Operations Plan

Pursuant to New Mexico Administrative Code Title 19, Chapter 15, Part 28

August 2021, Revision 0

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Section 1 Introduction

Figure 1.1 Record of Changes

Crestwood New Mexico Pipeline LLC: New Mexico Natural Gas Gathering System	Title: **Record of Changes**	
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Change Number	Date of Change	Description of Change

1.1 Crestwood's Operational Safety

Crestwood New Mexico Pipeline LLC ("Crestwood") is committed to operating its facilities in a safe, efficient, and compliant manner. Operational Safety is a commitment to fully adopt a specific set of principles that when followed brings a complete and balanced approach to facility operating and ensures that operational activities are conducted with the protection and safety of employees, the public and environment incorporated into each procedure and daily operating decisions.

1.1.1 Scope/Purpose

To adhere to New Mexico Administrative Code Title 19, Chapter 15, Part 28 (19.15.28 NMAC, "Waste Rule"), Crestwood has outlined an Operations Plan of best management practices to reduce leaks and releases and maximize the gathering of natural gas thereby limiting the waste of natural gas from venting and flaring. The Operations Plan also includes processes to record and report releases from both venting and flaring for individual events and for monthly and quarterly reporting to the New Mexico Oil Conservation Division (NMOCD) under Subsection F 19.15.28.7 NMAC.

1.1.2 Plan Review and Updating Procedures

Upon review of these procedures, any necessary changes will be performed through Crestwood's Management of Change (MOC) policies and recorded on the Record of Change included in this management plan.

1.2 Glossary of Terms

Terms as defined in New Mexico Administrative Code Title 19, Chapter 15, Part 28 (19.15.28 NMAC). Additional definitions are included in the Waste Rule; however, the following list are the terms most relevant to this Operations Plan.

AVO	Audio, visual and olfactory
Custody Transfer Point	The transfer of natural gas from upstream separation, processing, treatment, or in-field gathering to a pipeline or other form of transportation occurring at sales metering equipment
Emergency	A temporary, infrequent, and unavoidable event in which the loss of natural gas is uncontrolled or necessary to avoid a risk of an immediate and substantial adverse impact on safety, public health or the environment. It does not include events related to scheduled maintenance, recuring equipment failure or the operator's failure to install the correct equipment or to keep the gas volumes collected within safe operating ranges.
Flare or Flaring	Controlled combustion of natural gas in a device designed for that purpose
Flare Stack	The device equipped with a burner used to flare natural gas

Gathering Pipeline	Pipelines that gather natural gas within a natural gas gathering system
Malfunction	A sudden unavoidable failure or breakdown of equipment beyond reasonable control of the operator that substantially disrupts operations but does not include a failure or breakdown that is caused in part or entirely by poor maintenance, careless operation or other preventable equipment failure or breakdown
Natural Gas	Gaseous mixture of hydrocarbon compounds, primarily composed of methane and includes both casinghead gas and gas defined in 19.15.2 NMAC
Natural Gas Gathering System	The gathering pipelines and associated facilities that compress, dehydrate or treat natural gas after the custody transfer point and ending at the connection point with a natural gas processing plant or transmission or distribution system
New Gathering Pipeline	Gathering pipeline placed into service after May 25, 2021
Vent or Venting	The release of uncombusted natural gas into the atmosphere

Section 2 System Overview

2.1 Natural Gas Gathering System Overview

Crestwood's natural gas gathering system is located in Southeast New Mexico in Eddy County. The natural gas gathering system receives field gas from natural gas and oil production facilities. The field gas received and transported by Crestwood to downstream natural gas processing facilities is sweet natural gas. The pipelines comprising the natural gas gathering system are not regulated under the Pipeline and Hazardous Materials Safety Administration (PHMSA). One 0.7-mile segment is subject to New Mexico Public Regulation Commission (NMPRC) pipeline regulations. With the exception of pipeline tie-ins to production facilities, pig traps, and compressor stations, the natural gas gathering system is comprised mostly of underground pipelines with greater than ninety percent (>90%) constructed utilizing carbon-steel pipe and the remainder a high-density polyethylene pipe. The gathering lines typical maintain a pressure range of 50 – 150 psig. Discharge pressure from the compressor stations is approximately 1,000 psig.

A system overview map is included as Figure 2.

Dinero State 5
Dublin Ranch 22-28-16
Big Chief 2 Inch
Foal 20 Federal
Dublin Ranch Compression Station
Big Chief 6
Dublin Ranch Treating Station
Big Chief to Little Squaw
Dublin Ranch to Roadside Park
Roadside Park Dehy
Dublin Connector
Mewbourne Foreigner
Concho Roadster
Concho Chopper
El Presidente 10"
Eddy
Rustler Breaks Lateral
Big Spender
Black Eagle
Pardue
Plant 1 Inlet
Black River Trunk Line
Queen 1-2 Lateral
Yardbird Lateral
Willow Lake Complex
Second Chance
Buckshot
Black River Compression Station
Buckshot Trunk Line
Kyle Lateral
Hoss Connector
Cimarex
State GQ
12" Bonanza Lateral
Orla Express
Salt Lake
Laguna Grande 23-29-19
Laguna Grande to LG1
Harroun Trust
Malaga Texaco 2
HB 3 Federal
Malaga Fed 1
Concho Howitzer
HB 11 Federal
New Mexico
Texas
NEW MEXICO
TEXAS
Culberson
Reeves
Loving

NM
TX

Crestwood Pipeline
NG Delivery
NG Compression
NG Processing

N

0 2 4 Mi.

MAP ID: NM	Created By: ALowe	Date: 8/22/2021

Crestwood

New Mexico
Operating Area Map

Eddy County, Texas

Section 3 Rule Overview

3.1 Operations Plan

Crestwood will take all reasonable actions to prevent and minimize leaks and releases of natural gas from the natural gas gathering system in accordance with the Waste Rule. An Operations Plan is required to be submitted to NMOCD and maintained by Crestwood. The Operations Plan discusses Crestwood's practices and procedures to reduce leaks and releases. The initial Operations Plan is required to be filed with NMOCD by August 23, 2021.

3.2 Venting and Flaring of Natural Gas

Venting or flaring of natural gas from a natural gas gathering system that is deemed wasteful by 19.15.2 NMAC is prohibited. Crestwood will maximize the gathering of natural gas by minimizing the waste of natural gas through venting and flaring. Venting or flaring natural gas is authorized in Subsection B of 19.15.28.8 NMAC (examples of scenarios are included in list below). Where feasible, natural gas will be flared rather than vented, except when flaring is not technically feasible or would pose a risk to safe operations or personal safety. Scenarios included in Subsection B of 19.15.28.8 NMAC where venting and flaring are authorized are as follows:

- During an emergency or malfunction
- Or during the following activities unless prohibited by state, federal law, rule or regulation for the emission of VOCs or hydrocarbons:
    - Repair and maintenance, including blowdowns and depressurizing equipment to perform repair or maintenance,
    - Normal operation of a gas activated pneumatic controller pump, dehydration unit, amine treatment units, compressors, compressor engines, turbines, valves, flanges, other connectors, storage tanks and other low pressure production vessels,
    - Gauging or sampling a storage tank or low-pressure vessels,
    - Loading out liquids from a storage tank to a transport vehicle,
    - Blow down to repair a gathering pipeline,
    - Pigging a pipeline, purging a gathering pipeline, or commissioning of pipelines, equipment or facilities only for as long as necessary to purge introduced impurities from the pipeline or equipment.

Specific requirements included in the Waste Rule regarding venting and flaring from natural gas gathering systems during scheduled and unscheduled maintenance are as follows:

- During a scheduled maintenance, replacement, or repair of a new or existing natural gas gathering system. The operator shall not vent natural gas during blowdown and shall route natural gas to a portable flare stack that complies with Subsection E of 19.15.27.8 NMAC.
    - If it is not technically feasible to flare, or if it is determined to be unsafe to flare, gas may be vented. Additional options reducing gas venting or flaring will be assessed as technologies become available.
- During unscheduled maintenance, replacement, or repair of a new or existing natural gas gathering system, to the extent that it is technically feasible and safe, the operator shall not vent natural gas during blowdown and shall route the natural has to a portable flare stack.

Section 4 Work Practices

4.1 Audio, Visual, Olfactory Weekly Inspections

Operators are required to conduct a weekly Audio, Visual, Olfactory (AVO) inspection of the compressors, dehydration units, and treatment facilities associated with a natural gas gathering system to confirm those components are operating properly and there are no leaks or releases, except as allowed in Subsection B of 19.15.28.8 NMAC.

- During the AVO inspection the operator shall inspect all components including flare stacks, thief hatches, closed vent systems, pumps, compressors, pressure relief devices, valves, lines, piping, flanges, and other connectors to identify defects, leaks and releases by:
    - Comprehensive external visual inspection
    - Listening for pressure and liquid leaks
    - Smelling for unusual odors

Crestwood has developed a Weekly AVO Inspection Form (included as Attachment A). The AVO inspection is maintained in the company's work order management system and a task is generated weekly and assigned to the Operations Team. The Weekly AVO Inspection Form is completed and maintained as a record for at least five (5) years. Any leaks or releases identified during the inspection, that are not part of normal maintenance and repairs practices, pneumatic device venting, compressor venting, etc., are reviewed to determine if the release of natural gas is one of the following:

- Subject to the divisions prior written approval the operator may use a remote or automated monitoring technology to detect leaks and releases in lieu of an AVO inspection, or,
- The operator shall perform an annual monitoring of the entire length of a gathering system using an AVO technique, ALARM technology, aerial visual inspections, or other valid method to detect leaks and releases.

4.2 Leak Detection and Repair Programs

In addition to completing AVO inspections required by the Waste Rule, several facilities operated by Crestwood are subject to Leak Detection and Repair (LDAR) requirements under Federal Regulations. Where required, Crestwood implements LDAR programs and complies with routine leak inspections and repair schedules as stipulated in the applicable regulations (e.g. New Source Performance Standards Subpart OOOO, Subpart OOOOa, etc.).

4.3 Best Management Practices

For best management practices, Crestwood has included the following examples of implemented practices to ensure that the system runs in a safe and efficient manner:

- Crestwood has cathodic protection installed on most carbon steel pipeline systems and performs annual cathodic protections surveys to ensure we have adequate cathodic protection on the systems.
- Maintenance pigs are used to move natural gas condensate and water along the pipeline minimizing the risk of corrosion.
- Corrosion inhibitors and/or biocide treatments are used as necessary to mitigate the risk of internal corrosion.

- Crestwood field personnel responds to One Calls throughout the system as a part of the continuous surveillance program.
- Pressure tests and dewatering are done in accordance with Crestwood Construction standards.

Additional best management practices can be implemented throughout the natural gas gathering system as needed or as technologies and processes progress.

4.4 Measurement and Reported of Gas Vented or Flared

Any gas that is vented or flared will be estimated or measured.

4.4.1 Unexpected Venting or Flaring

Crestwood will notify the NMOCD of venting or flaring that:

1. exceeds 50 MCF in volume **AND**
2. results from one of the following:
    a. an emergency **OR**
    b. a malfunction **OR**
    c. lasts eight hours or longer within any 24-hour period from a single event.

The notification will be filed utilized NMOCD form C-129. A C-141 form will be utilized instead of the C-129 form for any minor or major release that includes liquid during venting or flaring (See 19.15.29.7 NMAC).

Releases greater than or equal to 50 MCF and less than 500 MCF report to NMOCD on C-129 form within 15 days following discovery or start of venting.

Releases that equal or exceed 500 MCF or otherwise qualifies as a major release as defined in 19.15.29.7 NMAC from a single event, will result in a verbal or e-mail notification to NMOCD as soon as possible and no later than 24 hours following discovery or starting of venting or flaring. A C-129 must be filed that verifies, updates or corrects the verbal or e-mail notification. A final C-129 form is required no later than 15 days following the termination of venting or flaring.

Information that the Waste Rule requires for inclusion on the release notification includes the following:

- Operator's name,
- Name and type of facility along with the equipment involved,
- Compositional analysis of vented or flared natural gas,
- Date (s) and time (s) that venting or flaring was discovered or commences and terminated,
- Measured or estimated volume of vented or flared natural gas,
- Cause and nature of venting or flaring, and
- Steps taken to limit the duration and magnitude of venting or flaring and the corrective actions taken to eliminate the cause and recurrence of venting or flaring.

4.4.2 Measurement Devices

Crestwood measures or estimates the volume of natural gas that it vents, flares, or beneficially uses. The following work practices apply from the Waste Rule:

- If practical, flare meters are installed to measure the volume of natural gas flared from the natural gas gathering system.
    - Per the Waste Rule, measurement equipment shall adhere to industry standards such as API Ch 14.10 Measurement of Flow to Flares.
    - Metering equipment will not be designed or equipped with a manifold that allows diversion of natural gas around the metering element except for the sole purpose of inspecting and servicing the measuring equipment.
- If metering is not practical due to circumstances such as low flow rates or low pressure venting and flaring the operator shall estimate the volume of vented or flared natural gas using a method that can be independently verified.

Section 5 Record Keeping & Reporting

5.1 AVO Record Keeping

The operator shall make and keep a record of an AVO inspection for no less than 5 years and make such records available upon request

5.2 Reporting to Affected Upstream Operators

Under the Waste Rule, the operator of natural gas gathering systems is required to provide written notification to each upstream operator whose natural gas is being gathered by the system no less than 14 days prior to date of scheduled maintenance, replacement or repair of a natural gas gathering system in which volume impacts are anticipated and the gathering of natural gas is not feasible. Required information for each notification includes the date and expected duration that the natural gas gathering system will not gather natural gas.

In the event of an emergency, malfunction, or the need for unscheduled maintenance of a natural gas gathering system, the operator is required to provide verbal notification to each upstream operator in which volume impacts are anticipated and the gathering of natural gas is not feasible as soon as possible but no more than 12 hours after the discovery of an applicable event. Required information for each notification include the date and expected duration that the system will not gather natural gas. The operator shall provide written confirmation of the verbal notification, including the date, time, person and telephone number to whom the verbal notification was given no later than 24 hours after discovery.

5.3 Routine Reporting of Vented or Flared Natural Gas

For each natural gas gathering system at which venting or flaring occurs the operator shall report the volume of vented natural gas and the volume of flared natural gas for each month in each category listed below:

- The categories are as follows:
  - Emergencies, non-scheduled maintenance, or malfunctions,
  - Routine maintenance including blowdown and depressurization,
  - Beneficial use, including pilot and purge gas, fired equipment and engines,
  - Gathering pipeline pigging, blowdowns and purging,
  - Storage tanks,
  - Venting as a result of normal operations of pneumatic controller and pumps, and
  - Improperly closed or maintained thief hatches and other waste as defined in Subparagraph (1) of Paragraph (b) of Subsection W of 19.15.2.7 NMAC.
- Beginning October 1, 2021 the operator shall gather data for quarterly reports in a format specified by the division and submit by February 15, 2022 for the fourth quarter of 2021 and May 15, 2022 for the first quarter of 2022.
- Beginning April 2022 the operator shall submit a C-115B form monthly on or before the 15th day of the second month following the month in which it vented or flared natural gas.
- In the initial report specify the methodology used in measuring or estimating the vented or flared volumes. If methodology changes specify the change in future forms.
- The operator shall make and keep records of the measurements and estimates for no less than five (5) years and make such records available upon request to the division.

Attachment A

WEEKLY AUDIO, VISUAL, AND OLFACTORY (AVO) LEAK INSPECTION

Facility: _____ Date of Inspection: ___/____/_____

Inspector: _____ Weather Conditions : _____

Instructions: Conduct a weekly AVO of compressor, dehydrator, and treatment facilities associated with natural gas gathering system. Inspect all components, including flare stacks, thief hatches, closed vent systems, pumps, compressors, pressure relief devices, valves, lines, flanges, connectors, and associated piping to identify defects, leaks, and releases by noise, sight, and/or smell.

AVO Monitoring	Yes/No	Initials
Are there any visible leaks?		
Are there any noises that would indicate a leak/release of gas or liquids?		
Are there any odors that indicate a leak/release?		

If leaks are detected:

- Releases > 50 MCF must be reported to NMOCD within 15 days of discovery
- Releases > 500 MCF must be reported to NMOCD within 24-hours of discovery

Notify Environmental Services to determine release volume and take action to eliminate leak.

Provide details on any leaks identified and repaired

Record of the AVO inspection is required to be maintained for a minimum of five (5) years.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

QUESTIONS

Action 42337

QUESTIONS

Operator: Crestwood New Mexico Pipeline LLC 811 Main St. Suite 3400 Houston, TX 77002	OGRID: 330564
	Action Number: 42337
	Action Type: [NGGS] NGGS Operations Plan (NGGS-OP)

QUESTIONS

Verification	
Does the operator own the selected facility	Yes
Is the selected facility a natural gas gathering system	Yes

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
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District III
1000 Rio Brazos Rd., Aztec, NM 87410
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District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
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ACKNOWLEDGMENTS

Operator: Crestwood New Mexico Pipeline LLC 811 Main St. Suite 3400 Houston, TX 77002	OGRID: 330564
	Action Number: 42337
	Action Type: [NGGS] NGGS Operations Plan (NGGS-OP)

ACKNOWLEDGMENTS

☑	I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Gathering System Operations Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.