

GW - 311

**PERMITS,
RENEWALS,
& MODS
Application**

✓ ①
(GW-311) Ms. Diane Kocis, Senior Environmental Specialist, DCP
Midstream LP, 370 17th Street, Suite 2500, Denver, Colorado 80202 has
submitted a renewal application for the previously approved discharge
plan for their Cotton Draw Compressor Station, located in the NE/4 of
the NW/4 of Section 18, Township 25S, Range 32E, NMPM, Lea ✓ ②
County, New Mexico. The facility is located approximately 28 miles
southwest of Loving, NM. The facility processes natural gas to remove ✓ ③
liquids from the natural gas stream and is currently on standby. The
facility is started up every 3 months to maintain the equipment in a
ready state, in the event that the facility needs to be reactivated quickly.
When operational, approximately 55 bbls per month of produced water ✓ ④
and 600 gals per year of used oil are generated and stored onsite. These
fluids are not to be intentionally discharged to the ground. If accidental
discharge occurs immediate recovery/reclamation shall be implemented.
All fluids utilized at the facility are stored in dedicated storage tanks
prior to offsite disposal or recycling at an OCD approved site. Fluids
other than clean water, including dry chemicals, shall be stored within
secondary containment and properly bermed. Waste shall be properly
maintained and manifested. A copy of the discharge permit once
renewed shall be posted on location at all times and made familiar to all
facility personnel. Groundwater most likely to be affected by a spill,
leak or accidental discharge is at a depth of approximately 400 feet, ✓ ⑤
with a total dissolved solids concentration of approximately 600 – 1,700
mg/L. The discharge plan 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 or persons may
obtain information, submit comments, and request to be placed on a
facility-specific mailing list for future notices by contacting Leonard ✓ ⑥
Lowe at the New Mexico OCD at 1220 South St. Francis Drive, Santa ✓ ⑦
Fe, New Mexico 87505, Telephone (505) 476-3492. The OCD will accept
comments and statements of interest regarding the renewal and will
create a facility-specific mailing list for persons who wish to receive
future notices.

Approved 11.30.09
04

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No: _____ dated 09/09/09

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

from DCP Midstream LP

for GW-311

Submitted by: Lawrence Romero Date: 9/14/09

Submitted to ASD by: Lawrence Romero Date: 9/14/09

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 _____



September 9, 2009

RECEIVED OCD

2009 SEP 10 A 11: 37

UPS NEXT DAY AIR (Tracking Number 1Z F46 915 13 9323 5747)

Mr. Leonard Lowe
Environmental Engineer
Oil Conservation Division
New Mexico Energy, Minerals
& Natural Resources Department
1220 South St. Francis Drive
Santa Fe, NM 87505

Subject: Cotton Draw Compressor Station Discharge Permit Application (GW-311)
Lea County, New Mexico

Dear Mr. Lowe:

Enclosed are the original and two copies of DCP Midstream, LP's ("DCP MIDSTREAM") discharge permit application for the Cotton Draw Compressor Station (GW-311). Also enclosed is a check in the amount of \$100.00 for the discharge permit application filing fee.

DCP MIDSTREAM will satisfy the requirements of 20.6.2.3108 NMAC by providing notice under Subsection B of 20.6.2.3108 NMAC. DCP MIDSTREAM plans to publish a public notice in the Hobbs News Sun for the Cotton Draw Compressor Station discharge permit renewal application. DCP MIDSTREAM will publish a synopsis of the notice, in English and in Spanish, in a display ad at least two inches by three inches, not in the classified or legal advertisements section in the Hobbs News Sun. Additionally, DCP MIDSTREAM will provide notice to the property owner, the Bureau of Land Management, via certified mail.

The Cotton Draw Compressor Station does not have any discharges that may move directly or indirectly into groundwater. Please be advised that DCP MIDSTREAM's submittal of the application and application filing fee does not waive DCP MIDSTREAM's objection to the OCD's position regarding applicability of the WQCC regulations.

If you have any questions concerning DCP MIDSTREAM's renewal application, please contact me at (303) 605-2176. Please send all correspondence regarding this renewal to me at dekocis@dcpmidstream.com or 370 17th Street, Suite 2500, Denver, CO 80202.

Sincerely,
DCP Midstream, LP

Diane E. Kocis
Senior Environmental Specialist

Enclosures

cc: Larry Hill
NMOCD District 1 Office (UPS Next Day Tracking No. 1Z F46 915 01 9098 5152)
1625 N. French Drive
Hobbs, NM 88240

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 June 10, 2003

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

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

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

☐ New ☒ Renewal ☐ Modification

1. Type: Colton Draw Compressor Station
2. Operator: DCP Midstream, L.P.
Address: see enclosed discharge plan
Contact Person: see enclosed discharge plan Phone: _____
3. Location: NE /4 NW /4 Section 18 Township 25S Range 32E
Submit large scale topographic map showing exact location.
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: Kelly Jamerson Title: Asset Manager
Signature: Kelly Jamerson Date: 9/3/09
E-mail Address: kjamerson@dcpmidstream.com

Cotton Draw Compressor Station
NE ¼ NW ¼ and NW ¼ NE ¼ Section 18, T25S, R32E

DISCHARGE PLAN

This document constitutes a renewal application for a Groundwater Discharge Permit (GW-311) for the Cotton Draw Compressor Station as previously approved by NMOCD. This Discharge Permit application has been prepared in accordance with the NMOCD "Guidelines for the Preparation of Discharge Plans at Natural Gas Plants, Refineries, Compressor and Crude Oil Pump Stations" (revised 12-95) and New Mexico Water Quality Control Commission (WQCC) regulations, 20.6.2.3106.C NMAC.

1 Type of Operation

The facility is a compressor station that is on standby. The equipment is started up every three months to maintain the equipment in a ready state, in the event that the facility needs to be reactivated quickly. When active, the total site horsepower is 808. DCP Midstream, LP (DCP) does not intend to discharge, and has not discharged effluent from the facility that may move directly or indirectly into groundwater.

2 Operator / Legally Responsible Party

Operator

DCP Midstream, LP
1625 West Marland
Hobbs, NM 88240
(575) 397-5500
Contact Person: Mr. Kelly Jamerson – Asset Manager

Legally Responsible Party

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

3 Location Facility

NE ¼ NW ¼ & NW ¼ NE ¼ Section 18, Township 25 South, Range 32 East, Lea County, New Mexico

See Figure 1 – Site Location Map.

4 Landowner

United States Department of the Interior
Bureau of Land Management RDO
Carlsbad Resource Area
620 E. Greene Street
Carlsbad, NM 88220-6292
(575) 887-6544

5 Facility Description

The facility provides compression for the Eunice Gathering System. The facility is currently inactive; however, the equipment is started up every three months to maintain the equipment in a ready state, in the event that the facility needs to be reactivated quickly.

See Figure 2 – Site Plot Plan

6 Materials Stored or Used

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

Materials used or stored on site are summarized in the following table. Volumes represented in the table are the container capacities.

Material Stored/Used	Method of Storage	Approximate Volume
Condensate	Aboveground storage tank within secondary containment.	210 barrels
Slop Oil	Aboveground storage tank within secondary containment.	100 barrels
Used Oil	Aboveground storage tank within secondary containment.	100 barrels
Lube Oil	Aboveground storage tank within secondary containment.	500 gallons
Antifreeze	Aboveground storage tank within secondary containment.	500 gallons
Methanol	Aboveground storage tank within secondary containment.	500 gallons
Corrosion Inhibitor	Chemical-resistant tote within secondary containment	220-gallons

7 Sources and Quantities of Effluent and Waste Solids

All effluent and waste solids generated at the facility are stored in enclosed, above-ground tanks or containers with secondary containment or in a below-grade tank with secondary containment. All wastes are removed from the facility for off-site disposal in accordance with applicable NMOC, NMED, and EPA regulations. No effluent or waste solids are discharged onto or below the surface of the ground so that they may move directly or indirectly into groundwater.

Separators/Scrubbers

Effluent or waste solids generated from scrubbers are not discharged on site so that they may move directly or indirectly into groundwater. They are routed to a 100-barrel slop oil tank where they are stored for offsite disposal.

Boilers and Cooling Towers/Fans

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

Process and Storage Equipment Wash Down

Effluent or waste solids generated from process equipment wash down are not discharged on site so that they may move directly or indirectly into groundwater. Wash down fluids are routed through a double-walled sump to the slop oil tank for storage. The contents of the slop oil tank are routed through the Eunice Gas Plant stabilizer and heater-treater prior to sale or off site disposal, respectively.

Solvents/Degreasers

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

Spent Acids/Caustics

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

Used Engine Coolants

Used antifreeze is not generated at the facility. The antifreeze is consumed by the engines so no waste coolant is generated. Antifreeze is not discharged on site so that it may move directly or indirectly into groundwater.

Used Oil

Used oil is not discharged on site so that it may move directly or indirectly into groundwater. Used oil is stored on site in an aboveground tank within secondary containment and transported offsite for recycling.

Used Oil Filters

Used oil filters are not discharged on site so that they may move directly or indirectly into groundwater. Used oil filters are transported to the Eunice Gas Plant for storage and transported offsite for recycling.

Solids and Sludges

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

Painting Wastes

Painting wastes are not generated at the facility and therefore not discharged on site so that they may move directly or indirectly into groundwater.

Sewage

Sewage is not generated at the facility and therefore not discharged on site so that it may move directly or indirectly into groundwater. There are no leach fields on site.

Lab Wastes

Lab wastes are not generated at the facility and therefore not discharged on site so that they may move directly or indirectly into groundwater.

Other Liquids and Solid Wastes

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

8 Liquid and Solid Waste Collection / Storage / Disposal

Collection/Storage

All liquid and solid wastes are collected and stored in containers for off-site disposal. The table below provides a summary of storage and collection methods and is applicable when the facility is active.

On-site Disposal

There are no on-site disposal activities at the facility.

Off-site Disposal

All liquid and solid wastes are disposed off site. The following table provides information regarding wastes collected and stored for off site disposal and/or recycling and is applicable when the facility is active.

Waste	Collection Method/Storage	Quantity Generated	Final Disposition	Receiving Facility
Produced Water	Aboveground storage tank within secondary containment	~ 55 bbls per month	Off-site disposal	Eunice Plant Heater Treater
Used Oil Filters	Removed from site when generated and taken to Eunice Gas Plant	~ 3-5 per month	Off-site recycling	Eunice Plant then to Thermo Fluids
Used Oil	1,000 gallon aboveground storage tank	~ 600 gal per year	Off-site recycling	Thermo Fluids, Inc.
Equipment Skid/Washdown Water	500-gallon below-grade tank with secondary containment; then pumped to aboveground storage tank within secondary containment	~ 0.5 bbls per month	Off-site disposal	Eunice Plant Heater Treater

9 Proposed Modifications

No modifications are planned.

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)

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

12 Site Characteristics

No water well or depth to water information is available in the Office of the State Engineer's Water Rights Reporting System database for any water wells within one mile of the facility. Discharge permit renewal applications submitted in previous years have listed a depth to groundwater as 40 feet and 400

feet with estimated total dissolved solids concentrations as 600 – 1600 parts per million and 1000 - 1700 parts per million, respectively.

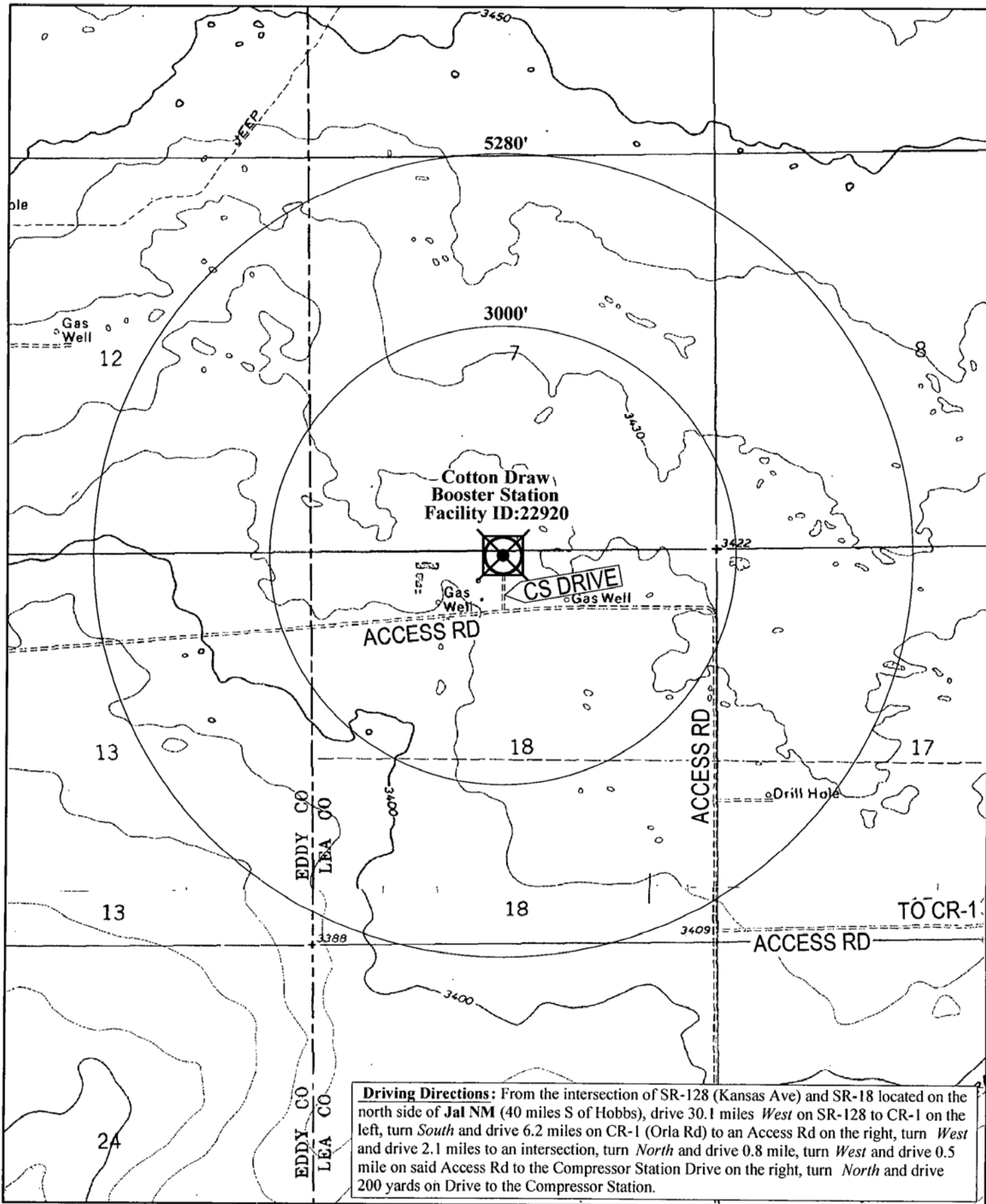
The facility is located on sedimentary deposits derived from wind-blown deposits. According to the U.S. Department of Agriculture Soil Conservation Service, the area soil is well-drained. A typical soil profile is: 0 – 24 inches: Fine sand; 24-50 inches: Sandy clay loam; 50-60 inches: Cemented material or caliche.

13 Additional Information

All unauthorized releases and discharges will be reported to the NMOCD in accordance with 19.15.29 NMAC and WQCC regulation 20.6.2.1203 NMAC.

FIGURES

FIGURE 1. Site Location Map – Cotton Draw Booster Station



dcp
Midstream.

Cotton Draw Compressor Station

Lea County, New Mexico
Zone 13 UTMH 621250m UTMV 3556400m
Lat. 32° 08' 15" Long. 103° 42' 52"

PHOTO VERIFIED



32103B6 Paduca Breaks NW

Source: USGS 1:24,000 scale

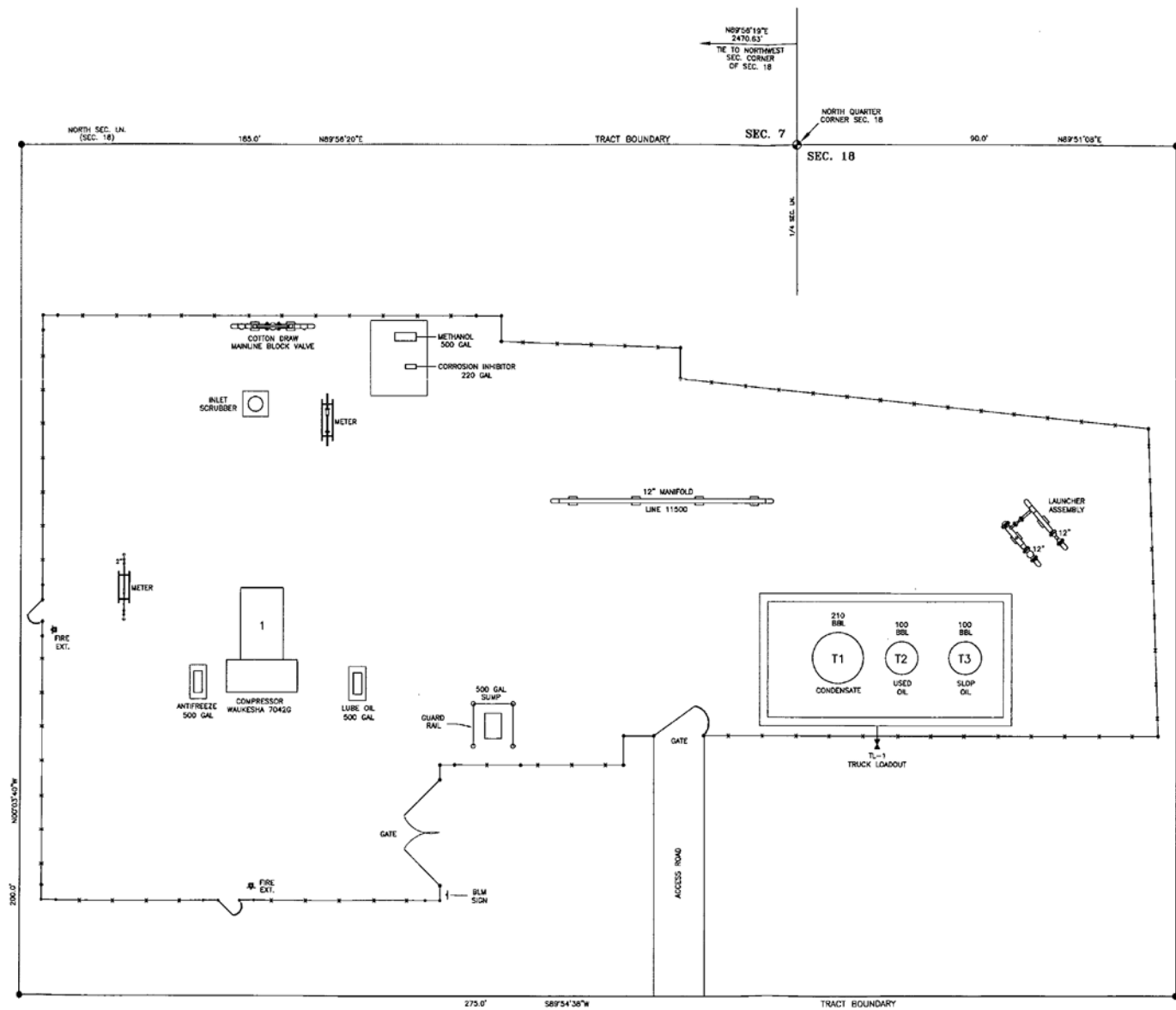
Drawn by: JRE

Revised by: JRE

Date: 9-4-09

ENVIRONMENTAL
AFFAIRS DEPARTMENT

FIGURE 2. Facility Plot Plan – Cotton Draw Booster Station



NOT TO SCALE
NOTE: SCALE IS APPROXIMATE
DRAWING IS BASED ON A
FIELD SKETCH; ACTUAL
FACILITIES MAY VARY IN SIZE
AND POSITION FROM THOSE
REPRESENTED HERE.

DISCHARGE PLAN REN

**COTTON DRAW COMPRESSOR
EUNICE GATHERING STATION**

**Lea County
NEW MEXICO**

\\data\EhsDrawings\Mapping\NewMexico\Eunice\

REVISION	BY	CHK'D	ENGR.	ENGR. MGR.	REV	DATE	REVISION	BY	CHK'D	ENGR.	ENGR. MGR.
DRAWN FROM CONOCOPHILLIPS SKETCH (5-30-03)	J.R.E.	E.A.K.									
REVISIONS PER: D.E.K. FIELD SKETCH	J.R.E.	D.E.K.									

dcp
Midstream.

Chavez, Carl J, EMNRD

From: Klein, Elisabeth A [EAKlein@dcpmidstream.com]

Sent: Tuesday, June 26, 2007 10:01 AM

To: Chavez, Carl J, EMNRD

Subject: Affidavits of Publications

Attachments: Affidavit_Wonton CS GW-178.pdf; Affidavit_Antelope Ridge GP_GW-162.pdf;
Affidavit_Bootleg CS GW-176.pdf; Affidavit_Cotton Draw CS GW-311.pdf; Affidavit_Maljamar
CS GW-177.pdf; Affidavit_Paige Hat Mesa CS GW-316.pdf

Attached are the affidavits of publication for: Antelope Ridge, Bootleg, Cotton Draw, Maljamar, Paige Hat Mesa and Wonton. These affidavits were delayed because the paper lost the original set of affidavits so they had to reissue.

I previously forwarded the affidavit for P&P Malaga.

Please call me if you have any questions.

Thanks,
Elisabeth Klein
303-605-1778

This inbound email has been scanned by the MessageLabs Email Security System.

6/28/2007

in Iraq, which has alienated more moderate Sunnis with its policy of dependence on foreign fighters. The U.S. military has touted the alliance, the Anbar Salvation Council, as a key to its efforts to stabilize the country.

A bomb exploded in a pickup truck next to where the elders were trying to solve a tribal dispute in Amiriyah, 40 miles west of Baghdad, police said. The driver of the pickup had gained access to the market area by saying he needed to buy some watermelons, said Ahmed al-Issawi, 40, an owner of a food store there.

"We told him not to stay long in the market," al-Issawi said, adding the driver did stop to buy some watermelons. "Then, he drove very fast toward the sheiks and exploded the pickup. There was a hot storm that sent several stalls and bodies into the air."

Al-Issawi said he and other shop owners tried to extinguish some burning bodies.

At least 18 people were killed and 15 were wounded, according to U.S. Marine Maj. Jeff Pool, a military spokesman for the area.

Fourth suspect surrenders in airport plot

PORT-OF-SPAIN, Trinidad (AP) — A Guyanese suspect in an alleged plot to bomb a fuel pipeline feeding New York's John F. Kennedy Airport surrendered to police Tuesday in Trinidad, a police official said.

Abdel Nur turned himself in at a police station outside the Trinidadian capital of Port-of-Spain, police spokeswoman Wendy Campbell told The Associated Press.

He is the fourth man arrested in the alleged plot, including a former opposition member of Guyana's parliament and a former airport air cargo employee who was arrested in New York.

Trinidadian Police Commissioner Trevor Paul had warned Monday that Nur should be considered armed and dangerous and he appealed to the public for help in finding him.

"I am confident that the pressure brought to bear by the Trinidadian police authorities contributed to his surrender," said Mark Mershon, the head of the FBI in New York. "We are very grateful for their tremendous cooperation in this investigation."

Nur is the uncle of former world welterweight boxing champion Andrew "Six Heads" Lewis, one of Guyana's most famous citizens, according to several newspapers — including one that quoted the boxer himself.



Nur

Thousands flee as cyclone nears Persian Gulf

MUSCAT, Oman (AP) — A powerful cyclone menaced Oman's central coast with strong winds and rain early Wednesday, after thousands of residents fled to higher ground. Forecasters said the Arabian Peninsula's strongest storm in 60 years was on a course for southern Iran and the oil-rich Persian Gulf.

Cyclone-force winds of Gonu, which had been churning northwest through the Indian Ocean, reached the Omani coastal towns of Sur and Ra's al-Hadd. Civil Defense said the storm was dropping heavy rains on the capital, Muscat, and other nearby towns. But there were no immediate reports of any serious damage.

At 6 p.m. EDT, Cyclone Gonu was centered just off central Oman, about 140 miles southeast of Muscat, and was traveling along the coastline at about 8 mph, according to the U.S. military's Joint Typhoon Warning Center.

The storm had weakened somewhat during the day but was still packing winds of up to 106 mph and churning up ocean waves, predicted to reach as high as 36 feet, Oman civil defense officials said. Heavy rains pelted Muscat early Wednesday, and streets were empty as most people stayed indoors, said blogger Vijayakumar Narayanan in a telephone interview.

"Everyone is cocooned in their houses," said Narayanan, whom NowPublic.com reached out to in Oman. NowPublic.com is a Journalism Web site with 98,000 members in 3,500 communities worldwide. "Shops and businesses are closed."



Third Day

A GARDEN CENTER

Hobbs

Call 392-3929

DCP Midstream, LP, 370 17th Street, Suite 2500, Denver, Colorado 80202 has submitted a discharge plan renewal application (GW-311) for its Cotton Draw Compressor Station located in the NE 7 NW 7 and NW 7 NE 7 Section 18, Township 25 South, Range 32 East, Lea County, New Mexico, approximately 41 miles southeast of Loving, NM to the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505, Telephone (505) 476-3440. DCP MIDSTREAM, LP does not propose to discharge effluent or waste solids on site; all effluent and waste solids generated at the facility are removed from the facility for off site disposal in accordance with applicable New Mexico Oil Conservation Division, New Mexico Environment Department, and EPA regulations. Ground water most likely to be affected in an event of an accidental discharge at the surface is at a depth of approximately 40 feet with a total dissolved solids concentration of approximately 600 to 1600 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, submit comments, and request to be placed on a facility-specific mailing address to receive future notices to the Oil Conservation Division at the address or telephone number given above. The Oil Conservation Division will accept comments and statements of interest regarding the renewal application and will create a facility-specific mailing list for persons who wish to receive future notices.

DCP Midstream, LP, 370 17th Street, Suite 2500, Denver, Colorado 80202 se han sometido una aplicación (GW-311) de la renovación del plan de la descarga para su estación de compresor de Cotton Draw en el NE 7 NW 7 and NW 7 NE 7 de la Sección 18, Municipio 25 al sur, la Rango 32 al este, Lea County, New Mexico, aproximadamente 41 este de las millas de Loving, NM to the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505, el Teléfono (505) 476-3440. DCP Midstream, LP no propone descargar efluente ni los sólidos del desecho en el sitio; todo efluente y los sólidos del desecho engendrados en la facilidad son quitados de la facilidad para de la disposición del sitio de acuerdo con División aplicable de la Conservación del Petróleo de nuevo México, del Departamento del Ambiente de nuevo México, y de las regulaciones de EPA. Molló agua muy probable de ser afectada en un acontecimiento de una descarga accidental en la superficie está en una profundidad de aproximadamente 40 pies con un suma la concentración disuelta de sólidos de aproximadamente 600 a 1600 mg/L. Las direcciones del plan de la descarga cómo rocien, los escapes, y otras descargas accidentales a la superficie serán manejados. Alguna persona interesada puede obtener información adicional, se somete los comentarios, y el pedido para ser colocado en un dirección de envío facilidad-específico para recibir notas futuras a la División de la Conservación del Petróleo en la dirección o el número de teléfono dados arriba. La División de la Conservación del Petróleo aceptará los comentarios y las declaraciones del interés con respecto a la aplicación de la renovación y creará una lista de envío facilidad-específico para personas que desea recibir notas futuras.

★ ★ ★ ★ ★ ★ ★ ★

"They're just extreme to work with, and out for you,

HOBBS

Give Nan

300-

Numbers

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, KATHI BEARDEN

PUBLISHER

of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period

of 1

issue(s).

Beginning with the issue dated

June 6, 2007

and ending with the issue dated

June 6, 2007



PUBLISHER

Sworn and subscribed to before

this 20th day of

June, 2007

Notary Public

My Commission expires
February 07, 2009
(Seal)

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

49100061
JEFF ROSS
DCP MIDSTREAM
370 17TH ST., SUITE 2500
DENVER, CO 80202-5604

49664055

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, KATHI BEARDEN

Publisher

of the Hobbs News-Sun, a
newspaper published at
Hobbs, New Mexico, do solemnly
swear that the clipping attached
hereto was published once a
week in the regular and entire
issue of said paper, and not a
supplement thereof for a period.

of _____ 1 _____
_____ weeks.

Beginning with the issue dated

_____ April 25 _____ 2007

and ending with the issue dated

_____ April 25 _____ 2007

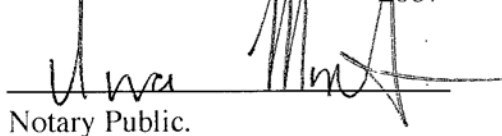


Publisher

Sworn and subscribed to before

me this _____ 25th _____ day of

_____ April _____ 2007


Notary Public.

My Commission expires
February 07, 2009
(Seal)



OFFICIAL SEAL
DORA MONTZ
NOTARY PUBLIC
STATE OF NEW MEXICO

My Commission Expires: _____

This newspaper is duly qualified
to publish legal notices or adver-
tisements within the meaning of
Section 3, Chapter 167, Laws of
1937, and payment of fees for
said publication has been made.

LEGAL NOTICE

April 25, 2007

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-178) DCP Midstream LP. Elisabeth Klein, Principal Environmental Specialist, 370 17th Street, Suite 2500 Denver, Colorado 80202, has submitted a renewal application for the previously approved discharge plan for their Wonton Compressor Station located in the NE/4, SE/4 of Section 10, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico. The compressor station is located approximately 1.25 miles east of SR-18. Any wastewater will be stored in above ground tanks prior to being transported off-site to OCD approved facilities. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 100 to 200 feet below the ground surface, with a total dissolved solids concentration of 1,100 mg/L. The discharge plan addresses how oilfield products and wastes 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-280) DCP Midstream LP. Elisabeth Klein, Principal Environmental Specialist, 370 17th Street, Suite 2500 Denver, Colorado 80202, has submitted a renewal application for the previously approved discharge plan for their Northeast Carlsbad Compressor Station located in the SE/4, NE/4 of Section 6, Township 21 South, Range 28 East, NMPM, Eddy County, New Mexico. The compressor station is located approximately 2.5 miles north-northwest on CR-243 from US-180. Natural gas products, waste oil and water are stored in above ground tanks prior to being transported off-site to OCD approved facilities. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 13 to 30 feet below the ground surface, with a total dissolved solids concentration of 3,110 mg/L. The discharge plan addresses how oilfield products and wastes 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-311) DCP Midstream LP. Elisabeth Klein, Principal Environmental Specialist, 370 17th Street, Suite 2500 Denver, Colorado 80202, has submitted a renewal application for the previously approved discharge plan for their Cotton Draw Compressor Station located in the NE/4, NW/4 of Section 18, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico. The compressor station is located approximately 6.3 miles south on CR-1 from SR-128. Approximately 30 barrels per day of wastewater is stored in above ground tanks prior to being transported off-site to OCD approved facilities. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 400 feet below the ground surface, with a total dissolved solids concentration from 1,000 to 1,700 mg/L. The discharge plan addresses how oilfield products and wastes 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-316) DCP Midstream LP. Elisabeth Klein, Principal Environmental Specialist, 370 17th Street, Suite 2500 Denver, Colorado 80202, has submitted a renewal application for the previously approved discharge plan for their Paige Hat Mesa Compressor Station located in the SW/4, NE/4 of Section 11, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico. The compressor station is located approximately 1.75 miles south of the SR-176 and US-180 intersection. Approximately 6 barrels per day of wastewater is stored in above ground tanks prior to being transported off-site to OCD approved facilities. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 175 feet below the ground surface, with a total dissolved solids concentration of 1,000 mg/L. The discharge plan addresses how oilfield products and wastes will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

The NMOCD has determined that the application is administratively complete and has prepared a draft permit. The NMOCD will accept comments and statements of interest regarding this application and will create a facility-specific mailing list for persons who wish to receive future notices. Persons interested in obtaining further information, submitting comments or requesting to be on a facility-specific mailing list for future notices may contact the Environmental Bureau Chief of the Oil Conservation Division at the address given above. The administrative completeness determination and draft permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday, or may also be viewed at the NMOCD web site <http://www.emnrd.state.nm.us/ocd/>. Persons interested



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

July 16, 2007

UPS Next Day Air (Tracking Number 1Z F46 915 23 1003 5028)

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

SUBJECT:

Discharge Plan Renewals GW-162, GW-316, GW-311, GW-178, GW-177, and GW-176 ⁺¹⁶⁷
Lea County, New Mexico

Dear Mr. Chavez:

DCP Midstream LP submits the following:

- Check in the amount of \$4,000.00 the Antelope Ridge Gas Plant discharge plan flat fee and
- Signed copy of the Discharge Plan Approval Conditions for the Antelope Ridge Gas Plant
- Checks in the amount of \$1,700.00 each for the Paige Hat Mesa Compressor Station (GW-316), Cotton Draw Compressor Station (GW-311), Wonton Compressor Station (GW-178), Maljamar Compressor Station (GW-177), Bootleg Compressor Station (GW-176)
- Signed copies of the Discharge Plan Approval Conditions for the facilities listed above.

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 I Office
1625 N. French Drive
Hobbs, New Mexico 88240

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. dated 7/13/07

or cash received on in the amount of \$ 1700⁰⁰

from DLP Midstream LP

for GW-311

Submitted by: Laurence Romero Date: 7/26/07

Submitted to ASD by: Laurence Romero Date: 7/26/07

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



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Brukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

June 13, 2007

Eliabeth Klein
DCP Midstream, LP
37017th Street, Suite 2500
Denver, Colorado 80202

RECEIVED

JUN 19 2007

Re: Discharge Permit GW-311
Cotton Draw Compressor Station

**DCP Midstream
Environment Health & Safety**

Dear Ms. Klein:

Pursuant to Water Quality Control Commission (WQCC) Regulations 20.6.2.3000 - 20.6.2.3114 NMAC, the Oil Conservation Division (OCD) hereby approves the discharge permit for the DCP Midstream, LP (owner/operator) Cotton Draw Compressor Station GW-311 located in the NE/4 NW/4 of Section 18, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, under the conditions specified in the enclosed **Attachment To The Discharge Permit**. Enclosed are two copies of the conditions of approval. **Please sign and return one copy to the New Mexico Oil Conservation Division (OCD) Santa Fe Office within 30 working days of receipt of this letter including permit fees.**

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

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

Sincerely,

Wayne Price

Environmental Bureau Chief

LWP/cc

Attachments-1

xc: OCD District Office

**ATTACHMENT TO THE DISCHARGE PERMIT
DCP MIDSTREAM, LP, COTTON DRAW COMPRESSOR STATION (GW-311)
DISCHARGE PERMIT APPROVAL CONDITIONS
June 13, 2007**

Please remit a check for \$1700.00 made payable to Water Quality Management Fund:

**Water Quality Management Fund
C/o: Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, New Mexico 87505**

- 1. Payment of Discharge Plan Fees:** All discharge permits are subject to WQCC Regulations. Every billable facility that submits a discharge permit application will be assessed a filing fee of \$100.00, plus a renewal flat fee (*see* WQCC Regulation 20.6.2.3114 NMAC). The Oil Conservation Division ("OCD") has received the required \$100.00 filing fee. However, the owner/operator still owes the required \$1700.00 renewal permit fee for a gas compressor station greater than 1001 horsepower.
- 2. Permit Expiration, Renewal Conditions and Penalties:** Pursuant to WQCC Regulation 20.6.2.3109.H.4 NMAC, this permit is valid for a period of five years. **The permit will expire on January 6, 2010** and an application for renewal should be submitted no later than 120 days before that expiration date. Pursuant to WQCC Regulation 20.6.2.3106.F NMAC, if a discharger submits a discharge permit renewal application at least 120 days before the discharge permit expires and is in compliance with the approved permit, then the existing discharge permit will not expire until the application for renewal has been approved or disapproved. *Expired permits are a violation of the Water Quality Act {Chapter 74, Article 6, NMSA1978} and civil penalties may be assessed accordingly.*
- 3. Permit Terms and Conditions:** Pursuant to WQCC Regulation 20.6.2.3104 NMAC, when a permit has been issued, the owner/operator must ensure that all discharges shall be consistent with the terms and conditions of the permit. In addition, all facilities shall abide by the applicable rules and regulations administered by the OCD pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38.
- 4. Owner/Operator Commitments:** The owner/operator shall abide by all commitments submitted in its February 7, 2007 discharge plan renewal application, including attachments and subsequent amendments and these conditions for approval. Permit applications that reference previously approved plans on file with the division shall be incorporated in this permit and the owner/operator shall abide by all previous commitments of such plans and these conditions for approval.

5. Modifications: WQCC Regulation 20.6.2.3107.C, and 20.6.2.3109 NMAC addresses possible future modifications of a permit. The owner/operator (discharger) shall notify the OCD of any facility expansion, production increase or process modification that would result in any significant modification in the discharge of water contaminants. The Division Director may require a permit modification if any water quality standard specified at 20.6.2.3103 NMAC is being or will be exceeded, or if a toxic pollutant as defined in WQCC Regulation 20.6.2.7 NMAC is present in ground water at any place of withdrawal for present or reasonably foreseeable future use, or that the Water Quality Standards for Interstate and Intrastate streams as specified in 20.6.4 NMAC are being or may be violated in surface water in New Mexico.

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

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

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

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

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

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

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

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

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

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

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

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

12. Underground Process/Wastewater Lines:

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

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

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

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

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

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

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

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

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

20. Additional Site Specific Conditions: N/A

21. Transfer of Discharge Permit (WQCC 20.6.2.3111) Prior to any transfer of ownership, control, or possession (whether by lease, conveyance or otherwise) of a facility with a discharge permit, the transferor shall notify the transferee in writing of the existence of the discharge permit, and shall deliver or send by certified mail to the department a copy of such written notification, together with a certification or other proof that such notification has in fact been received by the transferee. Upon receipt of such notification, the transferee shall have the duty to inquire into all of the provisions and requirements contained in such discharge permit, and the transferee shall be charged with notice of all such provisions and requirements as they appear of record in the department's file or files concerning such discharge permit. The transferee (new owner/operator) shall sign and return an original copy of these permit conditions and provide a written commitment to comply with the terms and conditions of the previously approved discharge permit.

22. Closure: The owner/operator shall notify the OCD when operations of the facility are to be discontinued for a period in excess of six months. Prior to closure of the facility, the operator shall submit a closure plan for approval. Closure and waste disposal shall be in accordance with the statutes, rules and regulations in effect at the time of closure.

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

Elsabeth Klein

GV-311

June 13, 2007

Page 7 of 7

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

DCP MIDSTREAM LP

Company Name-print name above

TONY R. LEE

Company Representative- print name

Tony R Lee

Company Representative- signature

Title ASSET MANAGER

Date: 7- 3- 07



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

June 13, 2007

Elisabeth Klein
DCP Midstream, LP
370 17th Street, Suite 2500
Denver, Colorado 80202

Re: Discharge Permit GW-311
Cotton Draw Compressor Station

Dear Ms. Klein:

Pursuant to Water Quality Control Commission (WQCC) Regulations 20.6.2.3000 - 20.6.2.3114 NMAC, the Oil Conservation Division (OCD) hereby approves the discharge permit for the DCP Midstream, LP (owner/operator) Cotton Draw Compressor Station GW-311 located in the NE/4 NW/4 of Section 18, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, under the conditions specified in the enclosed **Attachment To The Discharge Permit**. Enclosed are two copies of the conditions of approval. **Please sign and return one copy to the New Mexico Oil Conservation Division (OCD) Santa Fe Office within 30 working days of receipt of this letter including permit fees.**

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

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

Sincerely,

Wayne Price

Environmental Bureau Chief

LWP/cc

Attachments-1

xc: OCD District Office

**ATTACHMENT TO THE DISCHARGE PERMIT
DCP MIDSTREAM, LP, COTTON DRAW COMPRESSOR STATION (GW-311)
DISCHARGE PERMIT APPROVAL CONDITIONS
June 13, 2007**

Please remit a check for \$1700.00 made payable to Water Quality Management Fund:

**Water Quality Management Fund
C/o: Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, New Mexico 87505**

1. **Payment of Discharge Plan Fees:** All discharge permits are subject to WQCC Regulations. Every billable facility that submits a discharge permit application will be assessed a filing fee of \$100.00, plus a renewal flat fee (*see* WQCC Regulation 20.6.2.3114 NMAC). The Oil Conservation Division ("OCD") has received the required \$100.00 filing fee. However, the owner/operator still owes the required \$1700.00 renewal permit fee for a gas compressor station greater than 1001 horsepower.
2. **Permit Expiration, Renewal Conditions and Penalties:** Pursuant to WQCC Regulation 20.6.2.3109.H.4 NMAC, this permit is valid for a period of five years. **The permit will expire on January 6, 2010** and an application for renewal should be submitted no later than 120 days before that expiration date. Pursuant to WQCC Regulation 20.6.2.3106.F NMAC, if a discharger submits a discharge permit renewal application at least 120 days before the discharge permit expires and is in compliance with the approved permit, then the existing discharge permit will not expire until the application for renewal has been approved or disapproved. *Expired permits are a violation of the Water Quality Act {Chapter 74, Article 6, NMSA1978} and civil penalties may be assessed accordingly.*
3. **Permit Terms and Conditions:** Pursuant to WQCC Regulation 20.6.2.3104 NMAC, when a permit has been issued, the owner/operator must ensure that all discharges shall be consistent with the terms and conditions of the permit. In addition, all facilities shall abide by the applicable rules and regulations administered by the OCD pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38.
4. **Owner/Operator Commitments:** The owner/operator shall abide by all commitments submitted in its February 7, 2007 discharge plan renewal application, including attachments and subsequent amendments and these conditions for approval. Permit applications that reference previously approved plans on file with the division shall be incorporated in this permit and the owner/operator shall abide by all previous commitments of such plans and these conditions for approval.

5. **Modifications:** WQCC Regulation 20.6.2.3107.C, and 20.6.2.3109 NMAC addresses possible future modifications of a permit. The owner/operator (discharger) shall notify the OCD of any facility expansion, production increase or process modification that would result in any significant modification in the discharge of water contaminants. The Division Director may require a permit modification if any water quality standard specified at 20.6.2.3103 NMAC is being or will be exceeded, or if a toxic pollutant as defined in WQCC Regulation 20.6.2.7 NMAC is present in ground water at any place of withdrawal for present or reasonably foreseeable future use, or that the Water Quality Standards for Interstate and Intrastate streams as specified in 20.6.4 NMAC are being or may be violated in surface water in New Mexico.

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

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

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

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

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

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

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

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

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

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

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

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

12. Underground Process/Wastewater Lines:

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

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

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

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

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

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

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

18. Unauthorized Discharges: The owner/operator shall not allow or cause water pollution discharge or release of any water contaminant that exceeds the WQCC standards listed in 20.6.231 01 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) unless specifically listed in the permit application and approved herein. An unauthorized discharge is a violation of this permit.

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

20. Additional Site Specific Conditions: N/A

21. Transfer of Discharge Permit (WQCC 20.6.2.3111) Prior to any transfer of ownership, control, or possession (whether by lease, conveyance or otherwise) of a facility with a discharge permit, the transferor shall notify the transferee in writing of the existence of the discharge permit, and shall deliver or send by certified mail to the department a copy of such written notification, together with a certification or other proof that such notification has in fact been received by the transferee. Upon receipt of such notification, the transferee shall have the duty to inquire into all of the provisions and requirements contained in such discharge permit, and the transferee shall be charged with notice of all such provisions and requirements as they appear of record in the department's file or files concerning such discharge permit. The transferee (new owner/operator) shall sign and return an original copy of these permit conditions and provide a written commitment to comply with the terms and conditions of the previously approved discharge permit.

22. Closure: The owner/operator shall notify the OCD when operations of the facility are to be discontinued for a period in excess of six months. Prior to closure of the facility, the operator shall submit a closure plan for approval. Closure and waste disposal shall be in accordance with the statutes, rules and regulations in effect at the time of closure.

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

Elisabeth Klein
GW-311
June 13, 2007
Page 7 of 7

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

Company Name-print name above

Company Representative- print name

Company Representative- signature

Title _____

Date: _____



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

February 28, 2007

2007 MAR 2 PM 12 34

UPS NEXT DAY AIR (Tracking Number 1Z F46 915 22 1005 963 9)

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

Subject: Cotton Draw Compressor Station
Discharge Permit Renewal (GW-311)
Lea County, New Mexico

Dear Mr. Price:

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

DCP MIDSTREAM will satisfy the requirements of 20.6.2.3108(A) NMAC by providing notice under Paragraph (2) of Subsection C of 20.6.2.3108 NMAC. DCP MIDSTREAM plans to publish a public notice in the Hobbs News-Sun for the Cotton Draw Compressor Station Discharge Permit Renewal. DCP MIDSTREAM will publish a synopsis of the notice, in English and in Spanish, in a display ad at least two inches by three inches, not in the classified or legal advertisements section in the Hobbs News-Sun. Additionally, DCP MIDSTREAM will provide the owner of the property, the federal Bureau of Land Management, notice via certified mail.

As we have discussed previously, DCP MIDSTREAM does not believe that the New Mexico Water Quality Act, NMSA 1978, §§74-6-1 to 17, and the regulations adopted under that act are applicable to compressor stations. Further, even if the Water Quality Act and regulations applied, the Water Quality Control Commission (WQCC) regulations do not require a discharge plan for this facility. The Cotton Draw Compressor Station does not have any discharges that may move directly or indirectly into groundwater. Therefore, DCP MIDSTREAM does not believe that a discharge plan is required under the WQCC regulations. Since the WQCC regulations do not require a discharge plan, DCP MIDSTREAM is under no legal obligation to renew Discharge Plan GW-311.

Please be advised that DCP MIDSTREAM's submittal of the renewal application and application filing fee does not waive DCP MIDSTREAM's objection to the Oil Conservation Division's (OCD) position regarding applicability of the WQCC regulations. If you have any questions concerning DCP MIDSTREAM's position or the renewal application, please contact me at (303) 605-1778. Please send all correspondence regarding this renewal to me at 370 17th Street, Suite 2500, Denver, CO 80202.

Sincerely,
DCP Midstream, LP

Elisabeth Klein
Principal Environmental Specialist

Enclosures

cc: NMOCD District 1 Office (1Z F46 915 22 1005 964 8)
1625 N. French Drive
Hobbs, NM 88240

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 June 10, 2003

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

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

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

☐ New ☒ Renewal ☐ Modification

1. Type: Cotton Draw Compressor Station
2. Operator: DCP Midstream, LP
Address: See enclosed discharge plan.
Contact Person: See enclosed discharge plan. Phone: _____
3. Location: NE /4 NW /4 Section 18 Township 25S Range 32E
Submit large scale topographic map showing exact location.
AND NW/4 NE/4
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: Tony Lee

Title: Asset Manager

Signature: Tony R Lee

Date: 2-26-07

E-mail Address: TRLee@dcpmidstream.com

Cotton Draw Booster Station
NE ¼ NW ¼ and NW ¼ NE ¼ Section 18, T25S, R32E

DISCHARGE PLAN

This document constitutes a renewal application for a Groundwater Discharge Permit (GW-311) for the Cotton Draw Booster Station as previously approved by New Mexico Oil Conservation Division (OCD) on January 6, 2000. This Discharge Permit application has been prepared in accordance with the OCD "Guidelines for the Preparation of Discharge Plans at Natural Gas Plants, Refineries, Compressor and Crude Oil Pump Stations" (revised 12-95) and New Mexico Water Quality Control Commission (WQCC) regulations, 20.6.2.3106.C NMAC.

1 Type of Operation

The facility is a compressor station.

2 Operator / Legally Responsible Party

Operator

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

Legally Responsible Party

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

3 Location Facility

NE ¼ NW ¼ & NW ¼ NE ¼ Section 18, Township 25 South, Range 32 East, Lea County, New Mexico

See Figure 1 – Site Location Map.

4 Landowner

United States Department of the Interior
Bureau of Land Management RDO
Carlsbad Resource Area
620 E. Greene Street
Carlsbad, NM 88220-6292
(505) 887-6544

5 Facility Description

The facility provides compression for the Llano Gathering System. The facility consists of one engine-driven natural gas compressor, an inlet filter separator, scrubbers, and aboveground storage tanks that store condensate, produced water, used oil, engine coolant, methanol, lube oil, and skid drain water.

6 Materials Stored or Used

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

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

7 Sources and Quantities of Effluent and Waste Solids

All effluent and waste solids generated at the facility are stored in enclosed, above-ground tanks with secondary containment and removed from the facility for off-site disposal in accordance with applicable OCD, New Mexico Environment Department (NMED), and Environmental Protection Agency (EPA) regulations. Approximate quantities are provided in the table in the following response to Item #8. There are no effluents or waste solids are discharged on site onto or below the surface of the ground so that they may move directly or indirectly into groundwater.

Separators/Scrubbers

Effluent or waste solids generated from separators or scrubbers are not discharged on site; wastewater from the inlet scrubber is routed via piping to an aboveground storage tank within secondary containment and is trucked off site for treatment.

Boilers and Cooling Towers/Fans

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

Process and Storage Equipment Wash Down

Effluent or waste solids generated from process equipment wash down is collected in an aboveground storage tank and transported off-site for treatment.

Solvents/Degreasers

Solvents or degreasers are not used at the facility.

Spent Acids/Caustics

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

Used Engine Coolants

Used antifreeze is not generated at the facility. The antifreeze is consumed by the engines so no waste coolant is generated. Antifreeze is not discharged on site so that it may move directly or indirectly into groundwater.

Waste Lubrication and Motor Oils

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

Used Oil Filters

Used oil filters generated at the facility are collected in an aboveground storage bin which is stored off-site and then picked up for recycling.

Solids and Sludges

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

Painting Wastes

Paint wastes are not generated at the site.

Sewage

Sewage is not generated at the facility.

Lab Wastes

Lab wastes are not generated at the facility.

Other Liquids and Solid Wastes

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

8 Liquid and Solid Waste Collection / Storage / Disposal

Collection/Storage

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

On-site Disposal

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

Off-site Disposal

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

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

Waste	Collection Method/Storage	Quantity Generated	Final Disposition	Receiving Facility
Produced Water/Condensate	Aboveground storage tank within secondary containment	~ 100 bbls/month	Off-site treatment	Eunice Plant Heater Treater
Used Oil Filters	Aboveground storage bin located off-site	~2 filters/year	Off-site recycling	Thermofluids, Inc.
Used Oil	Aboveground storage tank within secondary containment	~ 500 gal/year	Off-site recycling	Thermofluids, Inc.
Equipment Washdown Water/skid drain/slop oil	Below-grade double-walled sump with a high level alarm and aboveground storage tank within secondary containment.	~ 100 bbls/month	Off-site treatment	Eunice Plant Heater Treater

9 Proposed Modifications

No modifications to the facility are planned. DCP Midstream would like to modify the housekeeping condition regarding the frequency of inspections to one time per month to be consistent with our other discharge plans.

10 Inspection, Maintenance, and Reporting

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

11 Spill / Leak Prevention and Reporting (Contingency Plans)

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

12 Site Characteristics

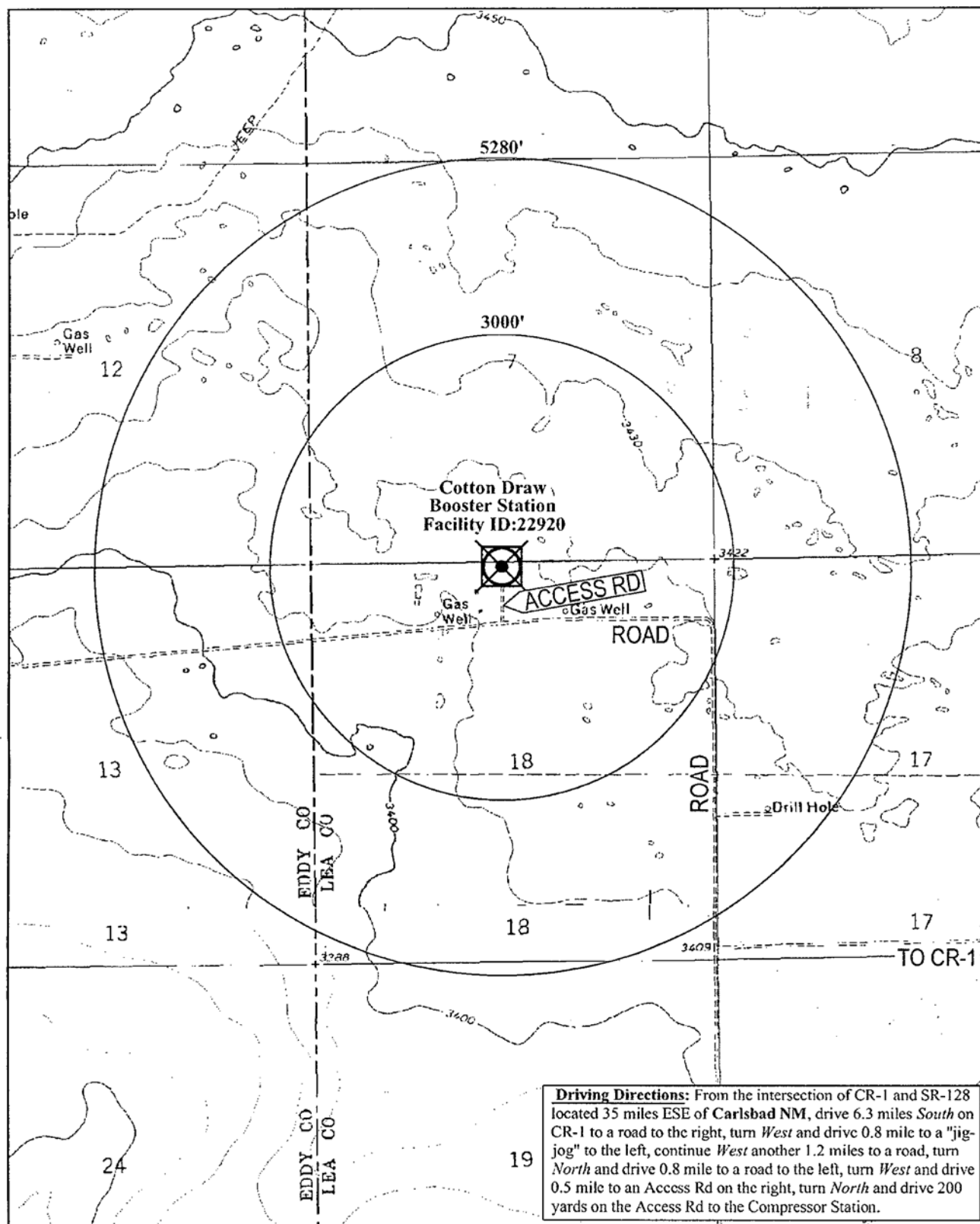
No Changes.

13 Additional Information

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

FIGURES

FIGURE 1. Site Location Map – Cotton Draw Booster Station



dcp
Midstream.

Cotton Draw Compressor Station

Lea County, New Mexico
Zone 13 UTMH 621251m UTMV 3556369m
Lat. 32° 25' 18" Long. 103° 27' 48"

PHOTO VERIFIED

VICINITY



32103B6 Paduca Breaks NW

Source: USGS 1:24,000 scale

Drawn by: JRE

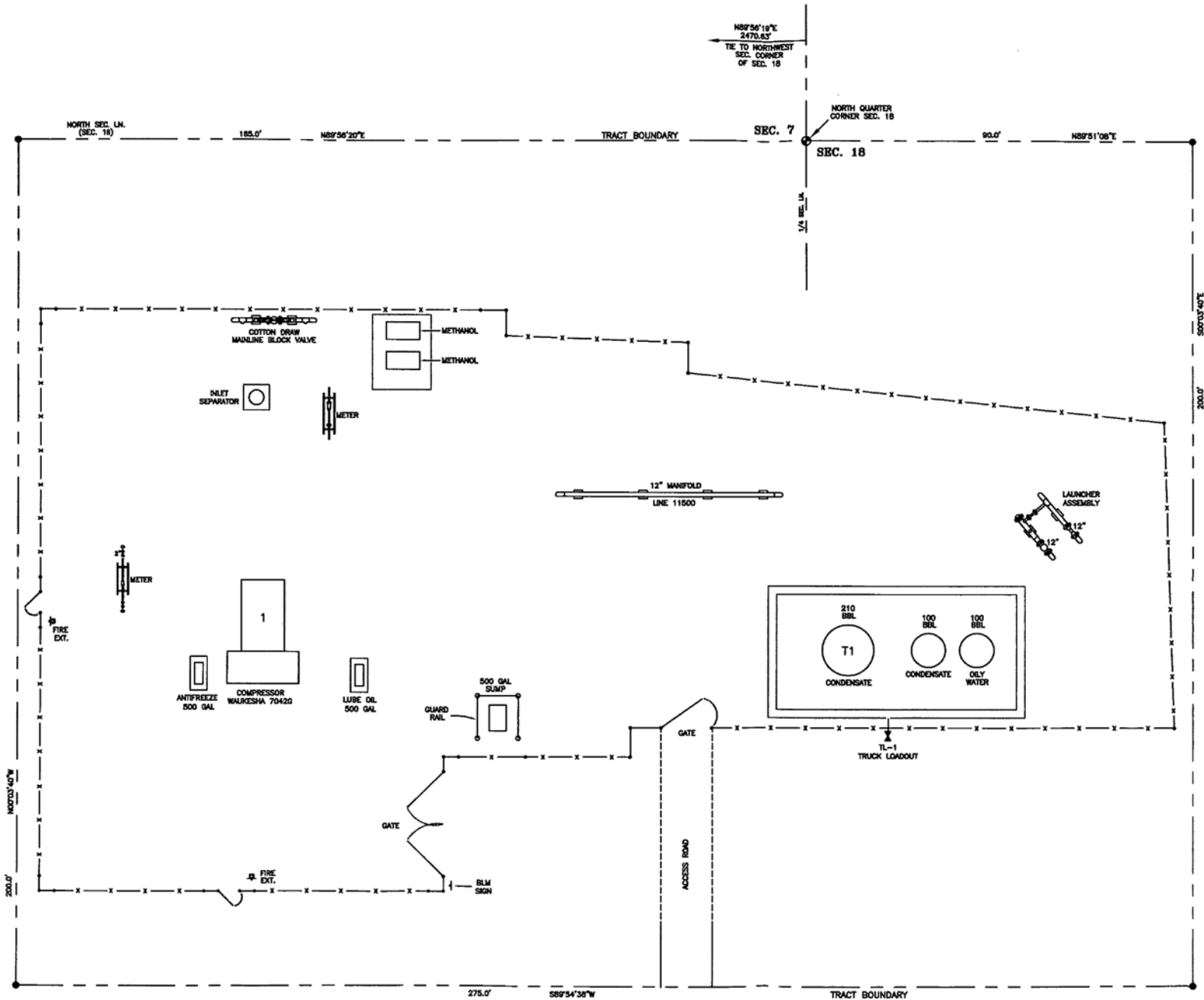
Revised by:

Date: 10-20-06

ENVIRONMENTAL

AFFAIRS DEPARTMENT

FIGURE 2. Facility Plot Plan – Cotton Draw Booster Station



NOT TO SCALE
NOTE: SCALE IS APPROXIMATE
DRAWING IS BASED ON A
FIELD SKETCH; ACTUAL
FACILITIES MAY VARY IN SIZE
AND POSITION FROM THOSE
REPRESENTED HERE.

DISCHARGE PLAN RE

**COTTON DRAW COMPRESSOR
LLANO GATHERING ST**

Lea County
NEW MEXICO

\\data\EhsDrawings\Mapping\NewMexico\Eunio

REVISION	BY	CHK'D	ENGR.	ENGR. MGR.	REV	DATE	REVISION	BY	CHK'D	ENGR.	ENGR. MGR.
FROM CONOCOPHILLIPS SKETCH (5-30-03)	J.R.E.	E.A.K.									

dcp
Midstream.

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NAME E. KLEIN

TELEPHONE 303-595-3331

COMPANY

DCP MIDSTREAM

STREET ADDRESS

370 17TH STREET, SUITE 2500

CITY AND STATE

DENVER

ZIP CODE

CO 80202

2 EXTREMELY URGENT DELIVERY TO

NAME

MR. WAYNE PRICE (505) 476-3440

TELEPHONE

COMPANY

OIL CONSERVATION DIVISION

STREET ADDRESS

1220 SOUTH ST. FRANCIS DRIVE

DEPT./FLR.

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SANTA FE, NM 87505

ZIP CODE



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6	<input type="checkbox"/> SATURDAY PICKUP See instructions. <input type="checkbox"/> DECLARED VALUE FOR CARRIAGE Contents are automatically protected up to \$100. For declared value over \$100, see instructions.		<input type="checkbox"/> SATURDAY DELIVERY See instructions. \$ AMOUNT	\$
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7	<input type="checkbox"/> An Additional Handling Charge applies for certain items. See instructions.			\$
ADDITIONAL HANDLING CHARGE				\$
8	METHOD OF PAYMENT <input checked="" type="checkbox"/> SHIPPER'S ACCOUNT NUMBER (SECTION 9) <input type="checkbox"/> BILL RECEIVER DOMESTIC ONLY <input type="checkbox"/> BILL THIRD PARTY <input type="checkbox"/> CREDIT CARD American Express, Diner's Club, MasterCard, Visa		<input type="checkbox"/> CHECK	
9	RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. THIRDPARTY'S COMPANY NAME STREET ADDRESS CITY AND STATE ZIP CODE		EXPIRATION DATE	
10	SHIPPER'S SIGNATURE X E. Klein		DATE OF SHIPMENT 02/28/07	UPS COPY

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REFERENCE NUMBER
G 935

NAME E. KLEIN **TELEPHONE** 303-595-3331

COMPANY DCP MIDSTREAM

STREET ADDRESS 370 17TH STREET, SUITE 2500

CITY AND STATE DENVER **ZIP CODE** CO 80202

2 EXTREMELY URGENT DELIVERY TO:

NAME **TELEPHONE** (505) 393-6161

COMPANY

STREET ADDRESS OIL CONSERVATION DIVISION - DISTRICT 1

CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) 1625 N. FRENCH DRIVE **DEPT./FLR.** **Residential Delivery**

CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) HOBBS, NM **ZIP CODE** 88240



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TYPE OF SERVICE <input type="checkbox"/> NEXT DAY AIR <input type="checkbox"/> EXPRESS (INT'L) FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value. <input type="checkbox"/> SATURDAY PICKUP See instructions. <input type="checkbox"/> SATURDAY DELIVERY See instructions. <input type="checkbox"/> DECLARED VALUE FOR CARRIAGE Contents are automatically protected up to \$100. For declared value over \$100, see instructions. <input type="checkbox"/> C.O.D. If C.O.D., enter amount to be collected and attach completed UPS C.O.D. tag to package.	<input type="checkbox"/> DOCUMENTS ONLY <input type="checkbox"/> SATURDAY DELIVERY AMOUNT \$	CHARGES \$	
6 OPTIONAL SERVICES	<input type="checkbox"/> An Additional Handling Charge applies for certain items. See instructions.	AMOUNT \$	
7 ADDITIONAL HANDLING CHARGE	AMOUNT \$		
8 METHOD OF PAYMENT BILL SHIPPER'S ACCOUNT NUMBER <input checked="" type="checkbox"/> SECTION 1 BILL RECEIVER DOMESTIC ONLY <input type="checkbox"/> RECORD ACCOUNT NO. IN SECTION 9 BILL THIRD PARTY <input type="checkbox"/> CREDIT CARD <input type="checkbox"/> American Express Diner's Club MasterCard Visa CHECK <input type="checkbox"/>	TOTAL CHARGES \$		

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. **EXPIRATION DATE**

THIRD PARTY'S COMPANY NAME

STREET ADDRESS

CITY AND STATE **ZIP CODE**

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10 SHIPPER'S SIGNATURE X.E. Klein

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United States greater value is recorded in writing on this receipt, the shipper agrees that the insured value of each domestic package or international shipment covered by this receipt is no greater than \$100, which is a reasonable value under the terms of the contract. For international shipments, the maximum value per package is \$50,000, except for packages shipped via UPS Next Day Air, which is \$100,000. For international shipments, the maximum value per package is \$50,000, except for packages shipped via UPS Next Day Air, which is \$100,000. For international shipments, the maximum value per package is \$50,000, except for packages shipped via UPS Next Day Air, which is \$100,000. For international shipments, the maximum value per package is \$50,000, except for packages shipped via UPS Next Day Air, which is \$100,000.

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Price, Wayne

From: Price, Wayne**Sent:** Tuesday, February 05, 2002 12:08 PM**To:** 'Bishop, Mark A.'**Subject:** RE: Non-exempt waste disposal for Conoco CG&P

OCD hereby approves of your request and will place a copy of this approval in each Discharge Plan.

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

From: Bishop, Mark A. [mailto:Mark.A.Bishop@conoco.com]**Sent:** Tuesday, February 05, 2002 11:24 AM**To:** WPrice@state.nm.us**Subject:** Non-exempt waste disposal for Conoco CG&P facilities

Mr. Price,

A reevaluation of preferred non-exempt waste handling facilities has been completed for southeast New Mexico and a team of Conoco personnel has chosen Sundance waste handling facility at Eunice, NM to be our primary non-exempt waste handling facility. Controlled recovery Inc. will be the secondary facility. We would like to amend the following OCD Groundwater discharge permits to include the Sundance facility for disposal of non-exempt fluids. Thank you for your consideration of our request

Maljamar Gas Plant	GW-020
Maljamar Area Blanket OCD permit	
Antelope Ridge Gas Plant	GW-162
Hobbs Gas Plant	GW-175
Apex compressor Station	GW-163
Bootleg 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 Compressor Station	GW-227
Pardue Compressor Station	GW-288
Pure Gold Compressor Station	GW-150
Malaga Compressor Station	GW-167

Mark Bishop
 Environmental Specialist
 Conoco Inc. CG&P
 SE New Mexico Operating Unit
 505-391-1956

2/6/2002



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

NOV 9 10:57AM

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

January 6, 2000

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Environmental Bureau
Oil Conservation Division

CERTIFIED MAIL

RETURN RECEIPT NO. Z-142-564-936

Mr. John R. Delaney
LG&E Natural Gathering and Processing Co.
921 West Sanger
Hobbs, New Mexico 88240

**RE: Discharge Plan Approval GW-311
LG&E Natural Gathering and Processing Co.
Cotton Draw Compressor Station
Lea County, New Mexico**

Dear Mr. Delaney:

The ground water discharge plan, GW-311, for the LG&E Natural Gathering and Processing Co. Cotton Draw Compressor Station located in the NE/4 NW/4 and NW/4 NE/4 of Section 18, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, is hereby approved under the conditions contained in the enclosed attachment. The discharge plan consists of the application dated December 14, 1998 and the attached conditions of approval. Enclosed are two copies of the conditions of approval. **Please sign and return one copy to the New Mexico Oil Conservation Division (OCD) Santa Fe Office within 10 working days of receipt of this letter.**

The discharge plan application was submitted pursuant to Section 3106 of the New Mexico Water Quality Control Commission (WQCC) Regulations. It is approved pursuant to Section 3109.A. Please note Sections 3109.E and 3109.F, which provide for possible future amendments or modifications of the plan. Please be advised that approval of this plan does not relieve LG&E Natural Gathering and Processing Co. of liability should operations result in pollution of surface water, ground water, or the environment.

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

Mr. John R. Delaney
GW- 317 Cotton Draw Compressor Station
January 6, 2000
Page 2

Please note that Section 3104 of the regulations provides: "When a plan has been approved, discharges must be consistent with the terms and conditions of the plan." Pursuant to Section 3107.C., LG&E Natural Gathering and Processing Co. is required to notify the Director of any facility expansion, production increase, or process modification that would result in any change in the discharge of water quality or volume.

Pursuant to Section 3109.G.4., this plan is for a period of five years. This approval will expire on **January 6, 2005**, and LG&E Natural Gathering and Processing Co. should submit an application in ample time before this date. Note that under Section 3106.F. of the regulations, if a discharger submits a discharge plan application at least 120 days before the discharge plan expires and is in compliance with the approved plan, then the existing discharge plan will not expire until the application for has been approved or disapproved. It should be noted that all discharge plan facilities will be required to submit the results of an underground drainage testing program as a requirement for discharge plan .

The discharge plan application for the LG&E Natural Gathering and Processing Co. Cotton Draw Compressor Station is subject to WQCC Regulation 3114. Every billable facility submitting a discharge plan application will be assessed a fee equal to the filing fee of \$50 plus a flat fee for compressor station facilities. Compressor stations with less than 1000 horsepower have no flat fee requirement. The OCD has received the filing fee.

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

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

Sincerely,



Roger C. Anderson
Chief, Environmental Bureau
Oil Conservation Division

RCA/wjf
Attachment

xc: OCD Hobbs Office

ATTACHMENT TO THE DISCHARGE PLAN GW-311
LG&E NATURAL GATHERING AND PROCESSING CO.
COTTON DRAW COMPRESSOR STATION
DISCHARGE PLAN APPROVAL CONDITIONS
(January 6, 2000)

1. Payment of Discharge Plan Fees: The \$50.00 filing fee has been received by the OCD. No flat fee is required for compressor stations with less than 1000 horsepower. No flat fee is required for this facility.
2. LG&E Natural Gathering and Processing Co. Commitments: LG&E Natural Gathering and Processing Co. will abide by all commitments submitted in the discharge plan application dated December 14, 1998 and these conditions for approval.
3. Waste Disposal: All wastes will be disposed of at an OCD approved facility. Only oilfield exempt wastes shall be disposed of down Class II injection wells. Non-exempt oilfield wastes that are non-hazardous may be disposed of at an OCD approved facility upon proper waste characterization per 40 CFR Part 261.
4. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums will be stored on their sides with the bungs in and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets will also be stored on an impermeable pad and curb type containment.
5. Process Areas: All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.
6. Above Ground Tanks: All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new tanks or existing tanks that undergo a major modification, as determined by the Division, must be placed within an impermeable bermed enclosure.
7. Above Ground Saddle Tanks: Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.
8. Labeling: All tanks, drums and containers will be clearly labeled to identify their contents and other emergency notification information.

9. Below Grade Tanks/Sumps: All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All pre-existing sumps and below-grade tanks must demonstrate integrity on an annual basis. Integrity tests include pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps, or other OCD approved methods. The OCD will be notified at least 72 hours prior to all testing.
10. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity a minimum of every 5 years. The permittee may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD. The OCD will be notified at least 72 hours prior to all testing.
11. Class V Wells: Leach fields and other wastewater disposal systems at OCD regulated facilities which inject non-hazardous fluid into or above an underground source of drinking water are considered Class V injection wells under the EPA UIC program. All Class V wells that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes will be closed unless it can be demonstrated that groundwater will not be impacted in the reasonably foreseeable future. Closure of Class V wells must be in accordance with a plan approved by the Division's Santa Fe Office. The OCD allows industry to submit closure plans which are protective of human health, the environment and groundwater as defined by the WQCC, and are cost effective. Class V wells that inject domestic waste only must be permitted by the New Mexico Environment Department.
12. Housekeeping: All systems designed for spill collection/prevention will be inspected weekly and after each storm event to ensure proper operation and to prevent overtopping or system failure. A record of inspections will be retained on site for a period of five years.
13. Spill Reporting: All spills/releases will be reported pursuant to OCD Rule 116 and WQCC 1203 to the OCD Hobbs District Office.
14. Transfer of Discharge Plan: The OCD will be notified prior to any transfer of ownership, control, or possession of a facility with an approved discharge plan. A written commitment to comply with the terms and conditions of the previously approved discharge plan must be submitted by the purchaser and approved by the OCD prior to transfer.

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

Accepted:

LG&E NATURAL GATHERING AND PROCESSING CO.

by  DIRECTOR - LGM
Title



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

January 6, 2000

CERTIFIED MAIL

RETURN RECEIPT NO. Z-142-564-936

Mr. John R. Delaney
LG&E Natural Gathering and Processing Co.
921 West Sanger
Hobbs, New Mexico 88240

**RE: Discharge Plan Approval GW-311
LG&E Natural Gathering and Processing Co.
Cotton Draw Compressor Station
Lea County, New Mexico**

Dear Mr. Delaney:

The ground water discharge plan, GW-311, for the LG&E Natural Gathering and Processing Co. Cotton Draw Compressor Station located in the NE/4 NW/4 and NW/4 NE/4 of Section 18, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, **is hereby approved** under the conditions contained in the enclosed attachment. The discharge plan consists of the application dated December 14, 1998 and the attached conditions of approval. Enclosed are two copies of the conditions of approval. **Please sign and return one copy to the New Mexico Oil Conservation Division (OCD) Santa Fe Office within 10 working days of receipt of this letter.**

The discharge plan application was submitted pursuant to Section 3106 of the New Mexico Water Quality Control Commission (WQCC) Regulations. It is approved pursuant to Section 3109.A. Please note Sections 3109.E and 3109.F, which provide for possible future amendments or modifications of the plan. Please be advised that approval of this plan does not relieve LG&E Natural Gathering and Processing Co. of liability should operations result in pollution of surface water, ground water, or the environment.

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

Mr. John R. Delaney
GW- 317 Cotton Draw Compressor Station
January 6, 2000
Page 2

Please note that Section 3104 of the regulations provides: "When a plan has been approved, discharges must be consistent with the terms and conditions of the plan." Pursuant to Section 3107.C., LG&E Natural Gathering and Processing Co. is required to notify the Director of any facility expansion, production increase, or process modification that would result in any change in the discharge of water quality or volume.

Pursuant to Section 3109.G.4., this plan is for a period of five years. This approval will expire on **January 6, 2005**, and LG&E Natural Gathering and Processing Co. should submit an application in ample time before this date. Note that under Section 3106.F. of the regulations, if a discharger submits a discharge plan application at least 120 days before the discharge plan expires and is in compliance with the approved plan, then the existing discharge plan will not expire until the application for has been approved or disapproved. It should be noted that all discharge plan facilities will be required to submit the results of an underground drainage testing program as a requirement for discharge plan .

The discharge plan application for the LG&E Natural Gathering and Processing Co. Cotton Draw Compressor Station is subject to WQCC Regulation 3114. Every billable facility submitting a discharge plan application will be assessed a fee equal to the filing fee of \$50 plus a flat fee for compressor station facilities. Compressor stations with less than 1000 horsepower have no flat fee requirement. The OCD has received the filing fee.

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

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

Sincerely,



Roger C. Anderson
Chief, Environmental Bureau
Oil Conservation Division

RCA/wjf
Attachment

xc: OCD Hobbs Office

Z 142 564 936 OCP

US Postal Service

FORD

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	J R Delaney
Street & Number	LGRE
Post Office, State, & ZIP Code	Abbs
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	GW-311

PS Form 3800, April 1995

ATTACHMENT TO THE DISCHARGE PLAN GW-311
LG&E NATURAL GATHERING AND PROCESSING CO.
COTTON DRAW COMPRESSOR STATION
DISCHARGE PLAN APPROVAL CONDITIONS
(January 6, 2000)

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Accepted:

LG&E NATURAL GATHERING AND PROCESSING CO.

by _____
Title

LLANO, INC.

INVOICE NO.	INVOICE DATE	DESCRIPTION	GROSS AMOUNT	DISCOUNT	NET AMOUNT
		Application Fee for Discharge Plan for Cotton Draw			
CHECK NUMBER		TOTALS			\$50.00

SUNWEST BANK OF HOBBS, N.A.
HOBBS, NEW MEXICO 88240

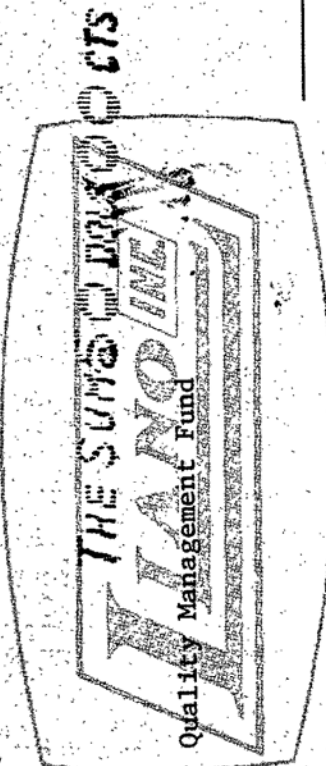
LLANO, INC.
BOX 1320
HOBBS, NEW MEXICO 88240

CHECK DATE	CHECK NO.
12-14-98	3183

CHECK AMOUNT
\$ 50.00

LLANO, INC. - GENERAL ACCOUNT

VOID AFTER 90 DAYS



PAY TO THE ORDER OF

Water



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**

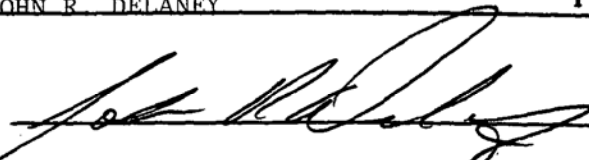
(Refer to OCD Guidelines for assistance in completing the application.)

- I. TYPE: COMPRESSOR STATION
- II. OPERATOR: LG&E NATURAL GATHERING AND PROCESSING
ADDRESS: 921 WEST SANGER, HOBBS, NM 88240
CONTACT PERSON: ED SLOMAN PHONE: 505-393-2153
- III. LOCATION: NE/4 NW/4 & NW/4 NE/4 Section 18 Township 25S Range 32E
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: 

Date: 12-14-98

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

I.

The major purpose of this facility, The Cotton Draw Compressor Station, is to compress natural gas.

This compressor station will be a "Booster," station. We will take gas from one section of our pipeline gathering system, boost the pressure of the natural gas, and move the natural gas at a higher pressure to another section of our gathering pipeline system. To accomplish this goal we will be using one natural gas fired engine driven compressor of approximately 702 H. P.

At this facility we will have an inlet filter separator to the compressor station, and skid mounted scrubbers on the compressor itself. These scrubbers will remove free liquid from the inlet stream of natural gas before it is compressed. There will be a 210 bbl. Standard API closed tank, and two 100 bbl. Standard API closed tanks installed at this location. All of the fluids from the scrubbers and dehydrator will be piped into the 210 bbl. tank for storage. As the liquids separate into condensate and water, the water will be transferred to one of the 100 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 the other 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: NE/4 NW/4 & NW/4 NE/4 : Section 18, Township 25 S, Range 32E,
NMPM, Lea County, New Mexico:

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

IV.

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

United States
Department Of The Interior
Bureau Of Land Management

RDO - Carlsbad Resources Area

see attached Survey Plot:
Rights - of - way is applied for and pending:

V. Facility Description:

This compressor station, The Cotton Draw Compressor Station, consist of one natural gas engine driven natural gas compressor. The station will have a station inlet filter separator, and there are scrubbers for the compressor mounted on the compressor skid. There will be a measurement station on the outlet side of this station, measuring the natural gas before it leaves the compressor station. This compressor will be compressing natural gas from the west side of our gathering system, boosting the pressure and sending the natural gas east, north east down our gathering system. There will be three tanks set at this facility. There will be one 210 bbl. closed steel API tank which the scrubbers and dehydrator will dump into. There will be two 100 bbl. steel API tanks set, one of which, will be a produced water tank. The purpose of this 100 bbl. tank is to transfer the water from the 210 bbl. tank to the 100 bbl. tank for proper management of the fluids. 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 blow case system installed at this location. The blow case system will have the drains from the compressor skid piped into it. This blow case will be piped to the other 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, measured and is discharged through a single pipeline. The design of this station is simply a booster compressor station.

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

1. Engine Cooling Water - The engine driving the compressor contains approximately 150 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 10 gallons of lubricating oil, and the engine contains approximately 62 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.

The produced water and hydrocarbon liquids 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 and separators are pressurized vessels. The closed storage tank will be maintained at atmospheric pressure. There will be a 100 bbl. steel API storage tank which will be utilized for storage of produced water.

The condensate storage tank is a standard API 210 bbl. tank. The tank is constructed above ground level. The 100 bbl. tanks are 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 blow case system. This blow case 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 a 210 Bbl. and a 100 Bbl. tank, 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 LG & E Natural and all maintenance required on this unit will be performed by our compressor maintenance department.

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.

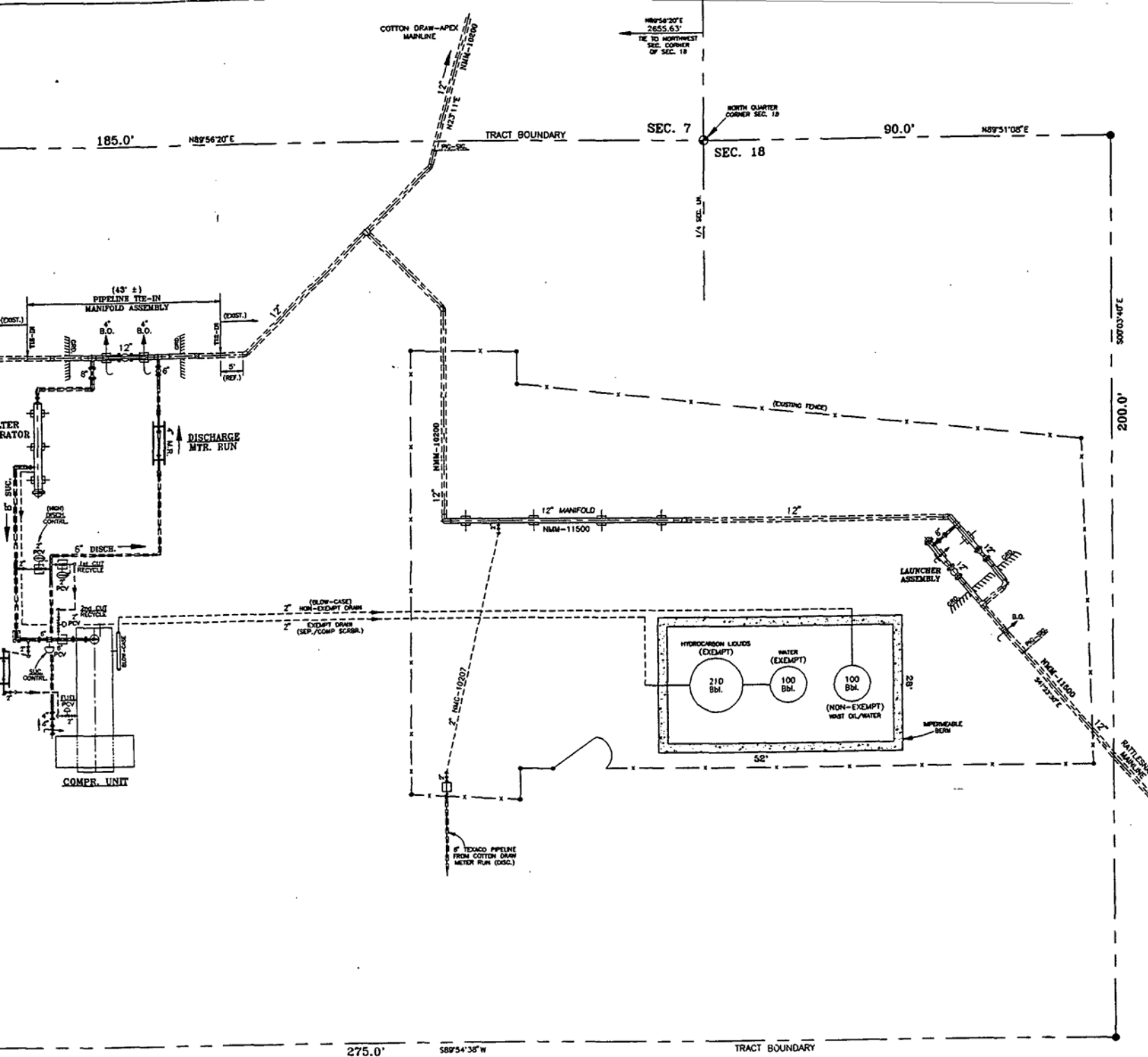
The blow case system will be piped to a separate tank for management of fluids. The drain lines will be tested at least once every five years to assure OCD compliance.

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 .



REV. NO.	REVISION	REV. BY	REV. DATE			
PIPELINE ENGINEERING DEPARTMENT		HOBBS, NEW MEXICO				
LG&E NATURAL GATHERING & PROCESSING CO.						
OPERATIONAL LAYOUT AREA PLAN COTTON DRAW COMPRESSOR STATION NE/4 NW/4 & NW/4 NE/4 SEC. 18 T25S, R32E, N.M.P.M. LEA COUNTY, NEW MEXICO						
FILE: STA/COT-DRAW						
DATE	DRAWN BY	APPROV. BY	PROJ. NO.	SCALE	DRAWING NO.	REV.
11-11-98	RLS	T.B.	1221	3/32" = 1'-0"	10741-04	



December 16, 1998

Bureau of Land Management
Carlsbad Resource Area
620 E Greene Street
Carlsbad, NM 88220-6292

Attn: Ms. Bobbe Young

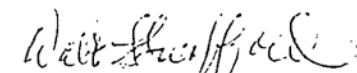
Re: R/W Grant NM-101420
"Cotton Draw" Compressor Station
HGGP Project 1221
SIMO ID #85-0161831

Gentlemen:

Enclosed are two (2) duly executed copies of the grant and check No. 56081 in the amount of \$325.00 representing payment of the initial rental charges for NM-101420 for the term beginning December 1998 thru December 31, 1999.

Very truly yours,

HADSON GAS GATHERING & PROCESSING CO.


Walter L. Swafford
Right-of-Way

encl:

LG&E NATURAL GATHERING &
PROCESSING CO.

INVOICE NO.	DATE	REFERENCE	GROSS AMOUNT	DEDUCTIONS	NET AMOUNT
CKRQ1298	12/14/98	Rental ROW "COTTON DRAW" COMPRESSOR STATION PROJECT 1221	\$325.00		\$325.00
			CHECK TOTAL	\$325.00	\$325.00

THIS CHECK IS PRINTED ON CHEMICAL REACTIVE PAPER WHICH CONTAINS A WATERMARK. HOLD UP TO A LIGHT TO VIEW.

LG&E
Natural

LG&E NATURAL GATHERING & PROCESSING CO.
2777 STEMMONS FWY., SUITE 700
DALLAS, TEXAS 75207

DATE	CHECK NUMBER
12/14/98	

THREE HUNDRED TWENTY FIVE DOLLARS AND NO/100th

CHECK AMOUNT
\$325.00

PAY TO THE ORDER OF

Department of Interior - BLM

Payable through
Mellon Bank (DE) N.A., Wilmington, DE 19899
Mellon Bank (East) N.A., Philadelphia, PA 19102
67-3-111

LG&E NATURAL
GATHERING & PROCESSING CO.

[Signature]
VOID AFTER 90 DAYS FROM DATE



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
P. O. Box 1778
620 E. Greene
Carlsbad, New Mexico 88220
(505) 887-6544

IN REPLY REFER TO:
NM-101420
2800 (080)bky

DEC 14 1998

Hadson Gas Gathering & Processing
Right-of-Way Department
921 W. Sanger
Hobbs, NM 88241

RE: Right-of-Way
NM-101420
Proj. 1221, Cotton Draw Site

Gentlemen:

On December 8, 1998, you filed a right-of-way application for a compressor site location, across Federal land.

Before the grant can be issued, your authorized officer must execute page two of both copies of the grant and return each, with enclosures, to this office for signature by the BLM authorized officer.

Rental charges have been computed on your right-of-way application. The rental and other charges shown below should be remitted with the signed copies of the grant at your earliest convenience. Failure to return the documents and payment in a timely manner could result in denial of your application.

Date of Grant to December 31, 1998	\$ 25.00
Plus One Year's Rental	\$300.00 (\$300.00 per year)
Total Rental Due	\$325.00

The Bureau of Land Management reserves the right to update the rental charges whenever necessary to reflect changes in the Implicit Price Deflator GNP. The next rental date will be January 1, 2000.

Sincerely,

Timothy P. O'Brien
Acting Manager
Carlsbad Field Office

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIPT AND ACCOUNTING ADVICE

NO. 2409321

Subject: R/W Application -- compressor site
Cotton Draw

EAInman: Carlsbad Field Office, NM
12/8/98 5102-77 \$150.00

Applicant:

Hudson Gas Gathering
Right-of-Way Department
921 W. Sanger
Hobbs, NM 88241

Remitter: Ck. #03180

Assignor:

SERIAL NO.
NM-101420

REFER TO THE ABOVE CASE SERIAL NUMBER IN ALL CORRESPONDENCE. PLEASE INFORM THIS OFFICE OF ANY CHANGE IN ADDRESS.

NOTE: This notice is a receipt for monies paid the United States. If these monies are for required fees in connection with your application to lease, purchase, enter, or otherwise acquire an interest in public lands or resources, this receipt is not an authorization to utilize the land applied for and it does not convey any right, title, or interest in the land for which application is made.



HUDSON GAS GATHERING & PROCESSING CO.

December 4, 1998

Bureau of Land Management
Carlsbad Resource Area
620 E. Greene Street
Carlsbad, NM 88220-6292

Attn: Ms. Bobbe Young

Re: Application for Right-of-Way
Project 1221
"Cotton Draw" Compressor Station
SIMO ID #85-0161831

Gentlemen:

Hudson Gas Gathering & Processing Co., a New Mexico Corporation, hereby applies under the authority of Section 28 of the Minerals Leasing Act of 1920, as amended, (3 USC 185) for a Right-of-Way to be granted across public land for:

A 200 ft. x 275 ft. (1.624 acres) tract for the purpose of installing natural gas compressor including all related piping, measurement equipment, gas scrubbers, dehydration equipment, liquid hydrocarbon storage and other related equipment. This facility is required to provide lower in pipeline operating pressures on a segment of our pipeline system thereby facilitating the production of natural gas connected to said system.

In support of our request, we submit the following for your consideration:

- Check No. 03180 in the amount of \$150.00 representing payment of the application processing fee.
- Duly executed Standard Form 299 (10-87).
- Five (5) copies of the certified plat(s) of survey.

The Archaeological Clearance Survey has been completed and submitted to your office (PAC Report No 98070).

Anything you can to expedite this request will be greatly appreciated. Do not hesitate to call me should you have any questions and/or need any additional information.

Very truly yours,

HUDSON GAS GATHERING & PROCESSING CO.

Walter L. Swafford
Right of Way

encl.

LLANO, INC.

INVOICE NO.	INVOICE DATE	DESCRIPTION	GROSS AMOUNT	DISCOUNT	NET AMOUNT
		Right of Way Application Fee "Cotton Draw" Compressor Station Project P1221			
CHECK NUMBER		TOTALS ➤			\$150.00

LLANO, INC.

BOX 1320
HOBBS, NEW MEXICO 88240

SUNWEST BANK OF HOBBS, N.A.
HOBBS, NEW MEXICO 88240

95-321
1122

CHECK DATE	CHECK NO.
12-3-98	3180

THE SUM IS 150 DOLLARS

PAY TO THE ORDER OF

Department of Interior-BLM

CHECK AMOUNT
\$ 150.00

LLANO, INC. - GENERAL ACCOUNT

Walter L. Swafford

VOID AFTER 90 DAYS

APPLICATION FOR TRANSPORTATION AND
UTILITY SYSTEMS AND FACILITIES
ON FEDERAL LANDS

FORM APPROVED
OMB NO. 1004-0060
Expires: May 31, 1989

NOTE: Before completing and filing the application, the applicant should completely review this package and schedule a preapplication meeting with representatives of the agency responsible for processing the application. Each agency may have specific and unique requirements to be met in preparing and processing the application. Many times, with the help of the agency representative, the application can be completed at the preapplication meeting.

FOR AGENCY USE ONLY

Application Number

Date filed

1. Name and address of applicant (include zip code)

HADSON GAS SATHERING & PROCESSING CO.
921 W. SANGER
HOBBS, NEW MEXICO 88240

2. Name, title, and address of authorized agent if different from Item 1 (include zip code)

3. TELEPHONE (area code)

Applicant

505-393-2153

Authorized Agent

4. As applicant are you? (check one)

- a. ☐ Individual
b. ☒ Corporation *
c. ☐ Partnership/Association *
d. ☐ State Government/State Agency
e. ☐ Local Government
f. ☐ Federal Agency

* If checked, complete supplemental page

5. Specify what application is for: (check one)

- a. ☒ New authorization
b. ☐ Renew existing authorization No. _____
c. ☐ Amend existing authorization No. _____
d. ☐ Assign existing authorization No. _____
e. ☐ Existing use for which no authorization has been received *
f. ☐ Other *

* If checked, provide details under Item 7

6. If an individual, or partnership are you a citizen(s) of the United States? ☐ Yes ☐ No

7. Project description (describe in detail): (a) Type of system or facility, (e.g., canal, pipeline, road); (b) related structures and facilities; (c) physical specifications (length, width, grading, etc.); (d) term of years needed; (e) time of year of use or operation; (f) Volume or amount of product to be transported; (g) duration and timing of construction; and (h) temporary work areas needed for construction. (Attach additional sheets, if additional space is needed.)

- A) NATURAL GAS COMPRESSOR STATION.
B) RELATED PIPING AND EQUIPMENT.
C) 1.62 ACRE TRACT ON FEDERAL LANDS
D) 30 YEARS
E) CONSTANT YEAR ROUND USE.
F) INITIAL FLOW ESTIMATED AT 7 MMSCFD DESIGN FOR 10 MMSCFD
@ 175 PSI - 750 PSI. (1000 PSI MAX.)
G) CONSTRUCTION TO START UPON RECEIPT OF R/W.
H) TEMPORARY WORK AREA NOT REQUIRED.

8. Attach map covering area and show location of project proposal

9. State or local government approval: ☐ Attached ☐ Applied for ☒ Not required

10. Nonreturnable application fee: ☒ Attached ☐ Not required

11. Does project cross international boundary or affect international waterways? ☐ Yes ☒ No (If "yes," indicate on map)

12. Give statement of your technical and financial capability to construct, operate, maintain, and terminate system for which authorization is being requested.

HADSON GAS GATHERING & PROCESSING CO., A NEW MEXICO CORPORATION, OWNS AND OPERATES A NATURAL GAS PIPELINE AND IS A WHOLLY OWNED SUBSIDIARY OF HADSON GAS SERVICES, INC., A DELAWARE CORPORATION, AND IS A WHOLLY OWNED SUBSIDIARY OF LG&E ENERGY CORP., A KENTUCKY CORPORATION WHICH IS LISTED ON THE NEW YORK STOCK EXCHANGE.

DEICTATED BY EXISTING FACILITIES.

b. Why were these alternatives not selected?

SEE 13A

c. Give explanation as to why it is necessary to cross Federal lands.

SEE 13A

14. List authorizations and pending applications filed for similar projects which may provide information to the authorizing agency. (Specify number, date, code, or name.)

SEE R/W NM 94801

15. Provide statement of need for project, including the economic feasibility and items such as: (a) cost of proposal (construction, operation, and maintenance); (b) estimated cost of next best alternative; and (c) expected public benefits.

- A) ESTIMATED COST 150,000.00
- B) NO ALTERNATIVE

16. Describe probable effects on the population in the area, including the social and economic aspects, and the rural lifestyles.

THIS PROPOSED ACTION IS LOCATED IN SPARSELY POPULATED RANCHING AREA.
NEAREST RESIDENCE IS APPROXIMATELY 3.0 MILES FROM LOCATION OF PROPOSED ACTION.

17. Describe likely environmental effects that the proposed project will have on: (a) air quality; (b) visual impact; (c) surface and ground water quality and quantity; (d) the control or structural change on any stream or other body of water; (e) existing noise levels; and (f) the surface of the land, including vegetation, permafrost, soil, and soil stability.

- A) TEMPORARY INCREASE IN DUST B) MINIMAL IMPACT WITH NO RESIDUAL EFFECTS AFTER R/W REVEGEATES IN 2 TO 3 YEARS. C) NO EFFECT D) NO EFFECT E) INCREASE IN NOISE LEVELS
- F) TEMPORARY LOSS OF VEGETATION R/W WILL BE RESEED AT TIME OF SITE RECLAMATION.

18. Describe the probable effects that the proposed project will have on: (a) populations of fish, plant, wildlife, and marine life, including threatened and endangered species; and (b) marine mammals, including hunting, capturing, collecting, or killing these animals.

- A) NONE
- B) NONE

19. Name all the Department(s)/Agency(ies) where this application is being filed.

BUREAU OF LAND MANAGEMENT
CARLSBAD RESOURCE AREA
CARLSBAD, NEW MEXICO

I HEREBY CERTIFY, That I am of legal age and authorized to do business in the State and that I have personally examined the information contained in the application and believe that the information submitted is correct to the best of my knowledge.

Signature of Applicant

Walter L. Bonafford

Date

12-4-98

Title 18, U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

APPLICATION FOR TRANSPORTATION AND UTILITY SYSTEMS
AND FACILITIES ON FEDERAL LANDS

GENERAL INFORMATION
ALASKA NATIONAL INTEREST LANDS

This application will be used when applying for a right-of-way, permit, license, lease, or certificate for the use of Federal lands which lie within conservation system units and National Recreation or Conservation Areas as defined in the Alaska National Interest Lands Conservation Act. Conservation system units include the National Park System, National Wildlife Refuge System, National Wild and Scenic Rivers System, National Trails System, National Wilderness Preservation System, and National Forest Monuments.

Transportation and utility systems and facility uses for which the application may be used are:

1. Canals, ditches, flumes, laterals, pipes, pipelines, tunnels, and other systems for the transportation of water.
2. Pipelines and other systems for the transportation of liquids other than water, including oil, natural gas, synthetic liquid and gaseous fuels, and any refined product produced therefrom.
3. Pipelines, slurry and emulsion systems, and conveyor belts for transportation of solid materials.
4. Systems for the transmission and distribution of electric energy.
5. Systems for transmission or reception of radio, television, telephone, telegraph, and other electronic signals, and other means of communications.
6. Improved rights-of-way for snow machines, air cushion vehicles, and all-terrain vehicles.
7. Roads, highways, railroads, tunnels, tramways, airports, landing strips, docks, and other systems of general transportation.

This application *must* be filed simultaneously with each Federal department or agency requiring authorization to establish and operate your proposal.

In Alaska, the following agencies will help the applicant file an application and identify the other agencies the applicant should contact and possibly file with:

Department of Agriculture
Regional Forester, Forest Service (USFS)
Federal Office Building, P.O. Box 21628
Juneau, Alaska 99802-1628
Telephone: (907) 586-7847 (or a local Forest Service Office)

Department of Interior
Bureau of Indian Affairs (BIA)
Juneau Area Office, P.O. Box 3-8000
Juneau, Alaska 99802
Telephone: (907) 586-7144

Bureau of Land Management (BLM)
701 C Street, Box 13
Anchorage, Alaska 99513
Telephone: (907) 271-5477 (or a local BLM Office)

National Park Service (NPS)
Alaska Regional Office, 2525 Gambell St., Rm 107
Anchorage, Alaska 99503
Telephone: (907) 261-2690

U.S. Fish & Wildlife Service (FWS)
Office of the Regional Director
1011 East Tudor Road
Anchorage, Alaska 99503
Telephone: (907) 786-3440

Note-Filings with any Interior agency may be filed with any office noted above or with the: Office of the Secretary of the Interior, Regional Environmental Officer, Box 120, 1675 C Street, Anchorage, Alaska 99513.

Department of Transportation
Federal Aviation Administration
Alaska Region AAL-4, P.O. 14
Anchorage, Alaska 99513

NOTE - The Department of Transportation has established the above central filing point for agencies within that Department. Affected agencies are: Federal Aviation Administration (FAA), Coast Guard (USCG), Federal Highway Administration (FHWA), Federal Railroad Administration (FRA).

OTHER THAN ALASKA NATIONAL INTEREST LANDS

Use of this form is not limited to National Interest Conservation Lands of Alaska.

Individual departments/agencies may authorize the use of this form by applicants for transportation and utility systems and facilities on other Federal lands outside those areas described above.

For proposals located outside of Alaska, applications will be filed at the local agency office or at a location specified by the responsible Federal agency.

SPECIFIC INSTRUCTIONS
(Items not listed are self-explanatory)

Item

- 7 Attach preliminary site and facility construction plans. The responsible agency will provide instructions whenever specific plans are required.
- 8 Generally, the map *must* show the section(s), township(s), and range(s) within which the project is to be located. Show the proposed location of the project on the map as accurately as possible. Some agencies require detailed survey maps. The responsible agency will provide additional instructions.
- 9, 10, and 12 - The responsible agency will provide additional instructions.
- 13 Providing information on alternate routes and modes in as much detail as possible, discussing why certain routes or modes were rejected and why it is necessary to cross Federal lands will assist the agency(ies) in processing your application and reaching a final decision. Include only reasonable alternate routes and modes as related to current technology and economics.
- 14 The responsible agency will provide instructions.
- 15 Generally, a simple statement of the purpose of the proposal will be sufficient. However, major proposals located in critical or sensitive areas may require a full analysis with additional specific information. The responsible agency will provide additional instructions.
- 16 through 18 - Providing this information in as much detail as possible will assist the Federal agency(ies) in processing the application and reaching a decision. When completing these items, you should use sound judgment in furnishing relevant information. For example, if the project is not near a stream or other body of water, *do not* address this subject. The responsible agency will provide additional instructions.

Application *must* be signed by the applicant or applicant's authorized representative.

If additional space is needed to complete any item, please put the information on a separate sheet of paper and identify it as "Continuation of Item".

SUPPLEMENTAL

NOTE: The responsible agency(ies) will provide additional instructions.	CHECK APPROPRIATE BLOCK	
	ATTACHED	FILED *
I - PRIVATE CORPORATIONS		
a. Articles of Incorporation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Corporation Bylaws	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. A certification from the State showing the corporation is in good standing and is entitled to operate within the State.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Copy of resolution authorizing filing	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. The name and address of each shareholder owning 3 percent or more of the shares, together with the number and percentage of any class of voting shares of the entity which such shareholder is authorized to vote and the name and address of each affiliate of the entity together with, in the case of an affiliate controlled by the entity, the number of shares and the percentage of any class of voting stock of that affiliate owned, directly or indirectly, by that entity, and in the case of an affiliate which controls that entity, the number of shares and the percentage of any class of voting stock of that entity owned, directly or indirectly, by the affiliate.	<input type="checkbox"/> SEE 12	<input checked="" type="checkbox"/>
f. If application is for an oil or gas pipeline, describe any related right-of-way or temporary use permit applications, and identify previous applications.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g. If application is for an oil and gas pipeline, identify all Federal lands by agency impacted by proposal.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
II - PUBLIC CORPORATIONS		
a. Copy of law forming corporation	<input type="checkbox"/>	<input type="checkbox"/>
b. Proof of organization	<input type="checkbox"/>	<input type="checkbox"/>
c. Copy of Bylaws	<input type="checkbox"/>	<input type="checkbox"/>
d. Copy of resolution authorizing filing	<input type="checkbox"/>	<input type="checkbox"/>
e. If application is for an oil or gas pipeline, provide information required by Item "I-f" and "I-g" above.	<input type="checkbox"/>	<input type="checkbox"/>
III - PARTNERSHIP OR OTHER UNINCORPORATED ENTITY		
a. Articles of association, if any	<input type="checkbox"/>	<input type="checkbox"/>
b. If one partner is authorized to sign, resolution authorizing action is	<input type="checkbox"/>	<input type="checkbox"/>
c. Name and address of each participant, partner, association, or other	<input type="checkbox"/>	<input type="checkbox"/>
d. If application is for an oil or gas pipeline, provide information required by Item "I-f" and "I-g" above.	<input type="checkbox"/>	<input type="checkbox"/>

*If the required information is already filed with the agency processing this application and is current, check block entitled "Filed." Provide the file identification information (e.g., number, date, code, name). If not on file or current, attach the requested information.

REFER TO NM-93881

NOTICE

The Privacy Act of 1974 provides that you be furnished the following information in connection with information required by this application for an authorization.

AUTHORITY: 16 U.S.C. 310; 5 U.S.C. 301.

PRINCIPLE PURPOSE: The information is to be used to process the application.

ROUTINE USES: (1) The processing of the applicant's request for an authorization. (2) Documentation for public information. (3) Transfer to appropriate Federal agencies when concurrence is required prior to granting a right in public lands or resources. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION: Disclosure of the information is voluntary. If all the information is not provided, the application may be rejected.

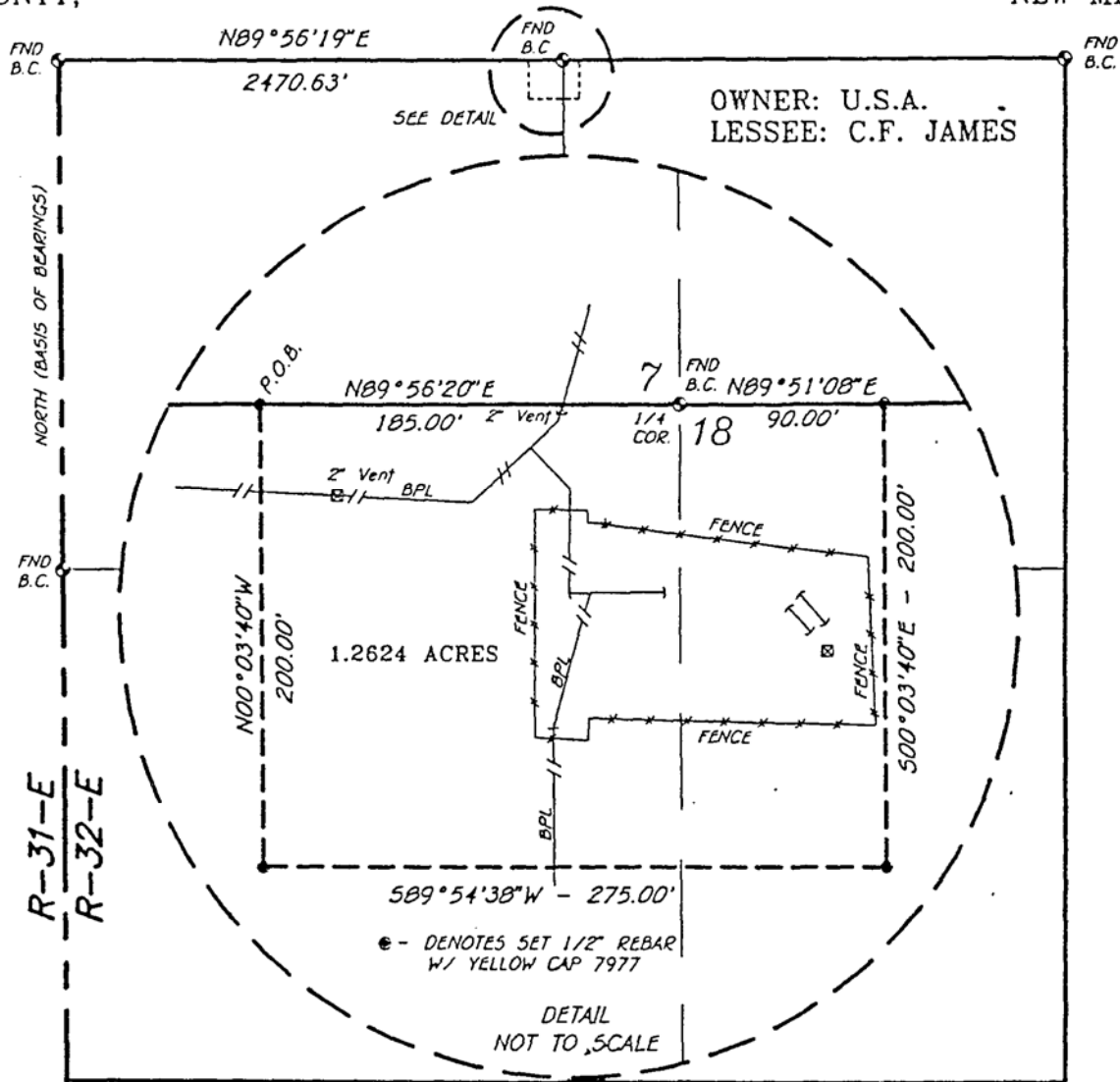
DATA COLLECTION STATEMENT

The Federal agencies collect this information from applicants requesting right-of-way, permit, license, lease, or certification for the use of Federal lands.

The Federal agencies use this information to evaluate the applicant's proposal.

The public is obligated to submit this form if they wish to obtain permission to use Federal lands.

SECTION 18, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



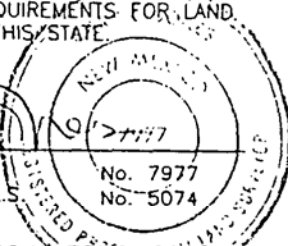
LEGAL DESCRIPTION

A TRACT OF LAND LOCATED IN SECTION 18, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS.

BEGINNING AT A POINT WHICH LIES N.89°56'20\"E., 2470.63 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 18; THENCE N.89°56'20\"E. ALONG THE NORTH SECTION LINE, A DISTANCE OF 185.00 FEET TO A POINT BEING THE NORTH QUARTER CORNER OF SAID SECTION 18; THENCE N.89°51'08\"E. ALONG THE NORTH SECTION LINE, A DISTANCE OF 90.00 FEET; THENCE S.00°03'40\"E., 200.00 FEET; THENCE S.89°54'38\"W., 275.00 FEET; THENCE N.00°03'40\"W., 200.00 FEET TO THE POINT OF BEGINNING. SAID TRACT OF LAND CONTAINING 1.2624 ACRES, MORE OR LESS.

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

GARY L. JONES N.M. P.S.
TEXAS P.L.S.



BASIN SURVEYS P.O. BOX 1786 HOBBS, NEW MEXICO

W.O. Number: 8486

Drawn By: K. GOAD

Date: 11-06-98

Disk: KJG #119

- HAD8486A.DWG

1000 0 1000 2000

HADSON GAS GATHERING AND PROCESSING

REF: 200'x275' TRACT / PROJ. 1221

A TRACT OF LAND LOCATED IN
SECTION 18, TOWNSHIP 25 SOUTH, RANGE 32 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 11-05-98

Sheet 1 of 1 Sheets