HITP - _43_

GENERAL CORRESPONDENCE

YEAR(S): _2013-2014_

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of Check No. 377343 dated 7/24/13

or cash received on 8/26/13 in the amount of $ 150.00

from DCP MIDSTREAM, LP

for HITP-42

Submitted by: BRAD JONES Date: 8/27/13

Submitted to ASD by: Lupe Sherman Date: 8/27/13

Received in ASD by: _____ Date: _____

Filing Fee _____ New Facility: _____ Renewal: _____

Modification _____ Other ✓ TEMPORARY PERMISSION FEE

Organization Code 521.07 Applicable FY 14

To be deposited in the Water Quality Management Fund.

Full Payment _____ or Annual Increment _____

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of Check No. 377344 dated 7/24/13

or cash received on 8/26/13 in the amount of $ 100.00

from DCP MIDSTREAM, LP

for HITP-42

Submitted by: BRAD JONES Date: 8/27/13

Submitted to ASD by: Lupe Herman Date: 8/27/13

Received in ASD by: _____ Date: _____

Filing Fee ✓ New Facility: _____ Renewal: _____

Modification _____ Other _____

Organization Code 521.07 Applicable FY 14

To be deposited in the Water Quality Management Fund.

Full Payment _____ or Annual Increment _____

New Mexico Environment Department Revenue Transmittal

		Description	Fund	CES	DFA Org.	DFA Acct.	ED Org.	ED Acct.	Amount	
	1	CY Reimbursement Project _____ Tax	064	01						1
	2	Gross Receipt Tax	064	01	2329	900000	2329134			2
	3	Air Quality Title V	092	13	1690	900000	4169134			3
	4	PRP Prepayments	248	14	9690	900000	4969014			4
	5	Climax Chemical Co.	248	14	9690	900000	4969015			5
	6	Circle K Reimbursements	248	14	9690	900000	4969248			6
	7	Hazardous Waste Permits	339	27	1690	900000	4169027			7
	8	Hazardous Waste Annual Generator Fees	339	27	1690	900000	4169339			8
	9	Water Quality - Drinking Water	340	28	1690	900000	4169028			9
	10	✓ Water Quality - Oil Conservation Division	341	29	2329	900000	2329029		350.00	10
	11	Water Quality - GW Discharge Permit	341	29	1690	900000	4169029			11
	12	Air Quality Permits	631	31	1690	900000	4169031			12
	13	Payments under Protest	651	33	2919	900000	2919033			13
*	14	Xerox Copies	652	34	2349	900000	2349001			14
	15	Ground Water Penalties	652	34	2349	900000	2349002			15
	16	Witness Fees	652	34	2349	900000	2349003			16
	17	Air Quality Penalities	652	34	2349	900000	2349004			17
	18	OSHA Penalties	652	34	2349	900000	2349005			18
	19	Prior Year Reimbursement	652	34	2349	900000	2349006			19
	20	Surface Water Quality Certification	652	34	2349	900000	2349009			20
	21	Jury Duty	652	34	2349	900000	2349012			21
	22	CY Reimbursements (i.e.: telephone)	652	34	2349	900000	2349014			22
*	23	UST Owners List	783	24	9690	900000	4969201			23
*	24	Hazardous Waste Notifiers List	783	24	9690	900000	4969202			24
*	25	UST Maps	783	24	9690	900000	4969203			25
*	26	UST Owners Update	783	24	9690	900000	4969205			26
*	28	Hazardous Waste Regulations	783	24	9690	900000	4969207			28
*	29	Radiologic Tech. Regulations	783	24	9690	900000	4969208			29
*	30	Superfund CERCLIS List	783	24	9690	900000	4969211			30
*	31	Solid Waste Permits Fees	783	24	9690	900000	4969213			31
	32	Smoking School	783	24	9690	900000	4969214			32
*	33	SWQB - NPS Publications	783	24	9690	900000	4969222			33
*	34	Radiation Licensing Regulations	783	24	9690	900000	4969228			34
*	35	Sale of Equipment	783	24	9690	900000	4969301			35
*	36	Sale of Automobile	783	24	9690	900000	4969302			36
**	37	Lust Recoveries	783	24	9690	900000	4969614			37
**	38	Lust Prepayments	783	24	9690	900000	4969615			38
	39	Surface Water Publication	783	24	9690	900000	4969801			39
	40	Exxon Reese Drive Ruidoso - CAF	783	24	9690	900000	4969242			40
	41	Emerg. Hazardous Waste Penalties NOV	957	32	1640	900000	4164032			41
	42	Radiologic Tech. Certification	987	05	1690	900000	4169005			42
	44	UST Permit Fees	989	20	1690	900000	4169020			44
	45	UST Tank Installers Fees	989	20	1690	900000	4169021			45
	46	Food Permit Fees	991	26	1690	900000	4169026			46
	43	Other								43

* Gross Receipt Tax Required ** Site Name & Project Code Required TOTAL: 350.00

Contact Person: GLENN VON GONTEN Phone #: 476-3488 Date: 8/27/13

Received in ASD By: _____ Date: _____ RT #: _____ ST# _____

FSB025

NEW MEXICO ENVIRONMENT DEPARTMENT - ALBUQUERQUE FIELD OFFICE DAILY CHECK RECEIPT LOG

DATE RECEIVED	WALK-IN	MAIL	NAME ON CHECK	DATE OF CHECK	CHECK/MONEY ORDER#	PROGRAM ACCOUNT CODE	AMOUNT OF CHECK	DATE DEPOSITED	DEPOSITED BY:
8/26/13		✓	URS	7/23/13	335793		$100.00		
8/26/13		✓	DCP MAINSTREAM, LP	7/24/13	377343		$150.00		
8/26/13		✓	DCP MAINSTREAM, LP	7/24/13	377344		$100.00		
TOTAL							$350.00		

REVENUE TRANSMITTAL SHEET

Description	Fund	Dept.	Share Acct	Sub Acct	Amount
Liquid Waste	34000	Z3200	496402		
Water Recreation Facilities	40000	Z8501	496402		
Food Permit Fees	99100	Z2600	496402		
OTHER					

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

August 26, 2013

UPS Next Day Air
1ZF469150197163983

Brad Jones
Oil Conservation Division
New Mexico Energy, Minerals, and Natural Resources Department
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Notice of Intent to Perform a Hydrostatic Test
West Eddy County Loop Pipeline
Lea County, New Mexico

Mr. Jones:

Here is a notice of intent (NOI) prepared by DCP Midstream, LP (DCP) for completing a hydrostatic test and subsequent test water disposal associated with our West Eddy County Loop pipeline segment located in Lea County, New Mexico. We are also enclosing separate checks to cover the filing fee and the temporary permission fees.

This NOI was prepared according to the New Mexico Oil Conservation Division *Guidelines for Hydrostatic Test Dewatering*, dated January 11, 2007, and by following guidance provided by you during recent telephone conversations.

DCP anticipates that the hydrostatic test will be conducted during the week of October 1, 2013.

If you have any questions or would like additional information, please contact me at 303.605.2251 or dnbourne@dcpmidstream.com.

Sincerely,

DCP Midstream, LP

Daniel Bourne, CHMM
Environmental Specialist

Attachments

DCP Midstream, LP
Notice of Intent to Perform a Hydrostatic Test
Project Name: West Eddy County Loop
August 26, 2013

Project Background Information

DCP Midstream, LP (DCP) plans to hydrotest an approximately 4.73 mile long 16" diameter, new pipeline in Lea County, New Mexico. This section of gathering system pipeline is used to transmit high pressure natural gas from a supplier's well head into the DCP pipeline for processing of raw field gas at the Hobbs Gas Plant. DCP will hydro-test the pipe in order to determine if the line is functional and if it can be put into service as a gathering line. Testing will be done in one phase, and it is estimated that the test will generate approximately 6160 barrels (258,720 gallons) of wastewater. The wastewater generated will be RCRA exempt E&P waste based on the definition in 40 CFR 261.4(b)(5). DCP plans to dispose of the test water at R360 Permian Basin LLC disposal facility. Texas Lobo Trucking LLC (Order Number C133-312) will transport the water using a C-138 manifest from the discharge site to the disposal facility owned by R360 Permian Basin LLC and operating under Order Number R-9166 and permit number NM1-006.

DCP is submitting this Notice of Intent (NOI) in accordance with the New Mexico Oil Conservation Division's (NMOCD) "*Guidelines for Hydrostatic Test Dewatering*", dated January 11, 2007.

Required Information

a. Operator/discharger name and address

Responsible Party
Mr. Jim Allred
DCP Midstream, LP
139 W US Hwy 62-180
Hobbs, NM 88240
Cell Phone: 575-802-5131

Operator
Mike Gerwick
DCP Midstream, LP
139 W US Hwy 62-180
Hobbs, NM 88240
Cell: 575-802-5136

b. Location of the discharge, including a street address, if available, and sufficient information to locate the facility with respect to surrounding landmarks

At the completion of the hydrostatic test, DCP will dewater from the east end of the pipeline and will pump the water into frac tanks located on the Pipeline Construction

Right-of-Way, which is 50 feet wide. No wastewater will be discharged to ground surface at the point where the pipe is dewatered into frac tanks.

The dewatering area is approximately 16 Miles Southeast of Loco Hills, New Mexico. Driving from Loco Hills, NM, go east on highway 82 to junction 529. From 529, go 14.2 miles, turn right onto lease road. Once on lease road, go south 2.7 miles to frac tank staging location. The station is at nominal latitude N 32.738323" and nominal longitude W 103.668477".

c. Legal description (Section/Township/Range) of the discharge location

Dewatering of the line into frac tanks and temporary storage will occur at the following location:

NW ¼ of the NE ¼ of Section 21, Township 18 South, Range 33 East (New Mexico Meridian), Lea County, New Mexico.

d. Maps (site-specific and regional) indicating the location of the pipelines to be tested

Figure 1 is an overview map showing the pipeline that will be hydrostatic tested and the dewatering site overlayed on a topographic map.

Figure 2 is an overview map showing the dewatering site overlayed on recent aerial imagery and shows land use surrounding the dewatering site.

Figure 3 is a topographic map of the dewatering site showing surface contours in the vicinity of the site.

Figure 4 is a detailed map showing planned locations of the frac tanks that will temporarily store hydrostatic test discharge water prior to hauling and disposal (overlayed on an aerial photo). .

Figure 5 is similar to Figure 4, except the information is overlayed on a USGS 1:24,000 map.

e. A demonstration of compliance to the following siting criteria or justification for any exceptions

i. Figure 1 is a topographic map & Figure 7 is a wetlands map. The topographic map & the wetlands map show that the discharge location is not within 200 feet of a watercourse, lakebed, sink-hole or playa lake.

ii. Enclosed in Appendix A are two FEMA FIRM maps. These two maps show that the site is located under FEMA map panel 35025C1250D. This panel is classified as "Panel not printed" and the map denotes that all map panels that are not printed are in Zone D. Zone D is a zone that has not yet been assessed by FEMA for flooding.

Using the topographic maps in referenced as figures 1 & 2, it can be shown that there are no flowing waterways or drainage areas that are located in the immediate area where the frac tank staging and pipeline dewatering area will be set-up. The topographic map shows the frac tank staging area to be relatively flat and that no significant drainage areas are in the vicinity of the frac tank staging area, thus no major flooding or drainage events would affect this area.

New Mexico Office of the State Engineer (NMOSE) well records were located for the Township and Range of the dewatering area. The NMOSE records show that there are no wells located in section 21 of T18S 33E, thus there are no well head protection areas in this area. NMOSE well records are enclosed under Appendix A. Figures 1&2 also show that there are no springs located in the vicinity of where the frac tank staging area will be set-up.

iii. Figure 7 is an aerial map with a USGS wetlands inventory overlay. Figure 7 illustrates that the dewatering area is not located within a wetland or within 500 feet of a wetland.

iv. Figure 8 is an aerial map with the New Mexico Mineral Resources Mine Sites as an overlay. Figure 8 illustrates that the dewatering area is not located within the area overlying a subsurface mine

v. Figure 9 is a satellite photo with a 1,000 foot proximity area overlayed on the photo. Figure 9 illustrates that there are no permanent residences, schools, hospitals, institutions or churches with-in 500 feet. Also a signed siting statement from Jim Allred also provides evidence that no structures of concern are with-in 500 ft. of the dewatering area.

f. A brief description of the activities that produce the discharge

The wastewater discharge will be generated from the hydrostatic testing of the West Eddy Loop Pipeline. The pipeline is an approximately 4.73 mile long new 16" diameter pipeline being hydrostatically tested to determine if the line is functional and if it can be put into service. Hydrostatic testing will be done in one phase, and it is estimated that the test will generate approximately 6160 barrels (258,720 gallons) of wastewater. No water will be discharged to the ground surface.

The water used for the hydrostatic test will be acquired from The Caprock Water Station. The water supply from the Caprock Water Station is located 13 miles northwest of the discharge point.

g. The method and location for collection and retention of fluids and solids

The hydrostatic test will be done in a single phase. Following the completion of the hydrostatic test, the water will be transferred directly from the pipeline into temporary frac tanks (approximately thirteen (13) 500-barrel tanks) via a system of flexible hoses and temporary piping at the withdrawal point within DCP's right-of-way. Drip collection

trays will be placed below the connection points to prevent test water from reaching the ground surface. To prevent an inadvertent release of test water to the surrounding environment, the frac tanks at the dewatering location will be placed in plastic-lined bermed secondary containment sized to be 1.33 times the size of the largest tank or largest interconnected volume (whichever is larger). Field operators will be present during water transfer operations to immediately close isolation valves in the event of a larger leak or line failure. Solids are not expected to be generated during the hydrostatic test.

h. A brief description of best management practices to be implemented to contain the discharge onsite and to control erosion

Field operators and/or testing personnel will be onsite for the duration of the hydrostatic test and during all water transfer operations. Drip collection trays will be placed below hose and piping connections to prevent hydrostatic test water from making contact with the ground surface from incidental leaks during transfer operations. To prevent an inadvertent release of test water to the surrounding environment, the frac tanks at the dewatering location will be placed in plastic-lined bermed secondary containment sized to be 1.33 times the size of the largest tank or largest interconnected volume (whichever is larger). Since there will not be an intentional surface discharge, erosion control measures are not currently planned for the dewatering location.

i. A request for approval of an alternative treatment, use, and/or discharge location (other than the original discharge site), if necessary

Texas Lobo Trucking LLC (Order Number C133-312) has agreed to pick-up the waste water from the dewatering location and transport the waste water to the R360 Permian Basin LLC disposal facility (Order R-9166/Permit NM1-006). Based on this notice of intent, no alternative treatment or discharge location is being proposed.

j. A proposed hydrostatic test wastewater sampling plan

DCP will not analyze the hydrostatic test water because it is RCRA exempt E&P waste based on the definition provided in 40 CFR 261.4(b)(5) and because the material will be disposed of at R360 Permian Basin LLC facility (Order R-9166/Permit NM1-006).

k. A proposed method of disposal of fluids and solids after test completion, including closure of any pits, in case the water generated from the test exceeds the standards as set forth in Subsections A, B, and C of the 20.6.2.3103 NMAC (the New Mexico Water Quality Control Commission Regulations)

DCP will dispose of the test water at R360 Permian Basin LLC disposal facility. Texas Lobo Trucking LLC (Order Number C133-312) will transport the water using a C-138 manifest from the discharge site to a disposal facility owned by R360 Permian Basin LLC and operating under Order Number R-9166 and permit number NM1-006. The facility is near Halfway, New Mexico (approximately halfway between Hobbs and Carlsbad on US Highway 62. This disposal site is in Section 27, Township 20 South, Range 32 East (New

Mexico Meridian). No wastewater will be discharged to ground surface. Solids are not expected to be generated from the hydrostatic test since the pipe is new and there won't be any pigging of the lines.

l. A brief description of the expected quality and volume of the discharge

Since the pipe being tested is new and the water is from a fresh water source, the waste water will be of good quality. The dewatering of the pipeline after the hydrostatic test will generate approximately 6160 barrels (258,720 gallons) of water. The water will be transferred directly from the pipeline into frac tanks.

m. Geological characteristics of the subsurface at the proposed discharge site

Regional Features

The proposed discharge area is located just south of the Querecho Plains within the Pecos River Basin. The site sits in a relatively flat area and is located on the north side of the Southern Corbin Oil Fields. Source: USGS 24K Topographic Map

Site Geology

The site geology is comprised of Quatenary eolian, piedmont, and alluvial deposits (Holocene to middle Pleistocene). The area is characterized by interlayed eolian sands and piedmont-slope deposits that are typically capped by thin eolian deposits. These deposits unconformably overlie Triassic aged sedimentary rocks of the Dockum Group.
Source: USGS National Geologic Map Database

Regional Hydrology

The site and the site's surface drainage are located in the Pecos River Basin but the site has no connecting drainage to the Pecos River. Average annual precipitation in this area of Lea County is meager – between 12 and 16 inches per year, and evapotranspiration is very high in this region.

Local Groundwater Hydrology

The proposed discharge site is located within the Carlsbad Underground Water Basin (UWB). The shallowest Carlsbad UWB aquifer beneath the site is 20 feet in depth which includes the Santa Rosa Sandstone (part of the Dockum Group), which is approximately 200 feet thick in this area. The Carlsbad UWB ground-water flow is generally to the southwest, towards Eddy County.

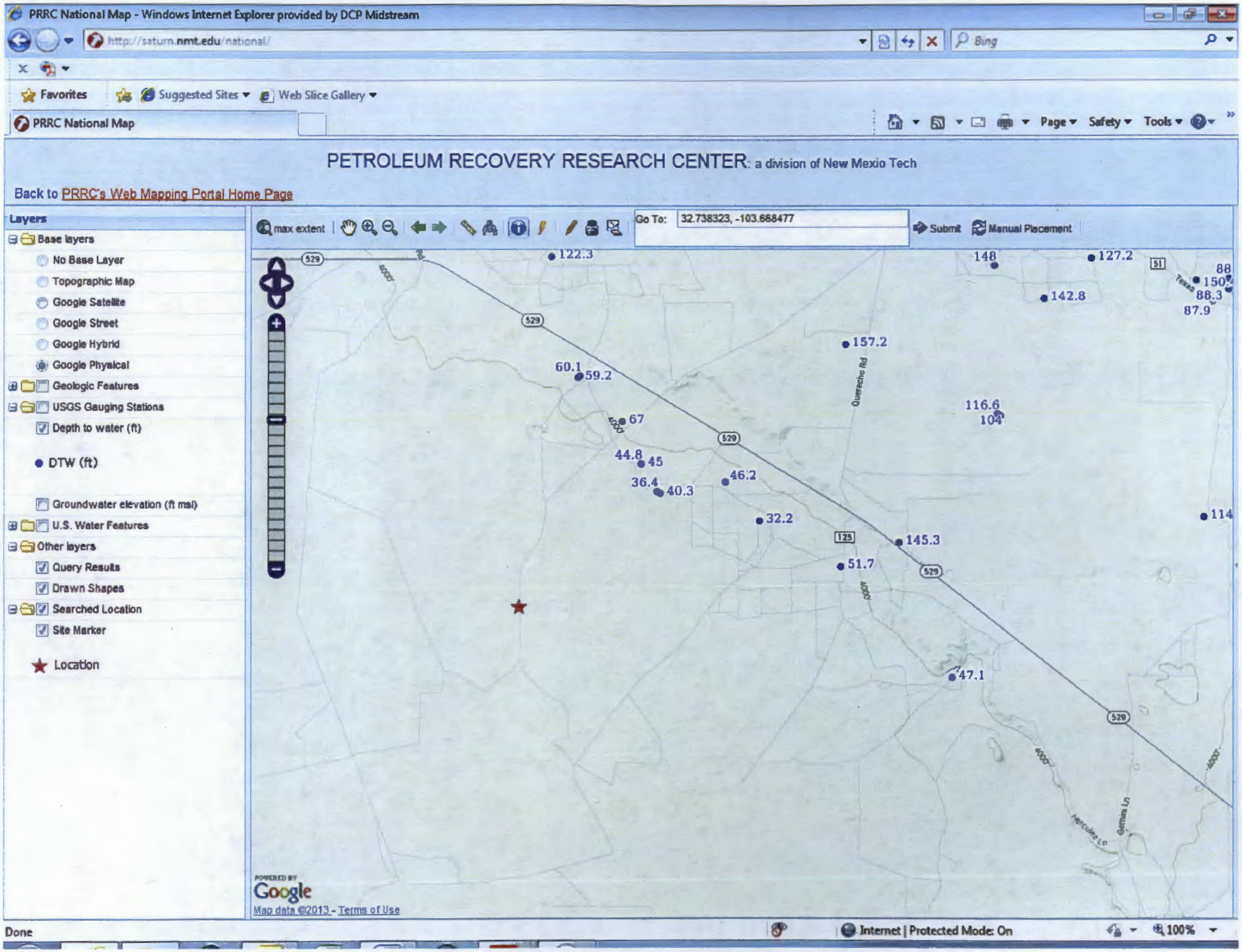
n. The depth to and total dissolved solids concentration of the ground water most likely to be affected by the discharge

The proposed discharge area is within the Carlsbad Underground Water Basin (UWB). According to information available from the New Mexico PRRC's Web Mapping Portal, depth to groundwater averages about 48.5 feet deep in most wells found in this area. Screen Shot is included in Appendix A. Information from the NMOSE shows ground water between 35 & 195 feet deep according to the Well Logs in this Township, & Range. Total dissolved solids in groundwater from Santa Rosa Sandstone ranges from 635 to 1,950 mg/L.

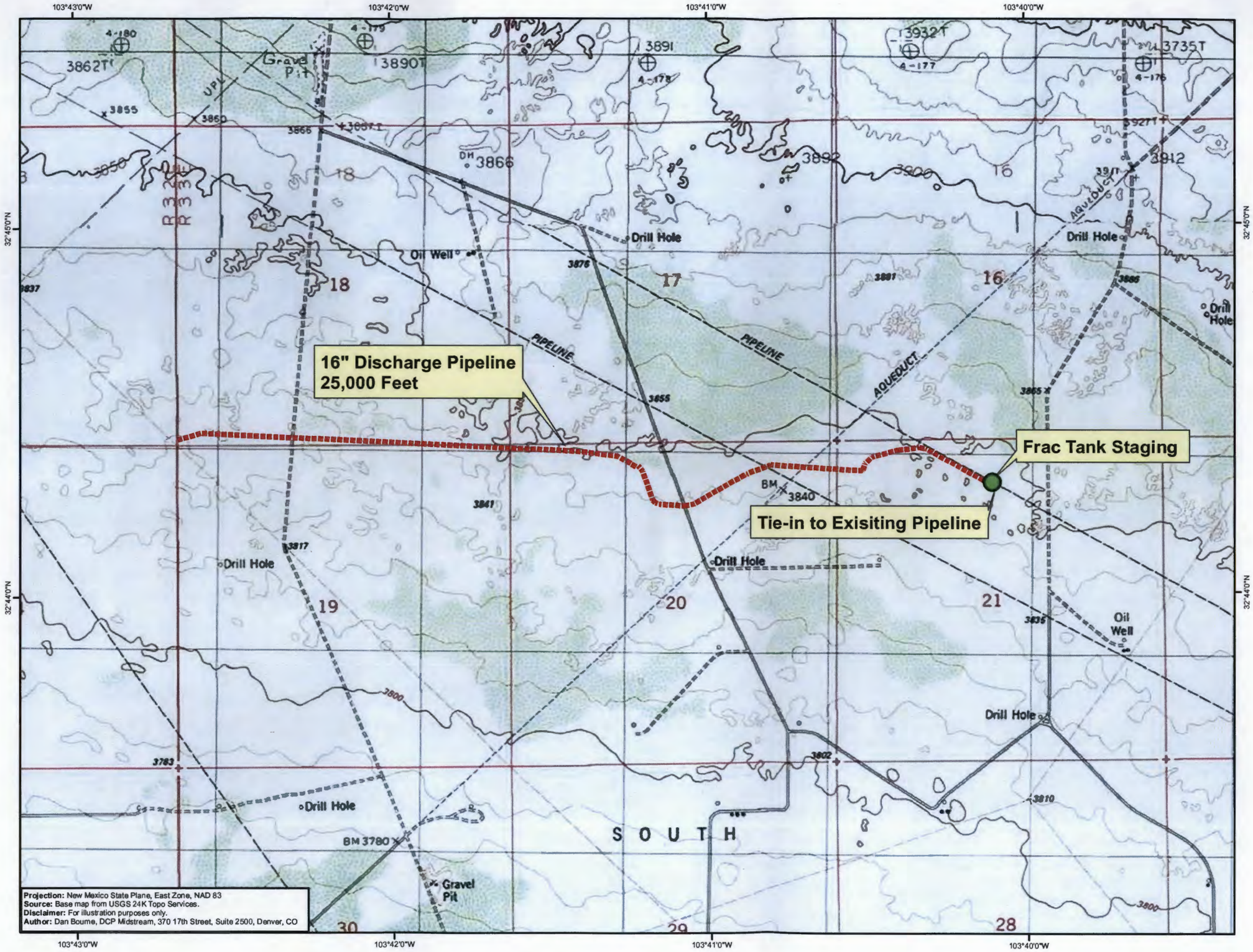
o. Identification of landowners at and adjacent to the discharge and collection/retention site

The discharge site and the lands surrounding the discharge site are owned by the US Bureau of Land Management and the Lessee of the dewatering site is Ross Caviness. DCP has a 50 foot wide construction right-of-way along the proposed pipeline route for use (including testing) of the pipeline.

APPENDIX A


PRRC National Map - Windows Internet Explorer provided by DCP Midstream
http://saturn.nmt.edu/national/
Bing
Favorites
Suggested Sites
Web Slice Gallery
PRRC National Map
Page
Safety
Tools
PETROLEUM RECOVERY RESEARCH CENTER: a division of New Mexio Tech
Back to PRRC's Web Mapping Portal Home Page
Layers
Base layers
No Base Layer
Topographic Map
Google Satellite
Google Street
Google Hybrid
Google Physical
Geologic Features
USGS Gauging Stations
Depth to water (ft)
DTW (ft)
Groundwater elevation (ft msl)
U.S. Water Features
Other layers
Query Results
Drawn Shapes
Searched Location
Site Marker
Location
max extent
Go To:
32.738323, -103.668477
Submit
Manual Placement
122.3
148
127.2
142.8
88
150
88.3
87.9
157.2
60.1
59.2
116.6
104
67
44.8
45
46.2
36.4
40.3
32.2
114
145.3
51.7
47.1
Querecho Rd
German Ln
Hercules Ln
Google
Map data ©2013 - Terms of Use
Done
Internet | Protected Mode: On
100%

FIGURES 1-9



Locator Map

N
W E
S

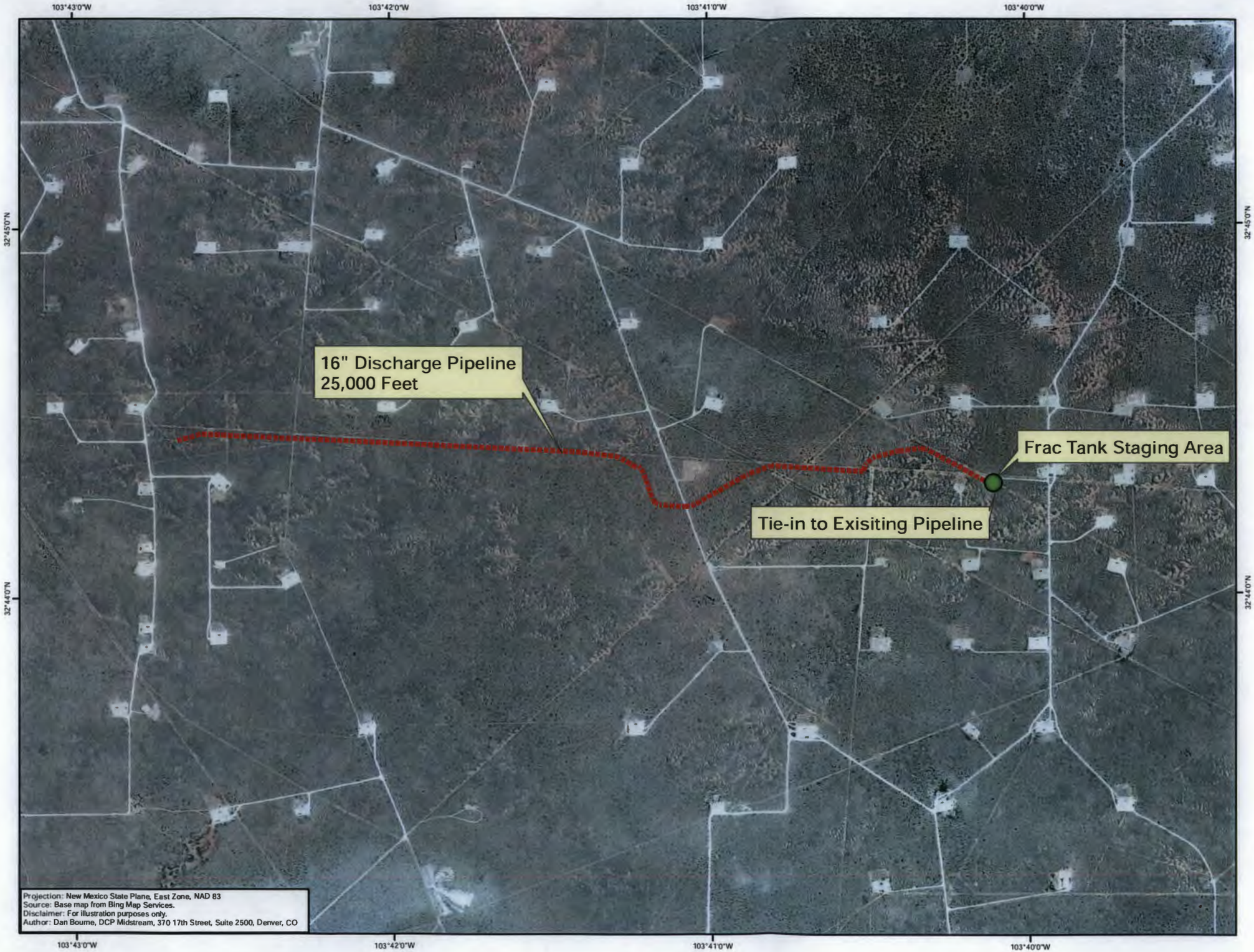
0 5001,000 2,000 Feet

1 inch = 1,500 feet

1:18,000

Figure 1
Overview Map
West Eddy Loop Pipeline
Proposed Hydrotest
Lea County, New Mexico
August 2013

dcp Midstream



Locator Map

N
W
E
S

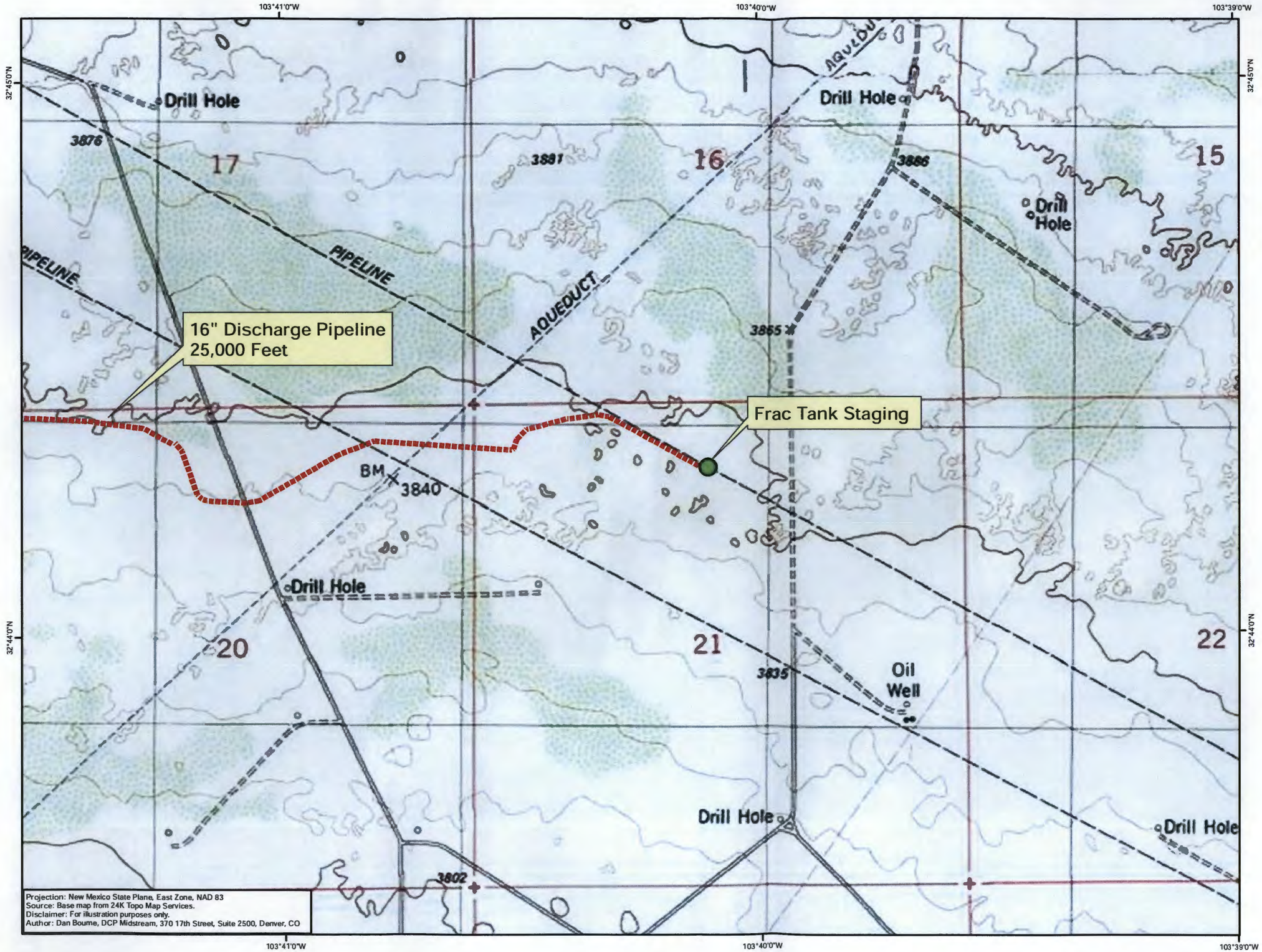
0 750 1,500 3,000 Feet

1 inch = 1,500 feet

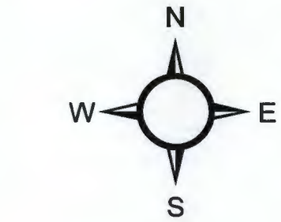
1:18,000

Figure 2
Overview Map
West Eddy Loop Pipeline
Proposed Hydrotest
Lea County, New Mexico
August 2013

dcp Midstream



Locator Map



0 500 1,000 2,000 Feet

1 inch = 1,000 feet

1:12,000

Figure 3
Topography Around
Dewatering Area
West Eddy Loop Pipeline
Proposed Hydrotest
Lea County, New Mexico
August 2013

dcp Midstream

Locator Map

N
W E
S

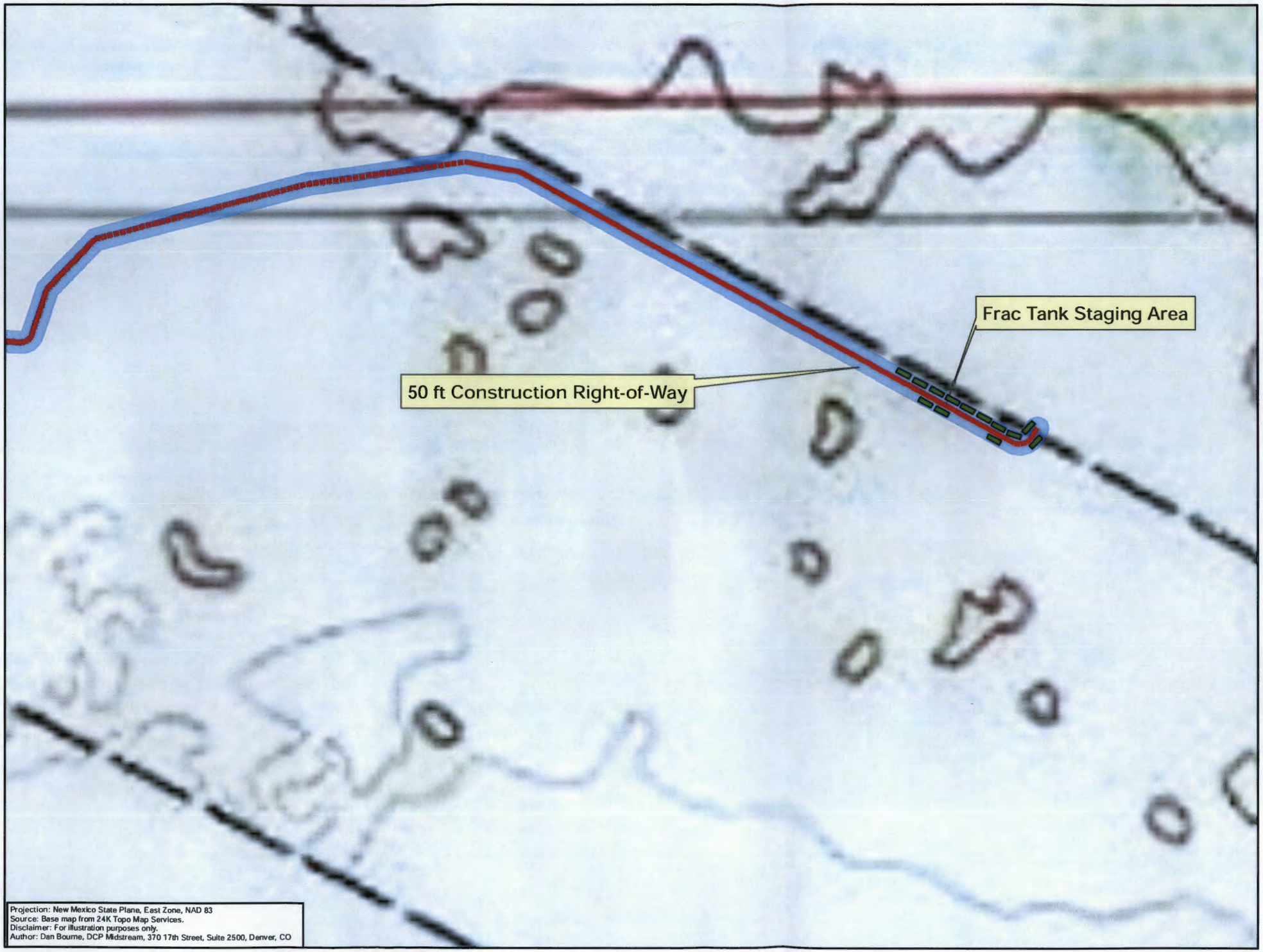
0 100 200 400 Feet

1 inch = 200 feet

1:2,400

Figure 4
Dewatering Area Detail
West Eddy Loop Pipeline
Proposed Hydrotest
Lea County, New Mexico
August 2013

dcp Midstream



Locator Map

N
W E
S

0 100 200 400 Feet

1 inch = 200 feet

1:2,400

Figure 5
Dewatering Area
Topography
West Eddy Loop Pipeline
Proposed Hydrotest
Lea County, New Mexico
August 2013

dcp Midstream

103°45'0"W 103°42'0"W 103°39'0"W 103°36'0"W

32°48'0"N 32°45'0"N 32°42'0"N

Mescalero Rd

125

529 529 529

Maljamar Rd

Dog Lk

L E A L E A

Frac Tank Staging &
Pipeline Dewatering Area

E - K O I L F I E L D

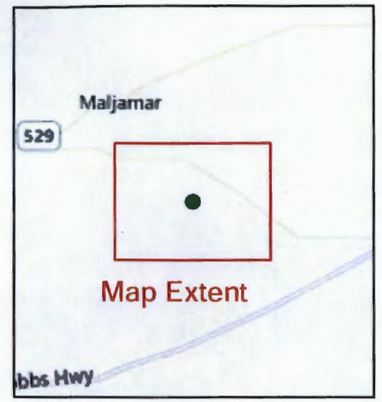
CORBIN OIL FIELD

MESCALERO RIDGE

S O U T H C O R B I N
O I L A N D
G A S F I E L D

Q U E R E C H O P L A I N S

Projection: NAD83,New Mexico State Plane, South Zone.
Source: Base map from Bing Map Service & FEMA 100 year Flood Plain Map.
Disclaimer: For illustration purposes only.
Author: Dan Bourne CHMM, DCP Midstream, 370 17th Street, Suite 2500,



Locator Map

N

Feet
0 2,500 5,000 10,000

1 in = 5,000 feet

1:60,000

Figure 6
Flood Plain Proximity Map
FEMA 100 Year Flood Plain
West Eddy Co Loop Hydrotest
August 2013

Legend

100 Year Flood Zones

dcp Midstream

103°45'0"W
103°40'0"W
103°35'0"W
32°45'0"N
125
Mescalero Rd
Maljamar Rd
529
Dog Lk
L E A
Frac Tank Staging &
Pipeline Dewatering Area

Projection: NAD83, New Mexico State Plane, South Zone.
Source: Base map from Bing Map Service & USGS Wetlands Inventory.
Disclaimer: For illustration purposes only.
Author: Dan Bourne CHMM, DCP Midstream, 370 17th Street, Suite 2500,

Locator Map

N

Feet
0 2,600 5,200 10,400

1 in = 5,000 feet

1:60,000

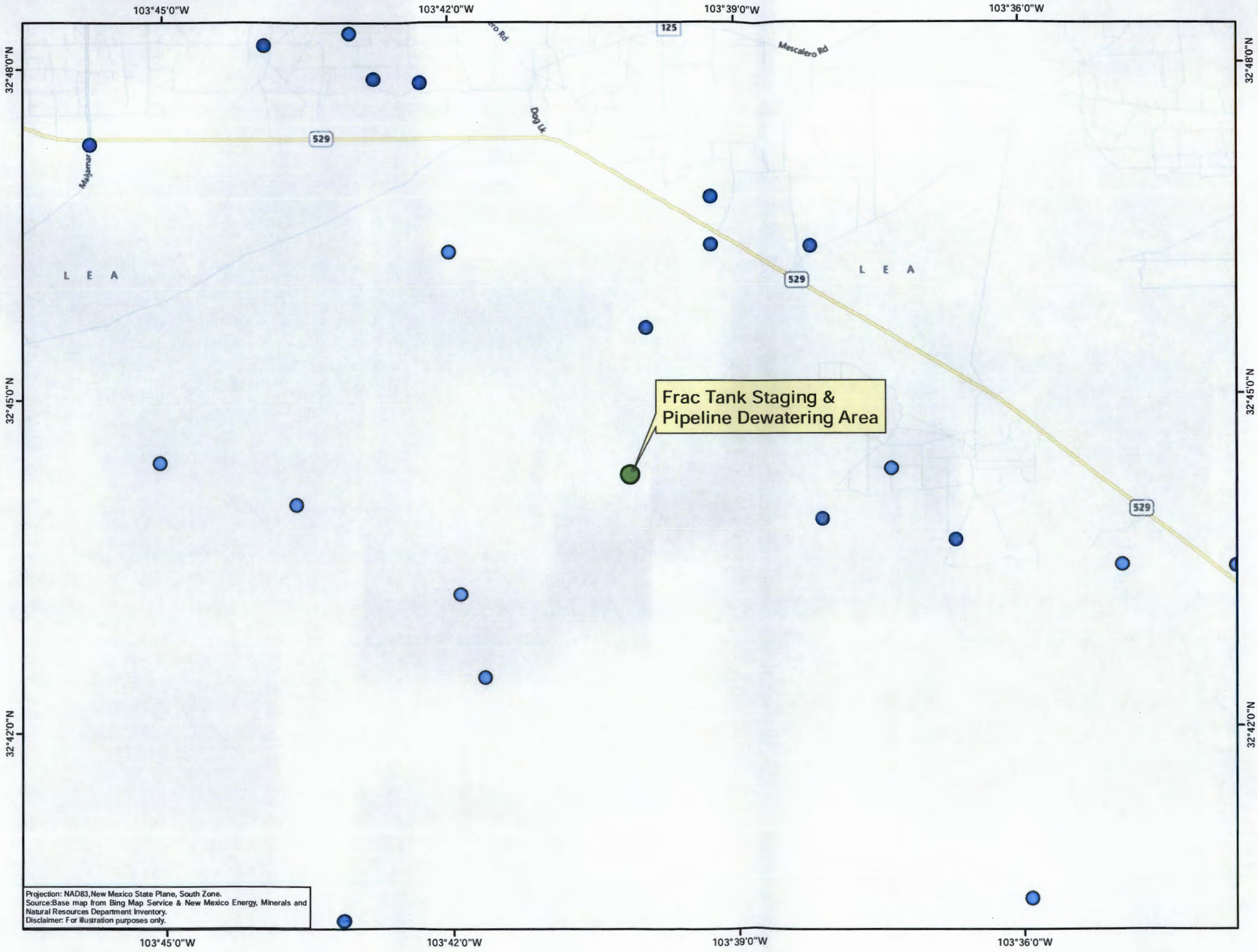
Figure 7
Wetland Proximity Map
USGS Wetland Inventory
West Eddy County Loop
Hydrotest
August 2013

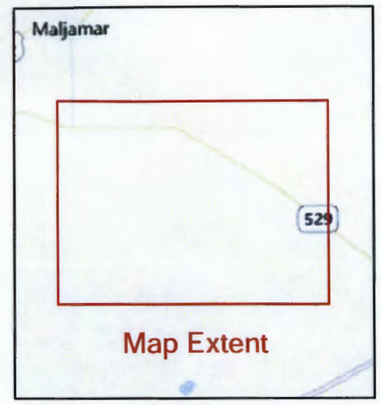
Legend

Wetlands

WETLANDS

- Estuarine and Marine Deepwater
- Estuarine and Marine Wetland
- Freshwater Emergent Wetland
- Freshwater Forested/Shrub Wetland
- Freshwater Pond
- Lake
- Other
- Riverine





Locator Map

N

Feet

0 2,500 5,000 10,000

1 in = 5,000 feet

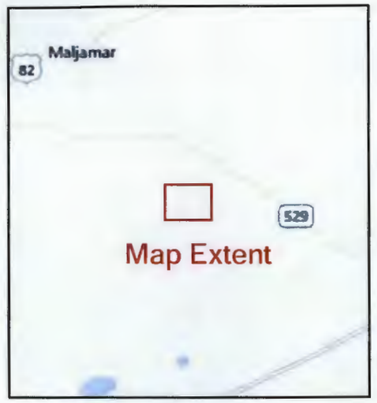
1:60,000

Figure 8
Mining Activities Proximity Map
New Mexico Mineral Resources Mine Sites
West Eddy County Loop
Hydrotest
August 2013

Legend

New Mexico Mineral Resources

- unknown
- Both metallic and no-metallic
- Metallic
- Non-metallic



Locator Map

N

Feet
0 500 1,000 2,000

1 in = 1,000 feet

1:12,000

Figure 9
Proximity to Structures Map
West Eddy Loop Hydrotest
Aerial Photo Date: 3/12/2012
August 2013

dcp Midstream