

HITP - 021

**TEMPORARY
PERMISSION
2011**

Jones, Brad A., EMNRD

From: Warren, Keith [KWARREN@dcpmidstream.com]
Sent: Tuesday, August 16, 2011 11:11 AM
To: Jones, Brad A., EMNRD
Subject: RE: Stratojet Pipeline Hydrostatic Test NOI

Brad,

DCP acknowledges that an error was made in issuing the check submitted for the filing and approval fees associated with the Stratojet Pipeline Hydrostatic Test Project. A replacement check made out to the Water Quality Management Fund will be issued before close of business today and sent to your attention via overnight courier. We apologize for any inconvenience this has caused.

Our Accounts Payable department has voided the check previously issued. Please tear up the check you have already received and deposit it into the trash. If you have a shredder at your disposal, you can shred the check in lieu of tearing it up.

Keith

Keith Warren, P.E.
Senior Environmental Engineer
DCP Midstream, LP
Office: (303) 605-1936
Fax: (303) 605-1957
Cell: (303) 301-4446

From: Jones, Brad A., EMNRD [<mailto:brad.a.jones@state.nm.us>]
Sent: Tuesday, August 16, 2011 10:37 AM
To: Warren, Keith
Subject: RE: Stratojet Pipeline Hydrostatic Test NOI

Please see the attached... H1TP-021 approval for the Stratojet Pipeline Project hydrostatic test. Hardcopies have been placed in the mail. If you have any questions regarding this matter, please do not hesitate to contact me.

Brad

Brad A. Jones
Environmental Engineer
Environmental Bureau
NM Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505
E-mail: brad.a.jones@state.nm.us
Office: (505) 476-3487
Fax: (505) 476-3462

From: Warren, Keith [<mailto:KWARREN@dcpmidstream.com>]
Sent: Monday, August 15, 2011 1:53 PM
To: Jones, Brad A., EMNRD
Subject: Stratojet Pipeline Hydrostatic Test NOI

Brad,

Attached is the scanned version of the Stratojet Pipeline Hydrostatic Test Notice of Intent. A hard copy of the NOI, along with a check to cover the appropriate fees, has been placed into the mail and will arrive via overnight courier tomorrow. If you have any additional questions or concerns, please feel free to call me at my office tomorrow or Wednesday.

Thank you again for all of your assistance in expediting this application.

Keith

Keith Warren, P.E.
Senior Environmental Engineer
DCP Midstream, LP
Office: (303) 605-1936
Fax: (303) 605-1957
Cell: (303) 301-4446



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 16, 2011

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

**Re: Hydrostatic Test Individual Temporary Permission HITP-021
DCP Midstream, L.P.
Stratojet Pipeline Project
Collection Location: Unit D of Section 23, Township 22 South, Range 34 East,
NMPM, Lea County, New Mexico**

Dear Mr. Anderson:

The Oil Conservation Division (OCD) has received DCP Midstream, L.P.'s (DCP) notice of intent, dated August 15, 2011, for authorization to withdraw and collect approximately 67,200 gallons of wastewater generated from a hydrostatic test of approximately 23,000 feet of existing 8-inch natural gas transmission pipeline (Stratojet Pipeline), located between DCP's Lynch Booster Station and DCP's Linam Ranch Gas Plant; approximately 25 miles southwest of Hobbs, New Mexico. The proposed collection location is within DCP's Lynch Booster Station facility boundary in Unit D of Section 23, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, approximately 25 miles southwest of the City of Hobbs, New Mexico approximately 10.5 miles east of the intersection of Highway 176 and Highway 62. No surface discharge is proposed by DCP. The hydrostatic test wastewater will be discharged from the pipeline and transferred directly from the pipeline to vacuum trucks (an OCD approved water hauler) for delivery to Aqua Sucia, LLCs SWD Government E Well #1 for injection and disposal into a Class II well. OCD acknowledges the receipt of the filing fee (\$100.00) and the temporary permission fee (\$150.00) with the August 15, 2011 notice of intent.

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

1. DCP will be testing approximately 23,000 feet of existing 8-inch natural gas transmission pipeline (Stratojet Pipeline), located between DCP's Lynch Booster Station and DCP's Linam Ranch Gas Plant; approximately 25 miles southwest of Hobbs, New Mexico;

2. DCP shall ensure no discharge will occur at the hydrostatic test wastewater collection location: DCP's Lynch Booster Station facility boundary Unit D of Section 23, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, approximately 25 miles southwest of the City of Hobbs, New Mexico approximately 10.5 miles east of the intersection of Highway 176 and Highway 62;
3. DCP will acquire the hydrostatic test water from the Johnson Water Station, located approximately 20 miles west of Jal, New Mexico on Highway 128. An alternative source is the Madera Water Station, located approximately 15 miles west of Jal, New Mexico on Highway 128;
4. DCP will generate approximately 76,200 gallons of hydrostatic test wastewater from the test event that will be slowly discharged via a system of flexible hoses and temporary piping from the pipeline to vacuum trucks for transfer and disposal into a Class II well owned and operated by Aqua Sucia, LLC's SWD Government E Well #1 (API # 30-025-23708);
5. 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;
6. DCP will not discharge any hydrostatic test wastewater generated from the test event to the ground or within the Lynch Booster Station facility boundary;
7. DCP will not be analyzing the hydrostatic test wastewater because of the following: there will be no discharge the wastewater to the surface or surface water; the wastewater has been demonstrated to be RCRA exempt waste; and the proposal is to dispose of the wastewater into a Class II injection well;
8. DCP will ensure the transfer the hydrostatic test wastewater via an OCD approved C-133 water hauler to Aqua Sucia, LLC's Class II well, SWD Government E Well #1 (API # 30-025-23708), for injection and 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 shall restore any surface area impacted or disturb from the approved activities;
11. DCP shall implement best management practices to prevent unauthorized releases during the transfer/collection activities;
12. 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);
13. DCP must properly notify the landowner(s) of the proposed collection/retention of the approved activities prior to the hydrostatic test event; and

Mr. Allred
DCP Midstream, L.P.
Permit HITP-021
August 16, 2011
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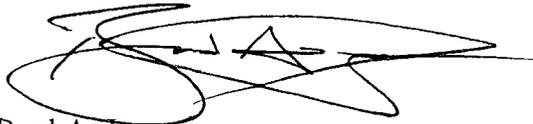
14. DCP shall report all unauthorized discharges, spills, leaks and releases of hydrostatic test water and conduct corrective action pursuant to OCD Rule 29 (19.15.29 NMAC).

It is understood that the hydrostatic test will begin approximately August 16, 2011. 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.

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.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brad A. Jones', with a large, sweeping flourish extending to the right.

Brad A. Jones
Environmental Engineer

BAJ/baj

Cc: OCD District I Office, Hobbs