GW-311

General Correspondence

YEAR(S): 2011 - 2015

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

04.12.11
OCD Still in review.

March 29, 2011

UPS NEXT DAY AIR *(Tracking Number 1Z F46 915 13 9736 4172)*

Mr. Glenn von Gonten
Environmental Bureau
Oil Conservation Division
New Mexico Energy, Minerals
& Natural Resources Department
1220 South St. Francis Drive
Santa Fe, NM 87505

Subject: Cotton Draw Compressor Station
Notification of Upcoming Facility Changes
Discharge Permit (GW-311)
Lea County, New Mexico

Mr. von Gonten:

DCP Midstream, LP (DCP Midstream) is providing you with the following information regarding upcoming changes being made to the Cotton Draw Compressor Station facility. Plans for the changes described below are being finalized, and construction of the equipment foundations is scheduled to commence before the end of the second week of April 2011, weather permitting. I am providing this information (following recent discussions with Leonard Lowe) in the hope that we can secure your expedited approval to proceed with the work. DCP Midstream does not believe the changes described will result in any significant modification in the potential discharge of any water contaminants, nor will any water quality standard be exceeded as a result of these changes.

DCP Midstream is planning to add an amine treatment system for the removal of hydrogen sulfide and carbon dioxide to the current facility process. The new treatment equipment (Amine Treating Train -1) will be constructed immediately east of the existing facility equipment. Additionally, a regenerative thermal oxidizer will be installed along the eastern fence line for management/disposal of the recovered hydrogen sulfide and carbon dioxide. An updated facility plot plan showing the relative location of the new equipment, as well as identifying major components of the new treatment system, is provided as Attachment 1. Dashed areas on the facility plot plan show the location of a potential second amine treatment system currently under consideration for future facility expansion work. That additional treatment system is part of a future facility expansion, should conditions warrant, and is not being constructed as part of the current expansion project that is under consideration in this notification.

To support the operation of this new system, a new 210-barrel Amine Storage Tank and two 210-barrel Demineralized Water Tanks will be utilized. These new aboveground storage tanks will be placed inside a new impermeable secondary containment berm sized to hold at least 133% of

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the Amine Storage Tank's maximum volume. A representative design drawing of a 210-barrel tank similar to the tank to be installed is included as Attachment 2.

Much of the treatment system equipment will be placed atop concrete foundations equipped with environmental drains. The concrete foundations will prevent incidental leaks of oil, amine, and other system fluids from making contact with the ground surface in the immediate vicinity of the equipment. Fluids captured by the foundation drain system will gravity flow to a new 470-gallon Open Drain Sump (which meets the NMOCD definition of a below-grade tank) before being transferred to the facility Produced Water Tank via the Oily Water Tank for future off site disposal. This system is included to prevent stormwater that may come into contact with de minimis amounts of oil, amine, and other equipment fluids from discharging from the facility via sheet flow stormwater runoff. The below-grade tank will be constructed of fiberglass with a vinyl ester corrosion barrier, and will be double-walled (tank-in-a-tank design) to provide appropriate secondary containment to minimize the potential for an inadvertent release of oil or other fluids to the surrounding environment. Four view ports will be provided on the top of the tank to provide leak detection capability and allow for visual inspection of the interstitial space and primary tank walls. Level controls will be incorporated into the tank design to provide timely, automatic emptying of the tank via an air driven diaphragm pump to prevent accidental overfilling of the tank. The pump will be activated once the level in the primary tank reaches 50% of the primary tank's volume. A drawing showing the details of the below-grade tank is included as Attachment 3.

In addition to the Open Drain Sump, a 470-gallon Amine Sump (which also meets the NMOCD definition of a below-grade tank) will also be installed. This below-grade tank will be identical in construction and operation to the Open Drain Sump described above.

All below ground piping associated with the treatment system and the below-grade tanks will be properly protected from external corrosion following procedures outlined in DCP's mechanical integrity program.

The New Mexico Office of the State Engineer Water Rights Reporting System lists one well with depth-to-groundwater data within 3 miles of the Cotton Draw Compressor Station facility. The well is approximately 2.9 miles west of the facility and has a reported depth to water of 390 feet below ground surface.

As we have discussed previously, DCP Midstream does not believe that the New Mexico Water Quality Act, NMSA 1978, §§74-6-1 to 17, and the regulations adopted under that act are applicable to compressor stations. Further, even if the Water Quality Act and regulations applied, the WQCC regulations do not require a discharge plan for this facility. The Cotton Draw Compressor Station does not have any discharges that may move directly or indirectly into groundwater. Therefore, DCP Midstream does not believe that a discharge plan is required under the WQCC regulations. Since the WQCC regulations do not require a discharge plan, DCP Midstream is under no legal obligation to modify Discharge Plan GW-311.

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Pleased be advised that DCP Midstream's submittal of this facility information does not waive DCP Midstream's objection to the NMOCD's position regarding applicability of the WQCC regulations. An application for renewal of the Cotton Draw discharge permit was submitted to the NMOCD on September 9, 2009. As of the date of this correspondence, a draft of the renewed permit has not yet been received by DCP Midstream. Because the information contained in this correspondence was not included in the above-referenced renewal application, please consider this notification (and the information provided herein) an addendum to the previously submitted permit renewal application.

If you have any questions concerning DCP Midstream's position or the information contained within this request, please contact me at (303) 605-1936. Please send all correspondence regarding this request to me at 370 17th Street, Suite 2500, Denver, CO 80202.

Sincerely,
DCP Midstream, LP

Keith Warren, P.E.
Environmental Engineer

Enclosures

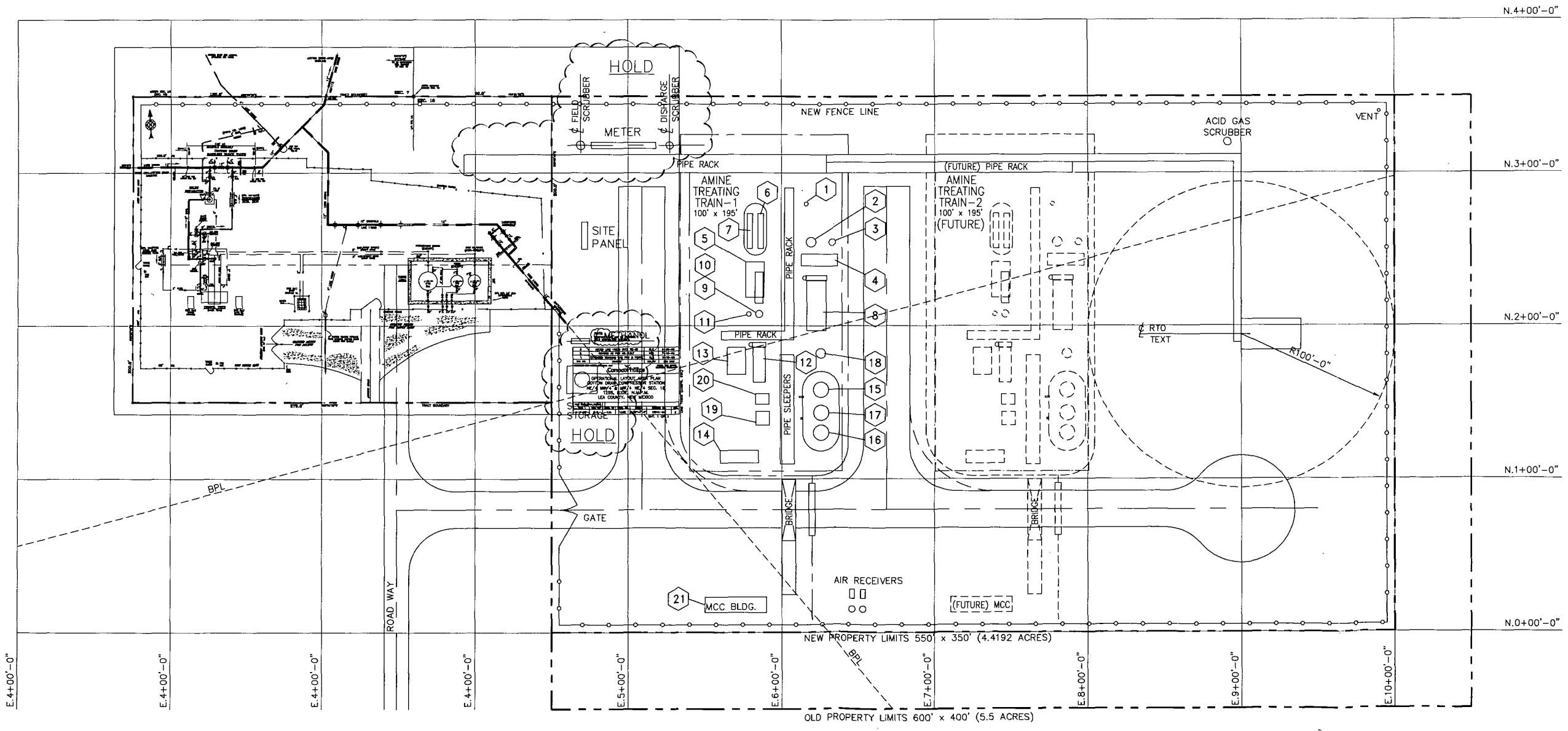
cc: Leonard Lowe, New Mexico Oil Conservation Division
Kenneth Winn, DCP Midstream
Johnnie Bradford, DCP Midstream

ATTACHMENT 1
AMENDED FACILITY PLOT PLAN

LEGEND: AMINE TREATING TRAIN-1

(n) PROVIDED BY EXTERRAN

1. F-402 INLET GAS FILTER/COALESCER
2. T-501 AMINE CONTACTOR
3. V-403 TREATED GAS SCRUBBER
4. FLASH TANK SKID (V-404)
5. REGEN SKID (P-609, F-411, E-202, F-405, F-410, P-604, P-605, V-408, A-303, A-304, P-607, P-608)
6. P-601 AMINE CIRCULATION PUMP
7. P-602 AMINE CIRCULATION PUMP
8. A-301 AMINE COOLER
9. T-502 AMINE STILL
10. V-407 AMINE STILL REFLUX ACCUMULATOR
11. E-203 AMINE REBOILER
12. A-302 AMINE STILL REFLUX CONDENSER
13. EXPANSION TANK SKID (V-413, P-610, P-611, A-306, A-307)
14. H-701 HMO HEATER
15. TK-801 AMINE STORAGE TANK w/P-621 PUMP
16. TK-802A DEMINERALIZED WATER TANK } w/ P-622 PUMP
17. TK-802B DEMINERALIZED WATER TANK } w/ P-622 PUMP
18. TK-804 AMINE SUMP w/ P-624 PUMP
19. TK-815 OPEN DRAIN SUMP w/P-625 PUMP
20. V-436 HMO DRAIN BLOWCASE
21. MCC (MOTOR CONTROL CENTER)



REV.	DATE	REVISION	BY	CHK'D	ENGR.
A	11/10/10	ISSUED FOR DESIGN	wrt		
B	2/ /11	ISSUED FOR DESIGN	MTWC		

NOTES:

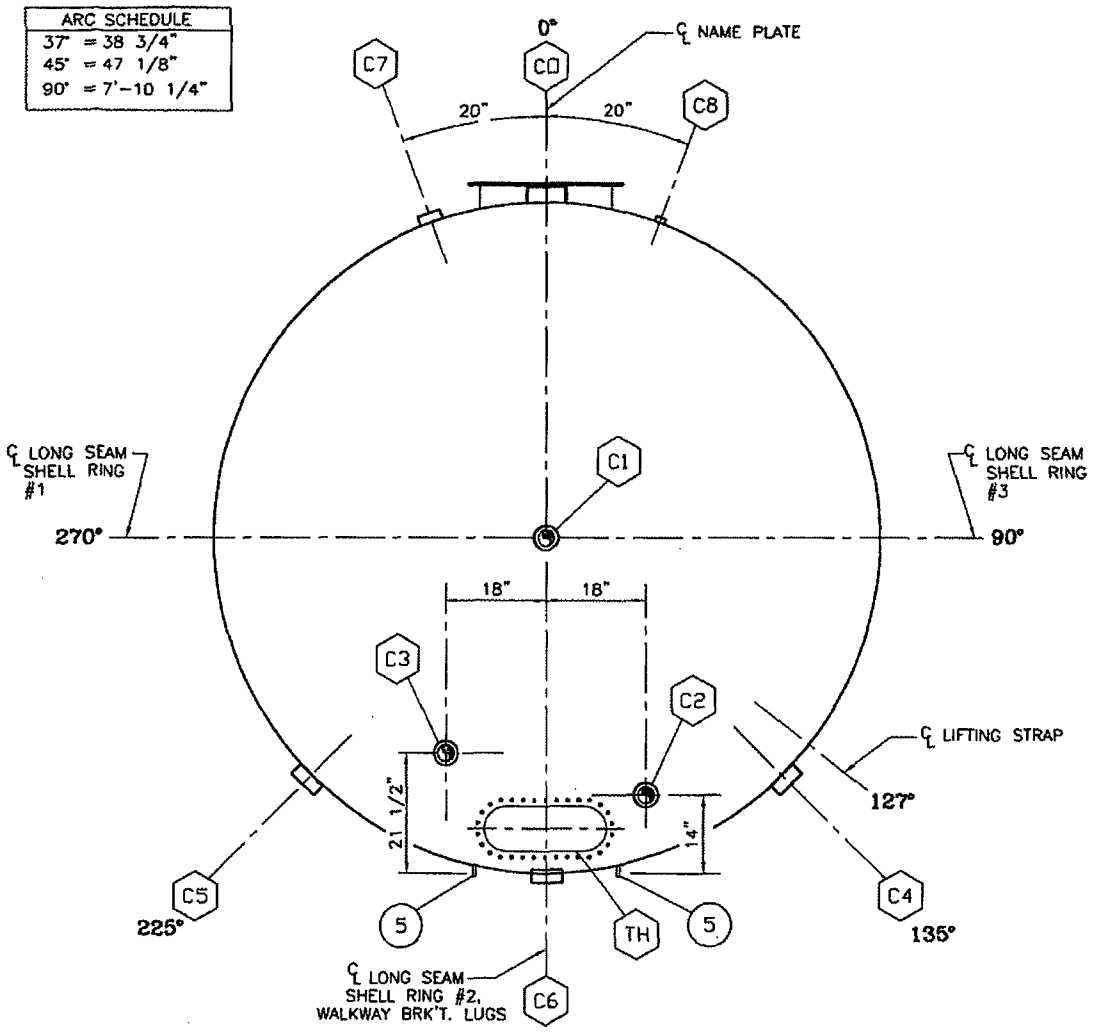
dcp Midstream SM

PLOT PLAN
COTTON DRAW
TREATER

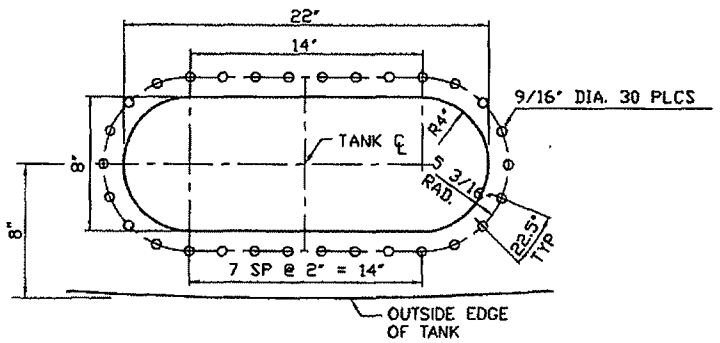
JA NO.	FILE NAME COTTONDRAWMP-01
AFE NO.	SCALE 1"=40'
BASE NO.	
DWG. NO.	MP-01 B
DRAWN: wrt	DATE: 11/17/10

ATTACHMENT 2
210-BARREL ABOVEGROUND STORAGE TANK DETAIL

ARC SCHEDULE
37° = 38 3/4"
45° = 47 1/8"
90° = 7'-10 1/4"

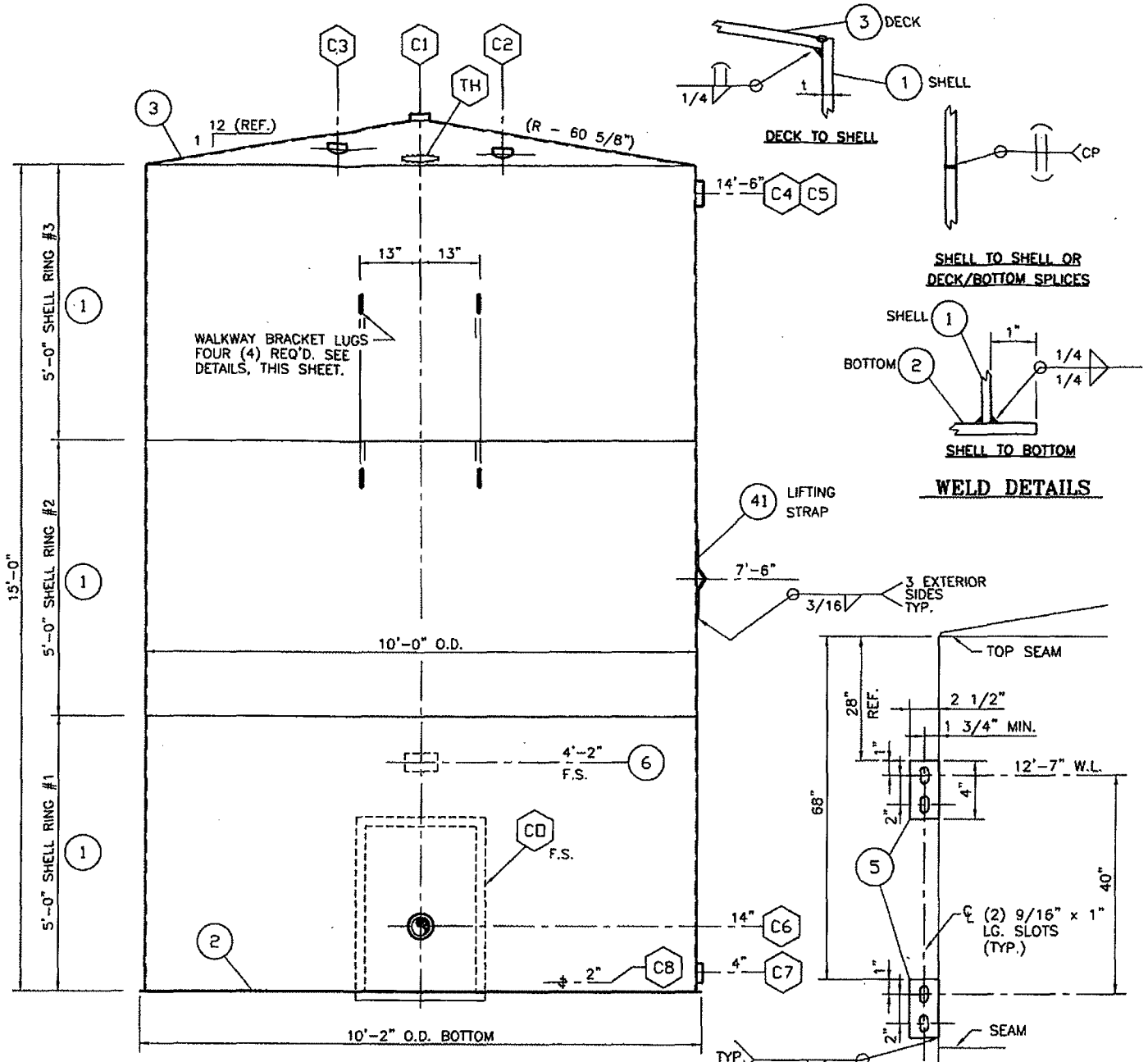


ORIENTATION



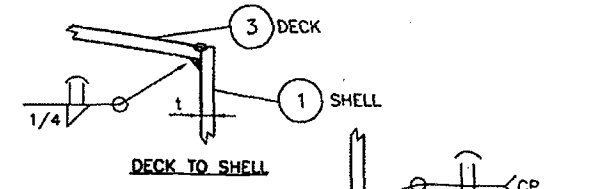
THIEF-HATCH CUTOUT

ONE (1) REQUIRED



ELEVATION

VIEW FOR CONNECTION ELEVATION ONLY.
SEE ORIENTATION FOR TRUE LOCATION.



DECK TO SHELL

SHELL TO SHELL OR DECK/BOTTOM SPLICES

SHELL TO BOTTOM

WELD DETAILS

API WALKWAY BRACKET LUGS

FOUR (4) REQUIRED

NOTE: ALL ELEVATIONS SHOWN ARE FROM TOP SIDE OF BOTTOM PLATE, UNLESS OTHERWISE NOTED.

NO.	REVISION	DATE	BY	CHK
A	ISSUED FOR APPROVAL	1/20/10	CP	–
–	–	–	–	–
–	–	–	–	–
–	–	–	–	–
–	–	–	–	–
–	–	–	–	–

GENERAL NOTES:

1. SEE CPSC STANDARD DRAWINGS, STDWELD-1 FOR APPLICABLE INFORMATION & STDWELD-2 FOR INFORMATION AS REFERENCED IN NOZZLE SCHEDULE. FOR DIMENSIONAL FABRICATION TOLERANCES SEE CPSC STANDARD DRAWING DS-0002.
2. FOR LOCATIONS OF ALL APPLICABLE CAUTION TAGS & CPSC LOGOS SEE DRAWING LBL-001.
3. ALL DIMENSIONS ARE FROM TOP OF TANK BOTTOM PLATE, UNLESS OTHERWISE SPECIFIED.
4. ALL BOLT HOLES TO STRADDLE MAJOR VESSEL CENTERLINES, UNLESS OTHERWISE SPECIFIED.
5. TANK SHALL BE CLEANED, INSIDE AND OUTSIDE PER SSPC-SP 2 (HAND TOOL CLEANING) OR AT SHOP OPTION PER SSPC-SP 3 (POWER TOOL CLEANING) AS A MINIMUM; UNLESS OTHERWISE SPECIFIED.

REFERENCE DRAWINGS:
CO-100-001 EXTENDED NECK CLEANOUT

CHALLENGER PROCESS SYSTEMS CO.
1-800-657-6576
21249 HWY. 110 SOUTH, TROUP, TX. 75789
8820 W LOOP 338 NORTH, ODESSA, TX. 79764
1995 EAST 1300 SOUTH, NAPLES, UT. 84078

SERIAL NUMBER 2D873-01-01
12-F YEAR BUILT 2010
NOMINAL DIAMETER 10'-0"
NOMINAL HEIGHT 15'-0"
NOMINAL CAPACITY 210 Bbl.
BOTTOM THICKNESS .25" TYPE FLAT
SHELL THICKNESS AS APPLICABLE
0021 DECK THICKNESS AS APPLICABLE
DESIGN PRESSURE 16 OZ.
ERECTED BY CPSC

NAME PLATE DETAIL (6)

MARK	SIZE	RATING	FACING	SERVICE	PROJECTION OUTSIDE	PROJECTION INSIDE	NECK BORE	NECK THK.	REINFORCEMENT THK.	REINFORCEMENT WIDTH	WELD DETAIL	WELD SIZE A	WELD SIZE B	WELD SIZE C	WELD SIZE D	WELD SIZE E	B.O.M. ITEM No.	REMARKS
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
TH	8"	–	–	THIEF HATCH	–	–	–	–	–	–	–	–	–	–	–	–	25, 26, 27	–
C8	1"	3000#	CPLG	ROLL LINE	1"	–	–	–	–	–	E	1/4	–	1/4	–	–	34	–
C7	3"	API	CPLG	DRAIN	2"	–	–	–	–	–	E	1/4	–	1/4	–	–	32	–
C6	4"	API	H. CPLG	PIPE-LINE CONN.	2"	–	–	–	–	–	E	1/4	–	1/4	–	–	31	–
C5	4"	API	H. CPLG	OVERFLOW	2"	–	–	–	–	–	E	1/4	–	1/4	–	–	31	–
C4	4"	API	H. CPLG	OVERFLOW	2"	–	–	–	–	–	E	1/4	–	1/4	–	–	31	–
C3	3"	API	CPLG	AUX. VENT	2"	–	–	–	–	–	E	1/4	–	1/4	–	–	32	–
C2	3"	API	CPLG	FILL LINE	2"	–	–	–	–	–	E	1/4	–	1/4	–	–	32	–
C1	3"	API	H. CPLG	PRIMARY VENT	2"	–	–	–	–	–	E	1/4	–	1/4	–	–	33	–
CO	24"x36"	API	PLATE	CLEANOUT	STD.	–	–	–	–	–	E	1/4	–	1/4	–	–	21, 22, 23, 24	DWG. CO-100-001

NOZZLE SCHEDULE

MATERIAL SPECIFICATIONS:

ROOF:	SA-36	PIPE:	N/A
BOTTOM:	SA-36	DOWNCOMER:	SA-53B ERW
SHELL:	SA-36	STRUCTURAL:	SA-36
COUPLINGS:	API 5L GR B, SA-105	BOLTS:	SA-307B, SA-325
CLEANOUT:	SA-36	NUTS:	SA-563A
FLANGES:	N/A	GASKETS:	BUNA N, SBR RUBBER

DESIGN NOTES:

OPERATING PRESS: ATMOSPHERIC OPERATING TEMP: AMBIENT
DESIGN PRESSURE: 16 OZ./0.5 VAC DESIGN TEMP: AMBIENT
CORROSION ALLOWANCE: 0 INSULATION: N/A
JOINT EFFICIENCY: N/A RADIOGRAPHY: NONE
STRESS RELIEVING (PWHT): NO
HYDROTEST: AIR TEST ALL WELDS, WITH SOAP SOLUTION, @ 1.5 PSIG.
CONSTRUCTION: API SPECIFICATION 12F, TWELFTH EDITION
INSPECTED BY: CHALLENGER PROCESS SYSTEMS
PAINTING: INTERIOR: BUFF & GRIND FOR COATING BY OTHERS.
EXTERIOR: BRUSH BLAST PER SPC-SP-7. APPLY 1 COAT HIGH BUILD AILPHATIC URETHANE @ 3.0-6.0 MILS DFT. - DEVTHANE 359, COLOR: WHITE

APPROX. SHIPPING WEIGHT: 5450 #

APPROVED FOR FABRICATION		APPROVED FOR FABRICATION	
BY:	2D873	BY:	2D873
ENG. MGR.	JOB NO.	Q.C.S.	JOB NO.
DATE	ASME (API) ☑ YES ☐ NO	DATE	ASME (API) ☑ YES ☐ NO

CHALLENGER PROCESS SYSTEMS CO.
A SUBSIDIARY OF HARDISON-FISCHER MFG CO.
P.O. 249 / WHITEHOUSE, TEXAS 75791

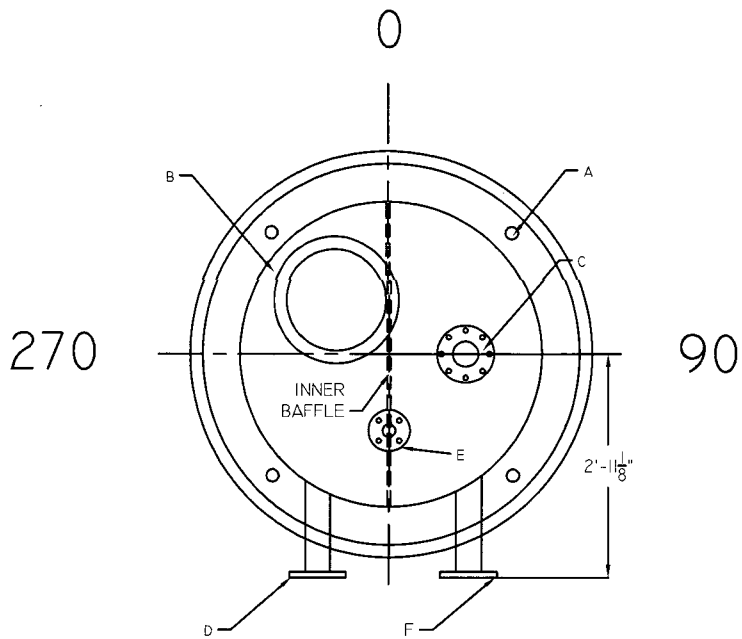
CUSTOMER: DCP MIDSTREAM, LP

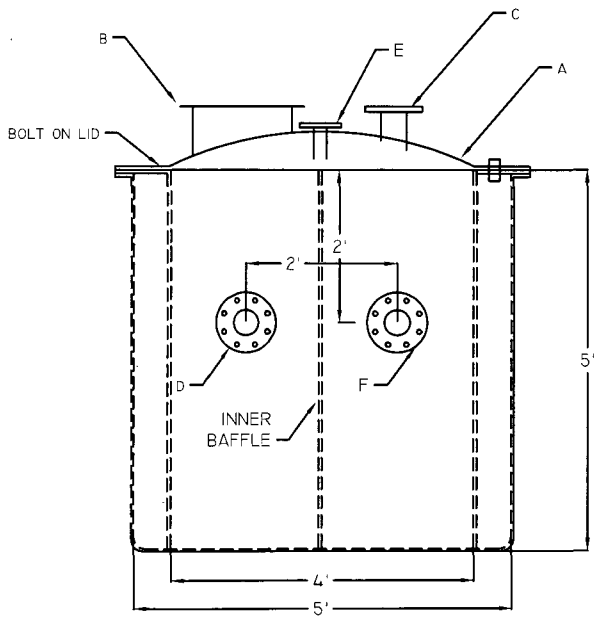
SCALE:	CUSTOMER P.O.#	BOM FILE:	SHOP ORDER No.:
NO SCALE	31254	2D873011	2D873

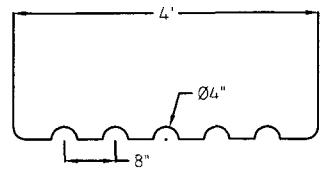
TITLE: 10'-0" O.D. x 15'-0" HIGH 210 BBL API 12F TANK

DRAWN BY:	DATE:	DRAWING NUMBER	REV
PHAUP	8/19/10	2D873-01-1	A
CHECKED:	SHT: 1 OF 1		

ATTACHMENT 3
470-GALLON BELOW-GRADE TANK DETAIL







FITTING SCHEDULE

MK. ITEM	DIA. (D)	ELEV.	ORIE	SERVICE
A	2"	top	45°	view port
B	18"	top	315°	manway
C	4"	top	90°	flange
D	4"	3'	180°	flange
E	2"	TOP	180°	flange
F	4"	3'	180°	flange
G				
H				
I				
J				

RESIN SPECIFICATION

LINER	VINYL ESTER
STRUCTURAL	GENERAL PER POSE
EXTERIOR	TAN GEL COAT

LAMINATION SYMBOLS AND THICKNESS

SYMBOL	DESCRIPTION	THICKNESS/LAYERS
V	ONE (1) LAYER "C" VEIL	
N	ONE (1) LAYER NEXUS VEIL	
C	ONE (1) LAYER CARBON VEIL	
M	ONE (1) LAYER 1 1/2 OZ/SQ.FT. CHOPPED STRAND MAT	
WR	ONE (1) LAYER 24 OZ/SQ.FT. WOVEN ROVING	
FW	ONE (1) CYCLE ON FILAMENT WINDING	
U	ONE (1) LAYER UNIDIRECTIONAL ROVING	
CH	ONE (1) LAYER OF CHOPPED STRAND (CHS TO CHS)	

UNLESS OTHERWISE NOTED

1) INNER TANK CONSTRUCTED WITH VINYL ESTER CORROSION BARRIER

REV	DATE	DESCRIPTION	BY	QA	ENGR	PROD

THE MUR-TEX CO.

DRAWING TITLE: 4'X5' DUAL TANK

CUSTOMER: DCP

TANK SIZE	4' X 5' INNER	DATE DRAWING	09/24/09
TANK CAPACITY	470 GALLONS	DRAWN BY	LUPE VASQUEZ
MUR-TEX PO #		CHECKED BY	
CUSTOMER PO #		DRAWING FILE	092409-1
		JOB NUMBER	
		DRAWING NUMBER	092409-1
		REV.	A