

GW. 150

**PERMITS,
RENEWALS,
& MODS
Application**

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

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

Jami Bailey
Division Director
Oil Conservation Division



AUGUST 14, 2012

Mr. Matt Findley
DCP Midstream
370 17th Street
Suite 2500
Denver, CO 80202

Dear Mr. Findley:

Based on your responses given in the "Oil & Gas Facilities Questionnaire for Determination of a WQCC Discharge Permit" and a file review, the Oil Conservation Division (OCD) has determined that six of your facilities with an expired or soon to be expired permit do not require a Water Quality Control Commission (WQCC) Discharge Permit. This means that the WQCC Discharge Permits ~~GW-002~~ (DCP - Former Lee GP), ~~GW-044~~ (DCP - Hobbs CS), ~~GW-175~~ (DCP - Hobbs FGP), ~~GW-288~~ (DCP - Pardue CS), ~~GW-128~~ (DCP - South Hat CS), and ~~GW-150~~ (DCP - Pure Gold 28 CS) are either hereby rescinded or will be allowed to expire and you are not required to proceed with the renewal of these expired or soon to expire WQCC Discharge Permits. OCD will close these permits in its database.

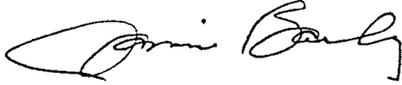
Previously, DCP has conducted abatement of ground water contamination at three of its facilities under the authority of its WQCC Discharge Permits, pursuant to 20.6.2.4000 through 20.6.2.4115 NMAC (PREVENTION AND ABATEMENT OF WATER POLLUTION). OCD has determined that DCP does not intentionally discharge at these three facilities; therefore, no WQCC Discharge Permits are required. However, because of existing ground water contamination at these three facilities, OCD is requiring DCP to continue to abate pollution of ground water pursuant to 19.15.30 NMAC (REMEDIATION). The new Abatement Plan case number for the former ~~GW-002~~ facility is **AP-109**, the new Abatement Plan case number for the former ~~GW-044~~ facility is **AP-114**, and the new Abatement Plan case number for the former ~~GW-175~~ facility is **AP-122**. Please use these Abatement Plan case numbers in all future correspondence. Please contact Glenn von Gonten at 505-476-3488 to discuss how DCP may complete abatement of the remaining ground water contamination at these facilities.

Because this WQCC Discharge Permit is no longer valid, you may be required to obtain a separate permit(s) for other processes at your facility, such as: pits, ponds, impoundments, below-grade tanks; waste treatment, storage and disposal operations; and landfarms and landfills. OCD will make an inspection of your facility to determine if any of these existing processes may require a separate permit under OCD's Oil, Gas, and Geothermal regulations. If OCD determines that a separate permit(s) is required, then a letter will be sent to you indicating what type of permit is required.

August 13, 2012
Page 2

Please keep in mind, if your facility has any discharges that would require a WQCC Discharge Permit now or in the future, then you will be required to renew or obtain a WQCC Discharge Permit. If you have any questions regarding this matter, please contact Glenn von Gonten at 505-476-3488.

Thank you for your cooperation.

A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is fluid and cursive, with the first name "Jami" and last name "Bailey" clearly distinguishable.

Jami Bailey
Director

JB/gvg

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Tuesday, April 14, 2009 12:08 PM
To: 'Kocis, Diane E'
Subject: GW-155, Administratively Complete
Attachments: GW-150, Admin Complete Letter.pdf; GW-150, Renewal Draft Permit.pdf; GW-144,150, OCD PN.pdf

Diane Kocis,

The OCD has determined your submitted discharge plan application for the North Compressor station to be administratively complete.

Attached you will find the Admin. complete letter, Draft permit and OCD public notice.

Please provide to the OCD your version of the public notice for review ASAP.

If you have any questions please reply.

llowe

Leonard Lowe

Environmental Engineer
Oil Conservation Division/EMNRD
1220 S. St. Francis Drive
Santa Fe, N.M. 87505
Office: 505-476-3492
Fax: 505-476-3462
E-mail: leonard.lowe@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/>



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor
Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



April 14, 2009

Dear, Diane Kocis

**Re: Discharge Plan Renewal Permit GW-150
DCP Midstream L.P.
Gold Pure 28 Compressor Station
Eddy County, New Mexico**

The New Mexico Oil Conservation Division (NMOCD) has received DCP Midstream L.P.'s request and initial fee, dated August 21, 2008, to renew GW-150 for the Gold Pure 28 compressor station located in the NW/4 NW/4 of Section 28, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico. The initial submittal provided the required information in order to deem the application "administratively" complete.

Therefore, the New Mexico Water Quality Control Commission regulations (WQCC) notice requirements of 20.6.2.3108 NMAC must be satisfied and demonstrated to the NMOCD. NMOCD will provide public notice pursuant to the WQCC notice requirements of 20.6.2.3108 NMAC to determine if there is any public interest.

If there are any questions regarding this matter, please do not hesitate to contact me at (505) 476-3492 or leonard.lowe@state.nm.us. On behalf of the staff of the NMOCD, I wish to thank you and your staff for your cooperation during this discharge permit review.

Sincerely,

Leonard Lowe
Environmental Engineer

LRL/lrl

xc: OCD District I Office, Hobbs





New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor
Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



April 15, 2009

Ms. Diane Kocis
DCP Midstream L.P.
370 17th Street, Suite 2500
Denver, Colorado 80202

Re: Renewal Discharge Permit, GW-150
Gold Pure 28 Compressor Station
NW/4 NW/4 of Section 28, Township 23 South, Range 31 East, NMRM,
Eddy County, New Mexico

Dear Ms. Kocis:

Pursuant to Water Quality Control Commission (WQCC) Regulations 20.6.2.3104 - 20.6.2.3114 NMAC, the Oil Conservation Division (OCD) hereby approves the discharge permit for the **DCP Midstream L.P.**, (owner/operator) for the above referenced site contingent upon the conditions specified in the enclosed **Attachment to the Discharge Permit**. Enclosed are two copies of the conditions of approval. **Please sign and return one copy to the New Mexico Oil Conservation Division (OCD) Santa Fe Office within 30 days of receipt of this letter including permit fees.**

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

If you have any questions, please contact Leonard Lowe of my staff at (505-476-3492) or E-mail leonardlowe@state.nm.us. On behalf of the staff of the OCD, I wish to thank you and your staff for your cooperation during this discharge permit review.

Sincerely,

Glenn von Gonten
Acting Environmental Bureau Chief

Attachments-1
xc: OCD District Office



ATTACHMENT
DISCHARGE PERMIT
APPROVAL CONDITIONS

- 1. Payment of Discharge Plan Fees:** All discharge permits are subject to WQCC Regulations. Every billable facility that submits a discharge permit application will be assessed a filing fee of \$100.00, plus a flat fee (*see* WQCC Regulation 20.6.2.3114 NMAC). The Oil Conservation Division (“OCD”) has received the required \$100.00 filing fee. The flat fee for a compressor station with greater than 1001 horse power is \$1700.00. Please submit this amount with a signed copy of the permit and return to the OCD within 30 days. Checks should be made out to the New Mexico Water Quality Management Fund.
- 2. Permit Expiration, Renewal Conditions and Penalties:** Pursuant to WQCC Regulation 20.6.2.3109.H.4 NMAC, this permit is valid for a period of five years. **The permit will expire on November 22, 2013** and an application for renewal should be submitted no later than 120 days before that expiration date. Pursuant to WQCC Regulation 20.6.2.3109.F NMAC, if a discharger submits a discharge permit renewal application at least 120 days before the discharge permit expires and is in compliance with the approved permit, then the existing discharge permit will not expire until the application for renewal has been approved or disapproved. *Expired permits are a violation of the Water Quality Act {Chapter 74, Article 6, NMSA 1978} and civil penalties may be assessed accordingly.*
- 3. Permit Terms and Conditions:** Pursuant to WQCC Regulation 20.6.2.3104 NMAC, when a permit has been issued, the owner/operator must ensure that all discharges shall be consistent with the terms and conditions of the permit. In addition, all facilities shall abide by the applicable rules and regulations administered by the OCD pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38.
- 4. Owner/Operator Commitments:** The owner/operator shall abide by all commitments submitted in its August 2008 discharge plan application, including attachments and subsequent amendments and these conditions for approval. Permit applications that reference previously approved plans on file with the division shall be incorporated in this permit and the owner/operator shall abide by all previous commitments of such plans and these conditions for approval.
- 5. Modifications:** WQCC Regulation 20.6.2.3107.C and 20.6.2.3109 NMAC addresses possible future modifications of a permit. The owner/operator (discharger) shall notify the OCD of any facility expansion, production increase or process modification that would result in any significant modification in the discharge of water contaminants. The Division Director may require a permit modification if any water quality standard specified at 20.6.2.3103 NMAC is being or will be exceeded, or if a toxic pollutant as defined in WQCC Regulation 20.6.2.7 NMAC is present in ground water at any place of withdrawal for present or reasonably foreseeable future use, or that the Water Quality Standards for Interstate and Intrastate streams as specified in 20.6.4 NMAC are being or may be violated in surface water in New Mexico.
- 6. Waste Disposal and Storage:** The owner/operator shall dispose of all wastes at an OCD-approved facility. Only oil field RCRA-exempt wastes may be disposed of by injection in a Class

II well. RCRA non-hazardous, non-exempt oil field wastes may be disposed of at an OCD-approved facility upon proper waste determination pursuant to 40 CFR Part 261. Any waste stream that is not listed in the discharge permit application must be approved by the OCD on a case-by-case basis.

A. OCD Part 35 Waste: Pursuant to OCD Part 35 (19.15.35.8 NMAC) disposal of certain non-domestic waste without notification to the OCD is allowed at NMED permitted solid waste facilities if the waste stream has been identified in the discharge permit and existing process knowledge of the waste stream does not change.

B. Waste Storage: The owner/operator shall store all waste in an impermeable bermed area, except waste generated during emergency response operations for up to 72 hours. All waste storage areas shall be identified in the discharge permit application. Any waste storage area not identified in the permit shall be approved on a case-by-case basis only. The owner/operator shall not store oil field waste on-site for more than 180 days unless approved by the OCD.

7. Drum Storage: The owner/operator must store all drums, including empty drums, containing materials other than fresh water on an impermeable pad with curbing. The owner/operator must store empty drums on their sides with the bungs in place and lined up on a horizontal plane. The owner/operator must store chemicals in other containers, such as tote tanks, sacks, or buckets on an impermeable pad with curbing.

8. Process, Maintenance and Yard Areas: The owner/operator shall either pave and curb or have some type of spill collection device incorporated into the design at all process, maintenance, and yard areas which show evidence that water contaminants from releases, leaks and spills have reached the ground surface.

9. Above Ground Tanks: The owner/operator shall ensure that all aboveground tanks have impermeable secondary containment (e.g., liners and berms), which will contain a volume of at least one-third greater than the total volume of the largest tank or all interconnected tanks. The owner/operator shall retrofit all existing tanks before discharge permit renewal. Tanks that contain fresh water or fluids that are gases at atmospheric temperature and pressure are exempt from this condition.

10. Labeling: The owner/operator shall clearly label all tanks, drums, and containers to identify their contents and other emergency notification information. The owner/operator may use a tank code numbering system, which is incorporated into their emergency response plans.

11. Below-Grade Tanks/Sumps and Pits/Ponds.

A. All below-grade tanks and sumps must be approved by the OCD prior to installation and must incorporate secondary containment with leak detection into the design. The owner/operator shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal. All existing below-grade tanks and sumps without secondary containment and leak detection must be tested annually or as specified herein. Systems that have secondary containment with leak detection shall have a monthly inspection of the leak detection system to determine if the primary containment is leaking. Small sumps or depressions in

secondary containment systems used to facilitate fluid removal are exempt from these requirements if fluids are removed within 72 hours.

B. All pits and ponds, including modifications and retrofits, shall be designed by a certified registered professional engineer and approved by the OCD prior to installation. In general, all pits or ponds shall have approved hydrologic and geologic reports, location, foundation, liners, and secondary containment with leak detection, monitoring and closure plans. All pits or ponds shall be designed, constructed and operated so as to contain liquids and solids in a manner that will protect fresh water, public health, safety and the environment for the foreseeable future. The owner/operator shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal.

C. The owner/operator shall ensure that all exposed pits, including lined pits and open top tanks (8 feet in diameter or larger) shall be fenced, screened, netted, or otherwise rendered non-hazardous to wildlife, including migratory birds.

D. The owner/operator shall maintain the results of tests and inspections at the facility covered by this discharge permit and available for OCD inspection. The owner/operator shall report the discovery of any system which is found to be leaking or has lost integrity to the OCD within 15 days. The owner/operator may propose various methods for testing such as pressure testing to 3 pounds per square inch greater than normal operating pressure and/or visual inspection of cleaned tanks and/or sumps, or other OCD-approved methods. The owner/operator shall notify the OCD at least 72 hours prior to all testing.

12. Underground Process/Wastewater Lines:

A. The owner/operator shall test all underground process/wastewater pipelines at least once every five (5) years to demonstrate their mechanical integrity, except lines containing fresh water or fluids that are gases at atmospheric temperature and pressure. Pressure rated pipe shall be tested by pressuring up to one and one-half times the normal operating pressure, if possible, or for atmospheric drain systems, to 3 pounds per square inch greater than normal operating pressure, and pressure held for a minimum of 30 minutes with no more than a 1% loss/gain in pressure. The owner/operator may use other methods for testing if approved by the OCD.

B. The owner/operator shall maintain underground process and wastewater pipeline schematic diagrams or plans showing all drains, vents, risers, valves, underground piping, pipe type, rating, size, and approximate location. All new underground piping must be approved by the OCD prior to installation. The owner/operator shall report any leaks or loss of integrity to the OCD within 15 days of discovery. The owner/operator shall maintain the results of all tests at the facility covered by this discharge permit and they shall be available for OCD inspection. The owner/operator shall notify the OCD at least 72 hours prior to all testing.

13. Class V Wells: The owner/operator shall close all Class V wells (e.g., septic systems, leach fields, dry wells, etc.) that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes unless it can be demonstrated that ground water will not be impacted in the reasonably foreseeable future. Leach fields and other wastewater disposal systems at OCD-regulated facilities that inject non-hazardous fluid into or above an underground source of drinking

water are considered Class V injection wells under the EPA UIC program. Class V wells that inject domestic waste only, must be permitted by the New Mexico Environment Department (NMED).

14. Housekeeping: The owner/operator shall inspect all systems designed for spill collection/prevention and leak detection at least monthly to ensure proper operation and to prevent over topping or system failure. All spill collection and/or secondary containment devices shall be emptied of fluids within 72 hours of discovery. The owner/operator shall maintain all records at the facility and available for OCD inspection.

15. Spill Reporting: The owner/operator shall report all unauthorized discharges, spills, leaks and releases and conduct corrective action pursuant to WQCC Regulation 20.6.2.1203 NMAC and OCD Part 29 (19.15.29 NMAC). The owner/operator shall notify both the OCD District Office and the Santa Fe Office within 24 hours and file a written report within 15 days.

16. OCD Inspections: The OCD Environmental Bureau will perform an inspection of this facility. Inspection results will be posted here.

17. Storm Water: The owner/operator shall implement and maintain run-on and runoff plans and controls. The owner/operator shall not discharge any water contaminant that exceeds the WQCC standards specified in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) including any oil seen in any stormwater run-off. The owner/operator shall notify the OCD within 24 hours of discovery of any releases and shall take immediate corrective action(s) to stop the discharge.

18. Unauthorized Discharges: The owner/operator shall not allow or cause water pollution, discharge or release of any water contaminant that exceeds the WQCC standards listed in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) unless specifically listed in the permit application and approved herein. **An unauthorized discharge is a violation of this permit.**

19. Vadose Zone and Water Pollution: The owner/operator shall address any contamination through the discharge permit process or pursuant to WQCC 20.6.2.4000-.4116 NMAC (Prevention and Abatement of Water Pollution). The OCD may require the owner/operator to modify its permit for investigation, remediation, abatement, and monitoring requirements for any vadose zone or water pollution. Failure to perform any required investigation, remediation, abatement and submit subsequent reports will be a violation of the permit.

20. Additional Site Specific Conditions: N/A

21. Transfer of Discharge Permit (WQCC 20.6.2.3111) Prior to any transfer of ownership, control, or possession (whether by lease, conveyance or otherwise) of a facility with a discharge permit, the transferor shall notify the transferee in writing of the existence of the discharge permit, and shall deliver or send by certified mail to the department a copy of such written notification, together with a certification or other proof that such notification has in fact been received by the transferee.

Ms. Diane Kocis
DCP Midstream L.P.
GW-150, Gold Pure 28 Compressor Station
April 14, 2009
Page 6

Upon receipt of such notification, the transferee shall have the duty to inquire into all of the provisions and requirements contained in such discharge permit, and the transferee shall be charged with notice of all such provisions and requirements as they appear of record in the department's file or files concerning such discharge permit. The transferee (new owner/operator) shall sign and return an original copy of these permit conditions and provide a written commitment to comply with the terms and conditions of the previously approved discharge permit.

22. Closure Plan and Financial Assurance: Pursuant to 20.6.2.3107 NMAC an owner/operator shall notify the OCD when any operations of the facility are to be discontinued for a period in excess of six months. Prior to closure, or as a condition of this permit, or request from the OCD, the operator will submit an approved closure plan, modified plan, and/or provide adequate financial assurance.

23. Certification: (Owner/Operator), by the officer whose signature appears below, accepts this permit and agrees to comply with all submitted commitments, including these terms and conditions contained here. **Owner/Operator** further acknowledges that the OCD may, for good cause shown, as necessary to protect fresh water, public health safety, and the environment, change the conditions and requirements of this permit administratively

Conditions accepted by: "I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment."

Company Name- print name above

Company Representative- print name

Company Representative- Signature

Title

Date

NOTICE OF PUBLICATION

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations (20.6.2.3106 NMAC), the following discharge permit application(s) has been submitted to the Director of the New Mexico Oil Conservation Division ("NMOCD"), 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

Ms. Diane Kocis, Senior Environmental Specialist, DCP Midstream, L.P., 370 17th Street, Suite 2500, Denver Colorado, 80202 has submitted a renewal application for the previously approved discharge plan for their:

(GW-144) North compressor station, located in the SW/4 NW/4 of Section 35, Township 22 South, Range 28 East, NMPM, Eddy County. The facility provides natural gas compression for the local gathering system. Approximately 65 bbls/month of slop oil/Condensate, 10 bbl/month of washdown water and 600 gallons/year of used oil are generated and stored in onsite. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 16 feet, with a total dissolved solids concentration of approximately 305 mg/L.

(GW-150) Gold Pure 28 compressor station, located in the NW/4 NW/4 of Section 28, Township 23 South, Range 31 East, NMPM, Eddy County. The facility provides natural gas compression for the local gathering system. Approximately 20 bbls/month of Condensate, 10 bbl/month of wash down water and 1000 gallons/year of used oil are generated and stored in onsite. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 160 - 200 feet, with a total dissolved solids concentration of approximately 305 mg/L. The discharge plan addresses how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

The NMOCD has determined that the application is administratively complete and has prepared a draft permit. The NMOCD will accept comments and statements of interest regarding this application and will create a facility-specific mailing list for persons who wish to receive future notices. Persons interested in obtaining further information, submitting comments or requesting to be on a facility-specific mailing list for future notices may contact the Environmental Bureau Chief of the Oil Conservation Division at the address given above. The administrative completeness determination and draft permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday, or may also be viewed at the NMOCD web site <http://www.emnrd.state.nm.us/ocd/>. Persons interested in obtaining a copy of the application and draft permit may contact the NMOCD at the address given above. Prior to ruling on any proposed discharge permit or major modification, the Director shall allow a period of at least thirty (30) days after the date of publication of this notice, during which interested persons may submit comments or request that NMOCD hold a public hearing. Requests for a public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines that there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed permit based on information available, including all comments received. If a public hearing is held, the director will approve or disapprove the proposed permit based on information in the permit application and information submitted at the hearing.

Para obtener más información sobre esta solicitud en español, sirvase comunicarse por favor: New Mexico Energy, Minerals and Natural Resources Department (Depto. Del Energia, Minerals y Recursos Naturales de Nuevo México), Oil Conservation Division (Depto. Conservacio'n Del Petróleo), 1220 South St. Francis Drive, Santa Fe, New México (Contacto: Dorothy Phillips, 505-476-3461)

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 14th day of April 2009.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

S E A L

Mark Fesmire, Director

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No: _____ dated 8/7/08

or cash received on _____ in the amount of \$ 100⁰⁰

from DCP Midstream LP

for GW-150

Submitted by: LAWRENCE ROQUELO Date: 9/19/08

Submitted to ASD by: Jessica Reyes Date: 9/19/08

Received in ASD by: _____ Date: _____

Filing Fee New Facility _____ Renewal _____

Modification _____ Other _____

Organization Code 521.07 Applicable FY 2004

To be deposited in the Water Quality Management Fund.

Full Payment _____ or Annual Increment _____



RECEIVED
2008 AUG 22 PM 2 55

August 21, 2008

UPS NEXT DAY AIR (Tracking Number 1Z F46 915 13 9125 4560)

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

Subject: Pure Gold 28 Compressor Station
Discharge Permit Renewal (GW-150)
Eddy County, New Mexico

Dear Mr. Price:

Enclosed are the original and one copy of DCP Midstream, LP's ("DCP MIDSTREAM") discharge permit renewal application for the Pure Gold 28 Compressor Station. Also enclosed is a check in the amount of \$100.00 for the discharge plan renewal application filing fee.

DCP MIDSTREAM will satisfy the requirements of 20.6.2.3108(A) NMAC by providing notice under Paragraph (2) of Subsection C of 20.6.2.3108 NMAC. DCP MIDSTREAM plans to publish a public notice in the Carlsbad Current Argus for the Pure Gold Compressor Station Discharge Permit Renewal. DCP MIDSTREAM will publish a synopsis of the notice, in English and in Spanish, in a display ad at least two inches by three inches, not in the classified or legal advertisements section in the Carlsbad Current Argus. Additionally, DCP MIDSTREAM will provide the owner of the property, the U.S. Department of Interior Bureau of Land Management (BLM), notice via certified mail.

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 Pure Gold 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 renew Discharge Plan GW-150.

Please be advised that DCP MIDSTREAM's submittal of the renewal application and application filing fee does not waive DCP MIDSTREAM's objection to the OCD's position regarding applicability of the WQCC regulations.

If you have any questions concerning DCP MIDSTREAM's position or the renewal application, please contact me at (303) 605-2176. Please send all correspondence regarding this renewal to me at 370 17th Street, Suite 2500, Denver, CO 80202.

Sincerely,
DCP Midstream, LP

Diane E. Kocis
Senior Environmental Specialist

Enclosures

cc: Tim Gum, District Supervisor
NMOCD District 2 Office (UPS Next Day Air Tracking No. 1Z F46 915 01 9018 9174)
1301 W. Grand Avenue
Artesia, NM 88210

CP Midstream, LP
 370 17th Street, Suite 2500
 Denver, Colorado 80202
 APCustomerService@dcpmidstream.com
 303.605.2219

PAYEE NUMBER
 0000078220
 PAYEE NAME
 NMED-

CHECK NUMBER
 [REDACTED]
 CHECK DATE
 08/07/08

INVOICE NUMBER	INVOICE DATE	NET AMOUNT	DESCRIPTION
0808-DISCHARGE PERMI	08/06/08	100.00	GW-150 PERMIT RENEWAL APP
			TOTAL PAID
			\$100.00

PLEASE RETAIN FOR YOUR RECORDS

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER WITH VISIBLE FIBERS AND A TRUE WATERMARK ON THE REVERSE SIDE

CP Midstream, LP
 370 17th Street, Suite 2500
 Denver, Colorado 80202
 APCustomerService@dcpmidstream.com
 303.605.2219

JPMorgan Chase Bank, N.A.
 Syracuse, New York

50-937/213

PAYEE NO. 0000078220	CHECK DATE 08/07/08	CHECK NO. [REDACTED]
--------------------------------	-------------------------------	--------------------------------

THE ORDER OF



NOT NEGOTIABLE AFTER 120 DAYS

CHECK AMOUNT *****\$100.00

NMED-
 Water Quality Management Fund
 NM Oil Conservation District
 1220 South St Francis Drive
 Santa Fe, NM 87504

[Handwritten Signature]

AUTHORIZED SIGNATURE

One hundred and 00/100 Dollars

HOLD BETWEEN THUMB AND FOREFINGER, OR BREATHE ON COLORED BOX, COLOR WILL DISAPPEAR, THEN REAPPEAR

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Revised June 10, 2003

Submit Original
Plus 1 Copy
to Santa Fe
1 Copy to Appropriate
District Office

**DISCHARGE PLAN APPLICATION FOR SERVICE COMPANIES, GAS PLANTS,
REFINERIES, COMPRESSOR, GEOTHERMAL FACILITIES
AND CRUDE OIL PUMP STATIONS**

(Refer to the OCD Guidelines for assistance in completing the application)

New Renewal Modification

1. Type: Pure Gold "28" Compressor Station
2. Operator: DCP Midstream
Address: 370 17th Street, Suite 2500, Denver, CO
Contact Person: Diane Kocis Phone: 303-605-2176
3. Location: NW /4 NW /4 Section 28 Township 23 S Range 31 E
Submit large scale topographic map showing exact location.
4. Attach the name, telephone number and address of the landowner of the facility site.
5. Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility.
6. Attach a description of all materials stored or used at the facility.
7. Attach a description of present sources of effluent and waste solids. Average quality and daily volume of waste water must be included.
8. Attach a description of current liquid and solid waste collection/treatment/disposal procedures.
9. Attach a description of proposed modifications to existing collection/treatment/disposal systems.
10. Attach a routine inspection and maintenance plan to ensure permit compliance.
11. Attach a contingency plan for reporting and clean-up of spills or releases.
12. Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included.
13. Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.

14. CERTIFICATION I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: Diane E. Kocis

Title: Sr. Environmental Specialist

Signature: *Diane E. Kocis*

Date: 8/21/08

E-mail Address: dekocis@dcpmidstream.com



RECEIVED
2008 AUG 22 PM 2 55

August 21, 2008

UPS NEXT DAY AIR (Tracking Number 1Z F46 915 13 9125 4560)

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

Subject: Pure Gold 28 Compressor Station
Discharge Permit Renewal (GW-150)
Eddy County, New Mexico

Dear Mr. Price:

Enclosed are the original and one copy of DCP Midstream, LP's ("DCP MIDSTREAM") discharge permit renewal application for the Pure Gold 28 Compressor Station. Also enclosed is a check in the amount of \$100.00 for the discharge plan renewal application filing fee.

DCP MIDSTREAM will satisfy the requirements of 20.6.2.3108(A) NMAC by providing notice under Paragraph (2) of Subsection C of 20.6.2.3108 NMAC. DCP MIDSTREAM plans to publish a public notice in the Carlsbad Current Argus for the Pure Gold Compressor Station Discharge Permit Renewal. DCP MIDSTREAM will publish a synopsis of the notice, in English and in Spanish, in a display ad at least two inches by three inches, not in the classified or legal advertisements section in the Carlsbad Current Argus. Additionally, DCP MIDSTREAM will provide the owner of the property, the U.S. Department of Interior Bureau of Land Management (BLM), notice via certified mail.

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 Pure Gold 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 renew Discharge Plan GW-150.

Please be advised that DCP MIDSTREAM's submittal of the renewal application and application filing fee does not waive DCP MIDSTREAM's objection to the OCD's position regarding applicability of the WQCC regulations.

If you have any questions concerning DCP MIDSTREAM's position or the renewal application, please contact me at (303) 605-2176. Please send all correspondence regarding this renewal to me at 370 17th Street, Suite 2500, Denver, CO 80202.

Sincerely,
DCP Midstream, LP

Diane E. Kocis
Senior Environmental Specialist

Enclosures

cc: Tim Gum, District Supervisor
NMOCD District 2 Office (UPS Next Day Air Tracking No. 1Z F46 915 01 9018 9174)
1301 W. Grand Avenue
Artesia, NM 88210

**Pure Gold "28" Compressor Station
NW ¼ NW ¼ Section 28, T23S, R31E**

DISCHARGE PLAN

This document constitutes a renewal application for a Groundwater Discharge Permit (GW-150) for the Pure Gold "28" Compressor Station as previously approved by NMOCD on January 23, 2004. This Discharge Permit renewal application has been prepared in accordance with the NMOCD "Guidelines for the Preparation of Discharge Plans at Natural Gas Plants, Refineries, Compressor and Crude Oil Pump Stations" (revised 12-95) and New Mexico Water Quality Control Commission (WQCC) regulations, 20.6.2.3106.C NMAC.

1 Type of Operation

The Pure Gold "28" Compressor Station compresses natural gas. The facility does not intend or have any discharges that may move directly or indirectly into groundwater.

2 Operator / Legally Responsible Party

Operator

DCP Midstream, LP (formerly Duke Energy Field Services LP)
1625 West Marland
Hobbs, New Mexico 88240
(505) 397-5520
Contact Person: Mr. Tony Lee – Asset Manager

Legally Responsible Party

DCP Midstream, LP
370 17th Street, Suite 2500
Denver, CO 80020
(303) 595-3331
Contact Person: John Admire – Director, Environmental Protection

3 Location Facility

NW ¼ NW ¼ Section 28, Township 23 South, Range 31 East, Eddy County, New Mexico

See Figure 1 – Site Location Map.

4 Landowner

Bureau of Land Management
Carlsbad Resource Area
620 E. Greene Street
Carlsbad, NM 88220-6292
(505) 887-6544

5 Facility Description

The facility provides separation of liquid hydrocarbons from the natural gas stream and compression for the Artesia Gathering System. There are two compressor engines on site, an inlet separator, a dehydration unit, a scrubber and liquid handling tanks as shown on Figure 2.

6 Materials Stored or Used

No materials used or stored on site are discharged, either directly or indirectly, to groundwater.

Material Stored/Used	Method of Storage
Triethylene Glycol	Aboveground storage tank within secondary containment.
Engine Coolant (antifreeze)	Aboveground storage tanks within secondary containment.
Methanol	Aboveground storage tanks within secondary containment.
Lube Oil	Aboveground storage tanks within secondary containment.
Equipment Skid/ Washdown Water	Aboveground storage tank within secondary containment.
Natural Gas Condensate	Aboveground storage tanks within secondary containment.
Used Oil	Aboveground storage tank within secondary containment.

7 Sources and Quantities of Effluent and Waste Solids

All effluent and waste solids generated at the facility are stored in enclosed, above-ground tanks with secondary containment or a double-walled sump and removed from the facility for off-site disposal in accordance with applicable NMOCD, NMED, and EPA regulations. Approximate quantities generated are provided in the table in Section 7 below. No effluents or waste solids are discharged onto or below the surface of the ground so that they may move directly or indirectly into groundwater.

Separators/Scrubbers

Effluent or waste solids generated from the separators are not discharged on site; wastewater from the inlet separator and the scrubber is routed via piping to an aboveground storage tank within secondary containment and is trucked off site to the Eunice Gas Plant treater.

Boilers and Cooling Towers/Fans

There are no boilers or cooling towers/fans at the facility.

Process and Storage Equipment Wash Down

Effluent or waste solids generated from process equipment wash down is conveyed to the sump, where it is pumped to the washdown water/condensate tank and trucked off site to the Eunice Gas Plant treater, in accordance with applicable Federal, State, and local regulations.

Solvents/Degreasers

Solvents or degreasers are not stored at the facility.

Spent Acids/Caustics

Spent acids or caustics are not typically generated at the facility. If generated at the facility, spent acids or caustics will be collected and stored in aboveground storage containers and disposed off site in accordance with applicable Federal, State, and local regulations.

Used Engine Coolants

Used engine coolants are not generated at the facility. The engine coolant is consumed by the engines so no waste coolant is generated. Engine coolants are not discharged on site so that they may move directly or indirectly into groundwater.

Waste Lubrication and Motor Oils

Used engine oil is stored in a 150 barrel aboveground storage tank and removed by Thermo Fluids Inc. for recycling.

Used Oil Filters

Thermo Fluids Inc. removes used filters and used oil off site for disposal and/or recycling.

Solids and Sludges

Solids and sludges are not discharged on site. Any solids or sludges generated on site are collected and stored in aboveground storage tanks within secondary containment for off-site disposal, in accordance with applicable Federal, State, and local regulations.

Painting Wastes

Painting wastes are not discharged on site. All paint wastes generated on site are managed in aboveground containers and disposed off-site in accordance with applicable Federal, State, and local regulations.

Sewage

Sewage is not generated at the facility.

Lab Wastes

Lab wastes are not generated at the facility.

Other Liquids and Solid Wastes

There are no other liquids or solid wastes generated at the facility.

8 Liquid and Solid Waste Collection / Storage / Disposal

Collection/Storage

All liquid and solid wastes are collected and stored in containers for off-site recycling or disposal in accordance with applicable NMOCD, NMED, and EPA regulations.

On-site Disposal

There is no on-site disposal at the facility. None of the containment structures at the facility are equipped with valves. Rainwater collected inside containment structures is lost through evaporation or pumped out by a contractor for off-site disposal, in accordance with applicable NMOCD, NMED, and EPA regulations.

Off-site Disposal

All liquid and solid wastes are disposed off site in accordance with applicable NMOCD, NMED, and EPA regulations.

The following table provides information regarding wastes collected and stored for off site disposal and/or recycling.

Waste	Collection Method/Storage	Quantity Generated	Final Disposition	Receiving Facility
Slop Oil/Condensate	Aboveground storage tank within secondary containment	~ 20 bbls per month	Off-site disposal	Eunice Gas Plant Treater
Equipment Skid/Washdown Water	750 gallon sump, then pumped to aboveground storage tank within secondary containment	10 bbls per month	Off-site disposal	Eunice Gas Plant Treater
Used Oil Filters	Removed from site when generated – no storage	10 cubic yards twice per year	Off-site recycling	Thermo Fluids, Inc.
Used Oil	150 barrel aboveground storage tank	1000 gals per year	Off-site recycling	Thermo Fluids, Inc.

9 Proposed Modifications

No modifications are proposed at the facility.

10 Inspection, Maintenance, and Reporting

General Facility

Routine inspections and maintenance are performed to ensure proper collection, storage, and off site disposal of all wastes generated at the facility. Also, DCP personnel are on site at least once per week and perform a visual inspection.

Sump Inspection

There is a 750 gallon double-walled fiberglass sump that collects washdown water from the compressors. The sump is equipped with an interstitial visual alarm.

Pressure Testing

All underground piping will be tested to demonstrate mechanical integrity every five years.

11 Spill / Leak Prevention and Reporting (Contingency Plans)

DCP Midstream will respond to spills according to the requirements of the State of New Mexico found in NMOCD Rule 116, 19.15.C.116 NMAC and WQCC regulation, 20.6.2.1203 NMAC.

12 Site Characteristics

Hydologic/Geologic Information

No changes are proposed.

13 Additional Information

All unauthorized releases and discharges will be reported to the NMOCD in accordance with NMOCD Rule 116, 19.15.C.116 NMAC and WQCC regulation, 20.6.2.1203 NMAC.

FIGURES

FIGURE 1. Site Location Map – Pure Gold 28 Compressor Station.

PURE GOLD 28 COMPRESSOR STATION

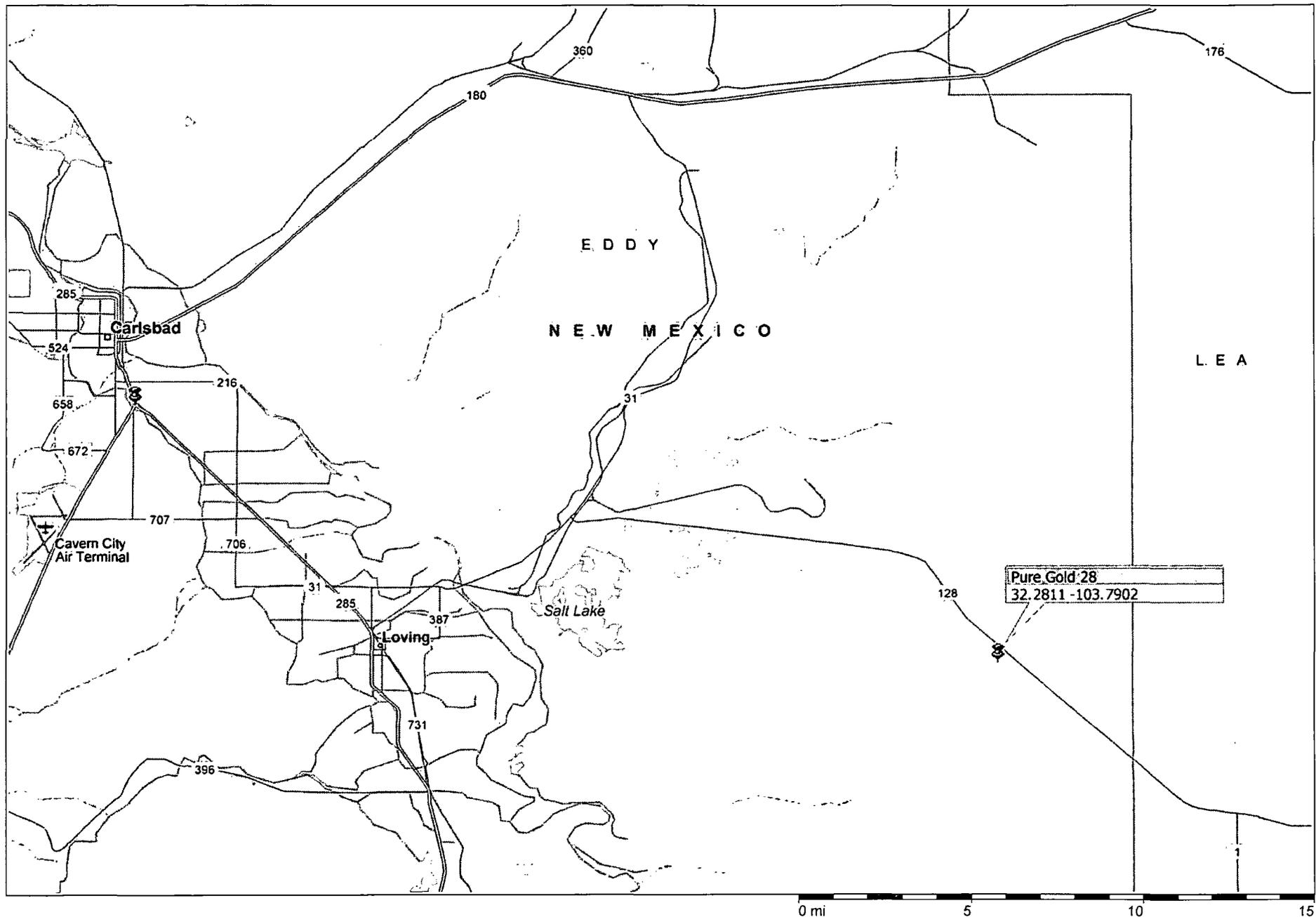
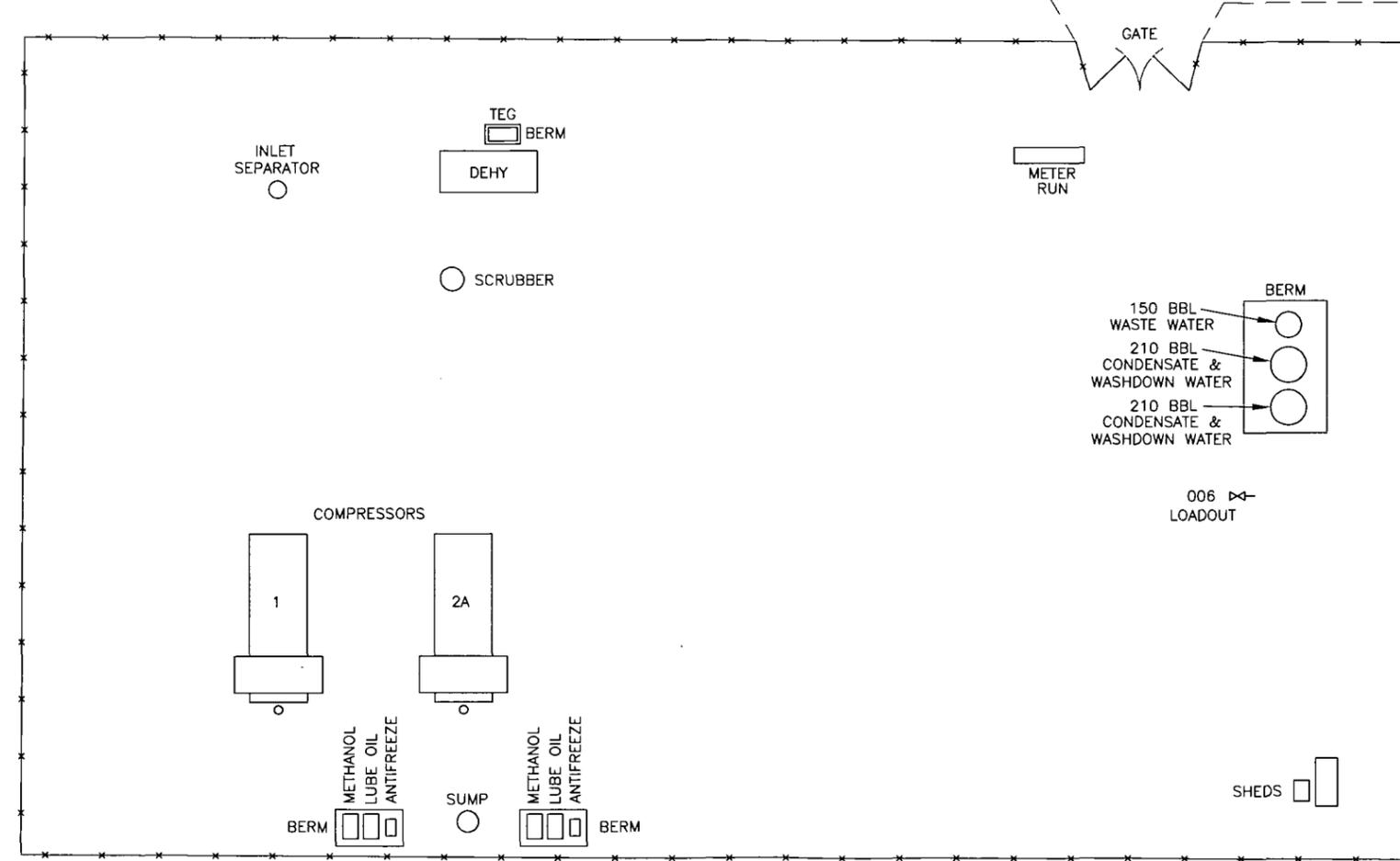


FIGURE 2. Facility Plot Plan -- Pure Gold 28 Compressor Station.



ACCESS RD



NOT TO SCALE
 NOTE: SCALE IS APPROXIMATE.
 DRAWING IS BASED ON A
 FIELD SKETCH; ACTUAL
 FACILITIES MAY VARY IN SIZE
 AND POSITION FROM THOSE
 REPRESENTED HERE.

PLOT PLAN

REV	DATE	REVISION	BY	CHK'D	ENGR.	ENGR. MGR.
0	8-21-08	DRAWN FROM GOOGLE EARTH	J.R.E.	D.E.K.		

REV	DATE	REVISION	BY	CHK'D	ENGR.	ENGR. MGR.



**PURE GOLD 28 COMPRESSOR STATION
 EUNICE GATHERING SYSTEM**
 Eddy County
 NEW MEXICO
 \data\EhsDrawings\Mapping\NewMexico\Eunice\PureGold28_Plot

OCD

January 23, 2004

**CERTIFIED MAIL
RETURN RECEIPT NO.**

~~Ms Joyce Miley
ConocoPhillips
P.O. Box 2197, HU3036
Houston, TX 77252~~

KLEIN
DCP MIDSTREAM L.P. *(JP)*
370 17th St Suite 2500
DEKUN CO. 80202

Re: Renewal of Discharge Permit GW-150
Pure Gold "28" Compressor Station

Dear Ms. Miley: *KLEIN*

The groundwater discharge permit GW-150 for the ConocoPhillips, Pure Gold "28" Compressor Station, located in the NW/4 NW/4 of Section 28, Township 28 South, Range 31 East, NMPM, Eddy County, New Mexico, is hereby approved under the conditions contained in the enclosed attachment. Enclosed are two copies of the conditions of approval. Please sign and return one copy to the New Mexico Oil Conservation Division (OCD) Santa Fe Office within 30 working days of receipt of this letter.

The original discharge plan was approved on November 22, 1993. The discharge permit renewal application dated December 22, 2003, including attachments, submitted pursuant to Section 3106 of the New Mexico Water Quality Control Commission (WQCC) Regulations also includes all earlier applications and all conditions later placed on those approvals.

The discharge permit is renewed pursuant to Section 3109.C. Please note Section 3109.G., which provides for possible future amendment of the permit. Please be advised that approval of this permit does not relieve ConocoPhillips of responsibility should operations result in pollution of surface water, ground water or the environment. Nor does it relieve ConocoPhillips of its responsibility to comply with any other governmental authority's rules and regulations.

Please be advised that all exposed pits, including lined pits and open top tanks (exceeding 16 feet in diameter) shall be screened, netted, or otherwise rendered nonhazardous to wildlife including migratory birds.

Ms Joyce Miley Klein

January 23, 2004

Page 2

Please note that Section 3104, of the regulations requires that "when a permit has been approved, discharges must be consistent with the terms and conditions of the permit." Pursuant to Section 3107.C., ConocoPhillips is required to notify the Director of any facility expansion, production increase, or process modification that would result in any change in the discharge of water quality or volume.

Pursuant to Section 3109.H.4., this approval is for a period of five years. This approval will expire November 22, 2008 and an application for renewal should be submitted in ample time before that date. Pursuant to Section 3106.F. of the regulations, if a discharger submits a discharge permit renewal application at least 120 days before the discharge permit expires and is in compliance with the approved permit, then the existing discharge permit will not expire until the application for renewal has been approved or disapproved.

The discharge permit application for the ConocoPhillips, Pure Gold "28" Compressor Station, is subject to the WQCC Regulation 3114. Every billable facility submitting a discharge permit will be assessed a fee equal to the filing fee of \$100.00 plus a flat fee of \$1700.00 for gas compressor stations (>1000 hp). The OCD has not received the \$1700.00 flat fee. The flat fee may be paid in a single payment due on the date of the discharge permit approval or in five equal installments over the expected duration of the discharge permit. Installment payments shall be remitted yearly, with the first installment due on the date of the discharge permit approval and subsequent installments due on this date of each calendar year.

Please make all checks payable to: Water Quality Management Fund
C/o: Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505.

If you have any questions, please contact Wayne Price of my staff at (505-476-3487) or E-mail: WPRICE@state.nm.us. On behalf of the staff of the OCD, I wish to thank you and your staff for your cooperation during this discharge permit review.

Sincerely,

 1/22/08

Roger C. Anderson
Environmental Bureau Chief
RCA/lwp
Attachment-1
Xc: OCD Artesia Office

**ATTACHMENT TO THE DISCHARGE PERMIT GW-150 APPROVAL
ConocoPhillips, Pure Gold "28" Compressor Station
DISCHARGE PERMIT APPROVAL CONDITIONS
January 23, 2004**

1. **Payment of Discharge Permit Fees:** The \$100.00 filing fee has been received by the OCD. There is a required flat fee of \$ 1700.00 for gas Compressor stations (>1000 hp). The flat fee required for this facility may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the discharge permit, with the first payment due upon receipt of this approval. The filing fee is payable at the time of application and is due upon receipt of this approval.
2. **Commitments:** ConocoPhillips will abide by all commitments submitted in the discharge permit renewal application dated December 22, 2003 including attachments and these conditions for approval.
3. **Drum Storage:** All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums should be stored on their sides with the bungs in place and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets must also be stored on an impermeable pad with curbing.
4. **Process Areas:** All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.
5. **Above Ground Tanks:** All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new facilities or modifications to existing facilities must place the tank on an impermeable type pad within the berm.
6. **Above Ground Saddle Tanks:** Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.
7. **Labeling:** All tanks, drums, and other containers should be clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill, or ignite.

8. Below Grade Tanks/Sumps: All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All below grade tanks, sumps and pits must be tested annually, except systems that have secondary containment with leak detection. These systems with leak detection shall have a monthly inspection of the leak detection to determine if the primary containment is leaking. Results of tests and inspections shall be maintained at the facility covered by this discharge plan and available for NMOCD inspection. Any system found to be leaking shall be reported pursuant to Item # 12. Permit holders may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps, or other OCD approved methods. The OCD will be notified at least 72 hours prior to all testing.
9. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be approved by the OCD prior to installation and must be tested to demonstrate their mechanical integrity every five (5) years. Results of such tests shall be maintained at the facility covered by this discharge plan and available for NMOCD inspection. Permit holders may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD. The OCD will be notified at least 72 hours prior to all testing.
10. Class V Wells: No Class V wells that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes will be approved for construction and/or operation unless it can be demonstrated that groundwater will not be impacted in the reasonably foreseeable future. Leach fields and other wastewater disposal systems at OCD regulated facilities which inject non-hazardous fluid into or above an underground source of drinking water are considered Class V injection wells under the EPA UIC program. Class V wells that inject domestic waste only must be permitted by the New Mexico Environment Department.
11. Housekeeping: All systems designed for spill collection/prevention, and leak detection will be inspected daily to ensure proper operation and to prevent over topping or system failure. All spill collection and/or secondary containment devices will be emptied of fluids within 48 hours of discovery. A record of inspections will be retained on site for a period of five years.
12. Spill Reporting: All spills/releases shall be reported pursuant to OCD Rule 116: and WQCC 1203. to the OCD District Office.

13. Waste Disposal: All wastes will be disposed of at an OCD approved facility. Only oilfield exempt wastes shall be disposed of down Class II injection wells. Non-exempt oilfield wastes that are non-hazardous may be disposed of at an OCD approved facility upon proper waste determination per 40 CFR Part 261. Any waste stream that is not listed in the discharge permit will be approved by OCD on a case-by-case basis.

Rule 712 Waste: Pursuant to Rule 712 disposal of certain non-domestic waste is allowed at solid waste facilities permitted by the New Mexico Environment Department as long as the waste stream is identified in the discharge permit, and existing process knowledge of the waste stream does not change without notification to the Oil Conservation Division.

14. OCD Inspections: Additional requirements may be placed on the facility based upon results from OCD inspections.
15. Storm Water Permit: Stormwater runoff controls shall be maintained. As a result of operations, if any water contaminant that exceeds the WQCC standards listed in 20 NMAC 6.2.3101 is discharged in any stormwater run-off, then immediate actions shall be taken to mitigate the effects of the run-off, notify the OCD within 24 hours, and modify the discharge permit to include a formal stormwater run-off containment permit and submit for OCD approval within 15 days.
16. Transfer of Discharge Permit: The OCD will be notified prior to any transfer of ownership, control, or possession of a facility with an approved discharge permit. A written commitment to comply with the terms and conditions of the previously approved discharge permit must be submitted by the purchaser and approved by the OCD prior to transfer.
17. Closure: The OCD will be notified when operations of the facility are discontinued for a period in excess of six months. Prior to closure of the facility a closure permit will be submitted for approval by the Director. Closure and waste disposal will be in accordance with the statutes, rules and regulations in effect at the time of closure.

DCP

18. Certification: ~~ConocoPhillips~~ by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. ~~ConocoPhillips~~ further acknowledges that these conditions and requirements of this permit may be changed administratively by the Division for good cause shown as necessary to protect fresh water, human health and the environment.

DCP
Conditions accepted by: ~~ConocoPhillips~~

Tony P. Lee
Company Representative print name

Tony P. Lee Date 2-25-08
Company Representative- Sign

Title Asset Manager

DCP Midstream, LP
 370 17th Street, Suite 2500
 Denver, Colorado 80202
 APCustomerService@dcpmidstream.com
 303.605.2219

PAYEE NUMBER
 0000078217
 PAYEE NAME
 NEW MEXICO-

CHECK NUMBER
 [REDACTED]
 CHECK DATE
 02/26/08

INVOICE NUMBER	INVOICE DATE	NET AMOUNT	DESCRIPTION
0208-PERMIT FEE BUR	02/25/08	1,700.00	PURE GOLD 028 COMPRESSOR GW-150
			RECEIVED 2008 FEB 29 PM 12 28
			TOTAL PAID \$1,700.00

PLEASE RETAIN FOR YOUR RECORDS

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER WITH VISIBLE FIBERS AND A TRUE WATERMARK ON THE REVERSE SIDE.

DCP Midstream, LP
 370 17th Street, Suite 2500
 Denver, Colorado 80202
 APCustomerService@dcpmidstream.com
 303.605.2219

JPMorgan Chase Bank, N.A.
 Syracuse, New York

50-937/213

PAYEE NO. 0000078217	CHECK DATE 02/26/08	CHECK NO. [REDACTED]
-------------------------	------------------------	-------------------------

TO THE ORDER OF

00000000 PAY ONLY 1 7 0 0 0 0 CTSCTS

NOT NEGOTIABLE AFTER 120 DAYS

CHECK AMOUNT *****\$1,700.00

NEW MEXICO-
 WATER QUALITY MANAGEMENT FUND
 C/O NEW MEXICO OIL CONSERVATION DIV
 1220 S ST FRANCIS DRIVE
 Santa Fe, NM 87505

[Handwritten Signature]

AUTHORIZED SIGNATURE

☑ One thousand seven hundred and 00/100 Dollars

HOLD BETWEEN THUMB AND FOREFINGER, OR BREATHE ON COLORED BOX, COLOR WILL DISAPPEAR, THEN REAPPEAR

GW-150

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Tuesday, January 22, 2008 4:53 PM
To: 'Klein, Elisabeth A'
Cc: Price, Wayne, EMNRD
Subject: FW: DCP Midstream, LP Status of Discharge Plans (Active, Inactive & Closed) & Other Miscellaneous Discharge Plans
Attachments: GW-150 DP.tif

Elisabeth:

Re: DCP Midstream LP Letter of January 31, 2007 Renewal of Expired Discharge Plans as Requested by Carl Chavez & Other DPs currently being processed

Hi. Please find below the status of the DPs, etc. that were included in the above referenced letter.

- 1) Pure Gold "28" CS (GW-150): The permit expired on 11/22/2003 and is still active. Our records reflect a draft permit was issued to ConocoPhillips (COP) on January 23, 2004, but the final permit was never signed and returned to OCD with the \$1,700 flat fee. Please find attached a copy of the permit (COP), please sign and return the final permit with the \$1,700 to OCD. We apologize for the changes; however, considering the situation, it is the most expedient means of resolving the discharge plan for the facility.
- 2) Rambo C.S. (formerly Avalon Gas Plant) (GW-24): The permit expired on 9/18/2005 and is listed as inactive. According to your letter the OCD received the pit closure reports and analytical results required by the OCD's April 7, 2004 approval letter and were provided in your letter. The OCD requests to know the status of operations at the facility? Does DCP Midstream, LP wish to close the facility? If so, the OCD needs a closure plan. The OCD requires inactive facilities to submit a closure plan, unless it plans to continue operations, which will require a discharge plan renewal.
- 3) Apex C.S. (GW-163): Currently in litigation.
- 4) Hobbs Gas Plant (GW-175) currently in litigation.
- 5) Eunice Gas Plant (GW-16): According to OCD records GW-009 and GW-016 were merged into GW-16. The permit expires 4/25/2009 and is active. No action needed at this time.
- 6) CP-1 C.S. (GW-139): The permit was closed.
- 7) Indian Hills Gas Plant (GW-42): OCD records indicate that the facility is inactive. The OCD requests the status of the facility and if it is inactive, we request a closure plan. The OCD will be conducting an inspection of this facility.

Discharge Plan Renewals processed tomorrow are:

- 1) Hobbs Booster Station (GW -44): OCD records indicate that the facility is active with an expiration date of 12/27/2007. A \$100 filing fee was received and determined to be administratively complete and OCD will issue public notice, a draft discharge plan, and administratively complete letter on its website tomorrow. The facility is closed and only remediation activities are ongoing at present.
- 2) Magnum C.S. (GW-127): OCD records indicate that the facility is active with an expiration date of 2/3/2008. A \$100 filing fee was received and determined to be administratively complete and OCD will issue public notice, a draft discharge plan, and administratively complete letter on its website tomorrow.
- 3) Carrasco C.S. (GW-137): OCD records indicate that the facility is active with an expiration date of 4/28/2008.

1/23/2008

A \$100 filing fee was received and determined to be administratively complete and OCD will issue public notice, a draft discharge plan, and administratively complete letter on its website tomorrow.

4) Pardue C.S. (GW-288): OCD records indicate that the facility is active with an expiration date of 11/24/2007. A \$100 filing fee was received and determined to be administratively complete and OCD will issue public notice, a draft discharge plan, and administratively complete letter on its website tomorrow. DCP Midstream, LP is in the process of completing a closure plan and will submit it prior to completion of closure.

DCP Midstream, LP Discharge Plans awaiting final signature of discharge plan with \$1,700 final fee:

1) Northeast Carlsbad C.S. (GW-280)

Miscellaneous Discharge Plans:

1) Lee C.S. (GW-227): The permit expired on 12/28/2005 and is listed as inactive. Also, our records show LG&E Hadson Gillespie/Feagan C.S. for the facility name. According to an OCD e-mail msg. dated 12/21/2006, and DPC correspondence dated 12/28/2006, the facility was going to remain inactive and a closure plan was to be submitted to permanently close the facility. Upon receipt of the closure plan info. and verification that no contamination exists at the facility, and some photos to display what the site currently looks like, the OCD was going to consider closure of the facility. The OCD requests to know the status of operations at the facility?

Please provide me with an update on each of the above items and contact me if you have questions. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

From: Chavez, Carl J, EMNRD
Sent: Thursday, January 17, 2008 2:27 PM
To: 'Klein, Elisabeth A'
Subject: Northeast Carlsbad Compressor Station (GW-280) Signed Discharge Plan w/ \$1,700.00 Renewal Fee

Ms. Klein:

Good afternoon. I am now working on DCP Midstream L.P. applications, etc.

NMOCD records show that we never received the final signed DP for GW-280 (NE Carlsbad C.S.) with the \$1,700.00 renewal fee. NMOCD mailed a letter with the attached final discharge plan for DCP Midstream L.P.'s signature and remittance w/ final payment; however, we did not receive it. Please locate the final discharge plan that was dated June 13, 2007, sign it, and remit it to me with the final \$1,700.00 renewal fee so we may update our records and finalize the permit at this facility.

I have been in receipt of DCP Midstream L.P. Discharge Plans (GWs-24, 44, 127, 137, 150, and 288). I am planning to process them by next Wednesday, January 23, 2008. I will let you know if I need anything based on my review.

Please contact me if you have questions. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.

1/23/2008

Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

OCD

January 23, 2004

**CERTIFIED MAIL
RETURN RECEIPT NO.**

KLEIN
Ms Joyce Miley
~~ConocoPhillips~~
~~P.O.-Box 2197, HU3036~~
~~Houston, TX 77252~~

DCP MIDSTREAM L.P. (JP)
370 17th St Suite 2500
DENVER CO. 80202

Re: Renewal of Discharge Permit GW-150
Pure Gold "28" Compressor Station

Dear Ms. Miley: *KLEIN*

The groundwater discharge permit GW-150 for the ConocoPhillips, Pure Gold "28" Compressor Station, located in the NW/4 NW/4 of Section 28, Township 28 South, Range 31 East, NMPM, Eddy County, New Mexico, is hereby approved under the conditions contained in the enclosed attachment. Enclosed are two copies of the conditions of approval. **Please sign and return one copy to the New Mexico Oil Conservation Division (OCD) Santa Fe Office within 30 working days of receipt of this letter.**

The original discharge plan was approved on November 22, 1993. The discharge permit renewal application dated December 22, 2003, including attachments, submitted pursuant to Section 3106 of the New Mexico Water Quality Control Commission (WQCC) Regulations also includes all earlier applications and all conditions later placed on those approvals.

The discharge permit is renewed pursuant to Section 3109.C. Please note Section 3109.G., which provides for possible future amendment of the permit. Please be advised that approval of this permit does not relieve ConocoPhillips of responsibility should operations result in pollution of surface water, ground water or the environment. Nor does it relieve ConocoPhillips of its responsibility to comply with any other governmental authority's rules and regulations.

Please be advised that all exposed pits, including lined pits and open top tanks (exceeding 16 feet in diameter) shall be screened, netted, or otherwise rendered nonhazardous to wildlife including migratory birds.

Ms. Joyce Miley Klein
January 23, 2004
Page 2

Please note that Section 3104. of the regulations requires that "when a permit has been approved, discharges must be consistent with the terms and conditions of the permit." Pursuant to Section 3107.C., ConocoPhillips is required to notify the Director of any facility expansion, production increase, or process modification that would result in any change in the discharge of water quality or volume.

Pursuant to Section 3109.H.4., this approval is for a period of five years. **This approval will expire November 22, 2008** and an application for renewal should be submitted in ample time before that date. Pursuant to Section 3106.F. of the regulations, if a discharger submits a discharge permit renewal application at least 120 days before the discharge permit expires and is in compliance with the approved permit, then the existing discharge permit will not expire until the application for renewal has been approved or disapproved.

The discharge permit application for the ConocoPhillips, Pure Gold "28" Compressor Station, is subject to the WQCC Regulation 3114. Every billable facility submitting a discharge permit will be assessed a fee equal to the filing fee of \$100.00 plus a flat fee of \$1700.00 for gas compressor stations (>1000 hp). The OCD has not received the \$1700.00 flat fee. The flat fee may be paid in a single payment due on the date of the discharge permit approval or in five equal installments over the expected duration of the discharge permit. Installment payments shall be remitted yearly, with the first installment due on the date of the discharge permit approval and subsequent installments due on this date of each calendar year.

Please make all checks payable to: Water Quality Management Fund
C/o: Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505.

If you have any questions, please contact Wayne Price of my staff at (505-476-3487) or E-mail WPRICE@state.nm.us. On behalf of the staff of the OCD, I wish to thank you and your staff for your cooperation during this discharge permit review.

Sincerely,



Roger C. Anderson
Environmental Bureau Chief
RCA/lwp
Attachment-1
Xc: OCD Artesia Office

**ATTACHMENT TO THE DISCHARGE PERMIT GW-150 APPROVAL
ConocoPhillips, Pure Gold "28" Compressor Station
DISCHARGE PERMIT APPROVAL CONDITIONS
January 23, 2004**

1. Payment of Discharge Permit Fees: The \$100.00 filing fee has been received by the OCD. There is a required flat fee of \$ 1700.00 for gas Compressor stations (>1000 hp). The flat fee required for this facility may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the discharge permit, with the first payment due upon receipt of this approval. The filing fee is payable at the time of application and is due upon receipt of this approval.
2. Commitments: ConocoPhillips will abide by all commitments submitted in the discharge permit renewal application dated December 22, 2003 including attachments and these conditions for approval.
3. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums should be stored on their sides with the bungs in place and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets must also be stored on an impermeable pad with curbing.
4. Process Areas: All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.
5. Above Ground Tanks: All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new facilities or modifications to existing facilities must place the tank on an impermeable type pad within the berm.
6. Above Ground Saddle Tanks: Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.
7. Labeling: All tanks, drums, and other containers should be clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill, or ignite.

8. Below Grade Tanks/Sumps: All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All below grade tanks, sumps and pits must be tested annually, except systems that have secondary containment with leak detection. These systems with leak detection shall have a monthly inspection of the leak detection to determine if the primary containment is leaking. Results of tests and inspections shall be maintained at the facility covered by this discharge plan and available for NMOCD inspection. Any system found to be leaking shall be reported pursuant to Item # 12. Permit holders may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps, or other OCD approved methods. The OCD will be notified at least 72 hours prior to all testing.
9. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be approved by the OCD prior to installation and must be tested to demonstrate their mechanical integrity every five (5) years. Results of such tests shall be maintained at the facility covered by this discharge plan and available for NMOCD inspection. Permit holders may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD. The OCD will be notified at least 72 hours prior to all testing.
10. Class V Wells: No Class V wells that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes will be approved for construction and/or operation unless it can be demonstrated that groundwater will not be impacted in the reasonably foreseeable future. Leach fields and other wastewater disposal systems at OCD regulated facilities which inject non-hazardous fluid into or above an underground source of drinking water are considered Class V injection wells under the EPA UIC program. Class V wells that inject domestic waste only must be permitted by the New Mexico Environment Department.
11. Housekeeping: All systems designed for spill collection/prevention, and leak detection will be inspected daily to ensure proper operation and to prevent over topping or system failure. All spill collection and/or secondary containment devices will be emptied of fluids within 48 hours of discovery. A record of inspections will be retained on site for a period of five years.
12. Spill Reporting: All spills/releases shall be reported pursuant to OCD Rule 116. and WQCC 1203. to the OCD District Office.

13. Waste Disposal: All wastes will be disposed of at an OCD approved facility . Only oilfield exempt wastes shall be disposed of down Class II injection wells. Non-exempt oilfield wastes that are non-hazardous may be disposed of at an OCD approved facility upon proper waste determination per 40 CFR Part 261. Any waste stream that is not listed in the discharge permit will be approved by OCD on a case-by-case basis.

Rule 712 Waste: Pursuant to Rule 712 disposal of certain non-domestic waste is allowed at solid waste facilities permitted by the New Mexico Environment Department as long as the waste stream is identified in the discharge permit, and existing process knowledge of the waste stream does not change without notification to the Oil Conservation Division.
14. OCD Inspections: Additional requirements may be placed on the facility based upon results from OCD inspections.
15. Storm Water Permit: Stormwater runoff controls shall be maintained. As a result of operations, if any water contaminant that exceeds the WQCC standards listed in 20 NMAC 6.2.3101 is discharged in any stormwater run-off, then immediate actions shall be taken to mitigate the effects of the run-off, notify the OCD within 24 hours, and modify the discharge permit to include a formal stormwater run-off containment permit and submit for OCD approval within 15 days.
16. Transfer of Discharge Permit: The OCD will be notified prior to any transfer of ownership, control, or possession of a facility with an approved discharge permit. A written commitment to comply with the terms and conditions of the previously approved discharge permit must be submitted by the purchaser and approved by the OCD prior to transfer.
17. Closure: The OCD will be notified when operations of the facility are discontinued for a period in excess of six months. Prior to closure of the facility a closure permit will be submitted for approval by the Director. Closure and waste disposal will be in accordance with the statutes, rules and regulations in effect at the time of closure.

DCP

18. **Certification:** ~~ConocoPhillips~~ by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. **ConocoPhillips** further acknowledges that these conditions and requirements of this permit may be changed administratively by the Division for good cause shown as necessary to protect fresh water, human health and the environment.

DCP
Conditions accepted by: ~~ConocoPhillips~~

Company Representative- print name

Date

Company Representative- Sign

Title _____

Elisabeth:

Re: DCP Midstream LP Letter of January 31, 2007 Renewal of Expired Discharge Plans as Requested by Carl Chavez & Other DPs currently being processed

Hi. Please find below the status of the DPs, etc. that were included in the above referenced letter.

1) Pure Gold "28" CS (GW-150): The permit expired on 11/22/2003 and is still active. According to your letter, a renewal application for this facility was previously submitted and received by the OCD in 2003; however, it appears to have not been renewed. Consequently, the OCD is requesting another application with a \$100 filing fee so the OCD may work to review and renew the discharge plan.

2) Rambo C.S. (formerly Avalon Gas Plant) (GW-24): The permit expired on 9/18/2005 and is listed as inactive. According to your letter the OCD received the pit closure reports and analytical results required by the OCD's April 7, 2004 approval letter and were provided in your letter. The OCD requests to know the status of operations at the facility? Does DCP Midstream, LP wish to close the facility? If so, the OCD needs a closure plan. The OCD requires inactive facilities to submit a closure plan, unless it plans to continue operations, which will require a discharge plan renewal.

3) Apex C.S. (GW-163): Currently in litigation.

4) Hobbs Gas Plant (GW-175) currently in litigation.

5) Eunice Gas Plant (GW-16): According to OCD records GW-009 and GW-016 were merged into GW-16. The permit expires 4/25/2009 and is active. No action needed at this time.

6) CP-1 C.S. (GW-139): The permit was closed.

7) Indian Hills Gas Plant (GW-42): OCD records indicate that the facility is inactive. The OCD requests the status of the facility and if it is inactive, we request a closure plan. The OCD will be conducting an inspection of this facility.

Discharge Plan Renewals processed tomorrow are:

1) Hobbs Booster Station (GW -44): OCD records indicate that the facility is active with an expiration date of 12/27/2007. A \$100 filing fee was received and determined to be administratively complete and OCD will issue public notice, a draft discharge plan, and administratively complete letter on its website tomorrow.

2) Magnum C.S. (GW-127): OCD records indicate that the facility is active with an expiration date of 2/3/2008. A \$100 filing fee was received and determined to be administratively complete and OCD will issue public notice, a draft discharge plan, and administratively complete letter on its website tomorrow.

3) Carrasco C.S. (GW-137): OCD records indicate that the facility is active with an expiration date of 4/28/2008. A \$100 filing fee was received and determined to be administratively complete and OCD will issue public notice, a draft discharge plan, and administratively complete letter on its website tomorrow.

4) Pardue C.S. (GW-288): OCD records indicate that the facility is active with an expiration date of 11/24/2007. A \$100 filing fee was received and determined to be administratively complete

and OCD will issue public notice, a draft discharge plan, and administratively complete letter on its website tomorrow.

DCP Midstream, LP Discharge Plans awaiting final signature of discharge plan with \$1,700 final fee:

1) Northeast Carlsbad C.S. (GW-280)

Miscellaneous Discharge Plans:

1) Lee C.S. (GW-227): The permit expired on 12/28/2005 and is listed as inactive. Also, our records show LG&E Hadson Gillespie/Feagan C.S. for the facility name. According to an OCD e-mail msg. dated 12/21/2006, and DPC correspondence dated 12/28/2006, the facility was going to remain inactive and a closure plan was to be submitted to permanently close the facility. Upon receipt of the closure plan info. and verification that no contamination exists at the facility, and some photos to display what the site currently looks like, the OCD was going to consider closure of the facility. The OCD requests to know the status of operations at the facility?

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

From: Chavez, Carl J, EMNRD
Sent: Thursday, January 17, 2008 2:27 PM
To: 'Klein, Elisabeth A'
Subject: Northeast Carlsbad Compressor Station (GW-280) Signed Discharge Plan w/ \$1,700.00 Renewal Fee

Ms. Klein:

Good afternoon. I am now working on DCP Midstream L.P. applications, etc.

NMOCD records show that we never received the final signed DP for GW-280 (NE Carlsbad C.S.) with the \$1,700.00 renewal fee. NMOCD mailed a letter with the attached final discharge plan for DCP Midstream L.P.'s signature and remittance w/ final payment; however, we did not receive it. Please locate the final discharge plan that was dated June 13, 2007, sign it, and remit it to me with the final \$1,700.00 renewal fee so we may update our records and finalize the permit at this facility.

I have been in receipt of DCP Midstream L.P. Discharge Plans (GWs-24, 44, 127, 137, 150, and 288). I am planning to process them by next Wednesday, January 23, 2008. I will let you know if I need anything based on my review.

Please contact me if you have questions. Thank you.



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

2007 FEB 2 PM 1 15

January 31, 2007

UPS
PRIORITY OVERNIGHT (Tracking Number 1Z F46 915 22 1005 083 4)

Mr. Wayne Price
New Mexico Energy, Minerals
& Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Subject: Renewal of Expired Discharge Plans as Requested by Mr. Carl Chavez

Dear Mr. Price:

On December 15, 2006 DCP MIDSTREAM LP (formerly Duke Energy Field Services LP) received an email from Mr. Carl Chavez, Oil Conservation Division (OCD) stating that the discharge permits for the following 16 facilities had expired and that they must be renewed: Pure Gold 28 Compressor Station (GW-150), Antelope Ridge Gas Plant (GW-162), Malaga Compressor Station (GW-167), Cotton Draw Compressor Station (GW-311), Hat Mesa Compressor Station (GW-316), Boot Leg Compressor Station (GW-176), Lee Compressor Station (GW-227), Feagen Booster Station (GW-168), Maljamar Compressor Station (GW-177), Wonton Compressor Station (GW-178), Avalon Gas Plant (GW-24), Apex Compressor Station (GW-163), Hobbs Gas Plant (GW-175), Eunice Gas Plant (GW-16), CP-1 Compressor Station (GW-139) and Indian Hills Gas Plant (GW-42). As DCP MIDSTREAM LP has discussed previously, the company has not renewed these permits because none of the facilities listed actually discharge effluent or leachate so that they may move directly or indirectly into ground water, requiring a discharge permit under 20.6.2.3104 NMAC and because it 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.

However, as discussed below, DCP MIDSTREAM LP agrees to submit renewal applications for most of the listed facilities and provide information for the other facilities to demonstrate that the facilities are closed and no longer capable of discharging or have current discharge plans.

DCP MIDSTREAM LP is not submitting renewal applications for Hobbs Gas Plant or Apex Compressor Station because the obligation to obtain discharge permits for these facilities is currently in litigation. DCP MIDSTREAM LP is willing to discuss the measures being implemented by DCP MIDSTREAM LP to assure that discharges do not occur and that ground water is protected at these facilities. Additionally, on September 22, 2006, DCP Midstream LP discussed with you, Daniel Sanchez and Carl Chavez, the company's development of best management practices (BMPs) for facilities listed in the consent orders and you indicated that it would be discussed within the agency. DCP Midstream LP has not heard anything regarding our suggestions; however, we are ready to proceed ahead with working on the BMPs this year. We would like to schedule a meeting with you, as previously requested, to discuss moving ahead with implementing the BMPs with you.

Permit Renewals To Be Submitted

DCP MIDSTREAM LP agrees to submit discharge permit renewal applications for the following facilities by March 1, 2007: Antelope Ridge Gas Plant (GW-162), Malaga Compressor Station (GW-167), Cotton Draw Compressor Station (GW-311), Hat Mesa Compressor Station (GW-316), Boot Leg Compressor Station (GW-176), Maljamar Compressor Station (GW-177) and Wonton Compressor Station (GW-178). In addition, DCP MIDSTREAM LP will submit renewal applications for the Lee Compressor Station (GW-227) and Feagen Booster Station (GW-168) even though closure plans have been submitted to the OCD for these facilities.



Permit Renewals That Will Not Be Submitted

DCP MIDSTREAM LP will not submit permit renewals for the remaining seven (7) facilities referred to in the December 15, 2006 email.

1. Pure Gold "28" Compressor Station (GW-150) - A renewal application for this facility was previously submitted and received by the OCD in 2003. Copies of this documentation are in Attachment 1.
2. Avalon Gas Plant (Rambo Compressor) (GW-24) - DCP MIDSTREAM LP previously renewed the permit for this facility. An approval letter, dated April 7, 2004, from the OCD was received by the company. DCP MIDSTREAM LP was required, as a condition of the approval, to submit pit closure reports and analytical results. The report and results were submitted to the OCD on April 23, 2004. Copies of this documentation are in Attachment 2.
3. Apex Compressor Station (GW-163) - DCP MIDSTREAM LP's obligation to obtain a discharge permit for this facility is currently in litigation; so, no renewal application will be submitted.
4. Hobbs Gas Plant (GW-175) - DCP MIDSTREAM LP's obligation to obtain a discharge permit for this facility is currently in litigation; so, no renewal permit will be submitted.
5. Eunice Gas Plant (GW-16) - DCP MIDSTREAM LP has an effective discharge permit for this facility, which does not expire until April 25, 2009. Therefore, no renewal application is required at this time. A copy of this discharge permit is in Attachment 3.
6. CP-1 Compressor Station (GW-139) - This facility was dismantled and only a meter run exists on the site. The OCD sent a closure letter to the company on October 15, 2003. A copy of the closure letter is in Attachment 4.
7. Indian Hills Gas Plant (GW-42) - This facility was dismantled and only a meter facility and pig launcher exist on the site. A copy of the company's notification, dated December 10, 2001, to the OCD regarding the status of this site and OCD's receipt of this letter is in Attachment 5.

By agreeing to submit the renewal applications and the application filing fees, DCP MIDSTREAM LP is not waiving its position that no discharge permits are required for these facilities.

If you have any questions concerning DCP MIDSTREAM LP's position or the information outlined above, please contact me at (303) 605-1713. Please send all correspondence regarding these renewals to my attention at 370 17th Street, Suite 2500, Denver, CO 80202.

Sincerely,
DCP MIDSTREAM LP
(Formerly Duke Energy Field Services, LP)

Ruth M. Lang
Manager of Water & Waste Programs

Enclosures

cc:
Mr. Carl Chavez, OCD



GW-150 PURE GOLD

ATTACHMENT 1



DUKE ENERGY FIELD SERVICES
370 17th Street
Suite 2500
Denver, CO 80202
303 595 3331

October 20, 2004

UPS Next Day Air (Tracking No. 1Z F46 915 22 1003 178 4)

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

SUBJECT: Notification of Change of Ownership

Dear Mr. Anderson:

Duke Energy Field Services, LP (DEFS) is submitting notification of a change of ownership for facilities in Eddy and Lea Counties, New Mexico. Effective April 30, 2004, DEFS is the new owner of the facilities identified in the attached list. The attachment lists the facility name, county, legal location, operating status, and, if applicable, discharge permit number.

DEFS will comply with the terms and conditions of the previously approved discharge permits issued to ConocoPhillips or its predecessors. However, by agreeing to comply with those permits, DEFS does not waive its objection to the applicability of the Water Quality Control Commission regulations for facilities that do not have and do not intend to have any discharges that may move directly or indirectly into groundwater, nor does it waive its position that the Oil and Gas Act regulations, not the WQCC regulations, apply to gathering system facilities.

If you have any questions regarding this transfer of ownership and/or the discharge permits, please call me at (303) 605-1717.

Sincerely,
Duke Energy Field Services, LP

A handwritten signature in black ink, appearing to read 'Karin Kimura', written over a white background.

Karin Kimura
Senior Environmental Specialist

Attachment

Duke Energy Field Services, LP
 Notification of Change in Ownership
 Southeast New Mexico
 Effective April 30, 2004

OPERATING STATUS	FACILITY NAME	COUNTY	LEGAL DESCRIPTION	DISCHARGE PERMIT NO.
Active	Antelope Ridge Gas Plant	Lea	SE 15, T23S, R34E	GW-162 (expired)
Active	Apex CS	Lea	NENW 36, T18S, R36E	GW-163 (expired)
Active	Bootleg CS	Lea	SWSE 18, T22S, R33E	GW-176
Active	Cabin Lake CS	Eddy	SESE 34, T21S, R30E	None
Active	Cal-Mon CS (aka Llano-Cal-Mon CS)	Eddy	SENE 35, T23S, R31E	GW-143
Active	Cal-Mon VRU (aka CVRU)	Lea	NESE 16, T24S, R32E	None
Active	Carlsbad (aka CB, South CB) Master	Eddy	SWSE 31, T22S, R27E	None
Active	Catclaw Pig	Lea	Center NW 30, T18S, R36E	None
Active	Cedar Canyon CS (aka Buckstate CS)	Eddy	SESE 9, T24S, R29E	GW-296
Active	Cotton Draw CS	Lea	NENW & NWNE 18, T25S, R32E	GW-311
Active	Cotton Draw Drip (dismantled)	Lea	NWNW25, T23S, R32E	None
Active	Craft Drip (former Dehy)	Eddy	NWNW 19, T24S, R29E	None
Active	Cunningham First Cut	Lea	NWSW 27, T18S, R36E	None
Active	Exxon DA CS (AKA - "DA CS")	Lea	SESW 31, T21S, R35E	None
Active	Gas Co. North Meter	Lea	S 27, T18S, R36E	None
Active	Grama Ridge #1	Lea	SWNW3, T22S, R34E	None
Active	Grama Ridge Launcher	Lea	NESE 29, T21S, R34E	None
Will be reactivated as Paige CS	Hat Mesa (aka #2) CS	Lea	SWNE 11, T21S, R32E	GW-316
Active	Hobbs Gas Plant	Lea	SWNE 36, T18S, R36E	GW-175

OPERATING STATUS	FACILITY NAME	COUNTY	LEGAL DESCRIPTION	DISCHARGE PERMIT NO.
Active	IMC Pig Receiver (former drip)	Eddy	SWSW 1, T22S, R29E	None
Inactive	Lee CS (inactive) (aka Gillespie/Feagan CS)	Lea	NENE 24, T17S, R35E	GW-227
Active	Livingston Ridge CS	Eddy	SWNE 24, T22S, R31E	None
Active	Maddox First Cut (aka CS or Scrubber)	Lea	SWSE 25, T18S, R36E	None
Active	NEC (aka Northeast Carlsbad) CS	Eddy	Lot 9, Sec 6, T21S, R28E	GW-280
Active	P&P Malaga (aka Titan/Malaga, Low Pressure Gathering Compressor Station) CS	Eddy	SWNE 3, T24S, R28E	GW-167 (expired)
Active	Pardue CS (aka Oxy/Oryx Pardue CS)	Eddy	SENE 10, T23S, R28E	GW-288
Active	PCA Dehy	Eddy	NWSE 27, T25S, R29E	None
Active	PCA Junction (former Drip, pigs active)	Eddy	NWSE 11, T20S, R30E	None
Active	Pure Gold 28 CS	Eddy	NWNW 28, T23S, R31E	GW-150
Active	Turkey Track CS	Eddy	NWSW 27, T18S, R31E	None
Active	West Turkey Track CS	Eddy	SW 6, T19S, R30E	None
Active	Zia Booster (aka CS)	Lea	SESE 18, T19S, R32E	GW-145
Active	Zia Gas Plant	Lea	NENE 19, T19S, R32E	GW-145
Dismantled	Navaho Dehy (dismantled)	Eddy	NWSE 20, T17S, R27E	None
Inactive	Barnaual Draw CS	Eddy	SWNW3, T17S, R29E	None
Inactive	Concarb East Dehy (dismantled)	Lea	SWNE 4, T21S, R36E	None

OPERATING STATUS	FACILITY NAME	COUNTY	LEGAL DESCRIPTION	DISCHARGE PERMIT NO.
Inactive	Concarb West Drip	Lea	SEW 13, T21S, R34E	None
Inactive	Delhi Connect (aka Delhi Drip, dismantled)	Lea	NESW 28, T19S, R36E	None
Inactive	Fasken Dehy	Lea	NWSE 25, T19S, R33E	None
Inactive	Gas Co. South Meter	Lea	SW 34, T18S, R36E	None
Inactive	Hobbs Office	Lea	NENE 33, T18S, R38E	None
Inactive	Kerr Mac Station (former JT Plant)	Eddy	NWSW 4, T21S, R31E	None
Inactive	Rattlesnake CS	Lea	SE 33, T26S, R33E	None
Inactive	Rattlesnake Flats Delivery (inactive)	Lea	NENE 8, T26S, R34E	None
Inactive	Read & Stevens (aka R&S/Norlea) CS	Lea	SWSW 10, T20S, R34E	None
Inactive	Red Lake CS (dismantled)	Eddy	NESW 10, T17S, R28E	None
Inactive	White City (former Dehy)	Eddy	NESE 10, T24S, R26E	None
Closed	Yates Bright (aka Bright/Federal) CS	Lea	NENW 21, T19S, R33E	None
Inactive	Bass Turkey Track (Dehy)	Eddy	SENE 2, T19S, R28E	None
Inactive	Enron 6 " (aka HNG 6", one idle AST)	Eddy	NESE 22, T24S, R27E	None
Inactive	FNM (aka P&M) Delivery	Lea	SESE 10, T19S, R36E	None
Inactive	Getty (aka Texaco) 2 State Dehy	Lea	SWNW 3, T22S, R34E	None
Inactive	Getty 36 (aka 36) Dehy	Lea	SEW 36, T21S, R34E	None

OPERATING STATUS	FACILITY NAME	COUNTY	LEGAL DESCRIPTION	DISCHARGE PERMIT NO.
Inactive	Inexco Nauman (aka Nauman) Dehy	Eddy	NESE 12, T21S, R26E	None
Inactive	Lovlace Dehy	Eddy	SWSW 27, T22S, R27E	None
Inactive	Neeley (aka Sante Fe Neely) Dehy	Eddy	NENE28, T22S, R27E	None
Inactive	NEL (Northeast Loving)	Eddy	NESE9, T23S, R28E	None
Inactive	NGPL Dehy	Eddy	SESW31, T22S, R27E	None
Inactive	North Maduro Dehy	Lea	SENE 20, T19S, R33E	None
Inactive	Queen Lake (aka QL 36) Dehy	Eddy	NESE 36, T24S, R28E	None
Inactive	Read & Stevens TT	Eddy	NESE 25, T18S, R28E	None
Closed	Strata CS (1 idle separator)	Lea	NA	None
Inactive	Swearinger	Eddy	NWSE4, T23S, R28E	None
Inactive	Topaz Dehy	Lea	SWNW 30, T20S, R34E	None
Inactive	TW Atoka Scrubber (one idle scrubber)	Eddy	SESE 3, T18S, R27E	None
Inactive	TWS Carlsbad Dehy (dismantled)	Eddy	SWNE18, T23S, R27E	None
Inactive	Weems (aka Sante Fe Weems) Dehy	Eddy	NWNW 27, T22S, R27E	None

NOTICE OF PUBLICATION

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations, the following discharge permit application(s) has been submitted to the Director of the Oil Conservation Division, 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

(GW-150) – ConocoPhillips Midstream Operations, Joyce Miley, (281) 293-4498, P.O. Box 2197-Humble 3036, Houston, Texas 77252-2197, has submitted a discharge permit renewal application for the Pure Gold “28” Compressor Station located in the NW/4 NW/4 of Section 28, Township 28 South, Range 31 East, NMPM, Eddy County, New Mexico. All wastes generated will be stored in closed top receptacles prior to offsite disposal or recycling at an OCD approved site. Ground water most likely to be affected in the event of an accidental discharge is at a depth of approximately 160-200 feet with a total dissolved solids concentration of approximately 201-3500 mg/l. Natural gas products, waste oil and water is stored in above ground tanks prior to being transported off-site to OCD approved facilities. The discharge permit addresses how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge permit application and draft discharge permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. The draft discharge permit may also be viewed at OCD's web site <http://www.emnrd.state.nm.us/oed/>. Prior to ruling on any proposed discharge permit or its modification, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted to him and a public hearing may be requested by any interested person. Requests for a public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed permit based on information available. If a public hearing is held, the director will approve or disapprove the proposed permit based on information in the permit and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 23th day of January 23, 2004.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

SEAL

LORI WROTENBERY, Director



Flatrock Energy
PARTNERS

15600 San Pedro, Suite 100
San Antonio, Texas 78232
P: 210.494.6777
F: 210.494.6762

12/22/2003

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

Re: Renewal Application for Discharge Plan GW-150
Pure Gold 28 Compressor Station
Eddy County, New Mexico

Dear Sir or Madam:

Flatrock Energy Partners on behalf of Raptor Gas Transmission LLC and ConocoPhillips Company Midstream Operations (ConocoPhillips) hereby submits the attached documentation and application for renewal of Discharge Plan GW-150. This submittal includes the application filing fee of \$100.

In order to maintain consistency with other facilities in this area, ConocoPhillips requests that this discharge plan be rolled in with the "blanket" discharge permit issued on June 16, 1998 (see appendix B for blanket discharge permit documentation and conditions). The blanket discharge permit provides coverage for other facilities in the area that are operated by ConocoPhillips.

Please contact me at 210 494 6777 or Joyce Miley at 281 293 4498 if you have questions or require additional information.

Sincerely,

Clay V. Smith, PE

cc: ConocoPhillips Env files - Hobbs, NM
Joyce Miley - Houston, TX
OCD District 2
1301 W. Grand Avenue
Artesia, NM 88210

**Discharge Plan GW-150
Pure Gold 28 Compressor Station**

1. TYPE OF OPERATION

The Pure Gold 28 Compressor Station is a field natural gas compression facility. Natural gas comes in from the field via steel pipeline. The natural gas goes through an inlet separator that removes free liquids from the stream. The natural gas stream is then compressed. From the compressor, the gas stream is dehydrated to remove entrained water and then discharged through the pipeline. Total site rated horsepower is 2464.

2. OPERATOR LEGALLY RESPONSIBLE PARTY & LOCAL REPRESENTATIVE

- a. Raptor Gas Transmission LLC, operated by ConocoPhillips Company
Midstream Operations (ConocoPhillips)

- b. Environmental Contact
Joyce Miley
Environmental Consultant
Conoco, Inc., Natural Gas and Power Department
P.O. Box 2197 – Humber 3036
Houston, Texas 77252-2197
(281) 293-4498

- c. Site Contact
Kevin Schuster
Plant Foreman
ConocoPhillips, Midstream Operations
921 West Sanger
Hobbs, New Mexico 88240
(505) 391-1949

3. LOCATION OF DISCHARGE FACILITY DESCRIPTION

The facility is located in the NW/4 NW/4 of Section 28, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico. A facility site plan and location map has been included in Appendix A.

4. LANDOWNERS

Bureau of Land Management
620 East Green Street
Carlsbad, NM 88220
(505) 234-5972

5. **FACILITY DESCRIPTION**

The compressor station consists of a skid-mounted, engine-driven gas compressors; an inlet separator; a dehydration unit; and liquid handling tanks. Natural gas comes in from the field via existing steel pipeline. The natural gas goes through an inlet separator that removes free liquids from the stream. The natural gas stream is then compressed. From the compressor, the gas stream is dehydrated to remove entrained water and then discharged through the existing steel pipeline.

A site plan and facility map is located in Appendix A.

6. **MATERIALS STORED OR USED at the FACILITY**

Materials	Composition	Inventory	Location	Storage
Compressor Lube Oil	Liquid	2-500 gallons	Yard	Steel Tank
Triethylene Glycol	Liquid	1-500 gallons	Yard	Steel Tank
Natural Gas Condensate	Liquid	2-210 bbl	Yard	Steel Tank
Produced Water	Liquid	1-100 bbl	Yard	Steel Tank
Methanol	Liquid	3-500 gallons	Yard	Steel Tank
Used Lube Oil/Waste Water	Liquid	1-100 bbl	Yard	Fiberglass Tank
Used Lube Oil/Waste Water	Liquid	1-100 gal	Yard	Steel sump
Engine Coolant	Liquid	2-425 gal	Yard	Fiberglass Tank

7. **SOURCES and QUANTITIES of EFFLUENT and WASTE SOLIDS GENERATED at the FACILITY**

Major Effluent	Estimated Quantity	Major Additives	Source
Produced water	200 bbls per month	Condensed water from dehy still vent	Separator, Scrubbers, Dehydration Still Vent Condenser
Nonexempt fluid	20 bbls per month	Rain water,	Ecology collection

		wash water, used lube oil, triethylene glycol drips, antifreeze drips	system from compressor skid and Glycol dehydration skid
Used filters	20 elements per month	Lube oil, triethylene glycol	Compressor Engine, Dehydrator
Used lube oil	2 barrels per month	None	Compressor Engine

Effluent Description

The facility is not a disposal site for waste effluents. The purpose of this site is to compress and dehydrate natural gas. There will be produced water and hydrocarbon condensate separated from the natural gas stream. The produced water will be stored in a 100 bbl. Tank. This material will be hauled from location for disposal to a permitted UIC Class II disposal well. The hydrocarbon condensate will be sold to a refinery as a product. The used engine lubricants, and engine coolants will be handled by recycled and disposed of properly. The storage tank levels will be monitored by an operator on a periodic basis. The operator will monitor tank levels and request a truck to haul liquid when necessary. By carefully monitoring liquid levels in the tank, overflows are prevented. However; the tank area is bermed and constructed with an impermeable liner in the event of a leak, spill, or overflow.

Sewage

There is no sewage discharge at this facility.

8. DESCRIPTION OF CURRENT LIQUID AND SOLID WASTE COLLECTION / STORAGE / DISPOSAL PROCEDURES

Liquid / Solid Wastes	Storage	Disposal
Produced water	100 bbl tank in yard	Trucked offsite to a UIC permitted class II disposal well (Key Energy, Inc).
Nonexempt fluid	100 bbl tank in yard	Trucked offsite to OCD permitted nonexempt disposal facility (currently Sundance Services Inc.)
Used filters	Collected at Conoco Master Station. Drained for 24 hours minimum	Controlled Recovery, Inc. trucks offsite to Lea County Landfill
Used lube oil	100 bbl non exempt fluids tank in yard	Recycled, U.S. Filter

Drum Storage

All drums are stored on pad and curb type containment

Berms

All tanks that contain materials other than freshwater are bermed to contain one and one-third the capacity of the largest tank within the berm or one and one-third the total capacity of all interconnected tanks.

Above Ground Tanks

All above ground tanks are on impermeable pad and curb type containment.

Pads

All compressor pads have adequate containment to prevent contaminants from running onto the ground surface.

Labeling

All tanks, drums and containers are clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill or ignite.

9. PROPOSED MODIFICATIONS

No modifications are planned at this time.

10. INSPECTION, MAINTENANCE, and REPORTING

General Facility

A documented facility inspection is performed by the ConocoPhillips personnel on a monthly basis. Also, ConocoPhillips personnel go to the facility at least twice per week and perform a visual inspection.

Sump Inspections

All sumps at this facility are cleaned and visually inspected annually.

Pressure Testing

All underground piping is tested to demonstrate mechanical integrity every five years.

11. SPILL / LEAK PREVENTION & REPORTING (CONTINGENCY PLANS)

This facility will have an operator which will check the operations of the facility on a periodic basis. The operator will report the functioning of the compressor, and a log will be kept of the units. If the operator should locate a problem with any of the equipment then it will be reported to the supervisor. Each operator is equipped with mobile communications that is monitored 24 hours a day.

In the event of a "reportable spill", the operator would notify his supervisor immediately of the occurrence. The supervisor would in turn notify his immediate supervisor, and the company contingency plan would be implemented.

Fluids will be collected inside pressure vessels. These vessels will be ASME stamped, approved, pressure vessels. Therefore, no precipitation can be collected in them, or commingled with produced fluids.

The compressor unit and dehydration unit will have an "environmental" skid, which will not allow precipitation which has contacted this unit to runoff onto the ground. The unit skid will be piped into a "blow casing" which will transfer all fluids to a 100 bbl. above ground storage tank. Conoco personnel will contact the applicable regulatory agency in accordance with OCD Rule 116 and WQCC 1203. All systems designed for spill collection/prevention are inspected to ensure proper operation and to prevent overtopping or system failure. Spills of any materials will be cleaned up in a timely manner using environmentally sound methods.

12. SITE CHARACTERISTICS

Hydrologic/Geologic Information

Within one mile of the Pure Gold 28 Compressor Station (Station) there are no bodies of water, streams, other watercourses, and no groundwater discharge sites (marshes, springs, seeps, etc.). A review of published literature shows there are 3 wells approximately 3 to 3.5 miles southeast of the Station. Information on these wells was obtained from New Mexico Office of the State Engineer, Well Reports and Downloads (Report 1). Topographical area maps (2) have been included in the Appendix.

Well logs (Attachment 1 in the Appendix) from Report 1 document water from these wells to be 160 to 212' below the surface. The source of the water is shown to be from the Dockum group of the Triassic (See Plate 4 from Ground-Water Report 3, Geology and Ground-Water Resources of Eddy County, New Mexico by the NM Bureau of Mines and Mineral Resources, 1952 (Report 2) in the Appendix). Plate 4 documents that wells within this area classifies the water as for

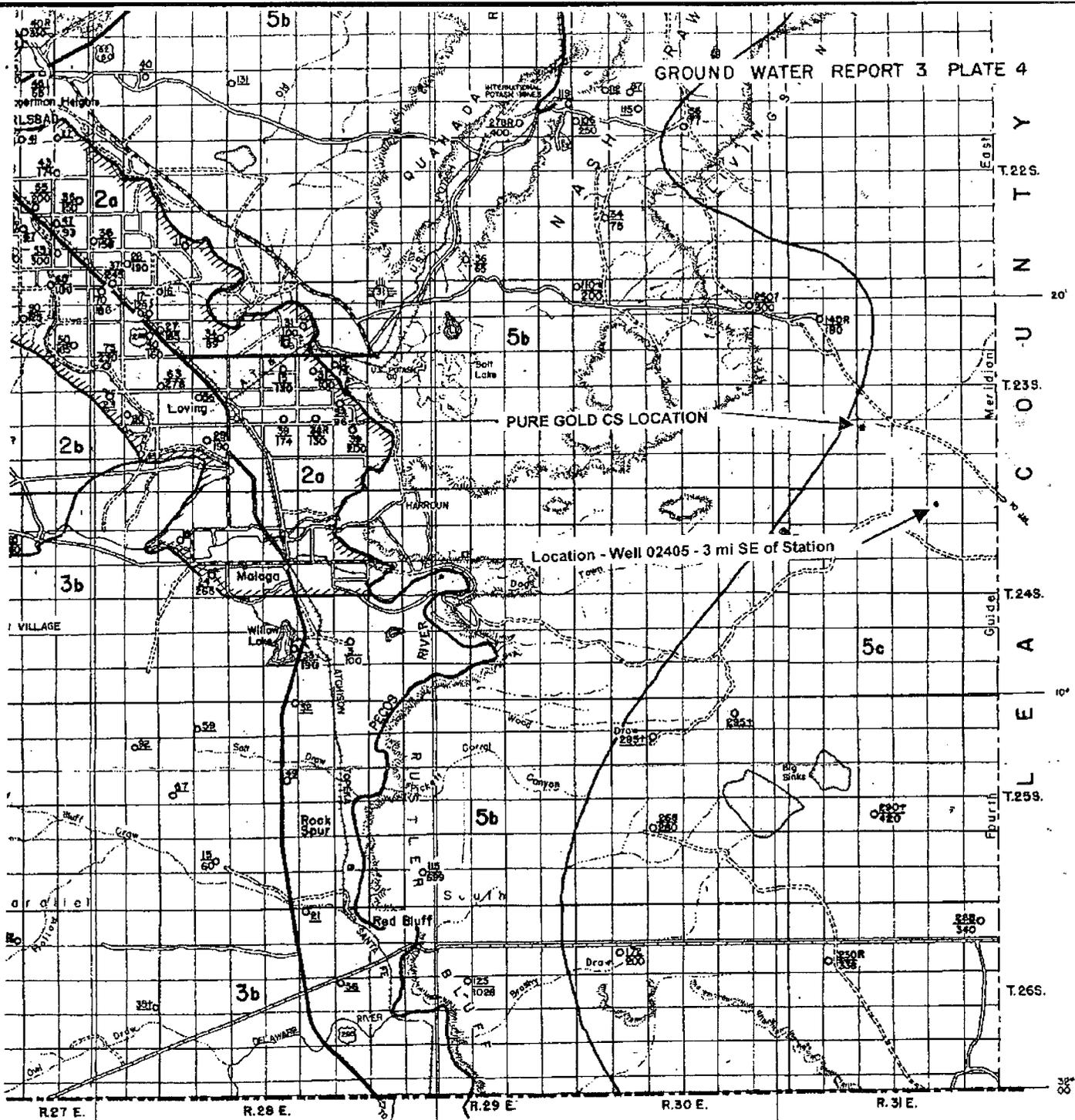
"stock and domestic supplies available at depths less than 300' in Triassic redbeds; quality generally fair but locally impotable".

There are no chemical analyses of water wells taking water from Triassic redbeds of the Dockum group within ten miles of the Station. However, chemical analyses were made of 21 samples of water from wells taking all or part of their water from the Triassic redbeds. The hardness as calcium carbonate ranged from 201 to 3590 parts per million, with 14 reporting greater than 1000 parts. The chloride content ranged from 17 to 785 parts per million, with 10 reporting greater than 200 parts. Probably about one-half of the wells in the Triassic redbeds produce water that is considered usable for domestic purposes.

The general movement of the ground water in this area is to the southwest. The primary source of groundwater is from sandstone beds in the Triassic Dockum group. The Dockum group consists of the Santa Rosa sandstone, overlaid by redbeds possibly of the Chinle formation, consisting of thick series of red shales and thin embedded sandstones. The Chinle is overlaid at the surface by a thin mantle of dune sand in the area of the Station.

Flood Protection

The area of New Mexico in which the Station is located is classified as semi-arid to arid. The annual precipitation is 12-13". The surrounding topography, annual precipitation history and Conoco's 39 years experience as an operator show no significant flood potential at this site.



AREA 5. EAST OF PECOS RIVER: DEEVES CO LOVING COUNTY

- a. Stock and domestic supplies available at depths less than 200 feet in Chalk Bluff formation or Whitehorse group; locally im potable.
- b. Stock water generally obtainable at depths less than 250 feet in Rustler formation; generally im potable and locally unfit for livestock.
- c. Stock and domestic supplies available at depths less than 300 feet in Triassic redbeds; quality generally fair but locally im potable.
- d. Potable water obtainable from sand and gravel or from underlying redbeds at a depth of about 300 feet.

WATER

Note: Most well depths are reported. Depths to water are measured except those followed by the letter R which are reported. Measurements made 1947 to 1950.

ATTACHMENT 1

WELL / SURFACE DATA REPORT 04/08/2003

WELL / SURFACE DATA REPORT 10/16/2003

(quarters are 1=NW 2=NE 3=SW 4=SE)

DB File Nbr	Use	Diversion	Owner	Well Number	Source	Tws	Rng	Sec	q	q	q	Zone	UTM are in Meters)		Start	Finish	Depth	Depth (in feet)	
													X	Y				UTM_Zone	Easting
→ C 00225 A	IRR	8.4	GREGORY ROCKHOUSE RANCH	C 02405		Shallow	24S	31E	02	1	4	3	13	617635	3568327	09/29/1994	09/30/1994	275	160
C 01246 AO	IRR	47.82	CATHLEEN MC INTIRE	C 02405		Shallow	24S	31E	02	1	4	3	13	617635	3568327	09/29/1994	09/30/1994	275	160
C 02020	STK	3	BUREAU OF LAND MANAGEMENT	C 02020			24S	31E	28	4	4		13	615408	3561154				
C 02021	STK	3	BUREAU OF LAND MANAGEMENT	C 02021			24S	31E	28	2	1		13	614992	3562356				
C 02440	PRO	3	SONAT EXPLORATION	C 02440			24S	31E	10	3	2		13	616150	3566396	03/20/1995	03/21/1995	350	
C 02452	PRO	3	TEXACO EXPL. & PRODUCTION INC.	C 02452			24S	31E	02	1	4		13	617736	3568428				
→ C 02460	PRO	3	SONAT EXPLORATION	C 02460		Shallow	24S	31E	02	3			13	617543	3567820	08/25/1995	08/25/1995	320	212
→ C 02464	PRO	3	COMMISSIONER OF PUBLIC LANDS	C 02464		Shallow	24S	31E	02	1	4	3	13	617635	3568327	08/24/1995	08/24/1995	320	205
C 02661	MON	0	SANDIA NATIONAL LABORATORIES	C 02661			24S	31E	04	1	3	3	13	614015	3568283		08/28/1979	708	
C 02783	MON	0	U.S. DEPT. OF ENERGY - WIPP	C 02783			24S	31E	04	1	3	3	13	614015	3568283		12/31/1979	708	
C 02784	STK	3	U.S. DEPT. OF ENERGY - WIPP	C 02784			24S	31E	04	1	3	3	13	614015	3568283		12/31/1979	816	
C 02785	MON	0	U.S. DEPT. OF ENERGY - WIPP	C 02785			24S	31E	04	1	3	3	13	614015	3568283		12/31/1979	692	
C 02958	STK	3	RICHARDSON CATTLE COMPANY	C 02958			24S	31E	04	4	3	3	13	614827	3567488				
C 02959	STK	3	RICHARDSON CATTLE COMPANY	C 02959			24S	31E	33	2	3	1	13	614914	3560443				

Record Count: 14

New Mexico Office of the State Engineer
Well Reports and Downloads

Township: 24S Range: 31E Sections:

NAD27 X: Y: Zone: Search Radius:

County: ED Basin: Number: Suffix:

Owner Name: (First) (Last) Non-Domestic Domestic All

Well / Surface Data Report	Avg Depth to Water Report	Water Column Report
Clear Form	WATERS Menu	Help

AVERAGE DEPTH OF WATER REPORT 04/08/2003

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg
C	24S	31E	02				3	160	212	192

Record Count: 3

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Revised January 24, 2001
Submit Original
Plus 1 Copy
to Santa Fe
1 Copy to Appropriate
District Office

**DISCHARGE PLAN APPLICATION FOR SERVICE COMPANIES, GAS PLANTS,
REFINERIES, COMPRESSOR, GEOTHERMAL FACILITIES
AND CRUDE OIL PUMP STATIONS**

(Refer to the OCD Guidelines for assistance in completing the application)

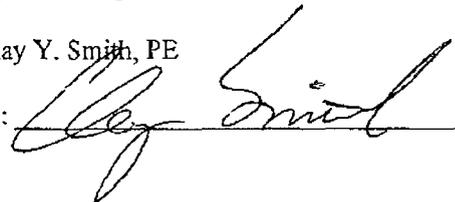
New Renewal Modification

PURE GOLD 28 COMPRESSOR STATION GW-150

1. Type: Natural Gas Compressor Station
2. Operator: Raptor Gas Transmission LLC, operated by ConocoPhillips Company Midstream Operations (ConocoPhillips)
Address: 921 West Sanger Hobbs, New Mexico 88240
Contact Person: Clay Smith Phone: (210)452-2046
3. Location: Section 28 Township 23S Range 31 E, Eddy County
* Submit large scale topographic map showing exact location.
4. Attach the name, telephone number and address of the landowner of the facility site.
Bureau of Land Management
620 East Green Street
Carlsbad, NM 88220
(505) 234-5972
5. Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility.
6. Attach a description of all materials stored or used at the facility.
7. Attach a description of present sources of effluent and waste solids. Average quality and daily volume of waste water must be included.
8. Attach a description of current liquid and solid waste collection/treatment/disposal procedures.
9. Attach a description of proposed modifications to existing collection/treatment/disposal systems.
10. Attach a routine inspection and maintenance plan to ensure permit compliance.
11. Attach a contingency plan for reporting and clean-up of spills or releases.
12. Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included.
13. Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.
14. CERTIFICATION I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

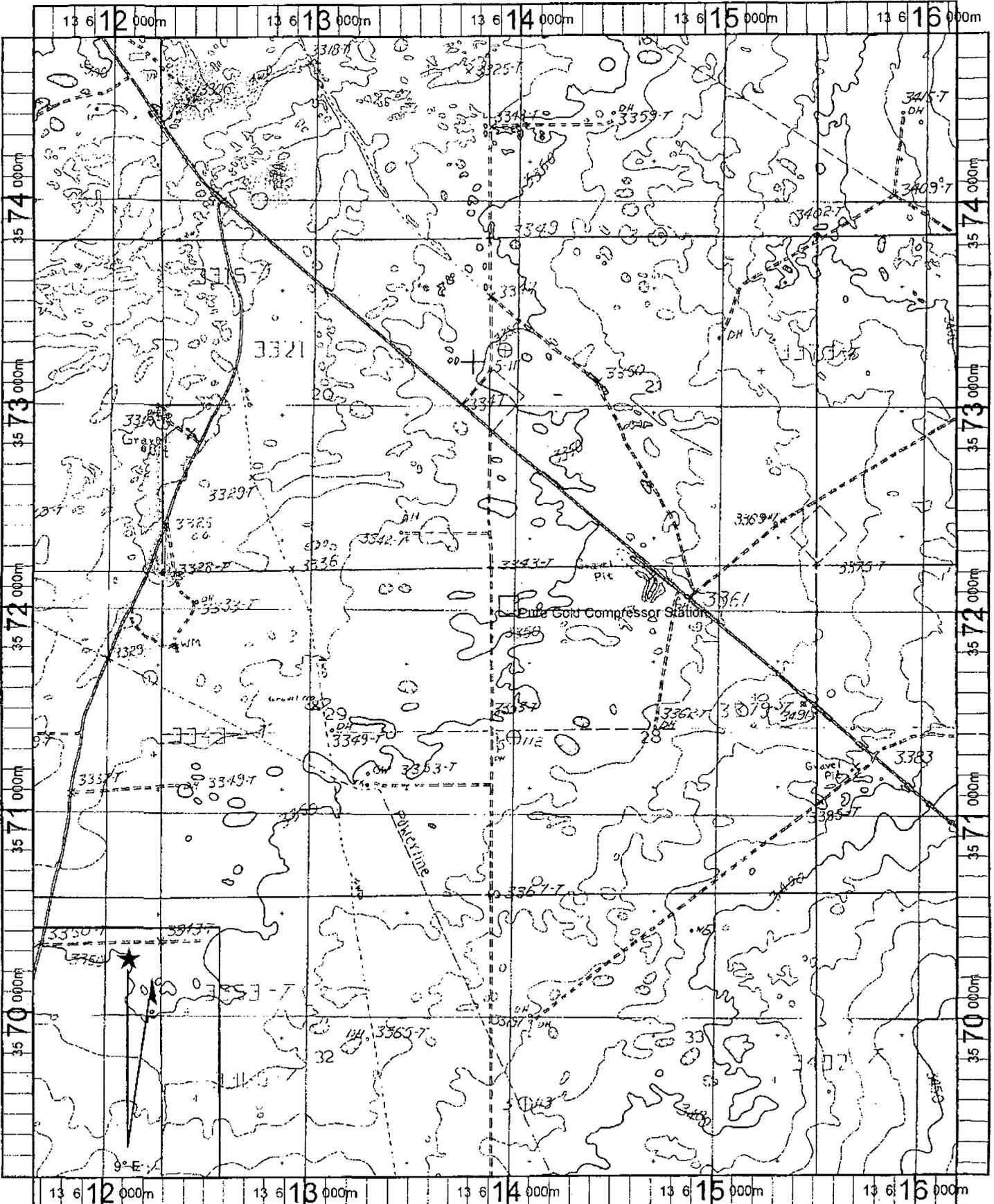
Name: Clay Y. Smith, PE

Title: Environmental Consultant

Signature: 

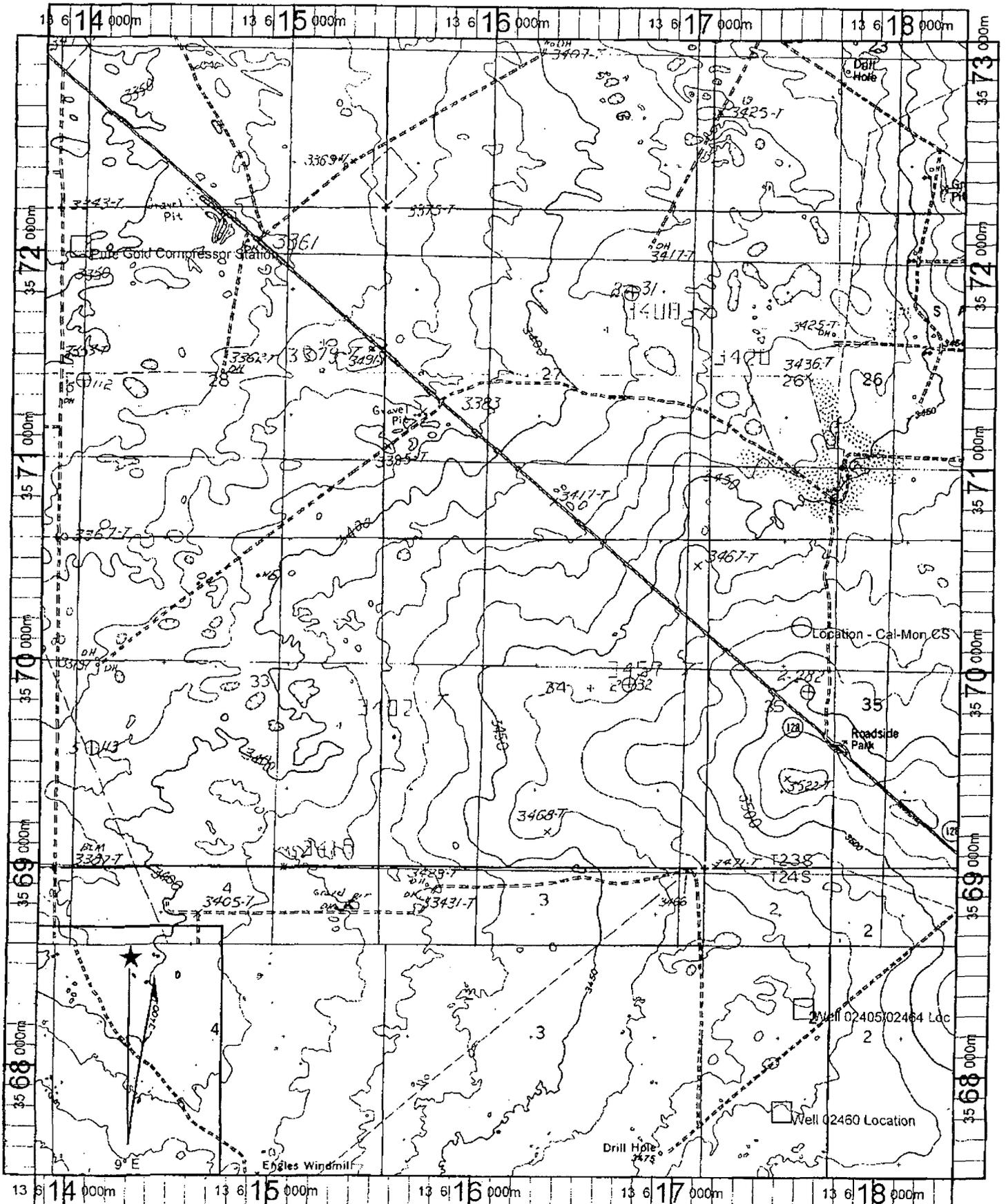
Date: 12-22-03

APPENDIX A – Facility Site Plan and Location Maps
Pure Gold 28 Compressor Station



Name: LOS MEDANOS
 Date: 10/16/2003
 Scale: 1 inch equals 2000 feet

Location: 13 613901 E 3572005 N
 Caption: Location - Pure Gold CS



Name: LOS MEDANOS
 Date: 10/16/2003
 Scale: 1 inch equals 2000 feet

Location: 13 616090 E 3570275 N
 Caption: Location Pure Gold CS relative to Wells 02405, 02460, and 02464

APPENDIX B – Blanket Discharge Permit Documentation and Conditions
Pure Gold 28 Compressor Station

Larissa Forseth
Engineer
Environmental Services

Natural Gas & Gas Products

Conoco Inc.
600 N. Dairy Ashford
P.O. Box 2197-HU 3038
Houston, TX 77252
(281) 293-3149

Certified Mail No. P 365 861 182
Return Receipt Requested

June 11, 1998

Roger Anderson
Oil Conservation Division
New Mexico Energy, Minerals, and Natural Resources Department
2040 South Pacheco St.
Santa Fe, NM 87505

Re: Notice of Intent to Discharge

Dear Mr. Anderson:

This letter is a Notice of Intent to Discharge pursuant to Water Quality Control Commission Regulation 20 NMAC 6.2.1201, on behalf of Conoco Inc.

Conoco operates a number of compressors at various compressor stations within Eddy and Lea Counties, New Mexico. These stations boost gas to Conoco's Maljamar gas processing plant in Maljamar, New Mexico. Conoco has installed 8 compressors of varying sizes—most of them being less than 1,000 hp—at 7 compressor stations. In addition, Conoco will be adding two compressors before the startup of another compressor station, West Turkey Track, in July 1998. I am attaching a list of compressor station locations along with a list of compressors and their sizes. Additional compressors may be added in the future.

Initially, Conoco operates all of the compressors. The sizes and locations of the compressors will change over the next few years, as the reservoir dynamics become better understood.

The compressor installations are similar in design and operation. A typical compressor station consists of a two-phase separator and a skid-mounted in-line compressor with a suction scrubber. From two to five 500 bbl tanks are also installed at most stations to receive produced water. The compressor skids are equipped with catch basins to retain spilled liquids, wash water and rainwater runoff. The liquids from the separator and scrubber are piped via below-grade pipes to the tanks. All tanks are installed inside berms of 1 1/3 tank volume and on gravel bases so that leaks and spills can be visually detected.

Service liquids and wastes are handled as follows.

Service Liquids

Fresh lubricating oil, fresh engine coolant, and wash water are trucked to the stations as needed by the compressor operators. Small reservoirs of makeup compressor lubricating oil may be installed at some stations.

Non-Exempt, Non-Hazardous Wastes

Waste lubricating oil and engine coolant, waste wash water, and small quantities of solid waste are trucked from the stations by the compressor operators for disposal.

Exempt Wastes

Produced water is trucked or piped, as appropriate, to Conoco's injection wells for disposal.

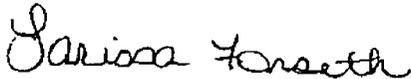
Ordinarily, no hazardous waste is generated at the sites.

Conoco expects the compressor operators to clean up their spills as they occur. Any spills will be reported pursuant to OCD Rule 116. Conoco intends that there be no discharge from the compressor stations to the surface or to groundwater.

As you can see, the sites clearly have minimal environmental impact, and Conoco follows industry recognized best management practices. Please advise Conoco as to additional steps they should take, if any.

Thank you for your assistance.

Sincerely,



Larissa Forseth

cc: ENVE 214-2-21
Jeff Hall, San Angelo

Compressor Station Locations

Compressor Station	Location
Caviness Ranch (a.k.a. Ajax)	Township 18 South, Range 33 East, Section 10, approx. 30 miles west of Hobbs, N.M., Lea County
Anderson Ranch	Township 16 South, Range 32 East, Section 11, approx. 6 miles north of Maljamar, N.M., Lea County
Cedar Lake	Township 18 South, Range 31 East, Section 12, approx. 35 miles west of Hobbs, N.M., Eddy County
Kemnitz	Township 17 South, Range 32 East, Section 14, approx. 5 miles southwest of Maljamar, N.M., Lea County
Lusk	Township 18 South, Range 31 East, Section 16, approx. 8 miles southwest of Maljamar, N.M., Eddy County
Skelly	Township 17 South, Range 31 East, Section 15, approx. 3 miles west of Maljamar, N.M., Eddy County
Turkey Track	Township 18 South, Range 31 East, Section 17, approx. 10 miles southwest of Maljamar, N.M., Lea County
West Turkey Track	Township 19 South, Range 30 East, Section 6, approx. 12 miles southeast of Loco Hills, N.M., Eddy Co.

Compressors

Compressor Station	Compressor(s)	Size (hp)
Caviness Ranch (a.k.a. Ajax)	White 8G825 w/cc	800
Anderson Ranch	White 6G825	600
Cedar Lake	Waukesha L7042 w/cc	900
Kemnitz	Waukesha L7042GSI	1195
	White 8GTLA	1072
Lusk	Clark HRA-6	660
Skelly	Clark HRA-6	660
Turkey Track	Waukesha L7042GSIU	1195
West Turkey Track	Caterpillar G399 TA LCR	730
	Caterpillar G399 TA LCR	730



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

215-5-1
OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

June 16, 1998

Certified Mail
Return Receipt No. Z-357-869-978

Ms. Larissa Forseth
Conoco, Inc.
P.O. Box 2197 - HU 3038
Houston, Texas 77252

Dear Ms Forseth:

The Oil Conservation Division (OCD) has received and reviewed the Conoco, Inc. (Conoco) June 11, 1998 Notice of Intent (NOI) to Discharge for the listed compressor stations in Eddy and Lea Counties, New Mexico. Based on the information provided in NOI, formal Discharge Plans will not be required at this time if the following conditions are followed at each facility:

1. Discharges: There will be NO discharges onto or below the ground surface.
2. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums will be stored on their sides with the bungs in and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets will also be stored on an impermeable pad and curb type containment
3. Process Areas: All process and maintenance areas must be either paved and curbed or have some type of spill collection device incorporated into the design.
4. Above Ground Tanks: All existing above ground tanks that contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new facilities or modifications to existing facilities must place the tank on an impermeable type pad within the berm.

5. Above Ground Saddle Tanks: Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that become gases at atmospheric temperature and pressure.
6. Labeling: All tanks, drums and containers should be clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill, or ignite.
7. Below Grade Tanks/Sumps: All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All pre-existing sumps and below-grade tanks must demonstrate integrity on an annual basis. Integrity tests include pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps. The OCD will be notified at least 72 hours prior to all testing so that an OCD representative may witness the testing.
8. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity at present and then every 5 years thereafter. Operators may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD. The OCD will be notified at least 72 hours prior to all testing so that an OCD representative may witness the testing.
9. Housekeeping: All systems designed for spill collection/prevention should be inspected to ensure proper operation and to prevent overtopping or system failure.
10. Spill Reporting: All spills/releases shall be reported pursuant to OCD Rule 116 and WQCC 1203 to the OCD Aztec District Office.
11. Waste Disposal: All wastes shall be disposed of at an OCD approved disposal site. Only oilfield exempt wastes shall be disposed of down Class II injection wells. Non-exempt oilfield wastes that are non-hazardous by characteristic may be disposed of at an OCD approved facility upon proper characterization pursuant to 40 CFR Part 261.

Ms. Larissa Forseth
June 16, 1998
Page -3-

All facilities identified in your request will be periodically inspected by an OCD representative to assure compliance. Failure to comply with the above conditions at a facility may result in the requirement to submit a Discharge Plan Application.

If you have any questions, please contact me at (505) 827-7152.



Roger C. Anderson
Environmental Bureau Chief

xc: OCD Aztec District Office

THE SANTA FE
NEW MEXICAN
Founded 1849

FEB 02 2004

OIL CONSERVATION
DIVISION

NM OIL CONSERVATION DV-EMNRDI
~~MARY ANAYA~~ *Wayne Price*
1220 ST. FRANCIS DR
ATT MARY ANAYA
SANTA FE NM 87505

ALTERNATE ACCOUNT: 56689
AD NUMBER: 00047832 ACCOUNT: 00002212
LEGAL NO: 76042 P.O. #: 04-199-050340
309 LINES 1 TIME(S) 135.96
AFFIDAVIT: 5.50
TAX: 9.46
TOTAL: 150.92

AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO
COUNTY OF SANTA FE

I, B. Perner, being first duly sworn declare and say that I am Legal Advertising Representative of THE SANTA FE NEW MEXICAN, a daily newspaper published in the English language, and having a general circulation in the Counties of Santa Fe and Los Alamos, State of New Mexico and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 on Session Laws of 1937; that the publication # 76042 a copy of which is hereto attached was published in said newspaper 1 day(s) between 01/29/2004 and 01/29/2004 and that the notice was published in the newspaper proper and not in any supplement; the first date of publication being on the 29th day of January, 2004 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

/s/ *B Perner*
LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this 29th day of January, 2004

Notary *Laura E. Harding*

Commission Expires: *11/23/07*

[Signature]

NOTICE OF PUBLICATION

**STATE OF
NEW MEXICO
ENERGY, MINERALS
AND NATURAL
RESOURCES
DEPARTMENT
OIL CONSERVATION
DIVISION**

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations, the following discharge permit application(s) has been submitted to the Director of the Oil Conservation Division, 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

(GW-150) - Conoco-Phillips Midstream Operations, Joyce Milley, (281) 293-4498, P.O. Box 2197-Humble 3036, Houston, Texas 77252-2197, has submitted a discharge permit renewal application for the Pure Gold "28" Compressor Station located in the NW/4 NW/4 of Section 28, Township 28 South, Range 31 East, NMPM, Eddy County, New Mexico. All wastes generated will be stored in closed top receptacles prior to offsite disposal or recycling at an OCD approved site. Ground water most likely to be affected in the event of an accidental discharge is at a depth of approximately 160-200 feet with a total dissolved solids concentration of approximately 201-3500 mg/L. Natural gas products, waste oil and water is stored in above ground tanks prior to being transported off-site to OCD approved facilities. The

discharge permit addresses how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

(GW-162) - Conoco-Phillips Midstream Operations, Joyce Milley, (281) 293-4498, P.O. Box 2197-Humble 3036, Houston, Texas 77252-2197, has submitted a discharge permit renewal application for their Antelope Ridge Gas Processing Plant located in the SW/4 SE/4 Quarter of Section 15, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico. Natural gas products, waste oil and water is stored in above ground tanks prior to being transported off-site to OCD approved facilities. The discharge permit addresses how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water. Groundwater most likely to be affected in the event of an accidental discharge is at a depth of approximately 400 feet with a total dissolved solids concentration of 55 mg/L.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge permit application

and draft discharge permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m. Monday through Friday. The draft discharge permit may also be viewed at OCD's web site <http://www.emnrd.state-nm.us/ocd/>. Prior to ruling on any proposed discharge permit or its modification, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted to him and a public hearing may be requested by any interested person. Requests for a public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed permit based on information available. If a public hearing is held, the director will approve or disapprove the proposed permit based on information in the permit and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 23th day of January 23, 2004.

STATE OF
NEW MEXICO
OIL CONSERVATION
DIVISION

SEAL

LORI WROTENBERY,
Director

Legal #76042
Pub. January 29, 2004

RECEIVED

FEB 02 2004

OIL CONSERVATION DIVISION

January 28, 2004

NOTICE OF PUBLICATION

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

Notice is hereby given that pursuant to New Mexico Water Quality Control Commissions Regulations, the following discharge permit application(s) has been submitted to the Director of the Oil Conservation Division, 1220 S. St. Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

(GW-150)-ConocoPhillip Midstream Operations, Joyce Miley, (281) 293-4498, P.O. Box 2197-Humble 3036, Houston, Texas 77252-2197, has submitted a discharge permit renewal application for the Pure Gold "28" Compressor Station located in the NW/4NW/4 of Section 28, Township 28 South, Range 31 East, NMPM, Eddy County, New Mexico. All wastes generated will be stored in closed top receptacles prior to offsite disposal or recycling at an OCD approved site. Ground water most likely to be affected in the event of an accidental discharge is at a depth of approximately 160-200 feet with a total dissolved solids concentration of approximately 201-3500 mg/l. Natural gas products, waste oil and water is stored in above ground tanks prior to being transported off-site to OCD approved facilities. The discharge permit addresses how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge permit application and draft discharge permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m. Monday through Friday. The draft discharge permit may also be viewed at OCD's web site http://www.ornrd.state.nm.us/oed/. Prior to ruling on any proposed discharge permit or its modification, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted to him and a public hearing may be requested by any interested person. Requests for a public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed permit based on information available. If a public hearing is held, the director will approve or disapprove the proposed permit based on information in the permit and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 23rd day of January 23, 2004.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

LORI WROTENBERY Director

Affidavit of Publication

State of New Mexico, County of Eddy, ss.

Dawn Higgins, being first duly sworn, on oath says:

That she is Business Manager of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

January 28 2004
2004
2004
2004

That the cost of publication is \$ 72.21 and that payment thereof has been made and will be assessed as court costs.

Dawn Higgins

Subscribed and sworn to before me this

28 day of January, 2004
Stephanie Dobson

My commission expires 12-13-05 Notary Public

PO # 04-199-050127

FLATROCK ENGINEERING AND ENVIRONMENTAL, LTD.

15600 SAN PEDRO 100
SAN ANTONIO, TX 78232-3738
210-494-8777

THE FROST NATIONAL BANK
MISSOURI CITY, TX 77459
30-9/1140

12/22/2003

© 1964 - 2000 INTUIT INC. # 872 1-800-433-8610

PAY TO THE ORDER OF State of New Mexico

\$ **100.00

One Hundred and 00/100*****

DOLLARS

State of New Mexico

MEMO OCD Permit Application Fee- GW151

P. Scott Minter

FLATROCK ENGINEERING & ENVIRONMENTAL, LTD.

State of New Mexico

12/22/2003

100.00

Frost Bank Operating

OCD Permit Application Fee- GW151

100.00

Price, Wayne

From: Price, Wayne
Sent: Tuesday, February 05, 2002 12:08 PM
To: 'Bishop, Mark A.'
Subject: RE: Non-exempt waste disposal for Conoco CG&P

OCD hereby approves of your request and will place a copy of this approval in each Discharge Plan.

-----Original Message-----

From: Bishop, Mark A. [mailto:Mark.A.Bishop@conoco.com]
Sent: Tuesday, February 05, 2002 11:24 AM
To: WPrice@state.nm.us
Subject: Non-exempt waste disposal for Conoco CG&P facilities

Mr. Price,

A reevaluation of preferred non-exempt waste handling facilities has been completed for southeast New Mexico and a team of Conoco personnel has chosen Sundance waste handling facility at Eunice, NM to be our primary non-exempt waste handling facility. Controlled recovery Inc. will be the secondary facility. We would like to amend the following OCD Groundwater discharge permits to include the Sundance facility for disposal of non-exempt fluids. Thank you for your consideration of our request

Maljamar Gas Plant	GW-020
Maljamar Area Blanket OCD permit	
Antelope Ridge Gas Plant	GW-162
Hobbs Gas Plant	GW-175
Apex compressor Station	GW-163
Bootleg Compressor Station	GW-176
Bright Yates Compressor Station	GW-160
Cedar Canyon Compressor Station	GW-296
Cal-Mon Compressor Station	GW-143
NE Carlsbad Compressor Station	GW-280
Cotton Draw Compressor Station	GW-311
Hat Mesa Compressor Station	GW-316
Lee Compressor Station	GW-227
Pardue Compressor Station	GW-288
Pure Gold Compressor Station	GW-150
Malaga Compressor Station	GW-167

Mark Bishop
 Environmental Specialist
 Conoco Inc. CG&P
 SE New Mexico Operating Unit
 505-391-1956

2/6/2002

Price, Wayne

From: Price, Wayne
Sent: Thursday, August 30, 2001 4:18 PM
To: 'mark.a.bishop@usa.conoco.com'
Cc: Williams, Chris
Subject: Conoco inspection frequency for GW-143,150,162,163,167,175,227, and 316

Dear Mr. Bishop:

The OCD is in receipt of Conoco's letters dated 04/06/2001 requesting a change in inspection frequency for the above captioned facilities.
Your request is hereby approved.

Please be advised that NMOCD approval of this request does not relieve Conoco Inc. of responsibility should their closure activities pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD approval does not relieve Conoco Inc. of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Tracking:

Recipient
'mark.a.bishop@usa.conoco.com'
Williams, Chris

Delivery

Delivered: 8/30/01 4:18 PM

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [REDACTED] dated 12/22/03,
or cash received on 1/20/04 in the amount of \$ 100.00
from FLATROCK ENGINEERING + ENVIRONMENTAL LTD
for GW-150

Submitted by: _____ Date: _____
(Facility Name) (OP No.)

Submitted to ASD by: ED MARTIN Date: 1/20/04

Received in ASD by: _____ Date: _____

Filing Fee New Facility _____ Renewal _____
Modification _____ Other _____
(specify)

Organization Code 521.07 Applicable FY 2001

To be deposited in the Water Quality Management Fund.

Full Payment or Annual Increment _____

FLATROCK ENGINEERING AND ENVIRONMENTAL, LTD.
15600 SAN PEDRO 100
SAN ANTONIO, TX 78232-3738
210-494-6777

THE FROST NATIONAL BANK
MISSOURI CITY, TX 77459
30-9/1140

12/22/2003

PAY TO THE State of New Mexico
ORDER OF _____

\$ **100.00

One Hundred and 00/100***** DOLLARS  

State of New Mexico

EMO 150
OCD Permit Application Fee- GW151

P. Scott Martin MP

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [redacted] dated 2/23/00,
or cash received on _____ in the amount of \$ 345⁰⁰

from LG&E

for PURE GOLD 28 COMP. 5E

GW-150

Submitted by: WAYNE PRICE

Date: 2/25/00

Submitted to ASD by: [Signature]

Date: "

Received in ASD by: _____

Date: _____

Filing Fee New Facility _____ Renewal

Modification _____ Other _____

Organization Code 521.07 Applicable FY 2000

To be deposited in the Water Quality Management Fund.

Full Payment or Annual Increment _____

THIS CHECK IS VOID WITHOUT A COLORED BACKGROUND AND AN ARTIFICIAL WATERMARK CERTIFICATION SEAL ON THE BACK. HOLD AT ANGLE TO VIEW SEAL.

LG&E Natural Gathering & Processing
2777 Stemmons Frwy, Suite 1700
Dallas TX 75207

PNC Bank, National Association
Jeannette PA

60-162
433

Pay

Date	Amount
02/23/00	\$*****345.00

THREE HUNDRED FORTY FIVE AND 00/100 *****

Dollars

TO
THE
ORDER
OF
WATER QUALITY MANAGEMENT FUND
STATE OF NEW MEXICO
PO BOX 2088
SANTA FE NM 87504-2088

Patricia A. Lockwood

GW-150

SIGNATURE HAS A COLORED BACKGROUND - BORDER CONTAINS MICROPRINTING

U.S. PATENT NO. 5,538,990/5,575,908/5,641,183



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

January 5, 2000

CERTIFIED MAIL
RETURN RECEIPT NO. Z-142-564-932

Mr. Ed Sloman
LG&E Natural Gathering and Processing Co.
921 West Sanger
Hobbs, New Mexico 88240

**RE: Discharge Plan GW-150 Renewal
Pure Gold "28" Compressor Station
Eddy County, New Mexico**

Dear Mr. Sloman:

On April 28, 1999, the groundwater discharge plan renewal, GW-150, for the **Pure Gold "28" Compressor Station** located in the NW/4 NW/4 of Section 28, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico, was approved by the Director of the New Mexico Oil Conservation Division (OCD). The discharge plan renewal was forwarded to Mr. John Delaney c/o Llano, Inc. and was received on May 6, 1999.

One executed copy of the discharge plan stipulations and conditions was to be executed by an officer of Llano, Inc. and returned to this office within 10 days of receipt. Llano, Inc. is not in compliance with the terms and conditions of the approved discharge plan. As of this date the executed document has not been received by OCD. In addition, payment of the required flat of \$345.00 has not been received.

Mr. Ed Sloman
LG&E Natural Gathering and Processing, GW-150
January 5, 2000
Page 2

The required executed document and payment of the flat fee must be received by the OCD immediately. Please direct your attention to this matter immediately. If you have any questions contact Mr. W. Jack Ford at (505) 827-7156.

Sincerely,



Roger C. Anderson
Chief, Environmental Bureau
Oil Conservation Division

RCA/wjf

cc: OCD Artesia District Office

Z 142 564 932 OCD

US Postal Service *FORD*
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to	<i>E. Sloman</i>
Street & Number	<i>LG+E</i>
Post Office, State, & ZIP Code	<i>Artesia</i>
Postage	\$
Certified Fee	
Special Delivery Fee	<i>0.00</i>
Restricted Delivery Fee	<i>0.00</i>
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Address	
TOTAL Postage & Fees	\$
Postmark or Date	<i>GW-150</i>

PS Form 3800, April 1995



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

April 28, 1999

CERTIFIED MAIL
RETURN RECEIPT NO. 7-357-870-085

Mr. J. R. Delaney
Llano, Inc.
921 West Sanger
Hobbs, New Mexico 88240

**RE: Discharge Plan Renewal GW-150
Llano, Inc.
Pure Gold "28" Compressor Station
Eddy County, New Mexico**

Dear Mr. Delaney:

The ground water discharge plan renewal GW-150 for the Llano, Inc. Pure Gold "28" Compressor Station located in NW/4, NW/4 of Section 28, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico, is hereby approved under the conditions contained in the enclosed attachment. The discharge plan consists of the discharge plan as approved November 22, 1993 and the renewal application dated March 1, 1999. Enclosed are two copies of the conditions of approval. Please sign and return one copy to the New Mexico Oil Conservation Division (OCD) Santa Fe Office within 10 working days of receipt of this letter.

The discharge plan renewal application was submitted pursuant to Section 3106 of the New Mexico Water Quality Control Commission (WQCC) Regulations. It is approved pursuant to Section 3109.A. Please note Sections 3109.E and 3109.F, which provide for possible future amendments or modifications of the plan. Please be advised that approval of this plan does not relieve Llano, Inc. of liability should operations result in pollution of surface water, ground water, or the environment.

Please be advised that all exposed pits, including lined pits and open tanks (tanks exceeding 16 feet in diameter), shall be screened, netted, or otherwise rendered nonhazardous to wildlife including migratory birds.

Mr. J. R. Delaney
 GW- 150 Pure Gold "28" Compressor Station
 April 28, 1999
 Page 2

Please note that Section 3104 of the regulations provides: "When a plan has been approved, discharges must be consistent with the terms and conditions of the plan." Pursuant to Section 3107.C., Llano, Inc. is required to notify the Director of any facility expansion, production increase, or process modification that would result in any change in the discharge of water quality or volume.

Pursuant to Section 3109.G.4., this renewal plan is for a period of five years. This renewal will expire on November 22, 2003, and Llano, Inc. should submit an application in ample time before this date. Note that under Section 3106.F. of the regulations, if a discharger submits a discharge plan renewal application at least 120 days before the discharge plan expires and is in compliance with the approved plan, then the existing discharge plan will not expire until the application for renewal has been approved or disapproved. It should be noted that all discharge plan facilities will be required to submit the results of an underground drainage testing program as a requirement for discharge plan .

The discharge plan renewal application for the Llano, Inc. Pure Gold "28" Compressor Station is subject to WQCC Regulation 3114. Every billable facility submitting a discharge plan application will be assessed a fee equal to the filing fee of \$50. There is a renewal flat fee assessed for compressor station facilities, with horsepower rating between 1001 and 3000 horsepower, equal to one-half of the original flat fee or \$345.00. The OCD has received the filing fee.

On behalf of the staff of the OCD, I wish to thank you and your staff for your cooperation during this discharge plan review.

Sincerely,



Roger C. Anderson
 Chief, Environmental Bureau
 Oil Conservation Division

RCA/wjf
 Attachment

xc: OCD Artesia Office

PS Form 3800, April 1995

Z 357 870 085

US Postal Service
 Receipt for Certified Mail
 No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

Sent to	J.R. Delaney
Street & Number	Llano
Post Office, State, & Zip Code	Stobbs
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	GW-150

ATTACHMENT TO THE DISCHARGE PLAN RENEWAL GW-150
LLANO, INC.
PURE GOLD "28" COMPRESSOR STATION
DISCHARGE PLAN APPROVAL CONDITIONS
(April 28, 1999)

1. Payment of Discharge Plan Fees: The \$50.00 filing fee has been received by the OCD. There is a required flat fee equal to one-half of the original flat fee for compressor station facilities with horsepower rating between 1001 and 3000 horsepower. The renewal flat fee required for this facility is \$345.00 which may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the discharge plan, with the first payment due upon receipt of this approval.
2. Llano, Inc. Commitments: Llano, Inc. will abide by all commitments submitted in the discharge plan renewal application dated March 1, 1999 and these conditions for approval.
3. Waste Disposal: All wastes will be disposed of at an OCD approved facility. Only oilfield exempt wastes shall be disposed of down Class II injection wells. Non-exempt oilfield wastes that are non-hazardous may be disposed of at an OCD approved facility upon proper waste characterization per 40 CFR Part 261.
4. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums will be stored on their sides with the bungs in and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets will also be stored on an impermeable pad and curb type containment.
5. Process Areas: All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.
6. Above Ground Tanks: All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new tanks or existing tanks that undergo a major modification, as determined by the Division, must be placed within an impermeable bermed enclosure.
7. Above Ground Saddle Tanks: Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.
8. Labeling: All tanks, drums and containers will be clearly labeled to identify their contents and other emergency notification information.

9. **Below Grade Tanks/Sumps:** All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All pre-existing sumps and below-grade tanks must demonstrate integrity on an annual basis. Integrity tests include pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps, or other OCD approved methods. The OCD will be notified at least 72 hours prior to all testing.
10. **Underground Process/Wastewater Lines:** All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity a minimum of every 5 years. The permittee may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD. The OCD will be notified at least 72 hours prior to all testing.
11. **Class V Wells:** Leach fields and other wastewater disposal systems at OCD regulated facilities which inject non-hazardous fluid into or above an underground source of drinking water are considered Class V injection wells under the EPA UIC program. All Class V wells that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes will be closed unless it can be demonstrated that groundwater will not be impacted in the reasonably foreseeable future. Closure of Class V wells must be in accordance with a plan approved by the Division's Santa Fe Office. The OCD allows industry to submit closure plans which are protective of fresh waters, public health and the environment, and are cost effective. Class V wells that inject domestic waste only must be permitted by the New Mexico Environment Department.
12. **Housekeeping:** All systems designed for spill collection/prevention will be inspected weekly and after each storm event to ensure proper operation and to prevent overtopping or system failure. A record of inspections will be retained on site for a period of five years.
13. **Spill Reporting:** All spills/releases will be reported pursuant to OCD Rule 116 and WQCC 1203 to the OCD Artesia District Office.
14. **Transfer of Discharge Plan:** The OCD will be notified prior to any transfer of ownership, control, or possession of a facility with an approved discharge plan. A written commitment to comply with the terms and conditions of the previously approved discharge plan must be submitted by the purchaser and approved by the OCD prior to transfer.

15. **Closure:** The OCD will be notified when operations of the Pure Gold "28" Compressor Station are discontinued for a period in excess of six months. Prior to closure of the Pure Gold "28" Compressor Station a closure plan will be submitted for approval by the Director. Closure and waste disposal will be in accordance with the statutes, rules and regulations in effect at the time of closure.
16. **Certification:** Llano, Inc., by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. Llano, Inc. further acknowledges that these conditions and requirements of this permit may be changed administratively by the Division for good cause shown as necessary to protect fresh water, human health and the environment.

Accepted:

LLANO, INC.

by _____
Title

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [REDACTED] dated 3/1/99,

or cash received on 3/5/99 in the amount of \$ 50.00

from Liano, Inc.

for Pure Gold "28" Compressor Station GW-150'

Submitted by: (Facility Name) W. J. Ford . (DP No.) Date: 3/5/99

Submitted to ASD by: _____ Date: _____

Received in ASD by: _____ Date: _____

Filing Fee New Facility Renewal

Modification Other (specify) _____

Organization Code 521.07 Applicable FY 99

To be deposited in the Water Quality Management Fund.

Full Payment or Annual Increment

LLANO, INC.



INVOICE NO.	INVOICE DATE	DESCRIPTION	GROSS AMOUNT	DISCOUNT	NET AMOUNT
	03-01-99	For the application fee for the discharge plan renewal GW-150 for Pure Gold "28" Compressor Station.			\$50.00
CHECK NUMBER	03193	TOTALS			\$50.00

LLANO, INC.
 BOX 1320
 HOBBS, NEW MEXICO 88240

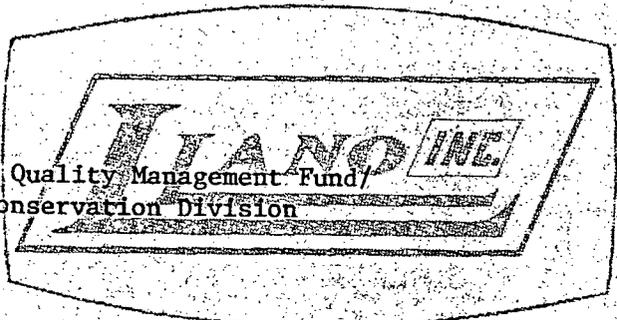
SUNWEST BANK OF HOBBS, N.A.
 HOBBS, NEW MEXICO 88240



95-321
 1122

CHECK DATE: 03-01-99
 CHECK NO: [REDACTED]

CHECK AMOUNT: \$50.00



PAY TO THE ORDER OF

Water Quality Management Fund
 Oil Conservation Division

LLANO, INC. - GENERAL ACCOUNT

[Signature]
 VOID AFTER 90 DAYS



LLANO, INC.



INVOICE NO.	INVOICE DATE	DESCRIPTION	GROSS AMOUNT	DISCOUNT	NET AMOUNT
	03-01-99	For the application fee for the discharge plan renewal GW-150 for Pure Gold "28" Compressor Station.			\$50.00
CHECK NUMBER		TOTALS			\$50.00



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

June 25, 1998

CERTIFIED MAIL
RETURN RECEIPT NO. Z-357-869-983

Mr. Ed Sloman
LG&E Natural Gathering and Processing Co.
921 West Sanger
Hobbs, New Mexico 88240

**RE: Discharge Plan GW-150 Renewal
Pure Gold "28" Compressor Station
Eddy County, New Mexico**

Dear Mr. Sloman:

On November 22, 1993, the groundwater discharge plan, GW-150, for the **Pure Gold "28" Compressor Station** located in the NW/4 NW/4 of Section 28, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico, was approved by the Director of the New Mexico Oil Conservation Division (OCD). This discharge plan was required and submitted pursuant to Water Quality Control Commission (WQCC) regulations and was approved for a period of five years. **The approval will expire on November 22, 1998.**

If your facility continues to have potential or actual effluent or leachate discharges and you wish to continue operation, you must renew your discharge plan. **If LG&E Natural Gathering and Processing Co. submits an application for renewal at least 120 days before the discharge plan expires (on or before July 25, 1998), then the existing approved discharge plan for the same activity shall not expire until the application for renewal has been approved or disapproved.** The OCD is reviewing discharge plan submittals and renewals carefully and the review time can extend for several weeks to months. Please indicate whether you have made, or intend to make, any changes in your system, and if so, please include these modifications in your application for renewal.

Please submit the original and one copy to the OCD Santa Fe Office and one copy to the OCD Artesia District Office. Note that the completed and signed application form must be submitted with your discharge plan renewal request. (Copies of the WQCC regulations and discharge plan application form and guidelines have been provided to LG&E Natural Gathering and Processing Co. in the past. A complete copy of the regulations is also available on OCD's website at www.emnrd.state.nm.us/ocd.htm.)

Mr. Ed Sloman
LG&E Natural Gathering and Processing, GW-150
June 25, 1998
Page 2

The discharge plan renewal application for the Pure Gold "28" Compressor Station is subject to the WQCC Regulations 3114 discharge plan fee. Every billable facility submitting a discharge plan renewal will be assessed a fee equal to the filing fee of fifty (\$50) dollars plus a flat fee of three hundred forty five dollars (\$345.00) for compressor stations with a rating between 1001 to 3000 horsepower.

The fifty (\$50) dollar filing fee is to be submitted with discharge plan renewal application and is nonrefundable. The flat fee for an approved discharge plan renewal may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the discharge plan.

Please make all checks payable to NMED-Water Quality Management and addressed to the OCD Santa Fe Office.

If you no longer have any actual or potential discharges a discharge plan is not needed, please notify this office. If you have any questions regarding this matter, please do not hesitate to contact W. Jack Ford at (505) 827-7156.

Sincerely,



Roger C. Anderson
Environmental Bureau Chief

RCA/wjf

cc: OCD Artesia District Officer

Z 357 869 983

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to	Ed Sloman
Street & Number	LG&E
Post Office, State, & ZIP Code	Artesia
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	GW-150

PS Form 3800 April 1995

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [REDACTED] dated 2-6-95,
or cash received on _____ in the amount of \$ 690⁰⁰
from LLANO, INC
for GW-150 PURE GOLD '28' CS

Submitted by: _____ Date: _____
(Facility Name) (DP No.)

Submitted to ASD by: CHRIS EUSTICE Date: 2-23-95

Received in ASD by: Carlos J. Schubert Date: 2-23-95

Filing Fee _____ New Facility Renewal _____
Modification _____ Other _____
(specify)

Organization Code _____ Applicable FY _____

To be deposited in the Water Quality Management Fund.
Full Payment or Annual Increment _____

LLANO, INC.
BOX 1320
HOBBS, NEW MEXICO 88240

SUNWEST BANK OF HOBBS, N.A.
HOBBS, NEW MEXICO 88240



95-321
1122

CHECK DATE	CHECK
02-06-95	00290

THE SUM 690 DOLLARS 00 CTS

PAY TO THE ORDER OF

CHECK AMOUNT
\$ 690.00 *****

STATE OF NEW MEXICO
% Energy, Minerals & Natural Resources Dept.
Oil Conservation Division

LLANO, INC. - GENERAL ACCOUNT

[Signature]
VOID AFTER 90 DAYS





STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

November 22, 1993

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

CERTIFIED MAIL
RETURN RECEIPT NO. P-111-334-178

Mr. J.R. Delaney
Llano Inc.
921 W. Sanger
Hobbs, New Mexico

**Re: Discharge Plan (GW-150)
Pure Gold "28" Compressor Station
Eddy County, New Mexico**

Dear Mr. Delaney:

The groundwater discharge plan GW-150 for the Llano Inc. Pure Gold "28" Compressor Station located in the NW/4 NW/4 Section 28, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico is **hereby approved** under the conditions contained in the enclosed attachment. The discharge plan consists of the application dated September 28, 1993.

The discharge plan was submitted pursuant to section 3-106 of the Water Quality Control Commission Regulations. It is approved pursuant to section 3-109.A.. Please note Section 3-109.F., which provides for possible future amendment of the plan. Please be advised that approval of this plan does not relieve you of your liability should your operation result in actual pollution of surface or ground waters or the environment which may be actionable under other laws and/or regulations.

Please be advised that all exposed pits, including lined pits and open top tanks (exceeding 16 feet in diameter) shall be screened, netted, or otherwise rendered nonhazardous to wildlife including migratory birds.

Please note that section 3-104 of the regulations requires that "when a plan has been approved, discharges must be consistent with the terms and conditions of the plan". Pursuant to Section 3-107.C. you are required to notify the Director of any facility expansion, production increase, or process modification that would result in any change in the discharge of water quality or volume.

Mr. J.R. Delaney
November 22, 1993
Page 2

Pursuant to Section 3-109.G.4., this approval is for a period of five years. This approval will expire November 22, 1998 and you should submit an application for renewal in ample time before that date.

The discharge plan application for the Llano Inc. Pure Gold "28" Compressor Station is subject to the WQCC Regulation 3-114 discharge plan fee. Every billable facility submitting a discharge plan will be assessed a fee equal to the filing fee of fifty (50) dollars plus the flat rate of six-hundred ninety (690) dollars for compressor stations between 1000 and 3000 horsepower.

The OCD has received your \$50 filing fee. The flat rate for a discharge plan may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the plan, with the first payment due upon receipt of this approval.

Please make all checks payable to: **NMED-Water Quality Management** and addressed to the OCD Santa Fe Office.

On behalf of the staff of the Oil Conservation Division, I wish to thank you and your staff for your cooperation during this discharge plan review.

Sincerely,

William J. LeMay
Director

WJL/cee
Attachment

xc: OCD Artesia Office

ATTACHMENT TO THE DISCHARGE PLAN GW-150 APPROVAL
LLANO INC.
PURE GOLD "28" COMPRESSOR STATION
DISCHARGE PLAN REQUIREMENTS
(November 22, 1993)

1. Payment of Discharge Fees: The \$690 flat fee (either total payment or installments) will be paid upon receipt of this approval letter.
2. Drum Storage: All drums will be stored on pad and curb type containment.
3. Sump Inspection: Any new sumps or below-grade tanks will incorporate leak detection in their designs.
4. Berms: All tanks that contain materials other than freshwater will be bermed to contain one and one-third (1-1/3) the capacity of the largest tank within the berm or one and one-third (1-1/3) the total capacity of all interconnected tanks.
5. Pressure testing: All discharge plan facilities are required to pressure test all underground piping at the time of discharge plan renewal. All new underground piping shall be designed and installed to allow for isolation and pressure testing at 3 psi above normal operating pressure.
6. Spills: All spills and/or leaks will be reported to the OCD district office pursuant to WQCC Rule 1-203 and OCD Rule 116.
7. OCD Inspection: Additional requirements may be placed on the facility based upon results from OCD inspections.

**ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH**

I hereby acknowledge receipt of check No. [REDACTED] dated 9/9/93
 or cash received on 9-17-93 in the amount of \$ 50⁰⁰
 from Llano, Inc.
 for PURE GOLD '28' COMPRESSOR STA GW-150

Submitted by: _____ Date: _____
 Submitted to ASD by: Q. E. [Signature] Date: 9-20-93
 Received in ASD by: Ange [Signature] Date: 9-20-93

Filing Fee New Facility _____ Renewal _____
 Modification _____ Other _____

Organization Code 521.07 Applicable FY 93/94 CE

To be deposited in the Water Quality Management Fund.
 Full Payment _____ or Annual Increment _____

LLANO, INC. [REDACTED]

INVOICE NO.	INVOICE DATE	DESCRIPTION	GROSS AMOUNT	DISCOUNT	NET AMOUNT
CHECK REQ.	09-09-93	O C D DISCHARGE PLAN FILING FEE DISCHARGE PLAN APPLICATION FOR GAS COMPRESSOR STATION.	\$50.00	\$0.00	\$50.00
CHECK NUMBER			TOTALS >	\$50.00	\$50.00

Pure Gold '28'
GW-150

**Discharge Plan GW-150
Pure Gold 28 Compressor Station**

1. TYPE OF OPERATION

The Pure Gold 28 Compressor Station is a field natural gas compression facility. Natural gas comes in from the field via steel pipeline. The natural gas goes through an inlet separator that removes free liquids from the stream. The natural gas stream is then compressed. From the compressor, the gas stream is dehydrated to remove entrained water and then discharged through the pipeline. Total site rated horsepower is 2464.

2. OPERATOR LEGALLY RESPONSIBLE PARTY & LOCAL REPRESENTATIVE

- a. Raptor Gas Transmission LLC, operated by ConocoPhillips Company
Midstream Operations (ConocoPhillips)

- b. Environmental Contact
Joyce Miley
Environmental Consultant
Conoco, Inc., Natural Gas and Power Department
P.O. Box 2197 – Humber 3036
Houston, Texas 77252-2197
(281) 293-4498

- c. Site Contact
Kevin Schuster
Plant Foreman
ConocoPhillips, Midstream Operations
921 West Sanger
Hobbs, New Mexico 88240
(505) 391-1949

3. LOCATION OF DISCHARGE FACILITY DESCRIPTION

The facility is located in the NW/4 NW/4 of Section 28, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico. A facility site plan and location map has been included in Appendix A.

4. LANDOWNERS

Bureau of Land Management
620 East Green Street
Carlsbad, NM 88220
(505) 234-5972

5. **FACILITY DESCRIPTION**

The compressor station consists of a skid-mounted, engine-driven gas compressors; an inlet separator; a dehydration unit; and liquid handling tanks. Natural gas comes in from the field via existing steel pipeline. The natural gas goes through an inlet separator that removes free liquids from the stream. The natural gas stream is then compressed. From the compressor, the gas stream is dehydrated to remove entrained water and then discharged through the existing steel pipeline.

A site plan and facility map is located in Appendix A.

6. **MATERIALS STORED OR USED at the FACILITY**

Materials	Composition	Inventory	Location	Storage
Compressor Lube Oil	Liquid	2-500 gallons	Yard	Steel Tank
Triethylene Glycol	Liquid	1-500 gallons	Yard	Steel Tank
Natural Gas Condensate	Liquid	2-210 bbl	Yard	Steel Tank
Produced Water	Liquid	1-100 bbl	Yard	Steel Tank
Methanol	Liquid	3-500 gallons	Yard	Steel Tank
Used Lube Oil/Waste Water	Liquid	1-100 bbl	Yard	Fiberglass Tank
Used Lube Oil/Waste Water	Liquid	1-100 gal	Yard	Steel sump
Engine Coolant	Liquid	2-425 gal	Yard	Fiberglass Tank

7. **SOURCES and QUANTITIES of EFFLUENT and WASTE SOLIDS GENERATED at the FACILITY**

Major Effluent	Estimated Quantity	Major Additives	Source
Produced water	200 bbls per month	Condensed water from dehy still vent	Separator, Scrubbers, Dehydration Still Vent Condenser
Nonexempt fluid	20 bbls per month	Rain water,	Ecology collection

		wash water, used lube oil, triethylene glycol drips, antifreeze drips	system from compressor skid and Glycol dehydration skid
Used filters	20 elements per month	Lube oil, triethylene glycol	Compressor Engine, Dehydrator
Used lube oil	2 barrels per month	None	Compressor Engine

Effluent Description

The facility is not a disposal site for waste effluents. The purpose of this site is to compress and dehydrate natural gas. There will be produced water and hydrocarbon condensate separated from the natural gas stream. The produced water will be stored in a 100 bbl. Tank. This material will be hauled from location for disposal to a permitted UIC Class II disposal well. The hydrocarbon condensate will be sold to a refinery as a product. The used engine lubricants, and engine coolants will be handled by recycled and disposed of properly. The storage tank levels will be monitored by an operator on a periodic basis. The operator will monitor tank levels and request a truck to haul liquid when necessary. By carefully monitoring liquid levels in the tank, overflows are prevented. However; the tank area is bermed and constructed with an impermeable liner in the event of a leak, spill, or overflow.

Sewage

There is no sewage discharge at this facility.

8. DESCRIPTION OF CURRENT LIQUID AND SOLID WASTE COLLECTION / STORAGE / DISPOSAL PROCEDURES

Liquid / Solid Wastes	Storage	Disposal
Produced water	100 bbl tank in yard	Trucked offsite to a UIC permitted class II disposal well (Key Energy, Inc).
Nonexempt fluid	100 bbl tank in yard	Trucked offsite to OCD permitted nonexempt disposal facility (currently Sundance Services Inc.)
Used filters	Collected at Conoco Master Station. Drained for 24 hours minimum	Controlled Recovery, Inc. trucks offsite to Lea County Landfill
Used lube oil	100 bbl non exempt fluids tank in yard	Recycled, U.S. Filter

Drum Storage

All drums are stored on pad and curb type containment

Berms

All tanks that contain materials other than freshwater are bermed to contain one and one-third the capacity of the largest tank within the berm or one and one-third the total capacity of all interconnected tanks.

Above Ground Tanks

All above ground tanks are on impermeable pad and curb type containment.

Pads

All compressor pads have adequate containment to prevent contaminants from running onto the ground surface.

Labeling

All tanks, drums and containers are clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill or ignite.

9. PROPOSED MODIFICATIONS

No modifications are planned at this time.

10. INSPECTION, MAINTENANCE, and REPORTING

General Facility

A documented facility inspection is performed by the ConocoPhillips personnel on a monthly basis. Also, ConocoPhillips personnel go to the facility at least twice per week and perform a visual inspection.

Sump Inspections

All sumps at this facility are cleaned and visually inspected annually.

Pressure Testing

All underground piping is tested to demonstrate mechanical integrity every five years.

11. SPILL / LEAK PREVENTION & REPORTING (CONTINGENCY PLANS)

This facility will have an operator which will check the operations of the facility on a periodic basis. The operator will report the functioning of the compressor, and a log will be kept of the units. If the operator should locate a problem with any of the equipment then it will be reported to the supervisor. Each operator is equipped with mobile communications that is monitored 24 hours a day.

In the event of a "reportable spill", the operator would notify his supervisor immediately of the occurrence. The supervisor would in turn notify his immediate supervisor, and the company contingency plan would be implemented.

Fluids will be collected inside pressure vessels. These vessels will be ASME stamped, approved, pressure vessels. Therefore, no precipitation can be collected in them, or commingled with produced fluids.

The compressor unit and dehydration unit will have an "environmental" skid, which will not allow precipitation which has contacted this unit to runoff onto the ground. The unit skid will be piped into a "blow casing" which will transfer all fluids to a 100 bbl. above ground storage tank. Conoco personnel will contact the applicable regulatory agency in accordance with OCD Rule 116 and WQCC 1203. All systems designed for spill collection/prevention are inspected to ensure proper operation and to prevent overtopping or system failure. Spills of any materials will be cleaned up in a timely manner using environmentally sound methods.

12. SITE CHARACTERISTICS

Hydrologic/Geologic Information

Within one mile of the Pure Gold 28 Compressor Station (Station) there are no bodies of water, streams, other watercourses, and no groundwater discharge sites (marshes, springs, seeps, etc.). A review of published literature shows there are 3 wells approximately 3 to 3.5 miles southeast of the Station. Information on these wells was obtained from New Mexico Office of the State Engineer, Well Reports and Downloads (Report 1). Topographical area maps (2) have been included in the Appendix.

Well logs (Attachment 1 in the Appendix) from Report 1 document water from these wells to be 160 to 212' below the surface. The source of the water is shown to be from the Dockum group of the Triassic (See Plate 4 from Ground-Water Report 3, Geology and Ground-Water Resources of Eddy County, New Mexico by the NM Bureau of Mines and Mineral Resources, 1952 (Report 2) in the Appendix). Plate 4 documents that wells within this area classifies the water as for

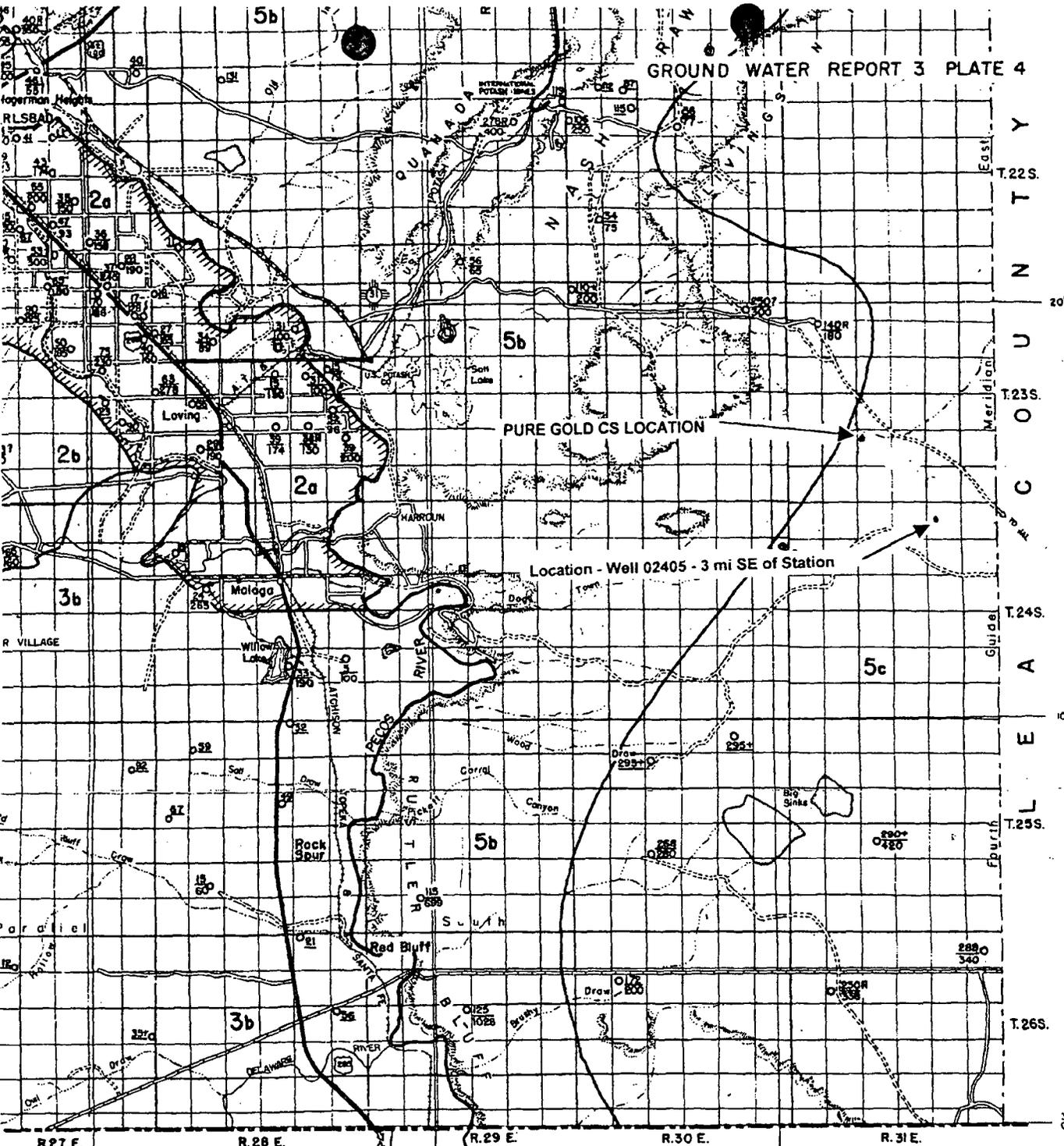
"stock and domestic supplies available at depths less than 300' in Triassic redbeds; quality generally fair but locally impotable".

There are no chemical analyses of water wells taking water from Triassic redbeds of the Dockum group within ten miles of the Station. However, chemical analyses were made of 21 samples of water from wells taking all or part of their water from the Triassic redbeds. The hardness as calcium carbonate ranged from 201 to 3590 parts per million, with 14 reporting greater than 1000 parts. The chloride content ranged from 17 to 785 parts per million, with 10 reporting greater than 200 parts. Probably about one-half of the wells in the Triassic redbeds produce water that is considered usable for domestic purposes.

The general movement of the ground water in this area is to the southwest. The primary source of groundwater is from sandstone beds in the Triassic Dockum group. The Dockum group consists of the Santa Rosa sandstone, overlaid by redbeds possibly of the Chinle formation, consisting of thick series of red shales and thin embedded sandstones. The Chinle is overlaid at the surface by a thin mantle of dune sand in the area of the Station.

Flood Protection

The area of New Mexico in which the Station is located is classified as semi-arid to arid. The annual precipitation is 12-13". The surrounding topography, annual precipitation history and Conoco's 39 years experience as an operator show no significant flood potential at this site.



AREA 5. EAST OF PECOS RIVER: DEEVES CO LOVING COUNTY

- a. Stock and domestic supplies available at depths less than 200 feet in Chalk Bluff formation or White-horse group; locally im potable.
- b. Stock water generally obtainable at depths less than 250 feet in Rustler formation; generally im potable and locally unfit for livestock.
- c. Stock and domestic supplies available at depths less than 300 feet in Triassic redbeds; quality generally fair but locally im potable.
- d. Potable water obtainable from sand and gravel or from underlying redbeds at a depth of about 300 feet.

WATER

Note: Most well depths are reported. Depths to water are measured except those followed by the letter R which are reported. Measurements made 1947 to 1950.

ATTACHMENT 1

WELL / SURFACE DATA REPORT 04/08/2003

WELL / SURFACE DATA REPORT 10/16/2003

(quarters are 1=NW 2=NE 3=SW 4=SE)

DB File Nbr	Use	Diversion	Owner	Well Number	Source	Tws	Rng	Sec	q	q	Zone	UTM are in Meters)		Start	Finish	Depth (in feet)		Well	Water
												X	Y			UTM_Zone	Easting		
→ C 00225	A	IRR	8.4	GREGORY ROCKHOUSE RANCH	C 02405	Shallow	24S	31E	02	1	4	3	13	617635	3568327	09/29/1994	09/30/1994	275	160
C 01246	AO	IRR	47.82	CATHLEEN MC INTIRE	C 02405	Shallow	24S	31E	02	1	4	3	13	617635	3568327	09/29/1994	09/30/1994	275	160
C 02020	STK	3	BUREAU OF LAND MANAGEMENT	C 02020			24S	31E	28	4	4		13	615408	3561154				
C 02021	STK	3	BUREAU OF LAND MANAGEMENT	C 02021			24S	31E	28	2	1		13	614992	3562356				
C 02440	PRO	3	SONAT EXPLORATION	C 02440			24S	31E	10	3	2		13	616150	3566396	03/20/1995	03/21/1995	350	
C 02452	PRO	3	TEXACO EXPL. & PRODUCTION INC.	C 02452			24S	31E	02	1	4		13	617736	3568428				
→ C 02460	PRO	3	SONAT EXPLORATION	C 02460		Shallow	24S	31E	02	3			13	617543	3567820	08/25/1995	08/25/1995	320	212
→ C 02464	PRO	3	COMMISSIONER OF PUBLIC LANDS	C 02464		Shallow	24S	31E	02	1	4	3	13	617635	3568327	08/24/1995	08/24/1995	320	205
C 02661	MON	0	SANDIA NATIONAL LABORATORIES	C 02661			24S	31E	04	1	3	3	13	614015	3568283		08/28/1979	708	
C 02783	MON	0	U.S. DEPT. OF ENERGY - WIPP	C 02783			24S	31E	04	1	3	3	13	614015	3568283		12/31/1979	708	
C 02784	STK	3	U.S. DEPT. OF ENERGY - WIPP	C 02784			24S	31E	04	1	3	3	13	614015	3568283		12/31/1979	816	
C 02785	MON	0	U.S. DEPT. OF ENERGY - WIPP	C 02785			24S	31E	04	1	3	3	13	614015	3568283		12/31/1979	692	
C 02958	STK	3	RICHARDSON CATTLE COMPANY	C 02958			24S	31E	04	4	3	3	13	614827	3567488				
C 02959	STK	3	RICHARDSON CATTLE COMPANY	C 02959			24S	31E	33	2	3	1	13	614914	3560443				

Record Count: 14

New Mexico Office of the State Engineer
Well Reports and Downloads

Township: Range: Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) Non-Domestic Domestic All

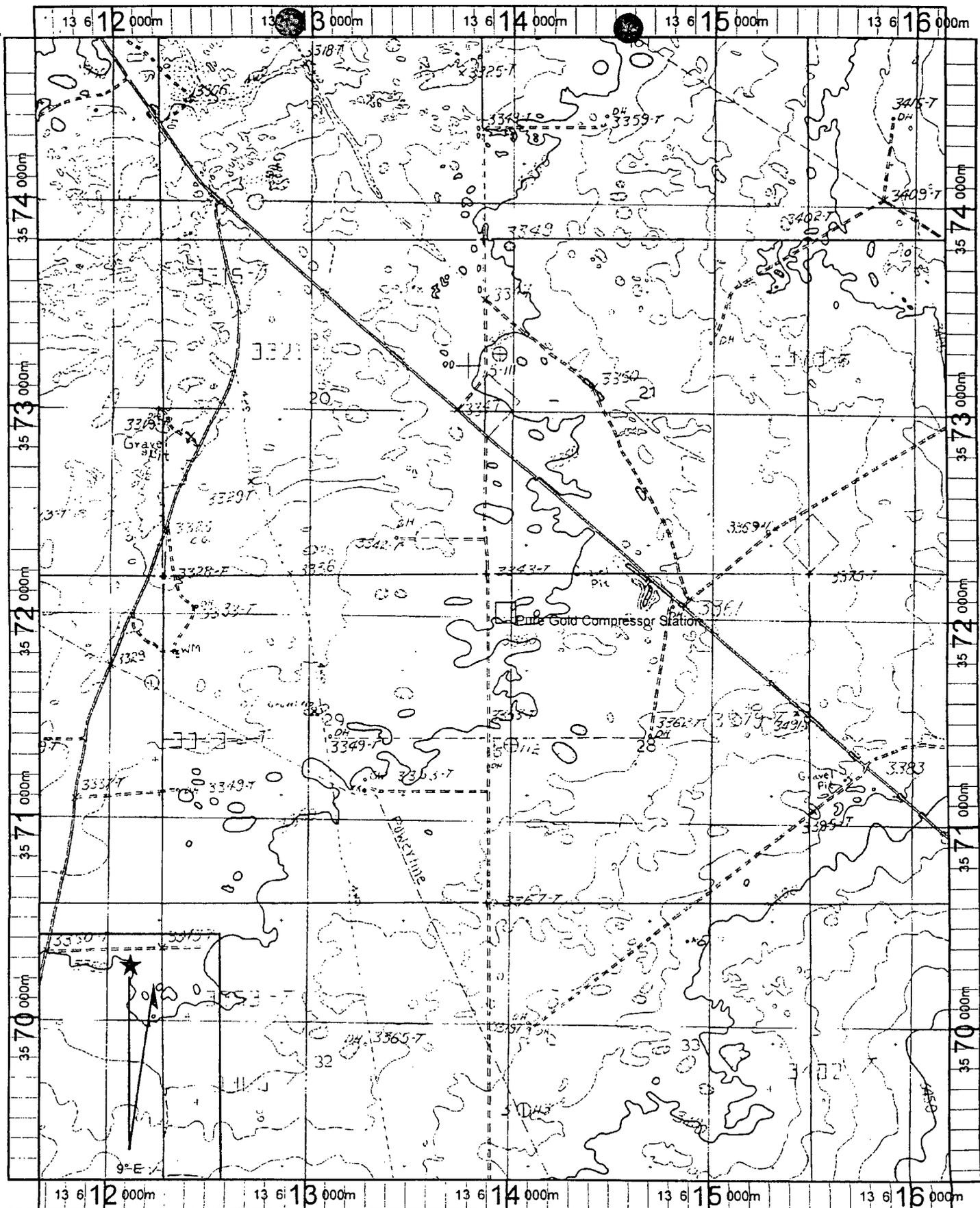
Well / Surface Data Report	Avg Depth to Water Report	Water Column Report
Clear Form		WATERS Menu
		Help

AVERAGE DEPTH OF WATER REPORT 04/08/2003

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg
C	24S	31E	02				3	160	212	192

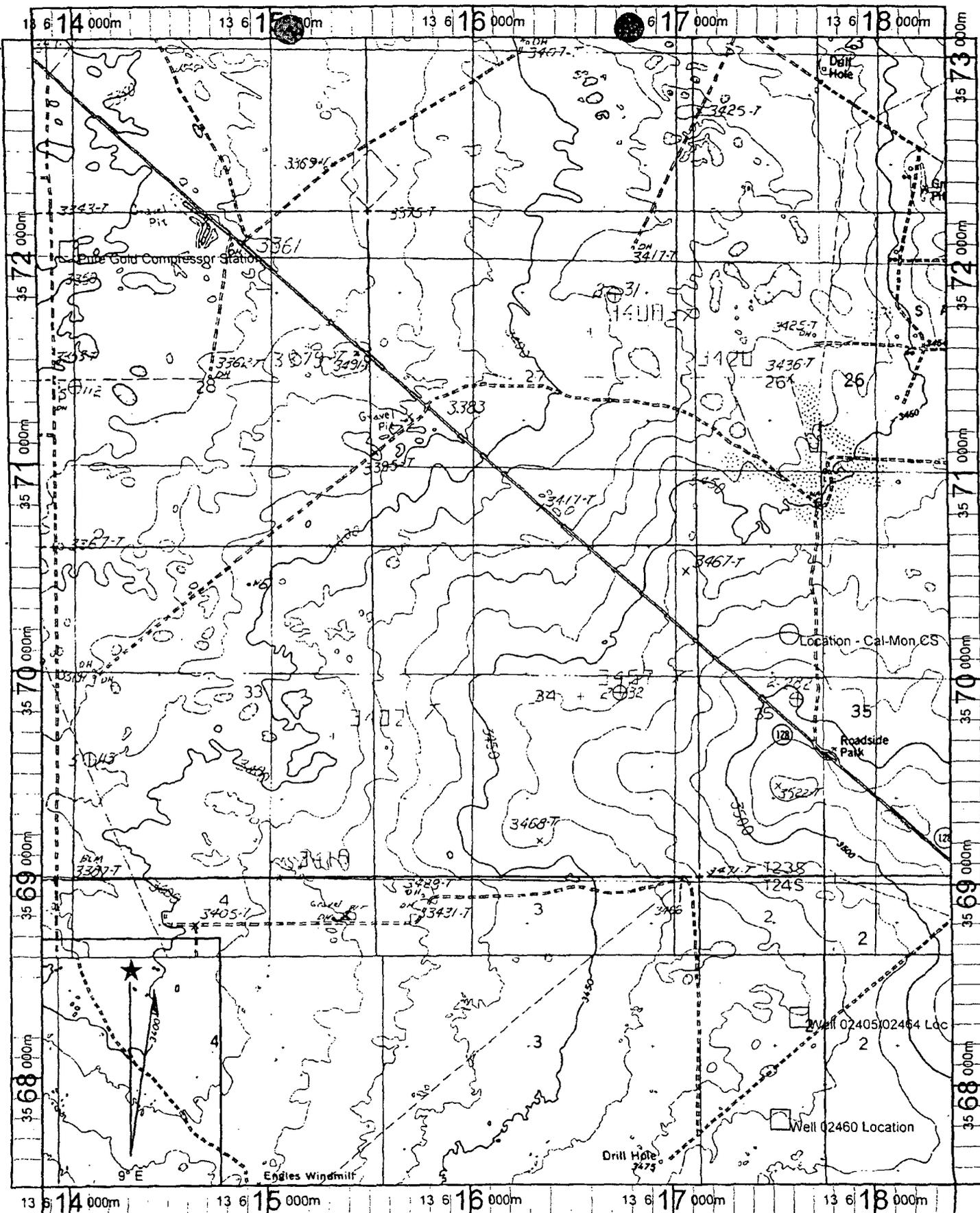
Record Count: 3

APPENDIX A – Facility Site Plan and Location Maps
Pure Gold 28 Compressor Station



Name: LOS MEDANOS
 Date: 10/16/2003
 Scale: 1 inch equals 2000 feet

Location: 13 613901 E 3572005 N
 Caption: Location - Pure Gold CS



Name: LOS MEDANOS
 Date: 10/16/2003
 Scale: 1 inch equals 2000 feet

Location: 13 616090 E 3570275 N
 Caption: Location Pure Gold CS relative to Wells 02405, 02460, and 02464

APPENDIX B – Blanket Discharge Permit Documentation and Conditions
Pure Gold 28 Compressor Station



Larissa Forseth
Engineer
Environmental Services

Natural Gas & Gas Products

Conoco Inc.
600 N. Dairy Ashford
P.O. Box 2197-HU 3038
Houston, TX 77252
(281) 293-3149

Certified Mail No. P 365 861 182
Return Receipt Requested

June 11, 1998

Roger Anderson
Oil Conservation Division
New Mexico Energy, Minerals, and Natural Resources Department
2040 South Pacheco St.
Santa Fe, NM 87505

Re: Notice of Intent to Discharge

Dear Mr. Anderson:

This letter is a Notice of Intent to Discharge pursuant to Water Quality Control Commission Regulation 20 NMAC 6.2.1201, on behalf of Conoco Inc.

Conoco operates a number of compressors at various compressor stations within Eddy and Lea Counties, New Mexico. These stations boost gas to Conoco's Maljamar gas processing plant in Maljamar, New Mexico. Conoco has installed 8 compressors of varying sizes—most of them being less than 1,000 hp—at 7 compressor stations. In addition, Conoco will be adding two compressors before the startup of another compressor station, West Turkey Track, in July 1998. I am attaching a list of compressor station locations along with a list of compressors and their sizes. Additional compressors may be added in the future.

Initially, Conoco operates all of the compressors. The sizes and locations of the compressors will change over the next few years, as the reservoir dynamics become better understood.

The compressor installations are similar in design and operation. A typical compressor station consists of a two-phase separator and a skid-mounted in-line compressor with a suction scrubber. From two to five 500 bbl tanks are also installed at most stations to receive produced water. The compressor skids are equipped with catch basins to retain spilled liquids, wash water and rainwater runoff. The liquids from the separator and scrubber are piped via below-grade pipes to the tanks. All tanks are installed inside berms of 1 1/3 tank volume and on gravel bases so that leaks and spills can be visually detected.

Service liquids and wastes are handled as follows.

Service Liquids

Fresh lubricating oil, fresh engine coolant, and wash water are trucked to the stations as needed by the compressor operators. Small reservoirs of makeup compressor lubricating oil may be installed at some stations.

12512931214 # 2/4

Non-Exempt, Non-Hazardous Wastes

Waste lubricating oil and engine coolant, waste wash water, and small quantities of solid waste are trucked from the stations by the compressor operators for disposal.

Exempt Wastes

Produced water is trucked or piped, as appropriate, to Conoco's injection wells for disposal.

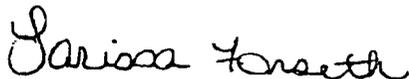
Ordinarily, no hazardous waste is generated at the sites.

Conoco expects the compressor operators to clean up their spills as they occur. Any spills will be reported pursuant to OCD Rule 116. Conoco intends that there be no discharge from the compressor stations to the surface or to groundwater.

As you can see, the sites clearly have minimal environmental impact, and Conoco follows industry recognized best management practices. Please advise Conoco as to additional steps they should take, if any.

Thank you for your assistance.

Sincerely,



Larissa Forseth

cc: ENVE 214-2-21
Jeff Hall, San Angelo

Compressor Station Locations

Compressor Station	Location
Caviness Ranch (a.k.a. Ajax)	Township 18 South, Range 33 East, Section 10, approx. 30 miles west of Hobbs, N.M., Lea County
Anderson Ranch	Township 16 South, Range 32 East, Section 11, approx. 6 miles north of Maljamar, N.M., Lea County
Cedar Lake	Township 18 South, Range 31 East, Section 12, approx. 35 miles west of Hobbs, N.M., Eddy County
Kemnitz	Township 17 South, Range 32 East, Section 14, approx. 5 miles southwest of Maljamar, N.M., Lea County
Lusk	Township 18 South, Range 31 East, Section 16, approx. 8 miles southwest of Maljamar, N.M., Eddy County
Skelly	Township 17 South, Range 31 East, Section 15, approx. 3 miles west of Maljamar, N.M., Eddy County
Turkey Track	Township 18 South, Range 31 East, Section 17, approx. 10 miles southwest of Maljamar, N.M., Lea County
West Turkey Track	Township 19 South, Range 30 East, Section 6, approx. 12 miles southeast of Loco Hills, N.M., Eddy Co.

Compressors

Compressor Station	Compressor(s)	Size (hp)
Caviness Ranch (a.k.a. Ajax)	White 8G825 w/cc	800
Anderson Ranch	White 6G825	600
Cedar Lake	Waukesha L7042 w/cc	900
Kemnitz	Waukesha L7042GSI	1195
	White 8GTLA	1072
Lusk	Clark HRA-6	660
Skelly	Clark HRA-6	660
Turkey Track	Waukesha L7042GSIU	1195
West Turkey Track	Caterpillar G399 TA LCR	730
	Caterpillar G399 TA LCR	730



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

215-5-1

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

June 16, 1998

Certified Mail
Return Receipt No. Z-357-869-978

Ms. Larissa Forseth
Conoco, Inc.
P.O. Box 2197 - HU 3038
Houston, Texas 77252

Dear Ms Forseth:

The Oil Conservation Division (OCD) has received and reviewed the Conoco, Inc. (Conoco) June 11, 1998 Notice of Intent (NOI) to Discharge for the listed compressor stations in Eddy and Lea Counties, New Mexico. Based on the information provided in NOI, formal Discharge Plans will not be required at this time if the following conditions are followed at each facility:

1. Discharges: There will be **NO** discharges onto or below the ground surface.
2. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums will be stored on their sides with the bungs in and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets will also be stored on an impermeable pad and curb type containment
3. Process Areas: All process and maintenance areas must be either paved and curbed or have some type of spill collection device incorporated into the design.
4. Above Ground Tanks: All existing above ground tanks that contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new facilities or modifications to existing facilities must place the tank on an impermeable type pad within the berm.

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5. Above Ground Saddle Tanks: Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that become gases at atmospheric temperature and pressure.
6. Labeling: All tanks, drums and containers should be clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill, or ignite.
7. Below Grade Tanks/Sumps: All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All pre-existing sumps and below-grade tanks must demonstrate integrity on an annual basis. Integrity tests include pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps. The OCD will be notified at least 72 hours prior to all testing so that an OCD representative may witness the testing.
8. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity at present and then every 5 years thereafter. Operators may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD. The OCD will be notified at least 72 hours prior to all testing so that an OCD representative may witness the testing.
9. Housekeeping: All systems designed for spill collection/prevention should be inspected to ensure proper operation and to prevent overtopping or system failure.
10. Spill Reporting: All spills/releases shall be reported pursuant to OCD Rule 116 and WQCC 1203 to the OCD Aztec District Office.
11. Waste Disposal: All wastes shall be disposed of at an OCD approved disposal site. Only oilfield exempt wastes shall be disposed of down Class II injection wells. Non-exempt oilfield wastes that are non-hazardous by characteristic may be disposed of at an OCD approved facility upon proper characterization pursuant to 40 CFR Part 261.

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All facilities identified in your request will be periodically inspected by an OCD representative to assure compliance. Failure to comply with the above conditions at a facility may result in the requirement to submit a Discharge Plan Application.

If you have any questions, please contact me at (505) 827-7152.



Roger C. Anderson

Environmental Bureau Chief

xc: OCD Aztec District Office