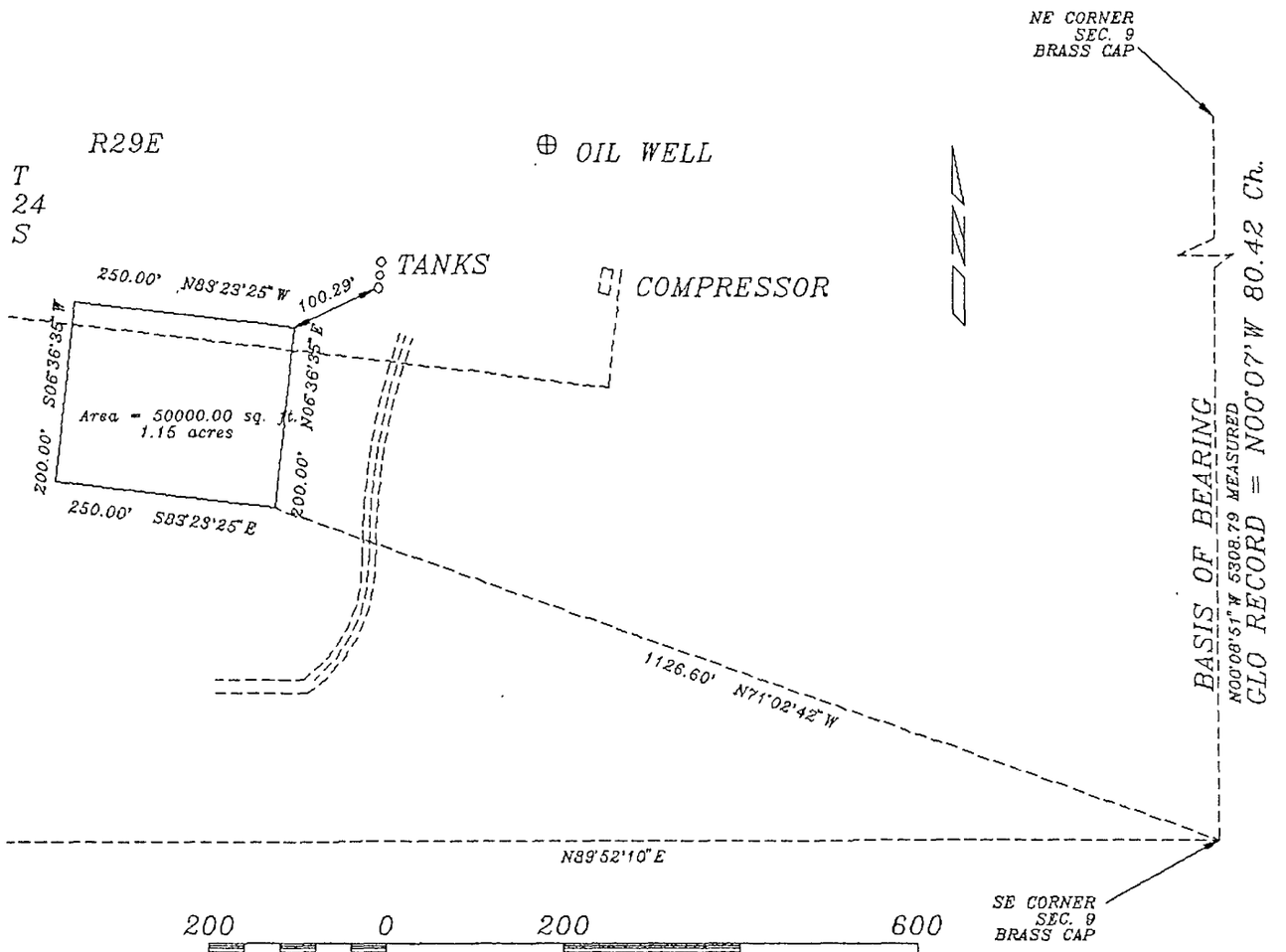
According to the Rights - of - Way documents the land owner for this property is:

City of Carlsbad
Carlsbad, New Mexico
City Administrator - John Tully

see attached Rights-Of-Way grant with Survey Plot:

PLAT OF SURVEY

A COMPRESSOR SITE EASEMENT LOCATED IN THE SE1/4 OF SECTION 9, T24S, R29E, N.M.P.M., EDDY COUNTY, NEW MEXICO.



DESCRIPTION:
A 1.15 ACRE EASEMENT LOCATED IN THE SE1/4 SECTION 9, T24S, R29E, N.M.P.M., EDDY COUNTY, NEW MEXICO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS; COMMENCING AT THE SE CORNER OF SAID SECTION; THENCE N71°02'42"W A DISTANCE OF 1126.60 FEET TO THE SE CORNER OF THE EASEMENT HEREIN DESCRIBED; THENCE N06°36'35"E A DISTANCE OF 200.00 FEET TO THE NE CORNER OF THE EASEMENT HEREIN DESCRIBED; THENCE N83°23'25"W A DISTANCE OF 250.00 FEET TO THE NW CORNER OF THE EASEMENT HEREIN DESCRIBED; THENCE S06°36'35"W A DISTANCE OF 200.00 FEET TO THE SW CORNER OF THE EASEMENT HEREIN DESCRIBED; THENCE S83°23'25"E A DISTANCE OF 250.00 FEET TO THE POINT OF BEGINNING, BEING THE SE CORNER OF THE EASEMENT HEREIN DESCRIBED.

CERTIFICATION OF RESPONSIBLE SURVEYOR:
THIS IS TO CERTIFY THAT THE FOREGOING PLAT WAS MADE FROM FIELD NOTES OF A BONA FIDE SURVEY, MADE BY ME, MEETING THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO, AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Dan R. Reddy

DAN R. REDDY NM PE&PS NO. 5412
401 W. GREENE ST./P.O. BOX 597
CARLSBAD, NEW MEXICO 88221
505 887-6483

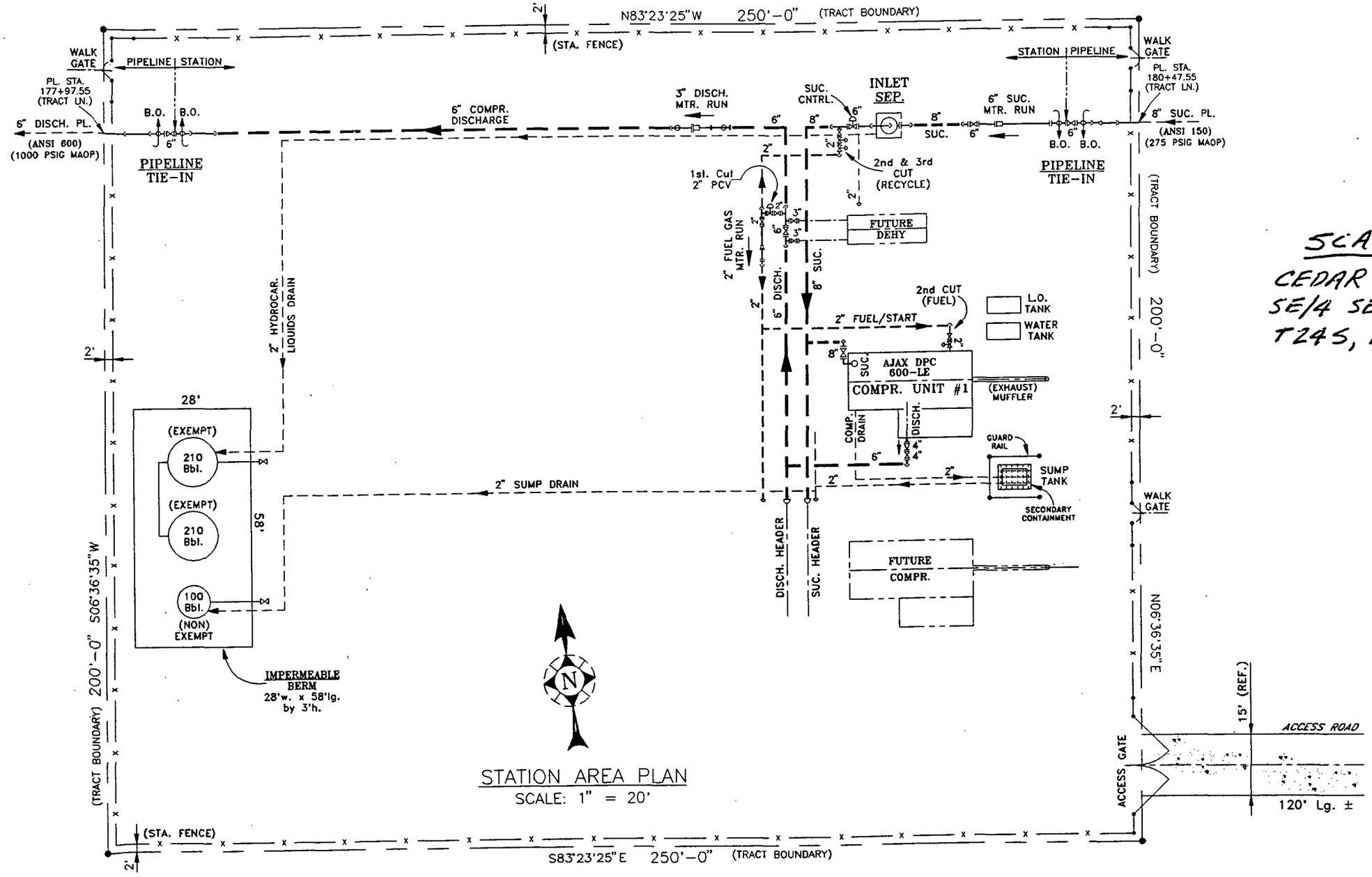
SURVEYED: 10/31/97 TO 12/4/97
PREPARED FOR: L C & E

DAN R. REDDY
NEW MEXICO
5412
LAND SURVEYOR
REGISTERED PROFESSIONAL ENGINEER

V. Facility Description:

This compressor station, The Cedar Canyon Compressor Station, consist of one natural gas engine driven natural gas compressor. The station will have a station inlet scrubber, and there are scrubbers for the compressor mounted on the compressor skid. There will be a dehydrator on the outlet side of this station, drying the natural gas before it leaves the compressor station. This compressor will be compressing natural gas from the Producer's gathering system, boosting the pressure and sending the natural gas to the west down our gathering system. There will be three tanks set at this facility. There will be two 210 bbl. closed steel API tanks which the scrubbers and dehydrator will dump into. There will be one 100 bbl. steel API tank set. As the water and condensate separate in the tank, the water will be drained off into the other 210 bbl. tank. The water will be trucked from location and disposed of in an approved manner at a permitted facility. The condensate left in the 210 bbl. tank will be sold to a company of choice as a product of this facility. There will be a sump tank system installed at this location. The sump tank system will have the drains from the compressor skid piped into it. This sump system will be piped to the 100 bbl API steel tank. This will collect the wash down fluids, and rain water caught from the compressor skid. This tank will not be connected to the other tanks at this facility. The liquids from this tank will be trucked from location as often as necessary to an approved facility, and disposed of in an approved manner.

The natural gas enters this station from a single pipeline, is compressed, dehydrated and is discharged through a single pipeline. The design of this station is simply a booster compressor station.



STATION AREA PLAN
SCALE: 1" = 20'

SCALE: 1" = 30'

CEDAR CANYON COMPR. STA.
SE/4 SE/4 SEC. 9
T24S, R29E, EDDY CO., NM

VI. Sources, Quantities, & Quality of Effluent & Waste Solids:

1. Engine Cooling Water - The engine driving the compressor contains approximately 220 gallons of a 50% Norkool, 50% water mixture for cooling purposes. This is a closed loop system and normally required no make-up.

2. Separators - Each scrubber, the station inlet, and each of the two scrubbers which are skid mounted on the compressor, will remove an estimated 0 to 30 bbl. of liquid per day, condensate & produced water, depending on the ambient conditions, and other factors involved.

3. Waste Lubrication Oils- The compressor contains approximately 25 gallons of lubricating oil, and the engine contains approximately 28 gallons of lubrication oil. The lubrication oil is a standard 30 or 40 weight oil and is replaced approximately every 5000 hours of run time, or as required by oil analysis.

4. Used Oil Filters- Used oil filters will be properly drained, and will be stored in a receptacle on location for this purpose. Our engine oil vendor will collect the filters and will dispose of them in an approved manner.

5. The liquids caught from the environmental skid of the compressor will be piped to a separate 100 bbl. tank. This tank will not be connected to the other tanks for proper management of the waste streams.

6. The scrubber section of the dehydrator will remove an estimated 0-30 bbl. per day of produced water and hydrocarbon liquids. There will be a drip pan placed under the dehydrator to prevent any exempt dehydration fluids from contacting the ground. All the drains from the dehydrator will be piped into the 210 bbl. tank.

The produced water(an exempt fluid) and hydrocarbon liquids(an exempt fluid) will be commingled within the facility. Individual rates, volumes and concentrations should not vary beyond the ranges identified above. All Process units will be self-contained to prevent unintentional or inadvertent discharges and spills.

VII. Transfer & Storage of Process Fluid & Effluents

Produced water and hydrocarbon liquid are collected in the scrubbers. The produced water and hydrocarbon liquids are commingled and piped to a closed storage tank. (see attached facility schematic).

Each of the scrubbers are pressurized vessels. The closed storage tank will be maintained at atmospheric pressure. There will be a 210 bbl. steel API storage tank which will be utilized for storage of produced water.

The condensate and produced water storage tanks are standard API 210 bbl. tank. The tanks are constructed above ground level. The 100 bbl. tank is constructed above ground level. These tanks will have an earthen dike enclosure to provide secondary containment equal to one-third greater than the tank capacity. The containment area will have an impermeable barrier installed to prevent contamination of soils.

Waste lubrication oil will be collected in a mobile tank provided for the purpose of oil changes. This used lubrication oil is collected, and relinquished to a licensed oil reclaiming facility for proper recycling and handling of the used lubrication oil. This used lubrication oil and filters will be handled through our oil vendor.

The compressor will be set on an "environmental" base. This base will provide a guttering system which will keep any rain water from running off of the equipment and onto the ground. This guttering system will be piped to a sump tank system. This sump tank system will be piped to our other 100 bbl. storage tank. These liquids will be stored separately from our "produced" liquids and the tanks will not be connected for proper management of the fluids.

VIII.

This is not a disposal site for EFFLUENT Liquid.

As previously stated, the purpose of this site is to compress natural gas. There will be some produced water, and condensate which will be recovered from the natural gas. These liquids will be stored in 210 Bbl. tanks, and will be hauled from location. The produced water will be disposed of by a trucking company, either Rowland Trucking, or AA Oilfield Service. Both of these companies have approved disposal wells which they use, and charge us for the disposal of the produced water.

The condensate will be sold to a refinery. The refinery of choice will be elected by price, and they will pick up the condensate from the storage tank and transport it to their facility.

The used engine lubricants, and filters will be handled by our compressor vendor. The Compressor is owned by Hanover Compression and all maintenance required on this unit will be performed by Hanover Compression.

The storage tanks will be set on an impermeable barrier, and monitored by our operators on a daily bases. Our operators will be reporting to their supervisor by mobile communications if this tank should need any further attention. Our supervisors have the means to order a truck to haul liquid at the time our operator's report to him. With this type of check, and safety check, there should be no ground water contamination to contend with.

Simply stated, if the liquid is contained in the tanks, then it cannot contaminate the ground, or ground water.

IX.

This facility will have an operator which will check the operations of the facility on a daily bases. The operator will report the functioning of the compressors, and a log will be kept of the units. If the operator should locate any problem in any of the equipment, what-so-ever, he will report the problem to his supervisor. Each operator is equipped with mobile communications, which is monitored 24 hours a day.

In the event of a "reportable spill", the operator would notify his supervisor immediately of the occurrence. The supervisor would in turn notify his immediate supervisor, and our emergency report and operating plan would be implemented.

Fluids will be collected inside pressure vessels. These vessels will be ASME stamped, approved, pressure vessels. Therefore, no precipitation can be collected in them.

The compressor unit has an "environmental" skid, which will not allow precipitation which has contacted this unit to runoff onto the ground. The new unit skid will be piped into a blow case system which will transfer all fluids to an above ground storage tank. As previously stated the contents of these tanks will be hauled by truck as often as necessary to assure proper levels are maintained.

The blow case system will be piped to a separate tank for management of fluids. The drain lines will be tested at least once every five years to assure OCD compliance.

X.

Our contingency plan for cleaning up spills, and reporting same is not complicated. We have a supervisor on call who is available 24 hours a day. There are administrative support supervisors available when ever needed.

If a spill should occur, the supervisor on duty would start the field operations of the clean-up, by first stopping the source of the spill, and containing all fluids that he possibly can. The on duty supervisor would notify the support people of the situation. The OCD would be notified pursuant to rule 116, and a contractor would be dispatched at that time to start clean up. The land owner would be notified, and all measures would be taken to protect his live-stock, as well as any wild animals.

All clean up would be carried out in an approved manner, and all necessary waste would be dealt with accordingly.

XI. SITE CHARACTERISTICS

A. There have been no active water wells with in a one mile radius of this compressor station located. With no active water well located, a water sample for analysis could not be obtained.

This is not a disposal site. So we would not adversely effect any water, ground, or other environmental state with the disposal of waste.
(ALSO SEE SECTION 5)