

**COTTON DRAW**  
**MIDSTREAM**

Cotton Draw Midstream, L.L.C.  
333 West Sheridan Avenue  
Oklahoma City, OK 73102-5015

**COTTON DRAW MIDSTREAM**  
**Operations Plan**  
**August 18, 2021**

# COTTON DRAW MIDSTREAM

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Section	Description
System Overview	Cotton Draw Midstream gathering system is a non-regulated, low pressure, sweet service, buried steel, gas gathering and compression system in Eddy and Lea County New Mexico delivering to three different 3 <sup>rd</sup> party markets.
Routine Operations and Maintenance	<ul style="list-style-type: none"> <li>- Physical pipeline marking and identification                             <ul style="list-style-type: none"> <li>o Physical pipeline markers and identification in place in accordance with industry practice</li> </ul> </li> <li>- Pipeline Integrity                             <ul style="list-style-type: none"> <li>o Routine pigging schedule.</li> <li>o Valve maintenance program</li> <li>o Annual visual inspection of gathering system</li> <li>o Impressed current cathodic protection for external corrosion</li> <li>o Fusion bonded epoxy exterior pipeline coating.</li> </ul> </li> <li>- Pipeline Pigging                             <ul style="list-style-type: none"> <li>o Utility pig for dewatering and removal of build up. Pigging to be performed on a monthly basis or as needed based on pressure signature on gathering lines.</li> </ul> </li> <li>- Pipeline maintenance program (non-exclusive list)                             <ul style="list-style-type: none"> <li>o Pipeline installation/replacement is in kind replacement steel API 5L, grade X52, PSL2, ERW, Fusion bond epoxy coated pipe.</li> <li>o Cathodic/anode installation installed impressed current cathodic protection system designed by, and annually inspected by, Bass Engineering</li> <li>o Pressure test and dewatering, hydrotest procedures and parameters in accordance with ASME B31.8</li> <li>o Soil cover buried to min depth back fill with native dirt and reseeded with native grass</li> </ul> </li> </ul>
Cathodic Protection, Corrosion Control and Liquids Management	<ul style="list-style-type: none"> <li>o Cathodic protection                             <ul style="list-style-type: none"> <li>o Installation on new pipelines</li> <li>o Annual inspection to verify voltage, current output, meter accuracy, circuit resistance, rectifier efficiency and complete any need general maintenance</li> <li>o Annual electrical isolation inspection</li> <li>o Annual interrupted pipe-to-soil potential survey</li> </ul> </li> <li>o Fluid management                             <ul style="list-style-type: none"> <li>o Inlet slug catchers at compressor stations for drip liquids swept or pigged to station</li> </ul> </li> <li>o Tank Operations and Maintenance associated with the gathering system.                             <ul style="list-style-type: none"> <li>o Tank vents routed to control devices with piping sized to adequately prevent atmospheric venting.</li> <li>o Tanks equipped with level transmitters, alarms, and hi level shut downs.</li> </ul> </li> </ul>
Procedures to Reduce Releases	<ul style="list-style-type: none"> <li>o Weekly AVO inspection of compressor stations as well as daily operational visits.(see Operator Checklist)</li> <li>o LP tank flare/combustor for controlling tank emissions</li> </ul>

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	<ul style="list-style-type: none"><li>○ Dehydration combustor for controlling dehy emissions</li><li>○ Implementing HP flares for maintenance/blowdown events in accordance with rollout of new rules.</li> <li>○ Verbal/text communication to upstream production foremen for real time disruption, followed up with written documentation of outage to upstream production, upstream regulatory, and CDM records keeping.</li></ul>
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<b>Operator Checklist</b>		
<b>By Priority of Review</b>		
<b>CATEGORY</b>	<b>CHECK LIST ITEMS</b>	<b>*Priority for Review (When on Site)</b>
<b>CHEMICAL</b>	CHEMICAL IDENTIFICATION PLACARD IN GOOD CONDITION (methanol, TEG glycol, oil day tanks)	1
<b>CHEMICAL</b>	Is CHEMICAL PUMP functioning (methanol & TEG glycol circulation rates / strokes per minute)	1
<b>CHEMICAL</b>	ARE ALL CHEMICAL TANKS AND DRUMS IN SECONDARY CONTAINMENT	1
<b>CHEMICAL</b>	Verify secondary containment has netting	1
<b>CHEMICAL</b>	ARE THERE ANY VISIBLE LEAKS ON CHEMICAL PUMP, TANK, OR PIPING	1
<b>DEHY COMBUSTOR/ LP FLARE</b>	IS COMBUSTOR LP FLARE FUNCTIONING PROPERLY and in AUTO mode, if applicable	1
<b>DEHY COMBUSTOR/ LP FLARE</b>	IS COMBUSTOR LP FLARE KNOCKOUT POT FUNCTIONING PROPERLY and liquid drained	1
<b>DEHY COMBUSTOR/ LP FLARE</b>	IS PILOT LIT AND FUNCTIONING PROPERLY	1
<b>DEHY COMBUSTOR/ LP FLARE</b>	IS COMBUSTOR COMMUNICATING IN SCADA	1
<b>DEHY COMBUSTOR/ LP FLARE</b>	Blower functioning properly / confirmation of smokeless operation	1
<b>COMPRESSION</b>	IS COMPRESSOR FUNCTIONING PROPERLY (SUCTION, DISC, RPM, etc.)	1

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<b>COMPRESSION</b>	CHECK SCRUBBER LEVELS FOR PROPER OPERATION (DRY DUMPING, STUCK CLOSED DUMP VALVE, PLUGGED DUMP, ETC)	1
<b>COMPRESSION</b>	IS SUMP PUMP IN OPERATION AND FUNCTIONING PROPERLY	1
<b>COMPRESSION</b>	ARE THERE ANY VISIBLE LEAKS ON OR AROUND UNIT	1
<b>COMPRESSION</b>	CAN YOU HEAR OR SEE ANY ISSUES WITH VIBRATION	1
<b>COMPRESSION</b>	Compressor Down Time Sheet (Enter run data into eVin)	1
<b>COMPRESSION</b>	ARE THERE ANY LOOSE MOUNTS OR SUPPORTS ON THE UNIT(S)	1
<b>CONTAINMENT</b>	INSPECT SECONDARY CONTAINMENT FOR DEFICIENCIES (Wear, Holes, Etc)	1
<b>FACILITY</b>	ARE THERE ANY VISIBLE LEAKS THROUGHOUT FACILITY	1
<b>FACILITY</b>	ARE THERE ANY STAINS OR STANDING FLUID DUE TO SPILL/LEAK	1
<b>FACILITY</b>	ARE ALL OPENINGS PLUGGED OR BLINDED OFF	1
<b>FACILITY</b>	ARE ALL RAIN CAPS ON PRV'S (RELIEF VALVES)	1
<b>FACILITY</b>	GAUGE ALL NECESSARY TANKS (confirmation of level transmitter accuracy)	1
<b>FACILITY</b>	GAS: RECORD DATA FROM Necessary METERS - SALES, FUEL cumulative volume if not checked daily	1
<b>FACILITY</b>	GHG: RECORD DRY DUMP EVENTS in eVin	1
<b>FACILITY</b>	RECORD SEALS in eVin (Effectively Seal appropriate valves)	1

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<b>MAINTENANCE FLARE</b>	IS FLARE FUNCTIONING PROPERLY	1
<b>MAINTENANCE FLARE</b>	IS FLARE KNOCKOUT POT FUNCTIONING PROPERLY and liquid drained	1
<b>MAINTENANCE FLARE</b>	IS PILOT LIT AND FUNCTIONING PROPERLY	1
<b>STATION</b>	are fencing and GATE FUNCTIONING PROPERLY	1
<b>STATION</b>	DOES CATTLE GUARD NEED REPAIR OR CLEAN OUT	1
<b>STATION</b>	IS LOCATION IN NEED OF REPAIR OR MAINTENANCE (ex: Weed Control)	1
<b>STATION</b>	ARE ALL LOCATION SIGNS IN PLACE AT ENTRANCE	1
<b>STATION</b>	IS LEASE ROAD IN NEED OF REPAIR OR MAINTENANCE	1
<b>STATION</b>	ARE THERE ANY FITTINGS, EQUIPMENT, PIPE, ETC. STACKED ON LOCATION	1
<b>RECORDS</b>	Schedule truck hauling if needed	1
<b>RECORDS</b>	Submit Notifications for maintenance if needed	1
<b>GATHERING LINES</b>	ANNUAL INSPECTION OF CATHODIC PROTECTION SYSTEM	1
<b>GATHERING LINES</b>	Regular scheduled pigging program	1
<b>GATHERING LINES</b>	Pig run sampling and checking for sign for bacteria and corrosion	1
<b>TANKS</b>	ARE ALL LOADS LINES LOCKED AND/OR SEALED	1
<b>TANKS</b>	ARE ALL LOAD LINES CAPPED	1
<b>TANKS</b>	CHECK CONTAINMENT LEVEL AND CALL FOR TRUCK LOADOUT IF NECESSARY	1

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<b>TANKS</b>	ARE ALL TANK HATCHES SHUT AND LATCHED and appear to be operating correctly	1
<b>TANKS</b>	Observe tanks for emissions. ARE VENT VALVES OR HATCHES RELEASING TANK VAPORS?	1
<b>TANKS</b>	IS ALL TANK SIGNAGE IN PLACE AND LEGIBLE	1
<b>TANKS</b>	ARE WIND SOCKS IN PLACE, UNDAMAGED, AND OPERATIONAL	1
<b>DEHYDRATION</b>	CHECK WATER CONTENT OF GAS TO ENSURE IN SPEC (VIA MOITURE ANALYZER OR DREGGAR TUBE)	1
<b>DEHYDRATION</b>	TEG REBOILER OPERATING PROPERLY (PILOT, BURNER, TEG LEVEL, HOLDING TEMPERATURE SETPOINT, ETC)	1
<b>DEHYDRATION</b>	CHECK FLASH TANK LEVEL	1
<b>DEHYDRATION</b>	CHECK FILTER DIFFERENTIAL PRESSURES (COALESCER, CHARCOAL, SOCK)	1
<b>VESSELS</b>	Are vessels maintaining proper levels (look @ site glasses) (FUEL SCRUBBER, SLUG CATCHER, COALESCER, KNOCKOUT DRUMS FOR COMBUSTORS AND FLARE)	1

**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 43653

**QUESTIONS**

Operator: Cotton Draw Midstream, L.L.C 333 W. Sheridan Avenue Oklahoma City, OK 73102	OGRID: 329657
	Action Number: 43653
	Action Type: [NGGS] NGGS Operations Plan (NGGS-OP)

**QUESTIONS**

<b>Verification</b>	
Does the operator own the selected facility	Yes
Is the selected facility a natural gas gathering system	Yes

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ACKNOWLEDGMENTS

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**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.