MIDSTREAM OPERATIONS

P66-DCP-0500

Minimizing Waste of Natural Gas

Rev. 1 – Effective Date: 2025-01-06

SUPERSEDES Rev. 0 - Effective Date: 2024-10-01

This is a hDCP document. As part of the DCP integration, a Phillips 66 Midstream Operations cover sheet was added to the legacy document and a Phillips 66 document number was assigned. The legacy document was "Lift and Shift" and published into the Midstream & Chemical Publication Library. This document will be governed by the **TSD-0001**, *Governance Documents Management of Change*. The document will be reformatted at the time of the next revision.

Note: A cross-reference document has been created as a naming convention bridge between hDCP documents and Phillips 66 Governance Documents.

This cross-reference document can be found << here >>.

Disclaimer

This standard is subject to revision at any time and will be reviewed according to the procedures of Phillips 66 Midstream Operations and reaffirmed, revised, or withdrawn. Suggestions for improvement of this standard are welcome and they should be sent to the Standards Specialist.

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New Mexico Gas Gathering Midstream Operations Plan			
P66 NM MPP PAGE 2 of 12	Minimizing Waste of Natural Gas	PROCEDURE NUMBER	NM OPP-01
		REVISION DATE REVISED	1 2025-01-06

PURPOSE:	This procedure provides guidelines for the minimization of leaks and releases from DCP Midstream's natural gas gathering systems operating in the State of New Mexico in compliance with 19.15.28.8(C) NMAC. This procedure applies to intrastate natural gas gathering systems operating within New Mexico as defined by 19.15.28.7(L) NMAC and not otherwise regulated by 49 CFR 192 or 18.60.1-6 NMAC. This procedure does not apply to inter- or intra-state gas or liquids transmission pipelines or inter- or intra-state liquids gathering pipelines.
OPERATOR QUALIFICATION TASK:	N/A
RESPONSIBILITY:	Location Management or Team.
BACKGROUND:	On May 25, 2021, the New Mexico Oil Conservation Division published a rulemaking with the goal of reducing methane emissions from oil and gas production, gathering, and processing facilities. Part of this regulation requires operators of gas gathering systems to implement an operations plan describing how the operator will minimize leaks and releases.
RELATED PROCEDURES:	• Phillips 66 Gas Operations and Maintenance Manual • Phillips 66 Corrosion Program • Phillips 66 Gas Integrity Management Program
RECORDS:	• Annual pipeline monitoring reports • GIS submittals • Operations Plan submittals • Documentation of activities performed to reduce or prevent methane emissions
PROCESS FOR CHANGING PROCEDURE:	Any changes to this procedure must be submitted to the Manager, Pipeline Regulatory Affairs for approval.

Procedure

1 - System Overview

1. Phillips 66 provides operating services for gas gathering pipelines and gas gathering systems owned by DCP Midstream and not subject to 49 CFR 192 or New Mexico PRC regulation within the State of New Mexico.
    a. General Purpose: DCP Midstream's gas gathering pipelines subject to this plan are located in Chaves, Eddy, and Lea counties and transport natural gas from third-party production facilities and interconnects to DCP Midstream's booster stations and gas processing plants.
    b. High / Low Pressure: DCP Midstream's gas gathering pipelines subject to this plan operate between 30 psig and 1440 psig, depending on the purpose of each gas gathering pipeline.
    c. Sweet or Sour Natural Gas: DCP Midstream's gas gathering pipelines subject to this plan may be in sweet or sour gas service depending on location and producer connections.
    d. Above ground or buried lines: DCP Midstream's gas gathering pipelines subject to this plan are predominantly located below ground except at certain valve sites, launchers and receivers, and booster stations and gas processing plants.
    e. Installation date of lines: DCP Midstream's gas gathering system subject to this plan was built between 1930 and the present, with the majority of the system being constructed between 1970 and the present.
    f. Construction material: DCP Midstream's gathering system subject to this plan is constructed of steel and plastic pipe.

2 - Plan Submittal

1. Operations Plans shall be submitted to the New Mexico Oil Conservation Division (the Division) by the following dates:
    a. Initial plan: 90 days following May 25, 2021
    b. New natural gas gathering systems as defined by 19.15.28.7.L NMAC constructed after May 25, 2021: 60 days following in-service date
    c. New gathering pipelines as defined by 19.15.28.7.G added to existing gathering systems after May 25, 2021: March 31 of the following year
    d. Operations plans shall be submitted electronically through the NM OCD permitting website using NM OCD Facility ID: fAPP2123031660.
    e. Web link: https://wwwapps.emnrd.state.nm.us/OCD/OCDPermitting/default.aspx
2. Records of each Operations Plan submittal shall be retained until a subsequent submittal is made.

3 - Routine Maintenance

1. Phillips 66, at its discretion, may implement gathering pipeline / system maintenance practices on gathering pipelines and/or systems subject to 19.15.28 NMAC designed to reduce methane emissions below the capture targets set by the Division. Any maintenance practices shall be reviewed by required Phillips 66 subject matter experts (SMEs) or their designees for efficacy in reducing emissions prior to implementation. Maintenance practices may be implemented on one or many gathering pipelines or gathering systems based on SME or designee review and applicability to the equipment present throughout DCP Midstream's New Mexico gathering pipelines / systems. Maintenance practices may include, but are not limited to, the following:
    a. Pipeline marking and identification
    b. Routine valve inspection and maintenance
    c. Gathering pipeline / system and appurtenance security practices
    d. Pipeline abandonment
    e. Emergency flow restriction device installation
    f. Inspection and testing of pressure limiting devices
    g. Flange bolting and facing
    h. Gathering pipeline construction and / or repair practices
2. When maintenance practices are determined by SME or designee review to be beneficial in reducing methane emissions below the Division's target threshold, implementation of selected practices may be guided by relevant sections of Phillips 66's Gas Operations and Maintenance manual (Gas O&M manual) or by site-specific procedures developed on the recommendation of Phillips 66 SMEs or their designees to reflect the specific conditions and maintenance requirements of the gathering pipeline / system in question.
3. Records of any maintenance activities conducted pursuant to this section should be retained for a period of time determined by Phillips 66 or its designee as sufficient to demonstrate the efficacy of the activities in reducing or preventing methane emissions. Records may include but are not limited to:
    a. Activity conducted
    b. Person conducting activity
    c. Date of activity
    d. Results of maintenance or inspection
    e. Relevant notes and follow-up actions
4. Phillips 66 is a member of New Mexico 811 and complies with 18.60.5 NMAC to prevent damage to its underground facilities during excavations.

4 - Facility Design

1. Facilities for gathering pipelines and systems subject to 19.15.28 NMAC designed and constructed after May 25, 2021 shall be designed to minimize waste as defined in 19.15.2.7.W(1)(a)-(e) NMAC. When considering design and construction practices for any new gathering pipeline or gathering system, Phillips 66 or its designee shall evaluate industry best practices for applicability and incorporate elements of these guidelines as determined to be appropriate for minimization of waste as defined in 19.15.2.7.W(1)(a)-(e) NMAC on each installation or project. Facility design for the minimization of waste may include consideration of pre-startup pressure testing.

5 - Cathodic Protection

1. Cathodic protection systems have not previously been required for gathering pipelines and gathering systems located in rural areas. The installation and monitoring of a cathodic protection system on existing or planned unprotected gathering pipelines or gathering systems subject to 19.15.28 NMAC should be thoroughly evaluated by Phillips 66 SMEs or their designees for benefits in reducing methane emissions. Elements to be evaluated prior to installation or inclusion in new construction may include but are not limited to:
    a. Evidence of systemic external corrosion
    b. Leak history of the gathering pipeline / system due to external corrosion
    c. Potential efficacy of cathodic protection in reducing systemic external corrosion
    d. Cathodic protection system type and design applicable to each specific installation scenario
    e. Pipeline materials currently in-service and applicability of cathodic protection as a means to reduce methane emissions
2. When a cathodic protection system is determined by SME or designee review to be beneficial in reducing methane emissions below the Division's target threshold, implementation of selected practices may be guided by relevant sections of Phillips 66's Corrosion manual or by site-specific installation and monitoring guidelines developed on the recommendation of Phillips 66 SMEs or their designees to reflect the specific conditions of the gathering pipeline / system in question.
3. Records of any cathodic protection installation or monitoring activities (activities) conducted pursuant to this section should be retained for a period of time determined by Phillips 66 or its designee as sufficient to demonstrate the efficacy of the activities in reducing or preventing methane emissions. Records may include but are not limited to:
    a. Activity conducted
    b. Person conducting activity
    c. Date of activity
    d. Results of maintenance or inspection

6 - Corrosion Control

1. Internal corrosion control measures may be considered for implementation by Phillips 66 or its designee if a gathering pipeline or system subject to 19.15.28 NMAC is found through normal operations, gas sampling / monitoring, leak history, or other means to have systemic internal corrosion indicators.
2. Any internal corrosion control measure should be evaluated by a Phillips 66 SME or designee for potential efficacy in reducing methane emissions and its ability to be utilized in specific gathering pipelines and/or systems. Variables that should be considered include:
    a. Gathering pipeline / system volumes and flows
    b. Gas composition
    c. Ability to distribute corrosion control measures effectively
    d. Pipeline material
    e. Compatibility of corrosion control measures with pipe and appurtenance materials and downstream facilities
3. When an internal corrosion mitigation or prevention measure is determined by SME or designee review to be beneficial and practical in reducing methane emissions below the Division's target threshold, implementation of selected practices may be guided by relevant sections of Phillips 66's Corrosion manual or by site-specific installation and monitoring guidelines developed on the recommendation of Phillips 66 SMEs or their designees to reflect the specific conditions of the gathering pipeline / system in question.
4. Records of any internal corrosion monitoring or activities (activities) conducted pursuant to this section should be retained for a period of time determined by Phillips 66 or its designee as sufficient to demonstrate the efficacy of the activities in reducing or preventing methane emissions. Records may include but are not limited to:
    a. Activity conducted
    b. Person conducting activity
    c. Date of activity
    d. Results of maintenance or inspection

7 - Liquids Management

1. Liquids management measures may be considered for implementation by Phillips 66 or its designee if a gathering pipeline or system subject to 19.15.28 NMAC is found through normal operations, gas pressure / flow variations, maintenance pigging, leak history, or other means to have a routine and systemic presence of undesirable levels of pipeline liquids.
2. When technically feasible, emissions from portable or temporary tanks used for pipeline operations / maintenance (tank emissions) may be controlled through the use of a portable flare or other technologies designed to recover or prevent methane release.

3. Any liquids management or tank emissions measure should be evaluated by a Phillips 66 SME or designee for potential efficacy in reducing methane emissions and its ability to be utilized in specific gathering pipelines and/or systems. Variables that should be considered include:
    a. Gathering pipeline / system volumes and flows
    b. Presence of pig launching / receiving facilities
    c. Pipeline construction and presence of any obstructions or bends which may hinder pigging
    d. Risk of a pig becoming trapped in the pipeline
    e. Potential impacts on downstream gas gathering and processing facilities
4. When a liquids management or tank emissions measure is determined by SME or designee review to be beneficial in reducing methane emissions below the Division's target threshold, implementation of selected practices may be guided by site-specific guidelines developed on the recommendation of Phillips 66 SMEs or their designees to reflect the specific conditions of the gathering pipeline / system in question.
5. Records of any liquids management or tank emissions activities (activities) conducted pursuant to this section should be retained for a period of time determined by Phillips 66 or its designee as sufficient to demonstrate the efficacy of the activities in reducing or preventing methane emissions. Records may include but are not limited to:
    a. Activity conducted
    b. Person conducting activity
    c. Date of activity
    d. Results of maintenance or inspection
    e. Relevant notes and follow-up actions

8 - Integrity Management

1. Integrity management monitoring and corrective measures, including pressure testing, may be considered for implementation by Phillips 66 or its designee if a gathering pipeline or system subject to 19.15.28 NMAC is found through maintenance activities and operational observations, line failure history, gas composition, or other means to have a level of systemic risk necessitating integrity management activities.
2. Any application of integrity management processes should be evaluated by a Phillips 66 SME or designee for potential efficacy in reducing methane emissions and its ability to be utilized in specific gathering pipelines and/or systems. Variables that should be considered include:
    a. Presence of leak detection system(s) installed on pipelines in question
    b. Absence of pipeline integrity-related line releases or failures
    c. Gathering pipeline / system volumes and flows
    d. Presence of pig launching / receiving facilities

e. Pipeline construction and presence of any obstructions which may hinder in-line inspection tool passage

3. When an integrity management measure is determined by SME or designee review to be beneficial in reducing methane emissions below the Division's target threshold, implementation of selected practices may be guided by the Phillips 66 Gas Integrity Management Plan or site-specific guidelines developed on the recommendation of Phillips 66 SMEs or their designees to reflect the specific conditions of the gathering pipeline / system in question and the data desired from any integrity management assessment.
4. Records of any integrity management activities (activities) conducted pursuant to this section should be retained for a period of time determined by Phillips 66 or its designee as sufficient to demonstrate the efficacy of the activities in reducing or preventing methane emissions. Records may include but are not limited to:
    a. Activity conducted
    b. Person conducting activity
    c. Date of activity
    d. Results of maintenance or inspection
    e. Relevant notes and follow-up actions

9 - Reducing Venting and Flaring

1. The State of New Mexico's Oil Conservation Commission (OCD) has recently passed new regulations that focuses on natural gas waste reduction which requires oil and gas operators to capture 98 percent of their natural gas waste by the end of 2026. These new rules are part of New Mexico's statewide, enforceable regulatory framework to secure emission reductions in the oil and gas sector and to prevent the waste of natural gas from new and existing sources.
2. One portion of these new rules (Title 19 Chapter 15 Part 28) requires oil and gas operators of natural gas gathering systems to no longer vent to the atmosphere but to use flares. See guidance from rule below.
    a. Oil and gas operators shall not flare or vent natural gas except:
        i. During an emergency or malfunction; or
        ii. During the following activities unless prohibited by applicable state and federal law, rule, or regulation for the emission of hydrocarbons and volatile organic compounds:
        iii. Repair and maintenance, including blowing down and depressurizing equipment to perform repair or maintenance;
        iv. Normal operation of a gas-activated pneumatic controller or pump;
        v. Normal operation of dehydration units and amine treatment units;
        vi. Normal operation of compressors, compressor engines, and turbines;

vii. Normal operation of valves, flanges, and connectors that is not the result of inadequate equipment design or maintenance;

viii. Normal operation of a storage tank or other low-pressure production vessel, but not including venting from a thief hatch that is not properly closed or maintained on an established schedule;

ix. Gauging or sampling a storage tank or other low-pressure vessel;

x. Loading out liquids from a storage tank or other low-pressure vessel to a transport vehicle;

xi. Normal operations of valves, flanges or connectors that are not the result of inadequate equipment design or maintenance;

xii. Blow down to repair a gathering pipeline;

xiii. Pigging a gathering pipeline;

xiv. Purging a gathering pipeline; or

xv. Commissioning of pipelines, equipment, or facilities only for as long as necessary to purge introduced impurities from the pipeline or equipment.

b. During 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 which complies with the flare stack standards, inspection, and recordkeeping requirements in Subsection E of 19.15.27.8 NMAC.

c. During unscheduled maintenance, replacement or repair of a new or existing natural gas gathering system, to the extent that it is technically feasible and would not pose a risk to safe operations or personnel safety, the operator shall not vent natural gas during blowdown and shall route natural gas to a portable flare stack which complies with the flare stack standards, inspection and recordkeeping in Subsection E of 19.15.27.8 NMAC.

3. Steps for operations personnel to take when using a portable flare

   a. Notify environmental as soon as plans are made to flare.

   b. Schedule flaring with portable flare contractor.

   c. Ensure that flare is “properly sized.” This involves providing approved flare service contractor with pressure, volume, and representative gas analysis.

   d. Conduct AVO upon commencement of flaring and document.

   e. Enter the event in EVE App.

   f. Provide environmental rep all associated documentation so that it can be attached in EHSS.

4. Portable flares must:

a. Meet 40 CFR §60.18 requirements for minimum heating value of waste gas and maximum flare tip velocity and be smokeless

b. Have supplemental fuel gas added to any flared streams if needed to ensure gases are sufficiently combustible

c. Be fueled by sweet gas or liquid petroleum gas except where only field gas is available, and it is not sweetened at the site

d. Be designed for and operated with no visible emissions, except for periods not to exceed a total of five minutes during any two consecutive hours

e. Be lit at all times when gas streams are present by having a continuous pilot flame or an automatic ignition system, if a continuous pilot is utilized, the presence of a flame must be continuously monitored with a thermocouple or other equivalent device (such as an infrared monitor) as specified in 40 CFR §60.18

f. If an automatic ignition system is utilized, it must ensure ignition when waste gas is present

   i. The time, date, and duration of any loss of flare pilot flame, or auto-ignition must be recorded. Records of hours of use are required for all portable flares.

   ii. On-line time must be considered when emission estimates and actual emissions inventories are calculated. Emission estimate calculations need to factor in whether or not the control device is constantly on. For example, if emissions are sent to the flare, which is off-line for a certain amount of time, then the control efficiency cannot be claimed during the off-line time.

g. Have equipment to measure the volume of natural gas flared.

   i. Measuring equipment shall conform to an industry standard such as American Petroleum Institute (API) Manual of Petroleum Measurement Standards (MPMS) Chapter 14.10 Measurement of Flow to Flares.

   ii. Measuring equipment must be accurate to and calibrated at a frequency in accordance with manufacturer specifications.

10 - Reporting Scheduled Maintenance and Emergencies to Upstream Operators

1. Written notice of scheduled maintenance, replacement, or repair on DCP Midstream gas gathering pipelines subject to this plan shall be provided to affected upstream operators not less than 14 days prior to the expected start of the maintenance, replacement, or repair. Written notices shall provide the expected date(s) of work and expected duration that the pipeline or gathering system will not gather natural gas.
2. Verbal notice shall be provided to affected upstream operators not more than 12 hours after discovery of an emergency or malfunction, or the need for unscheduled maintenance of a DCP Midstream natural gas gathering system or pipeline subject to this plan. Verbal notices shall provide the date(s) of work and expected duration that the pipeline or gathering system will not gather natural gas.

3. Written notice of an emergency or malfunction, or the need for unscheduled maintenance of a DCP Midstream natural gas gathering system or pipeline subject to this plan shall be provided to affected upstream operators not later than 24 hours after discovery. Written notices shall include the following details of the verbal notification required by step 2 of this section:
    a. Date
    b. Time
    c. Person contacted
    d. Telephone number contacted
4. Records of all verbal and written notices required by Section 10 of this procedure shall be retained for not less than 5 years and made available for inspection by the division upon request.

11 - Emergency Response Plan

1. Phillips 66 is committed to the safe operations of its pipelines and facilities. In the event of an emergency, actions are directed first toward the safety of people and the environment and may include evacuating facilities and/or nearby structures, isolating pipeline segments, and utilizing appropriate mitigative measures to reduce the environmental impacts of releases.
2. Phillips 66 maintains asset-specific emergency response plans available to all employees on the company intranet.
3. Emergency response plans may be periodically updated to reflect changes in assets including but not limited to the sale or purchase of assets, pipeline abandonments, and pipeline construction or gathering system configuration changes.
4. Emergency response plans within the Phillips 66 company intranet provide guidance on appropriate regulatory reporting requirements.

12 - Annual Leak Survey

1. Phillips 66 or its designee shall conduct an annual monitoring of all gathering pipelines and systems subject to 19.15.28 NMAC.
    a. Annual is interpreted by Phillips 66 as meaning once per calendar year.
    b. Monitoring may be conducted using one or more of the following methods:
        i. AVO technique, as defined by 19.15.27.7.D NMAC
        ii. ALARM technology, as defined by 19.15.27.7.A NMAC
        iii. Aerial visual inspection
        iv. Other valid method of detecting leaks and releases
    c. Personnel conducting the monitoring shall be knowledgeable on the methods and technology being used.

2. Records of the following shall be maintained by Phillips 66 or its designee for a period of at least five (5) years:
    a. Date and time of monitoring
    b. Method and technology used

13 - GIS Submittals

1. Phillips 66 or its designee shall file with the Division a GIS digitally formatted as-built map on the following schedule:
    a. For a new gathering pipeline or natural gas gathering system, no later than 90 days after placing the gathering pipeline or system into service;
    b. For an existing gathering pipeline or natural gas gathering system no later than 90 days after May 25, 2021; and
    c. For an addition to an existing gathering pipeline or natural gas gathering system, no later than 90 days after placing the addition into service.
1. Each map shall include layers specified by NM OCD guidance documents and data models.
2. Phillips 66 or its designee may assert confidentiality for the GIS digitally formatted as-built map and GIS layer pursuant to Section 71.2.8 NMSA 1978.
3. Records of each submittal may be retained by Phillips 66 or its designee for a time period sufficient to demonstrate compliance with the requirements of this section.

14 - Annual GIS Updates

1. No later than July 1st of each year, the operator shall file with the division an updated GIS digitally formatted as-built map of its gathering pipeline or natural gas gathering system.
    a. Mapping data shall be submitted electronically through the NM OCD permitting website using NM OCD Facility ID: fAPP2123031660.
    b. Web link: https://wwwapps.emnrd.state.nm.us/OCD/OCDPermitting/default.aspx

2. Annual mapping submittals shall include a GIS layer that identifies the date, location and volume of vented or flared natural gas of each emergency, malfunction and release reported to the division since May 25, 2021. GIS data shall be formatted to follow specifications published in NM OCD guidance documents and data models.
3. Phillips 66 or its designee may assert confidentiality for the GIS digitally formatted as-built map and GIS layer pursuant to Section 71.2.8 NMSA 1978.
4. Records of each submittal may be retained by Phillips 66 or its designee until such time as the next annual submittal occurs.

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
https://www.emnrd.nm.gov/ocd/contact-us

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

QUESTIONS

Action 424021

QUESTIONS

Operator: DCP OPERATING COMPANY, LP 2331 Citywest Blvd Houston, TX 77042	OGRID: 36785
	Action Number: 424021
	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

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Phone: (505) 476-3441

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ACKNOWLEDGMENTS

Operator: DCP OPERATING COMPANY, LP 2331 Citywest Blvd Houston, TX 77042	OGRID: 36785
	Action Number: 424021
	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.