

**HITP - 022**

**TEMPORARY  
PERMISSION  
2011**



# New Mexico Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**John H. Bemis**  
Cabinet Secretary-Designate

**Brett F. Woods, Ph.D.**  
Deputy Cabinet Secretary

**Jami Bailey**  
Division Director  
Oil Conservation Division



August 18, 2011

Mr. Jim Allred  
DCP Midstream, L.P.  
1625 West Marland  
Hobbs, New Mexico 88240

**Re: Hydrostatic Test Individual Temporary Permission HITP-022**  
**DCP Midstream, L.P.**  
**Antelope Ridge Pipeline Project**  
**Collection Location: SW/4 of Section 27, Township 22 South, Range 37 East,**  
**NMPM, Lea County, New Mexico**

Dear Mr. Allred:

The Oil Conservation Division (OCD) has received DCP Midstream, L.P.'s (DCP) notice of intent, dated August 17, 2011, for authorization to temporary store approximately 42,000 gallons of wastewater generated from a hydrostatic test of approximately 100,848 feet of existing 3-inch natural gas transmission pipeline (Antelope Ridge Pipeline), located between DCP's Antelope Ridge Gas Plant and an NGL sales point operated by Chevron; approximately 5 miles south of the City of Eunice, New Mexico. The proposed collection location is within a Targa Midstream Services, LLC's South Eunice Compressor Station facility boundary in SW/4 of Section 27, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, approximately 5 miles south of the City of Eunice, New Mexico and 1 mile north of the intersection of Highway 18 and Highway 207. No surface discharge is proposed by DCP. The hydrostatic test wastewater will be discharged into frac tanks for temporary storage, transferred from the frac tanks to an OCD approved water hauler, and delivered to Sundance Services, Inc. for disposal. OCD acknowledges the urgency of this situation and will allow the approved activities to commence while awaiting the receipt of the filing fee (\$100.00) and the temporary permission fee (\$150.00) pursuant to 20.6.2.3114 NMAC. Please make the check payable to the **Water Quality Management Fund**.

Based on the information provided in the request, temporary permission is hereby granted for the collection, retention, and disposal of the hydrostatic test wastewater generated from the pipeline test with the following understandings and conditions:

1. DCP will test approximately 100,848 feet of existing 3-inch natural gas transmission pipeline (Antelope Ridge Pipeline), located between DCP's Antelope Ridge Gas Plant and an NGL sales point operated by Chevron; approximately 5 miles south of the City of Eunice, New Mexico;
2. DCP shall ensure no discharge will occur at the hydrostatic test wastewater collection location: Targa Midstream Services, LLC's South Eunice Compressor Station facility boundary in SW/4 of Section 27, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, approximately 5 miles south of the City of Eunice, New Mexico and 1 mile north of the intersection of Highway 18 and Highway 207;
3. DCP will acquire the hydrostatic test water from the Madera Water Station, located approximately 20 miles west of Jal, New Mexico on Highway 128. An alternative source is the Lime Stone Water Station, located approximately 26 miles west of Eunice, New Mexico on Delaware Basin Road;
4. DCP will generate approximately 42,000 gallons of hydrostatic test wastewater from the test event and will be slowly discharged the wastewater from the pipeline into two (2) 21,000 gallon frac tanks for temporary storage, while awaiting testing, transfer and disposal to Sundance Services Inc. (Permit NM1-003);
5. DCP shall ensure that the temporary storage tanks have impermeable secondary containment (e.g., liners - geomembrane and berms – hay bales), which will contain a volume of at least one-third greater than the total volume of the largest tank or one-third greater than the total volume of all tanks that are inter-connected, whichever is greater;
6. DCP will have personnel on-site to oversee and control the transfer and utilize collection pans placed below the collection points to prevent an unauthorized release;
7. DCP will not discharge any hydrostatic test wastewater generated from the test event to the ground or within the Targa Midstream Services, LLC's South Eunice Compressor Station facility boundary;
8. DCP shall analyze the hydrostatic test wastewater to determine if it is a RCRA non-hazardous/non-exempt waste that Sundance Services Inc. may accept for disposal. If the hydrostatic test wastewater does not meet the criteria for Sundance Services Inc. waste acceptance, the wastewater shall be sent to a RCRA permitted TSDF for disposal;
9. DCP shall remove all hydrostatic test wastewater from the collection/retention location within ten (10) calendar days of the completion of the hydrostatic test;
10. DCP will ensure the transfer the hydrostatic test wastewater via an OCD approved water hauler to Sundance Services Inc. disposal;
11. DCP shall restore any surface area impacted or disturb from the approved activities;

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12. DCP shall implement best management practices to prevent unauthorized releases during the transfer/collection activities;
13. DCP shall ensure that the transfer/collection activities do not cause any fresh water supplies to be degraded or to exceed 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);
14. DCP must properly notify the landowner(s) of the proposed collection/retention of the approved activities prior to the hydrostatic test event; and
15. DCP shall report all unauthorized discharges, spills, leaks and releases of hydrostatic test water and conduct corrective action pursuant to OCD Rule 29 (19.15.29 NMAC).

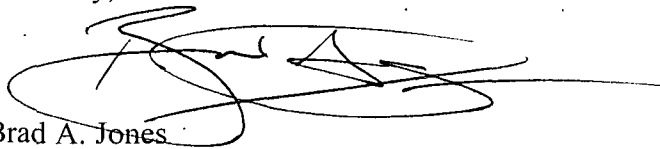
It is understood that the hydrostatic test is currently in operation. This temporary permission will expire within 120 calendar days of its issue date. Temporary permission may be revoked or suspended for violation of any applicable provisions and/or conditions.

OCD acknowledges the urgency of this situation and will allow the approved activities to commence while awaiting the receipt of the filing fee (\$100.00) and the temporary permission fee (\$150.00) pursuant to 20.6.2.3114 NMAC. Please make the check payable to the **Water Quality Management Fund**.

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

If there are any questions regarding this matter, please do not hesitate to contact me at (505) 476-3487 or [brad.a.jones@state.nm.us](mailto:brad.a.jones@state.nm.us).

Sincerely,



Brad A. Jones  
Environmental Engineer

BAJ/baj

Cc: OCD District I Office, Hobbs