

**GW - 316**

**PERMITS,  
RENEWALS,  
& MODS  
Application**

**(GW-316) Ms. Diane Kocis, Senior Environmental Specialist, DCP Midstream LP, 370 17<sup>th</sup> Street, Suite 2500, Denver, Colorado 80202 has submitted a renewal application for the previously approved discharge plan for their Paige Hat Mesa Compressor Station, located in the SW/4 of the NE/4 of Section 11, Township 21S, Range 32E, NMPM, Lea County, New Mexico. The facility is located approximately 36 miles southwest of Hobbs, NM. The facility processes natural gas to remove liquids from the natural gas stream. Approximately 55 bbls per month of produced water and 600 gals per year of used oil are generated and stored onsite. These fluids are not to be intentionally discharged to the ground. If accidental discharge occurs immediate recovery/reclamation shall be implemented. All fluids utilized at the facility are stored in dedicated storage tanks prior to offsite disposal or recycling at an OCD approved site. Fluids other than clean water, including dry chemicals, shall be stored within secondary containment and properly bermed. Waste shall be properly maintained and manifested. A copy of the discharge permit once renewed shall be posted on location at all times and made familiar to all facility personnel. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 176 feet, with a total dissolved solids concentration of approximately 1,000 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. Any interested person or persons may obtain information, submit comments, and request to be placed on a facility-specific mailing list for future notices by contacting Leonard Lowe at the New Mexico OCD at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3492. The OCD will accept comments and statements of interest regarding the renewal and will create a facility-specific mailing list for persons who wish to receive future notices.**

*Approved 11.9.9*

ACKNOWLEDGEMENT OF RECEIPT  
OF CHECK/CASH

I hereby acknowledge receipt of check No. \_\_\_\_\_ dated 09/09/09

or cash received on \_\_\_\_\_ in the amount of \$ 100<sup>00</sup>

from DCP Midstream LP

for GW-316

Submitted by: Lawrence Romero Date: 9/14/09

Submitted to ASD by: Lawrence Romero Date: 9/14/09

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 \_\_\_\_\_



September 9, 2009

RECEIVED OCD

**UPS NEXT DAY AIR** (Tracking Number 1Z F46 915 13 9323 5747) 2009 SEP 10 A 11:37

Mr. Leonard Lowe  
Environmental Engineer  
Oil Conservation Division  
New Mexico Energy, Minerals  
& Natural Resources Department  
1220 South St. Francis Drive  
Santa Fe, NM 87505

Subject: Paige Hat Mesa Compressor Station Discharge Permit Application (GW-316)  
Lea County, New Mexico

Dear Mr. Lowe:

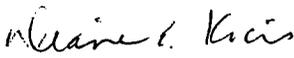
Enclosed are the original and two copies of DCP Midstream, LP's ("DCP MIDSTREAM") discharge permit application for the Paige Hat Mesa Compressor Station (GW-316). Also enclosed is a check in the amount of \$100.00 for the discharge permit application filing fee.

DCP MIDSTREAM will satisfy the requirements of 20.6.2.3108 NMAC by providing notice under Subsection B of 20.6.2.3108 NMAC. DCP MIDSTREAM plans to publish a public notice in the Hobbs News Sun for the Paige Hat Mesa Compressor Station discharge permit renewal application. 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 Hobbs News Sun. Additionally, DCP MIDSTREAM will provide notice to the property owner, the Bureau of Land Management, via certified mail.

The Paige Hat Mesa Compressor Station does not have any discharges that may move directly or indirectly into groundwater. Please be advised that DCP MIDSTREAM's submittal of the 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 renewal application, please contact me at (303) 605-2176. Please send all correspondence regarding this renewal to me at [dekocis@dcpmidstream.com](mailto:dekocis@dcpmidstream.com) or 370 17<sup>th</sup> Street, Suite 2500, Denver, CO 80202.

Sincerely,  
**DCP Midstream, LP**

  
Diane E. Kocis  
Senior Environmental Specialist

Enclosures

cc: Larry Hill  
NMOCD District 1 Office (UPS Next Day Tracking No. 1Z F46 915 01 9098 5152 )  
1625 N. French Drive  
Hobbs, NM 88240

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

RECEIVED  
Revised June 10, 2003  
2009 SEP 10 A 11:34  
Submit Original  
Plus 1 Copy  
to Santa Fe  
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: Paige Hat Mesa Compressor Station
2. Operator: DCP Midstream, L.P.  
Address: see enclosed discharge plan  
Contact Person: see enclosed discharge plan Phone: \_\_\_\_\_
3. Location: SW /4 NE /4 Section 11 Township 21S Range 32E  
Submit large scale topographic map showing exact location.
4. Attach the name, telephone number and address of the landowner of the facility site.  
see enclosed discharge plan
5. Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility.  
see enclosed discharge plan
6. Attach a description of all materials stored or used at the facility.  
see enclosed discharge plan
7. Attach a description of present sources of effluent and waste solids. Average quality and daily volume of waste water must be included.  
see enclosed discharge plan
8. Attach a description of current liquid and solid waste collection/treatment/disposal procedures.  
see enclosed discharge plan
9. Attach a description of proposed modifications to existing collection/treatment/disposal systems.  
see enclosed discharge plan
10. Attach a routine inspection and maintenance plan to ensure permit compliance.  
see enclosed discharge plan
11. Attach a contingency plan for reporting and clean-up of spills or releases.  
see enclosed discharge plan
12. Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included.  
see enclosed discharge plan
13. Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.  
see enclosed discharge plan
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: Kelly Jamerson Title: Asset Manager  
Signature:  Date: 9/3/09  
E-mail Address: KDJamerson@dcpmidstream.com

**Paige Hat Mesa Compressor Station**  
**SW/4 NE/4 Section 11 Township 21S Range 32E**

**DISCHARGE PLAN**

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This document constitutes a renewal application for the Groundwater Discharge Plan for the Paige Hat Mesa (a.k.a. Hat Mesa) Compressor Station, Discharge Permit GW-316. This Discharge Plan 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 Paige Hat Mesa facility is a compressor station. The total site horsepower is 800. The facility does not intend or have a discharge or discharges that may move directly or indirectly into groundwater.

**2 Operator / Legally Responsible Party**

**Operator**

DCP Midstream, LP  
1625 West Marland  
Hobbs, NM 88240  
(575) 397-5500  
Contact Person: Mr. Kelly Jamerson – Asset Manager

**Legally Responsible Party**

DCP Midstream, LP  
370 17<sup>th</sup> Street, Suite 2500  
Denver, CO 80202  
(303) 595-3331  
Contact Person: John Admire – Director, Environmental Protection

**3 Location Facility**

SW/4 NE/4 Section 11 Township 21S Range 32E, Lea County, NM

See Figure 1 – Site Location Map.

**4 Landowner**

U.S. Department of Interior  
Bureau of Land Management  
Carlsbad Resource Area  
620 E. Greene Street  
Carlsbad, NM 88220-6292  
(575) 887-6544

## 5 Facility Description

The facility provides natural gas compression for the Eunice Gathering System. See Figure 2 – Site Plot Plan.

## 6 Materials Stored or Used

There are no materials stored on-site or used that are discharged on site so that they may move directly or indirectly into groundwater.

Materials used or stored on site are summarized in the following table. Volumes represented in the table are the container capacities.

Materials Stored/Used	Method of Storage	Approximate Volume
Slop Oil/Condensate/ Equipment Washdown Water	Aboveground storage tank within secondary containment	210 barrels
Lube Oil	Aboveground storage tank within secondary containment	1,000 gallons
Antifreeze	Aboveground storage tank within secondary containment	1,000 gallons
Methanol	Aboveground storage tank within secondary containment	500 gallons
Corrosion Inhibitor	55-gallon drums within secondary containment	(2) 55-gallon drums
Engine Skid Drain Storage (equipment washdown and stormwater)	Double-walled below-grade tank with leak detection.	1,000 gallons
Used Oil	Aboveground storage tank within secondary containment	1,000 gallons

## 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 in a below-grade tank with secondary containment and removed from the facility for off-site disposal in accordance with applicable NMOCD, NMED, and EPA regulations. No effluent 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 separators or scrubbers are not discharged on site so that they may move directly or indirectly into groundwater. They are routed to a 210-barrel slop oil tank where they are stored for offsite disposal.

### 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 are not discharged on site so that they may move directly or indirectly into groundwater. Wash down fluids are routed through a double-walled sump to the 210-barrel slop oil tank for storage. The contents of the slop oil tank are routed through the Eunice Gas Plant stabilizer and heater-treater prior to sale or off site disposal, respectively.

**Solvents/Degreasers**

Solvent or degreasers are not used on site and therefore not discharged on site so that they may move directly or indirectly into groundwater.

**Spent Acids/Caustics**

Spent acids or caustics are not generated on site and therefore not discharged on site so that they may move directly or indirectly into groundwater.

**Used Engine Coolants**

Used antifreeze is not generated at the facility. The antifreeze is consumed by the engines so no waste coolant is generated. Antifreeze is not discharged on site so that it may move directly or indirectly into groundwater.

**Used Oil**

Used oil is not discharged on site so that it may move directly or indirectly into groundwater. Used oil is stored on site in an aboveground tank within secondary containment and transported offsite for recycling.

**Used Oil Filters**

Used oil filters are not discharged on site so that they may move directly or indirectly into groundwater. Used oil filters are transported to the Eunice Gas Plant for storage and transported offsite for recycling.

**Solids and Sludges**

Solids and sludges are not generated on site and therefore not discharged on site so that they may move directly or indirectly into groundwater.

**Painting Wastes**

Painting wastes are not generated at the facility and therefore not discharged on site so that they may move directly or indirectly into groundwater.

**Sewage**

Sewage is not generated at the facility and therefore not discharged on site so that it may move directly or indirectly into groundwater. There are no leach fields on site.

**Lab Wastes**

Lab wastes are not generated at the facility and therefore not discharged on site so that they may move directly or indirectly into groundwater.

**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 disposal. The table below provides a summary of storage and collection methods.

### On-site Disposal

There are no on-site disposal activities at the facility.

### Off-site Disposal

All liquid and solid wastes are disposed off site. 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
Produced Water	Aboveground storage tank within secondary containment	55 bbls water/month	Off-site disposal	Eunice Plant Heater Treater
Equipment Skid/Washdown Water	1,000 gallon below-grade tank with secondary containment, then pumped to aboveground storage tank within secondary containment	~ 0.5 bbls/month	Off-site disposal	Eunice Plant Heater Treater
Used Oil Filters	Removed from site when generated and taken to Eunice Gas Plant	3-5/month	Off-site recycling	Eunice Plant then to Thermo Fluids, Inc.
Used Oil	1,000 gallon aboveground storage tank	~ 600 gals per year	Off-site recycling	Eunice Plant then to Thermo Fluids, Inc.

## 9 Proposed Modifications

None

## 10 Inspection, Maintenance, and Reporting

Routine inspections and maintenance are performed to ensure proper collection, storage, and off-site disposal of all wastes generated at the facility.

## 11 Spill / Leak Prevention and Reporting (Contingency Plans)

Routine inspections and maintenance are performed to ensure proper collection, storage, and off-site disposal of all wastes generated at the facility.

DCP will respond to and report spills according to the requirements of the State of New Mexico found in 19.15.29 NMAC and WQCC regulation, 20.6.2.1203 NMAC.

## **12 Site Characteristics**

There are no water wells within one mile of the plant. A discharge permit submitted in 1999 by LG&E Natural Gathering and Processing Company lists depth to groundwater as 176 feet. Previous discharge permit renewal applications submitted by other operators estimated total dissolved solids of groundwater as 1,000 milligrams per liter.

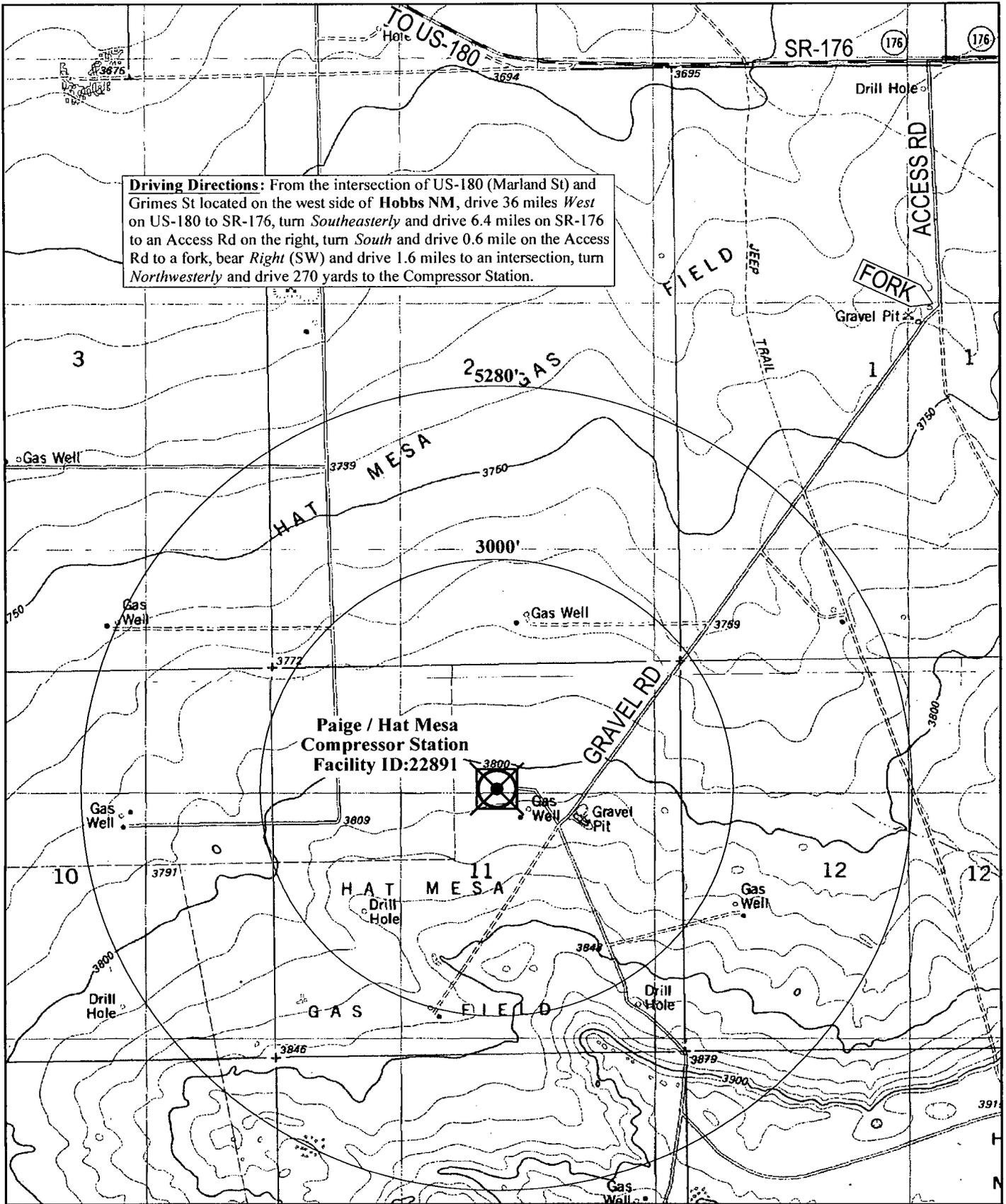
The facility is located on sedimentary deposits derived from wind-blown deposits. According to the U.S. Department of Agriculture Soil Conservation Service, the area soil is well-drained. A typical soil profile is: 0 – 25 inches: Loamy fine sand; 25 – 60 inches: Fine loamy sand.

## **13 Additional Information**

All unauthorized releases and discharges will be reported to the NMOCD in accordance with 19.15.29 NMAC and WQCC regulation 20.6.2.1203 NMAC.

**FIGURES**

**FIGURE 1. Site Location Map – Paige Hat Mesa Compressor Station**



**Driving Directions:** From the intersection of US-180 (Marland St) and Grimes St located on the west side of Hobbs NM, drive 36 miles West on US-180 to SR-176, turn *Southeasterly* and drive 6.4 miles on SR-176 to an Access Rd on the right, turn *South* and drive 0.6 mile on the Access Rd to a fork, bear *Right* (SW) and drive 1.6 miles to an intersection, turn *Northwesterly* and drive 270 yards to the Compressor Station.

**Paige / Hat Mesa Compressor Station**  
 Facility ID:22891



**Paige / Hat Mesa Compressor Station**

Lea County, New Mexico  
 Zone 13 UTMH 627377m UTMV 3596207m  
 Lat. 32° 29' 45" Long. 103° 38' 39"

**PHOTO VERIFIED**



32103D6 The Divide  
 Source: USGS 1:24,000 scale  
 Drawn by: JRE  
 Revised by: JRE  
 Date: 2-5-07  
 ENVIRONMENTAL AFFAIRS DEPARTMENT

**FIGURE 2. Facility Plot Plan – Paige Hat Mesa Compressor Station.**



**Chavez, Carl J, EMNRD**

---

**From:** Klein, Elisabeth A [EAKlein@dcpmidstream.com]

**Sent:** Tuesday, June 26, 2007 10:01 AM

**To:** Chavez, Carl J, EMNRD

**Subject:** Affidavits of Publications

**Attachments:** Affidavit\_Wonton CS GW-178.pdf; Affidavit\_Antelope Ridge GP\_GW-162.pdf;  
Affidavit\_Bootleg CS GW-176.pdf; Affidavit\_Cotton Draw CS GW-311.pdf; Affidavit\_Maljamar  
CS GW-177.pdf; Affidavit\_Paige Hat.Mesa-CS-GW-316.pdf,

Attached are the affidavits of publication for: Antelope Ridge, Bootleg, Cotton Draw, Maljamar, Paige Hat Mesa and Wonton. These affidavits were delayed because the paper lost the original set of affidavits so they had to reissue.

I previously forwarded the affidavit for P&P Malaga.

Please call me if you have any questions.

Thanks,  
Elisabeth Klein  
303-605-1778

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This inbound email has been scanned by the MessageLabs Email Security System.

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6/28/2007

White House was still sup-  
porting Libby.

traveling in Europe, said  
that he "felt terrible for  
Libby's wife and chil-  
dren, Harriet Grant, have  
grown a son and a daughter.

He replaced his former top aide  
and has maintained

any hope that the court will  
overturn the jury verdict, my whole  
of remarks in court before  
his first public statement about  
the conviction in 2005.

part, he drew more than 150  
from military commanders  
praised his government  
and World War through the early

in March of perjury and  
for lying to investigators  
relations with reporters about  
questioned Bush and Cheney  
as a symbol of the admin-  
istration's problems.

poster child for all that has  
gone wrong in a "terrible way," defense attor-  
ney said. "He has fallen from  
grace, a tragic fall, a tragic fall."

to Libby's appeal, said,  
"We hope that our system  
will result consistent with what  
the man."

ought to have the sentence  
if it runs out. A delay also  
gives more time to consider calls  
to pardon the longtime aide.  
There is no reason to put the sen-  
tence on hold, we agreed to consider it. He  
will be in prison for a week from Thursday.

the weather looks reason-  
ably good," Winters said.  
Steve Payne said engi-  
neers are working on  
glitches.

### Man transplant with 6 crash deaths

(AP) — The patient lay on  
the operating table prepped for transplant sur-  
gery at a hospital near Lake Michigan, a twin-  
plane crash his way, carrying a team of  
surgeons, along with a donor

made it, crashing into the  
ground and killing all six people  
on board. The critically ill patient  
died in the accident's seventh fatality.

A moment in the operating  
room was received that the plane  
was way from Milwaukee, said  
the chief of transplant surgery  
at Michigan Health System  
in Ann Arbor.

organ and organ-donation authori-  
ties will identify the transplant patient

and Sen. Edward M. Kennedy,  
D-Mass., worked behind the  
scenes to protect what they call  
their "grand bargain." It would  
legalize an estimated 12 million  
unlawful immigrants while  
tightening border security and  
instituting new worksite

regarded as the best chance for  
Congress to enact an immigra-  
tion law that would measure im-  
migrants.

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A DEPARTMENT OF MILLER WALDROP FURNITURE

DCP Midstream, LP, 370 17th Street, Suite 2500, Denver, Colorado 80202 has submitted a discharge plan renewal application (GW-318) for its Paigo Hat Mesa Compressor Station located in the SW 7 NE 7 Section 11, Township 21 South, Range 32 East, Lea County, New Mexico, approximately 40 miles southwest of Hobbs, NM to the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505, Telephone (505) 476-3440. DCP Midstream, LP does not propose to discharge effluent or waste solids on site; all effluent and waste solids generated at the facility are removed from the facility for off site disposal in accordance with applicable New Mexico Oil Conservation Division, New Mexico Environment Department, and EPA regulations. Ground water most likely to be affected in an event of an accidental discharge at the surface is at a depth of approximately 175 feet with a total dissolved solids concentration of approximately 1000 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed. Any interested person may obtain further information, submit comments, and request to be placed on a facility-specific mailing address to receive future notices to the Oil Conservation Division at the address or telephone number given above. The Oil Conservation Division will accept comments and statements of interest regarding the renewal application and will create a facility-specific mailing list for persons who wish to receive future notices.

DCP Midstream, LP, 370 17th Street, Suite 2500, Denver, Colorado 80202 se han sometido una aplicación (GW-318) de la renovación del plan de la descarga para su estación de compresor de Paigo Hat Mesa en el SW 7 NE 7 de la Sección 11, Municipio 21 al sur, la Gama 32 al este, Lea County, New Mexico, aproximadamente 40 surroeste de millas de Hobbs, NM to the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505, el Teléfono (505) 476-3440. DCP Midstream, LP no propone descargar efluente ni los sólidos del desecho en el sitio; todo efluente y los sólidos del desecho generados en la facilidad son quitados de la facilidad para de la disposición del sitio de acuerdo con División aplicable de la Conservación del Petróleo de nuevo México, del Departamento del Ambiente de nuevo México, y de las regulaciones de EPA. Múltiple agua muy probable de ser afectada en un acontecimiento de una descarga accidental en la superficie está en una profundidad de aproximadamente 175 pies con un suma la concentración disuelta de sólidos de aproximadamente 1000 mg/L. Las direcciones del plan de la descarga cómo rociar, los escapes, y otras descargas accidentales a la superficie serán manejados. Alguna persona interesada puede obtener información adicional, su somete los comentarios, y el pedido para ser colocado en un dirección de envío facilidad-especifico para recibir notas futuras a la División de la Conservación del Petróleo en la dirección o el número de teléfono dados arriba. La División de la Conservación del Petróleo aceptará los comentarios y las declaraciones del interés con respecto a la aplicación de la renovación y creará una lista de envío facilidad-especifico para personas que desea recibir notas futuras.

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**GAMES**

**SNACKS**

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**"Be Loving"**

**"Be A Friend"**

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and let's get  
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393-8223  
Kindergarten -5th Grade

LOTS OF LEARNING  
AND LOTS OF FUN

**A-1 Hearing Aid Would Like To Thank All The Wonderful Friends and Patients For All Their Concerns and Prayers That We Received.**

AFFIDAVIT OF PUBLICATION

State of New Mexico,  
County of Lea.

I, KATHI BEARDEN

PUBLISHER

of the Hobbs News-Sun, a news-  
paper published at Hobbs, New  
Mexico, do solemnly swear that  
the clipping attached hereto was  
published once a week in the reg-  
ular and entire issue of said  
paper, and not a supplement  
thereof for a period

of 1

issue(s).

Beginning with the issue dated

June 6, 2007

and ending with the issue dated

June 6, 2007



PUBLISHER

Sworn and subscribed to before

this 20th day of

June, 2007

Notary Public

My Commission expires

February 07, 2009

(Seal)

This newspaper is duly qualified to  
publish legal notices or advertise-  
ments within the meaning of  
Section 3, Chapter 167, Laws of  
1937, and payment of fees for said  
publication has been made.

4910061                      49664057  
JEFF ROSS  
DCP MIDSTREAM  
370 17TH ST., SUITE 2500  
DENVER, CO 80202-5604

AFFIDAVIT OF PUBLICATION

State of New Mexico,  
County of Lea.

LEGAL NOTICE  
April 25, 2007

NOTICE OF PUBLICATION

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

I, KATHI BEARDEN

Publisher

of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period.

of \_\_\_\_\_ 1 \_\_\_\_\_ weeks.

Beginning with the issue dated

\_\_\_\_\_ April 25 \_\_\_\_\_ 2007

and ending with the issue dated

\_\_\_\_\_ April 25 \_\_\_\_\_ 2007

*Kathi Bearden*

Publisher

Sworn and subscribed to before

me this \_\_\_\_\_ 25th \_\_\_\_\_ day of

\_\_\_\_\_ April \_\_\_\_\_ 2007

*[Signature]*

Notary Public.

My Commission expires  
February 07, 2009  
(Seal)



OFFICIAL SEAL  
DORA MONTZ  
NOTARY PUBLIC  
STATE OF NEW MEXICO

My Commission Expires: \_\_\_\_\_

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

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:

(GW-178) DCP Midstream LP. Elisabeth Klein, Principal Environmental Specialist, 370 17th Street, Suite 2500 Denver, Colorado 80202, has submitted a renewal application for the previously approved discharge plan for their Wonton Compressor Station located in the NE/4, SE/4 of Section 10, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico. The compressor station is located approximately 1.25 miles east of SR-18. Any wastewater will be stored in above ground tanks prior to being transported off-site to OCD approved facilities. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 100 to 200 feet below the ground surface, with a total dissolved solids concentration of 1,100 mg/L. The discharge plan addresses how oilfield products and wastes 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-280) DCP Midstream LP. Elisabeth Klein, Principal Environmental Specialist, 370 17th Street, Suite 2500 Denver, Colorado 80202, has submitted a renewal application for the previously approved discharge plan for their Northeast Carlsbad Compressor Station located in the SE/4, NE/4 of Section 6, Township 21 South, Range 28 East, NMPM, Eddy County, New Mexico. The compressor station is located approximately 2.5 miles north-northwest on CR-243 from US-180. Natural gas products, waste oil and water are stored in above ground tanks prior to being transported off-site to OCD approved facilities. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 13 to 30 feet below the ground surface, with a total dissolved solids concentration of 3,110 mg/L. The discharge plan addresses how oilfield products and wastes 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-311) DCP Midstream LP. Elisabeth Klein, Principal Environmental Specialist, 370 17th Street, Suite 2500 Denver, Colorado 80202, has submitted a renewal application for the previously approved discharge plan for their Cotton Draw Compressor Station located in the NE/4, NW/4 of Section 18, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico. The compressor station is located approximately 6.3 miles south on CR-1 from SR-128. Approximately 30 barrels per day of wastewater is stored in above ground tanks prior to being transported off-site to OCD approved facilities. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 400 feet below the ground surface, with a total dissolved solids concentration from 1,000 to 1,700 mg/L. The discharge plan addresses how oilfield products and wastes 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-316) DCP Midstream LP. Elisabeth Klein, Principal Environmental Specialist, 370 17th Street, Suite 2500 Denver, Colorado 80202, has submitted a renewal application for the previously approved discharge plan for their Paige Hat Mesa Compressor Station located in the SW/4, NE/4 of Section 11, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico. The compressor station is located approximately 1.75 miles south of the SR-176 and US-180 intersection. Approximately 6 barrels per day of wastewater is stored in above ground tanks prior to being transported off-site to OCD approved facilities. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 175 feet below the ground surface, with a total dissolved solids concentration of 1,000 mg/L. The discharge plan addresses how oilfield products and wastes 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



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

July 16, 2007

UPS Next Day Air (Tracking Number 1Z F46 915 23 1003 5028)

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

SUBJECT:

Discharge Plan Renewals GW-162, GW-316, GW-311, GW-178, GW-177, and GW-176 <sup>CLB</sup>  
Lea County, New Mexico

Dear Mr. Chavez:

DCP Midstream LP submits the following:

- Check in the amount of \$4,000.00 the Antelope Ridge Gas Plant discharge plan flat fee and
- Signed copy of the Discharge Plan Approval Conditions for the Antelope Ridge Gas Plant
- Checks in the amount of \$1,700.00 each for the Paige Hat Mesa Compressor Station (GW-316), Cotton Draw Compressor Station (GW-311), Wonton Compressor Station (GW-178), Maljamar Compressor Station (GW-177), Bootleg Compressor Station (GW-176)
- Signed copies of the Discharge Plan Approval Conditions for the facilities listed above.

DCP Midstream's submittal of the signed conditions and fee does not waive our objections to the obtaining a discharge permit. DCP Midstream disagrees that any discharge plan is required for this facility under the WQCC's regulations.

If you have any questions regarding this submittal, please call me at (303) 605-1778.

Sincerely,  
**DCP Midstream LP**

Elisabeth A. Klein  
Principal Specialist

Enclosures

cc: NMOCD District 1 Office  
1625 N. French Drive  
Hobbs, New Mexico 88240





# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

June 13, 2007

Elsabeth Klein  
DCP Midstream, LP  
370 17th Street, Suite 2500  
Denver, Colorado 80202

**RECEIVED**

**JUN 19 2007**

Re: Discharge Permit GW-316  
Paige Hat Mesa Compressor Station

**DCP Midstream  
Environment Health & Safety**

Dear Ms. Klein:

Pursuant to Water Quality Control Commission (WQCC) Regulations 20.6.2.3000 - 20.6.2.3114 NMAC, the Oil Conservation Division (OCD) hereby approves the discharge permit for the DCP Midstream, LP (owner/operator) Paige Hat Mesa Compressor Station GW-316 located in the SW/4 NE/4 of Section 11, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico, under 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 working 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 Carl Chavez of my staff at (505-476-3491) or E-mail [carlj.chavez@state.nm.us](mailto:carlj.chavez@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,

Wayne Price  
Environmental Bureau Chief

LWP/cc  
Attachments-1  
xc: OCD District Office

**ATTACHMENT TO THE DISCHARGE PERMIT  
DCP MIDSTREAM, LP, PAIGE HAT MESA COMPRESSOR STATION (GW-316)  
DISCHARGE PERMIT APPROVAL CONDITIONS**

June 13, 2007

Please remit a check for \$1700.00 made payable to Water Quality Management Fund:

**Water Quality Management Fund  
C/o: Oil Conservation Division  
1220 S. Saint Francis Drive  
Santa Fe, New Mexico 87505**

- 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 renewal flat fee (*see* WQCC Regulation 20.6.2.3114 NMAC). The Oil Conservation Division (“OCD”) has received the required \$100.00 filing fee. However, the owner/operator still owes the required \$1700.00 renewal permit fee for a gas compressor station greater than 1001 horsepower.
- 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 January 6, 2010** and an application for renewal should be submitted no later than 120 days before that expiration date. Pursuant to WQCC Regulation 20.6.2.3106.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, NMSA1978} 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 February 7, 2007 discharge plan renewal 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 Rule 712 Waste:** Pursuant to OCD Rule 712 (19.15.9.712 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

Elisabeth Klein

GV-316

June 13, 2007

Page 5 of 7

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 20.5.12.1203 NMAC and OCD Rule 116 (19.15.3.116 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 may place additional requirements on the facility and modify the permit conditions based on OCD inspections.

**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 sheen 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. 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:** The owner/operator shall notify the OCD when operations of the facility are to be discontinued for a period in excess of six months. Prior to closure of the facility, the operator shall submit a closure plan for approval. Closure and waste disposal shall be in accordance with the statutes, rules and regulations in effect at the time of closure.

**23. Certification: DCP Midstream, LP, (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.

Elsabeth Klein

GW-316

June 13, 2007

Page 7 of 7

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."

DCP MIDSTREAM LP  
Company Name-print name above

TONY R LEE  
Company Representative- print name

Tony R Lee  
Company Representative- signature

Title ASSET MANAGER

Date: 7-3-07



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

June 13, 2007

Elisabeth Klein  
DCP Midstream, LP  
370 17th Street, Suite 2500  
Denver, Colorado 80202

Re: Discharge Permit GW-316  
Paige Hat Mesa Compressor Station

Dear Ms. Klein:

Pursuant to Water Quality Control Commission (WQCC) Regulations 20.6.2.3000 - 20.6.2.3114 NMAC, the Oil Conservation Division (OCD) hereby approves the discharge permit for the DCP Midstream, LP (owner/operator) Paige Hat Mesa Compressor Station GW-316 located in the SW/4 NE/4 of Section 11, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico, under 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 working 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 Carl Chavez of my staff at (505-476-3491) or E-mail [carlj.chavez@state.nm.us](mailto:carlj.chavez@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,

Wayne Price  
Environmental Bureau Chief

LWP/cc

Attachments-1

xc: OCD District Office

**ATTACHMENT TO THE DISCHARGE PERMIT  
DCP MIDSTREAM, LP, PAIGE HAT MESA COMPRESSOR STATION (GW-316)  
DISCHARGE PERMIT APPROVAL CONDITIONS**

June 13, 2007

**Please remit a check for \$1700.00 made payable to Water Quality Management Fund:**

**Water Quality Management Fund  
C/o: Oil Conservation Division  
1220 S. Saint Francis Drive  
Santa Fe, New Mexico 87505**

- 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 renewal flat fee (*see* WQCC Regulation 20.6.2.3114 NMAC). The Oil Conservation Division (“OCD”) has received the required \$100.00 filing fee. However, the owner/operator still owes the required \$1700.00 renewal permit fee for a gas compressor station greater than 1001 horsepower.
- 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 January 6, 2010** and an application for renewal should be submitted no later than 120 days before that expiration date. Pursuant to WQCC Regulation 20.6.2.3106.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, NMSA1978} 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 February 7, 2007 discharge plan renewal 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 Rule 712 Waste:** Pursuant to OCD Rule 712 (19.15.9.712 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

Elisabeth Klein

GW-316

June 13, 2007

Page 5 of 7

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 20.5.12.1203 NMAC and OCD Rule 116 (19.15.3.116 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 may place additional requirements on the facility and modify the permit conditions based on OCD inspections.

**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 sheen 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. 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:** The owner/operator shall notify the OCD when operations of the facility are to be discontinued for a period in excess of six months. Prior to closure of the facility, the operator shall submit a closure plan for approval. Closure and waste disposal shall be in accordance with the statutes, rules and regulations in effect at the time of closure.

**23. Certification: DCP Midstream, LP, (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.

Elisabeth Klein

GW-316

June 13, 2007

Page 7 of 7

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: \_\_\_\_\_



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

February 28, 2007

2007 MAR 2 PM 12 34

UPS NEXT DAY AIR (Tracking Number 1Z F46 915 22 1005 963 9)

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

Subject: Paige Hat Mesa Compressor Station  
Discharge Permit Renewal (GW-316)  
Lea 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 Paige Hat Mesa Compressor Station. Also enclosed is a check in the amount of \$100 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 Hobbs News-Sun for the Paige Hat Mesa 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 Hobbs News-Sun. Additionally, DCP MIDSTREAM will provide the owner of the property, the federal Bureau of Land Management, 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 Paige Hat Mesa 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 Water Quality Control Commission (WQCC) regulations. Since the WQCC regulations do not require a discharge plan, DCP MIDSTREAM is under no legal obligation to renew Discharge Plan GW-316.

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 Oil Conservation Division's (OCD) 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) 605-1778. Please send all correspondence regarding this renewal to me at 370 17<sup>th</sup> Street, Suite 2500, Denver, CO 80202.

Sincerely,  
DCP Midstream, LP

Elisabeth Klein  
Principal Environmental Specialist

Enclosures

cc: NMOCD District 1 Office  
1625 N. French Drive  
Hobbs, NM 88240

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: Paige/Hat Mesa Compressor Station
2. Operator: DCP Midstream, LP  
Address: See enclosed discharge plan.  
Contact Person: See enclosed discharge plan. Phone: \_\_\_\_\_
3. Location: SW /4 NE /4 Section 11 Township 21S Range 32E  
Submit large scale topographic map showing exact location.
4. Attach the name, telephone number and address of the landowner of the facility site.  
See enclosed discharge plan.
5. Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility.  
See enclosed discharge plan.
6. Attach a description of all materials stored or used at the facility.  
See enclosed discharge plan.
7. Attach a description of present sources of effluent and waste solids. Average quality and daily volume of waste water must be included.  
See enclosed discharge plan.
8. Attach a description of current liquid and solid waste collection/treatment/disposal procedures.  
See enclosed discharge plan.
9. Attach a description of proposed modifications to existing collection/treatment/disposal systems.  
See enclosed discharge plan.
10. Attach a routine inspection and maintenance plan to ensure permit compliance.  
See enclosed discharge plan.
11. Attach a contingency plan for reporting and clean-up of spills or releases.  
See enclosed discharge plan.
12. Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included.  
See enclosed discharge plan.
13. Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.  
See enclosed discharge plan.
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: Tony Lee

Title: Asset Manager

Signature: Tony R Lee

Date: 2-26-07

E-mail Address: TRLee@dcpmidstream.com

**Paige Hat Mesa Compressor Station**  
**SW ¼ NE ¼ Section 11, T21S, R32E**

**DISCHARGE PLAN**

---

This document constitutes a renewal application for a Groundwater Discharge Permit (GW-316) for the Paige Hat Mesa Compressor Station as previously approved NMOCD on January 6, 2000. This Discharge Permit 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 Hat Mesa (Paige) Compressor Station compresses natural gas and is a booster station.

**2 Operator / Legally Responsible Party**

**Operator**

DCP Midstream, LP (formerly Duke Energy Field Services LP)  
10 Desta Drive, Suite 400W  
Midland, TX 79705  
(505) 397-5520  
Contact Person: Mr. Tony Lee – Asset Manager

**Legally Responsible Party**

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

**3 Location Facility**

SW ¼ NE ¼ Section 11, Township 21 South, Range 32 East, Lea County, New Mexico

See Figure 1 – Site Location Map.

**4 Landowner**

United States Department of the Interior  
Bureau of Land Management RDO  
Carlsbad Resource Area  
620 E. Greene Street  
Carlsbad, NM 88220-6292  
(505) 887-6544

## 5 Facility Description

The facility provides compression for the Llano Gathering System. There is one engine on site, an inlet scrubber, skid mounted scrubbers on the compressor, one 210 bbl tank storage tank and one 100 bbl storage tank in secondary containment..

## 6 Materials Stored or Used

There are no materials stored on-site or used that are discharged so that they may move directly or indirectly into groundwater.

Material Stored/Used	Method of Storage
Condensate/Slop Oil	Aboveground storage tanks within secondary containment.
Lube Oil	Aboveground storage tank within secondary containment.
Antifreeze	Aboveground storage tank within secondary containment.
Methanol	Aboveground storage tank within secondary containment.
Norkool (CI-48)	Aboveground storage tanks within secondary containment.
Engine Skid Drain Storage – (equipment wash down water and stormwater)	Double walled sump with a high level alarm

## 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 with a high level alarm and removed from the facility for off-site disposal in accordance with applicable NMOCD, NMED, and EPA regulations. Approximate quantities are provided in the table in the following response to Item #8. There are no effluents or waste solids are discharged on site 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 separators or scrubbers are not discharged on site; wastewater from the inlet scrubber is routed via piping to an aboveground storage tank within secondary containment and is trucked off site for disposal to the Artesia Plant SWD, Well No. 1, a NMOCD permitted Class II well.

### 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 collected in an aboveground storage tank and transported off-site for disposal at Artesia Plant SWD, Well No. 1, a NMOCD permitted Class II well.

### Solvents/Degreasers

Solvents or degreasers are not used 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**

The used engine lubricants are handled by the compressor vendor, Hanover Compression. Hanover Compression owns the compressor and performs monthly maintenance on the unit. Hanover Compression removes any used waste lubrication oil, that is generated from their maintenance activities, off site for disposal.

### **Used Oil Filters**

The used oil filters are handled by the compressor vendor, Hanover Compression. Hanover Compression owns the compressor and performs monthly maintenance on the unit. Hanover Compression removes any used filter or used oil, that is generated from their maintenance activities, 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.

### **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 waste are collected and stored in containers for off-site 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	~ 100 bbls per month	Off-site disposal	Artesia Plant SWD, Well No. 1.
Equipment Skid/Washdown Water	Aboveground storage tank within secondary containment	~ 70 bbls per month	Off-site disposal	Artesia Plant SWD, Well No. 1.
Used Oil Filters	Removed from site when generated – no storage	~ 2 per year	Off-site recycling	Hanover Compression
Used Oil	Removed from site when generated – no storage	~ 500 gal per year	Off-site recycling	Hanover Compression

## 9 Proposed Modifications

No modifications are proposed at the facility.

## 10 Inspection, Maintenance, and Reporting

Routine inspections and maintenance are performed monthly to ensure proper collection, storage, and off site disposal of all wastes generated at the facility.

## 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

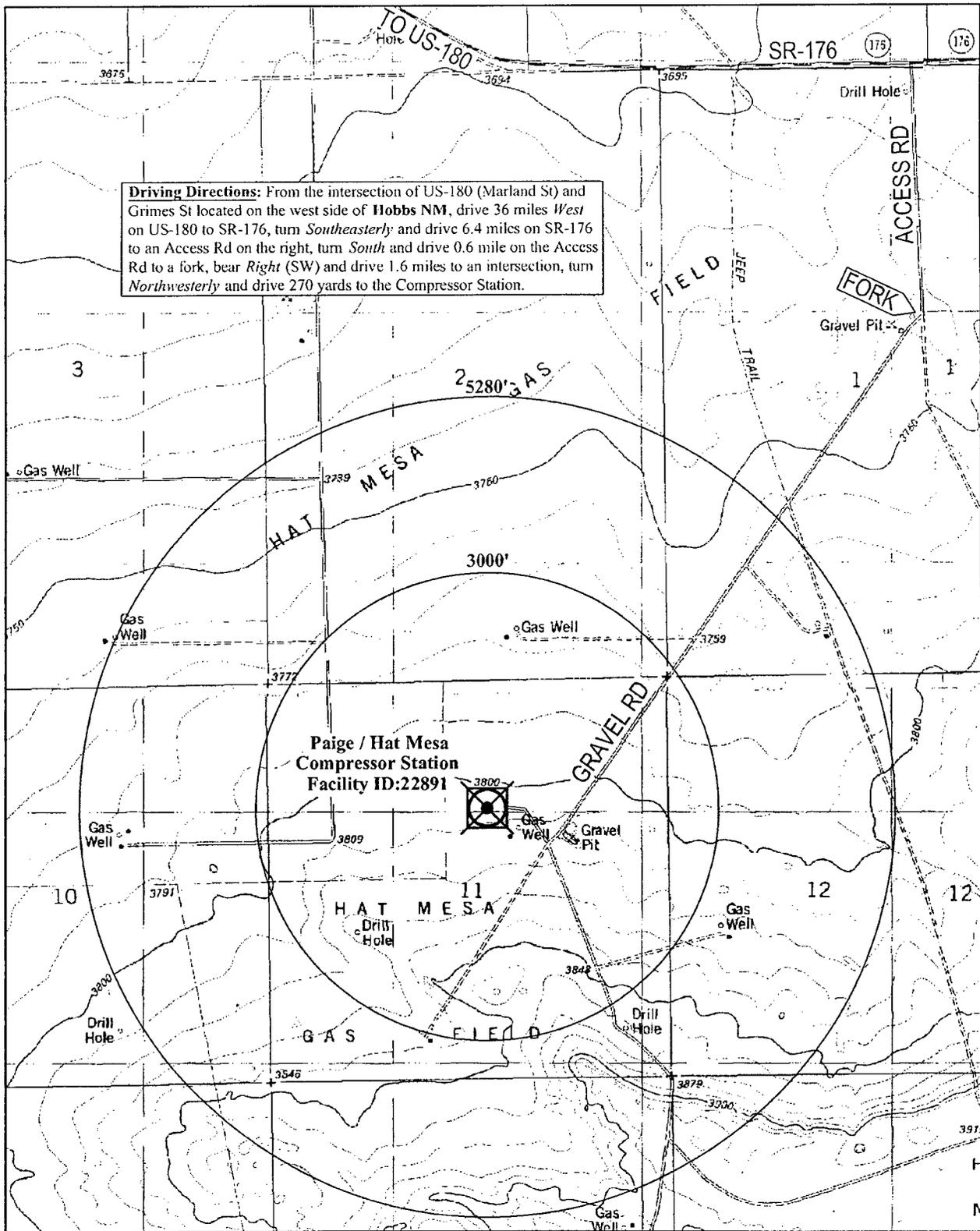
No Changes.

## 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 – Paige Hat Mesa Compressor Station.



**Driving Directions:** From the intersection of US-180 (Marland St) and Grimes St located on the west side of Hobbs NM, drive 36 miles West on US-180 to SR-176, turn *Southeasterly* and drive 6.4 miles on SR-176 to an Access Rd on the right, turn *South* and drive 0.6 mile on the Access Rd to a fork, bear *Right* (SW) and drive 1.6 miles to an intersection, turn *Northwesterly* and drive 270 yards to the Compressor Station.



**Paige / Hat Mesa Compressor Station**

Lea County, New Mexico  
 Zone 13 UTMH 627377m UTMV 3596207m  
 Lat. 32° 29' 45" Long. 103° 38' 39"

**PHOTO VERIFIED**

**VICINITY**



32103D6 The Divide  
 Source: USGS 1:24,000 scale  
 Drawn by: JRE  
 Revised by: JRE  
 Date: 2-5-07  
 ENVIRONMENTAL  
 AFFAIRS DEPARTMENT

FIGURE 2. Facility Plot Plan – Paige Hat Mesa Compressor Station.





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REFERENCE NUMBER G 935

NAME E. KLEIN TELEPHONE 303-595-3331

COMPANY DCP MIDSTREAM

STREET ADDRESS 370 17TH STREET, SUITE 2500

CITY AND STATE DENVER ZIP CODE CO 80202

**2 EXTREMELY URGENT DELIVERY TO**

NAME MR WAYNE PRICE (505) 476-3440 TELEPHONE

COMPANY OIL CONSERVATION DIVISION DISTRICT

STREET ADDRESS 1220 SOUTH ST. FRANCIS DRIVE DEPT./FLR. Residential Delivery

CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) SANTA FE, NM ZIP CODE 87505



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		<input type="checkbox"/> DECLARED VALUE FOR CARRIAGE Contents are automatically protected up to \$100. For declared value over \$100, see instructions.	\$	AMOUNT	\$	
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7	ADDITIONAL HANDLING CHARGE	<input type="checkbox"/> An Additional Handling Charge applies for certain items. See instructions.	\$			
8	TOTAL CHARGES				\$	
8	METHOD OF PAYMENT	BILL SHIPPER'S ACCOUNT NUMBER <input checked="" type="checkbox"/> SECTION 9	BILL RECEIVER <input type="checkbox"/>	BILL THIRD PARTY DOMESTIC ONLY <input type="checkbox"/>	CREDIT CARD <input type="checkbox"/>	
		American Express Diner's Club MasterCard Visa			CHECK <input type="checkbox"/>	

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. EXPIRATION DATE

THIRD PARTY'S COMPANY NAME

STREET ADDRESS

CITY AND STATE ZIP CODE

10 SHIPPER'S SIGNATURE X E. Klein DATE OF SHIPMENT 02/28/07

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Items a greater value is recorded in writing on this receipt. The origin agrees that the insured value of each domestic package is limited by this receipt to the greater of \$100, which is a reasonable value under the circumstances, or the actual value of the contents. For international shipments, the insured value is limited to the actual value of the contents, up to a maximum of \$50,000. Receipt for this document is required for all international shipments. The origin agrees that the insured value of each international package is limited by this receipt to the greater of \$100, which is a reasonable value under the circumstances, or the actual value of the contents. For international shipments, the insured value is limited to the actual value of the contents, up to a maximum of \$50,000. Receipt for this document is required for all international shipments. The origin agrees that the insured value of each international package is limited by this receipt to the greater of \$100, which is a reasonable value under the circumstances, or the actual value of the contents. For international shipments, the insured value is limited to the actual value of the contents, up to a maximum of \$50,000. Receipt for this document is required for all international shipments.

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**REFERENCE NUMBER**  
G 935

**NAME** E. Klein **TELEPHONE** 303-595-3331

**COMPANY** DCP MIDSTREAM

**STREET ADDRESS**  
370 17TH STREET, SUITE 2500

**CITY AND STATE** DENVER **ZIP CODE** CO 80202

**2 EXTREMELY URGENT DELIVERY TO**

**NAME** **TELEPHONE** (505) 393-6161

**COMPANY**

**STREET ADDRESS** OIL CONSERVATION DIVISION - DISTRICT 1  
1625 N. FRENCH DRIVE

**CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL)** HOBBS, NM **ZIP CODE** 88240



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 BILL RECEIVER DOMESTIC ONLY  
 BILL THIRD PARTY  
 CREDIT CARD American Express, Diner's Club, MasterCard, Visa  
 CHECK

**9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO.** **EXPIRATION DATE**

**THIRD PARTY'S COMPANY NAME**

**STREET ADDRESS**

**CITY AND STATE** **ZIP CODE**

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I have a greater value enclosed in writing on this receipt. The shipper agrees that the selected value of each domestic package or international shipment covered by this receipt is no greater than \$200, which is a reasonable value under the circumstances surrounding the transportation, and that the UPS will not be liable for more than \$100 per each domestic package or international shipment, in addition to the maximum value per package of \$50,000, except for packages shipped via registered mail or insured mail. For complete details of the limitations on UPS' liability, including the definition of "value," see the UPS Tariff at [UPS.com](http://UPS.com).

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**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

**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**

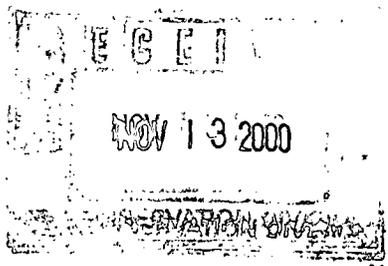
Delivered: 8/30/01 4:18 PM



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

RECEIVED TIME NOV. 9. 10:57AM

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



January 6, 2000

**CERTIFIED MAIL**  
**RETURN RECEIPT NO. Z-142-564-935**

Mr. John R. Delaney  
LG&E Natural Gathering and Processing Co.  
921 West Sanger  
Hobbs, New Mexico 88240

**RE: Discharge Plan Approval GW-316  
LG&E Natural Gathering and Processing Co.  
Hat Mesa Compressor Station  
Lea County, New Mexico**

Dear Mr. Delaney:

The ground water discharge plan, GW-316, for the LG&E Natural Gathering and Processing Co. Hat Mesa Compressor Station located in the SW/4 NE/4 of Section 11, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico, is **hereby approved** under the conditions contained in the enclosed attachment. The discharge plan consists of the application dated August 17, 1999 and the attached conditions of approval. 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 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 LG&E Natural Gathering and Processing Co. 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. John R. Delaney  
GW- 317 Hat Mesa Compressor Station  
January 6, 2000  
Page 2

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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., LG&E Natural Gathering and Processing Co. 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 plan is for a period of five years. This approval will expire on January 6, 2005, and LG&E Natural Gathering and Processing Co. 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 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 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 application for the LG&E Natural Gathering and Processing Co. Hat Mesa 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 plus a flat fee for compressor station facilities. Compressor stations with less than 1000 horsepower have no flat fee requirement. The OCD has received the filing fee.

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 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 Hobbs Office

ATTACHMENT TO THE DISCHARGE PLAN GW-316  
LG&E NATURAL GATHERING AND PROCESSING CO.  
HAT MESA COMPRESSOR STATION  
DISCHARGE PLAN APPROVAL CONDITIONS  
(January 6, 2000)

1. Payment of Discharge Plan Fees: The \$50.00 filing fee has been received by the OCD. No flat fee is required for compressor stations with less than 1000 horsepower. No flat fee is required for this facility.
2. LG&E Natural Gathering and Processing Co. Commitments: LG&E Natural Gathering and Processing Co. will abide by all commitments submitted in the discharge plan application dated August 17, 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 human health, the environment and groundwater as defined by the WQCC, 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 Hobbs 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 Hat Mesa Compressor Station are discontinued for a period in ~~excess~~ of six months. Prior to closure of the Hat Mesa 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: LG&E Natural Gathering and Processing Co., by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. LG&E Natural Gathering and Processing Co. further acknowledges that these conditions and requirements of ~~his~~ permit may be changed administratively by the Division for good cause shown as ~~necessary~~ to protect fresh water, human health and the environment.

Accepted:

LG&E NATURAL GATHERING AND PROCESSING CO.

by  DIRECTOR & GM  
Title

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 plan application(s) have been submitted to the Director of the Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505, Telephone (505) 827-7131:

**(GW-316) - LG&E Natural Gathering and Processing Co., John R. Delaney, (505) 393-2153, 912 West Sanger, Hobbs, NM 88240, has submitted a discharge plan application for the Hat Mesa Compressor Station located in the SW/4 NE/4 of Section 11, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico. Approximately 6 barrels per day of process waste water is collected in a 210 barrel closed top steel API storage tank. Waste water from the treater operations will be trucked off site and disposed of in an OCD approved Class II disposal well. Washdown and rain water will be collected in a 100 barrel closed top steel tank prior to removal to an OCD approved disposal site. Ground water most likely to be affected in the event of an accidental discharge is at a depth of approximately 175 feet with a total dissolved solids concentration of approximately 1,000 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.**

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 plan application(s) may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. Prior to ruling on any proposed discharge plan application(s), 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 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 plan(s) based on information available. If a public hearing is held, the Director will approve or disapprove the proposed plan(s) based on the information in the discharge plan application(s) and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 20th day of August, 1999.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
LORI WROTENBERY, Director

SEAL

P 326 932 344

OCD/J. Ford

GW-316

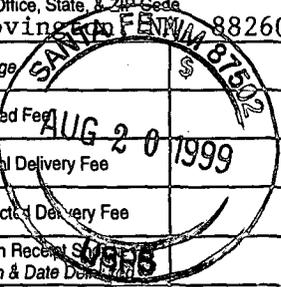
US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	
Lovington Daily Leader	
Street & Number	
P.O. Box 1717	
Post Office, State, & ZIP Code	
Lovington, NM 88260	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	



PS Form 3800, April 1995



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

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

August 17, 1999

**CERTIFIED MAIL**  
**RETURN RECEIPT NO. Z-274-520-522**

**FAXED**  
**HARD COPY TO FOLLOW**

Mr. Ed Sloman  
Supervisor, Operations Support  
L G & E Natural Gathering and Processing  
921 West Sanger  
Hobbs, New Mexico 88240

**RE: Temporary Authorization to Discharge - Hat Mesa Compressor Station  
L G & E Natural Gathering and Processing  
Lea County, New Mexico**

Dear Mr. Sloman:

The New Mexico Oil Conservation Division has received the request dated August 17, 1999 from L G & E Natural Gathering and Processing for temporary authorization to discharge without an approved discharge plan for 120 days while the discharge plan application is processed.

Pursuant to Water Quality Control Commission (WQCC) Regulations 3106.B, and for good cause shown, **L G & E Natural Gathering and Processing is authorized to discharge without an approved discharge plan until December 14, 1999 for the following L G & E Natural Gathering and Processing compressor station:**

- **Hat Mesa Compressor Station located in the SW/4 NE/4, Section 11, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico.**

Please be advised this authorization does not relieve L G & E Natural Gathering and Processing of liability should the operations of this facility result in pollution of surface waters, ground waters or the environment. Further, OCD authorization does not relieve L G & E Natural Gathering and Processing from responsibility for compliance with other federal, state, and local permitting requirements, rules, and regulations.

Sincerely,

Roger C. Anderson  
Chief, Environmental Bureau  
Oil Conservation Division

xc: Hobbs OCD District Office

Z 274 520 522

*Ford 346*

US Postal Service

**Receipt for Certified Mail**

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	<i>Ed Shoman</i>
Street & Number	<i>666</i>
Post Office, State, ZIP Code	<i>PHOENIX</i>
Postage	\$
Certified Fee	\$
Special Delivery Fee	\$
Restricted Mail Fee	\$
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	\$
Postmark or Date	



PS Form 3800, April 1995

State of New Mexico  
Energy Minerals and Natural Resources Department  
**OIL CONSERVATION DIVISION**  
P.O. Box 2088  
Santa Fe, NM 87501

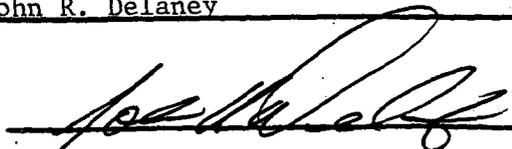
**DISCHARGE PLAN APPLICATION FOR NATURAL GAS PROCESSING PLANTS,  
OIL REFINERIES AND GAS COMPRESSOR STATIONS**  
(Refer to OCD Guidelines for assistance in completing the application.)

- I. **TYPE:** Compressor Station
- II. **OPERATOR:** L. G. & E. Natural Gathering and Processing Company  
**ADDRESS:** 921 West Sanger: Hobbs, NM 88240  
**CONTACT PERSON:** Ed Sloman **PHONE:** 505-393-2153
- III. **LOCATION:** SW/4 NE/4 Section 11 Township 21 S Range 32 E  
Submit large scale topographic map showing exact location.
- IV. Attach the name and address of the landowner(s) of the disposal facility site.
- V. Attach description of the facility with a diagram indicating location of fences, pits, dikes, and tanks on the facility.
- VI. Attach a description of sources, quantities and quality of effluent and waste solids.
- VII. Attach a description of current liquid and solid waste transfer and storage procedures.
- VIII. Attach a description of current liquid and solid waste disposal procedures.
- IX. Attach a routine inspection and maintenance plan to ensure permit compliance.
- X. Attach a contingency plan for reporting and clean-up of spills or releases.
- XI. Attach geological/hydrological evidence demonstrating that disposal of oil field wastes will not adversely impact fresh water. Depth to and quality of ground water must be included.
- XII. Attach such other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.

**XIII. CERTIFICATION**

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

**Name:** John R. Delaney **Title:** General Manager

**Signature:**  **Date:** 8-17-99

**DISTRIBUTION:** Original and one copy to Santa Fe with one copy to appropriate Division District Office.

I.

The major purpose of this facility, The Hat Mesa Compressor Station, is to compress natural gas.

This compressor station will be a "Booster," station. We will take gas from one section of our pipeline gathering system, boost the pressure of the natural gas, and move the natural gas at a higher pressure to another section of our gathering pipeline system. To accomplish this goal we will be using one natural gas fired engine driven compressor of approximately 345 H. P.

At this facility we will have an inlet scrubber to the compressor station, and skid mounted scrubbers on the compressor itself. These scrubbers will remove free liquid from the inlet stream of natural gas before it is compressed. There will be two 210 bbl. Standard API closed tank, and one 100 bbl. Standard API closed tanks installed at this location. All of the fluids from the scrubbers will be piped into the 210 bbl. tanks for storage. As the liquids separate into condensate and water, the water will be transferred to one of the 210 bbl. tanks. The tanks will be emptied into trucks as often as necessary, and transported to either market, or to a licensed disposal which ever is applicable. All fluids will be dealt with in an approved manner.

The fluids caught from the compressor skid from wash down water, and rain water will be piped into the 100 bbl. tank. This tank will not be connected to the other two tanks.

**II.**

**The Owner/Operator of this facility will be:  
LG&E Natural Gathering and Processing Co.  
921 West Sanger  
Hobbs, New Mexico 88240**

**Mr. J. R. Delaney  
General Manager, Operations and Construction  
921 West Sanger  
Hobbs, New Mexico 88240**

**(505) 393-2153**

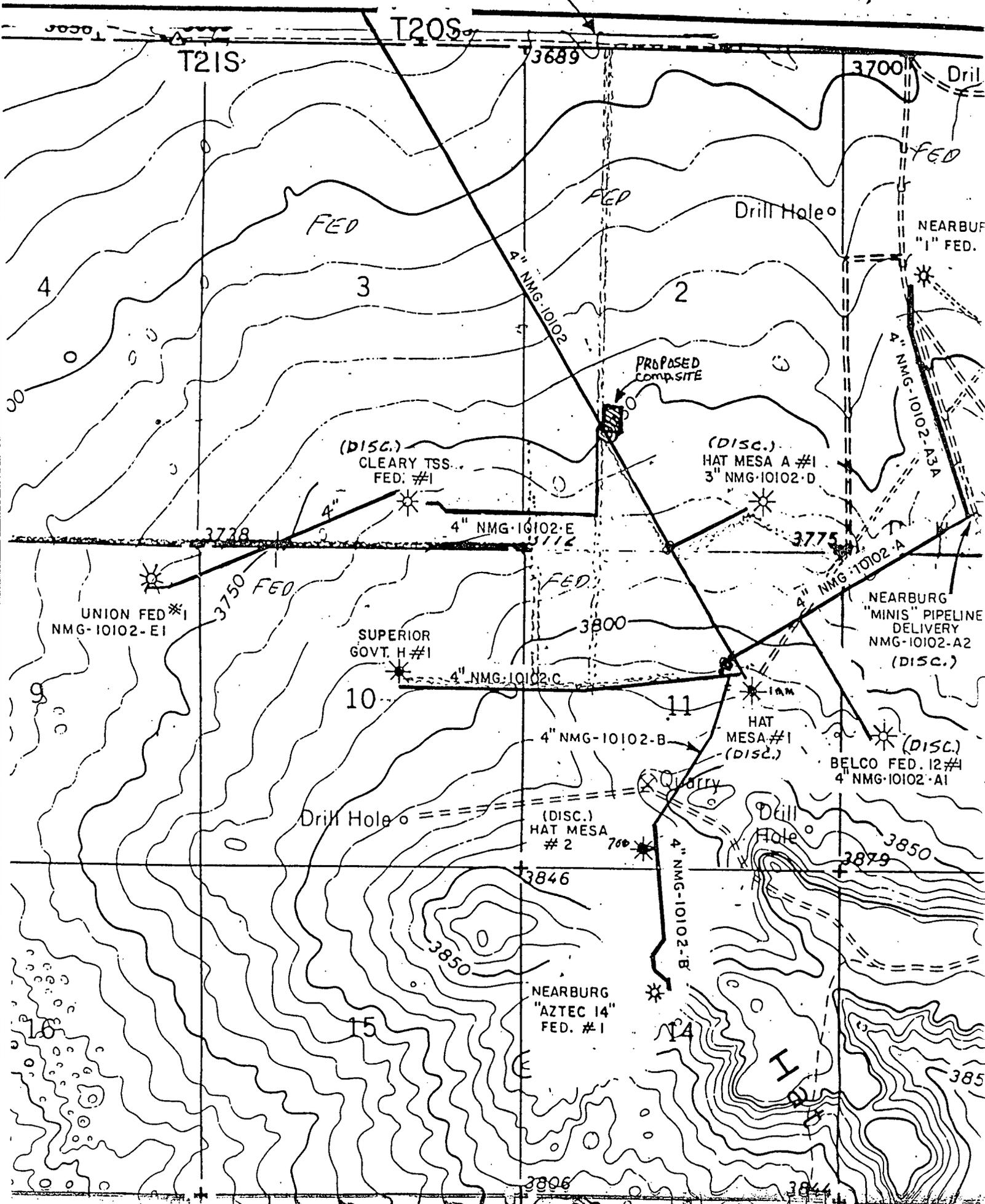
III.

Location: SW/4: NE/4: Section 11, Township 21 S, Range 32 E,  
NMPM, Lea County, New Mexico:

Attached please find a copy of the topographic map showing the location of the  
compressor station.



ST. HW 176



T21S

T20S

3689

3700

Drill

FED

FED

FED

Drill Hole

NEARBUF  
"1" FED.

4

3

2

4" NMG-10102-A3A

PROPOSED  
composite

(DISC.)  
CLEARY TSS.  
FED: #1

(DISC.)  
HAT MESA A #1  
3" NMG-10102-D

3778

4" NMG-10102-E

3775

UNION FED #1  
NMG-10102-E1

3750 FED

SUPERIOR  
GOVT. H #1

3800

NEARBURG  
"MINIS" PIPELINE  
DELIVERY  
NMG-10102-A2  
(DISC.)

4" NMG-10102-C

10

11

HAT  
MESA #1  
(DISC.)

(DISC.)  
BELCO FED. 12 #1  
4" NMG-10102-A1

4" NMG-10102-B

Drill Hole

(DISC.)  
HAT MESA  
#2

Drill Hole

3879

3850

3850

NEARBURG  
"AZTEC 14"  
FED. #1

4" NMG-10102-B

15

14

385

3896

3844

IV.

According to the Rights - of - Way documents the land owner for this property is:

United States  
Department Of The Interior  
Bureau Of Land Management

RDO - Carlsbad Resources Area

see attached Rights-Of-Way grant with Survey Plot:

RECEIVED  
Issuing Office  
Carlsbad Field Office  
JUL 20 1985

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
RIGHT-OF-WAY GRANT/TEMPORARY USE PERMIT

SERIAL NUMBER: NM NM-102343

1. A right-of-way is hereby granted pursuant to Section 28 of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 185).

2. Nature of Interest:

a. By this instrument, the holder:

Hadson Gas Gathering & Processing Co.  
921 W. Sanger  
Hobbs, NM 88240

receives a right to construct, operate, maintain, and terminate a compressor site location consisting of natural gas compressor and all related piping, measurement equipment, gas scrubbers, dehydration equipment, liquid hydrocarbon storage, and other related equipment and an access road on Federal lands described as follows:

T. 21 S., R. 32 E., NMPM  
Section 11: SW $\frac{1}{4}$ NE $\frac{1}{4}$ .

b. The right-of-way or permit area granted herein is 30 feet wide, 826.0 feet long and contains 0.569 acres, more or less. The site is 150 feet by 150 feet for 0.517 acres. Total acreage = 1.086.

c. This instrument shall terminate on July 20, 2029, 30 years from its effective date unless, prior thereto, it is relinquished, abandoned, terminated, or modified pursuant to the terms and conditions of this instrument or of any applicable Federal law or regulation.

d. This instrument may be renewed. If renewed, the right-of-way or permit shall be subject to the regulations existing at the time of renewal and any other terms and conditions that the authorized officer deems necessary to protect the public interest.

e. Notwithstanding the expiration of this instrument or any renewal thereof, early relinquishment, abandonment, or termination, the provisions of this instrument, to the extent applicable, shall continue in effect and shall be binding on the holder, its successors, or assigns, until they have fully satisfied the obligations and/or liabilities accruing herein before or on account of the expiration, or prior termination, of the grant.

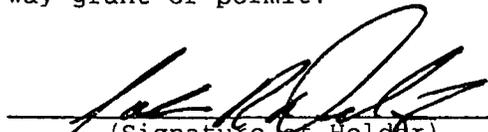
3. Rental:

For and in consideration of the rights granted, the holder agrees to pay the Bureau of Land Management fair market value rental as determined by the authorized officer unless specifically exempted from such payment by regulation. Provided, however, that the rental may be adjusted by the authorized officer, whenever necessary, to reflect changes in the fair market rental value as determined by the application of sound business management principles, and so far as practicable and feasible, in accordance with comparable commercial practices.

4. Terms and Conditions:

- a. This grant or permit is issued subject to the holder's compliance with all applicable regulations contained in Title 43 Code of Federal Regulations part 2880.
- b. Upon grant termination by the authorized officer, all improvements shall be removed from the Federal lands within 90 days, or otherwise disposed of as provided in paragraph (4) (c) or as directed by the authorized officer.
- c. The stipulations, plans, maps, or designs set forth in Exhibits A, B, C, & D, dated June 21, 1999, attached hereto, are incorporated into and made a part of this grant instrument as fully and effectively as if they were set forth herein in their entirety.
- d. Failure of the holder to comply with applicable law or any provision of this right-of-way grant or permit shall constitute grounds for suspension or termination thereof.
- e. The holder shall perform all operations in a good and workmanlike manner so as to ensure protection of the environment and the health and safety of the public.

IN WITNESS WHEREOF, The undersigned agrees to the terms and conditions of this right-of-way grant or permit.

  
(Signature of Holder)  
General Manager  
(Title)  
7/19/99  
(Date)

  
(Signature of Authorized Officer)  
Acting Manager, Carlsbad Field Office  
(Title)  
JUL 20 1999  
(Effective Date of Grant)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**RECEIPT AND ACCOUNTING ADVICE**

Subject: R/W Rental - compressor site. access road  
Project 1259, Hat Mesa

EAlnman: Carlsbad Field Office, NM  
7/20 /99 703 025 \$150.00

Applicant: Hadson Gas Gathering & Processing  
Right-of-Way Department  
921 West Sanger  
Hobbs, NM 88240

Remitter: Ck # 90403598

Assignor:

LEASE MANAGEMENT DATA  New  Update  Payment

ORIGINAL SERIAL NO.	ASG	TYPE	ST.	CTY.	FUND SYMBOL	ACRES/UNITS	RATE
NM-102343							

AMOUNT	ANV. DATE	EXP. DATE	BILL CYC.	S/C	DISTRICT	NEXT BILL	MISC. DATA	U OF M	ACTUAL UNITS

ASSIGNMENT SERIAL NO.	ASG	TYPE	ST.	CTY.	FUND SYMBOL	ACRES/UNITS	RATE

AMOUNT	ANV. DATE	EXP. DATE	BILL CYC.	S/C	DISTRICT	NEXT BILL	MISC. DATA	U OF M	ACTUAL UNITS

APPLY REMITTANCE

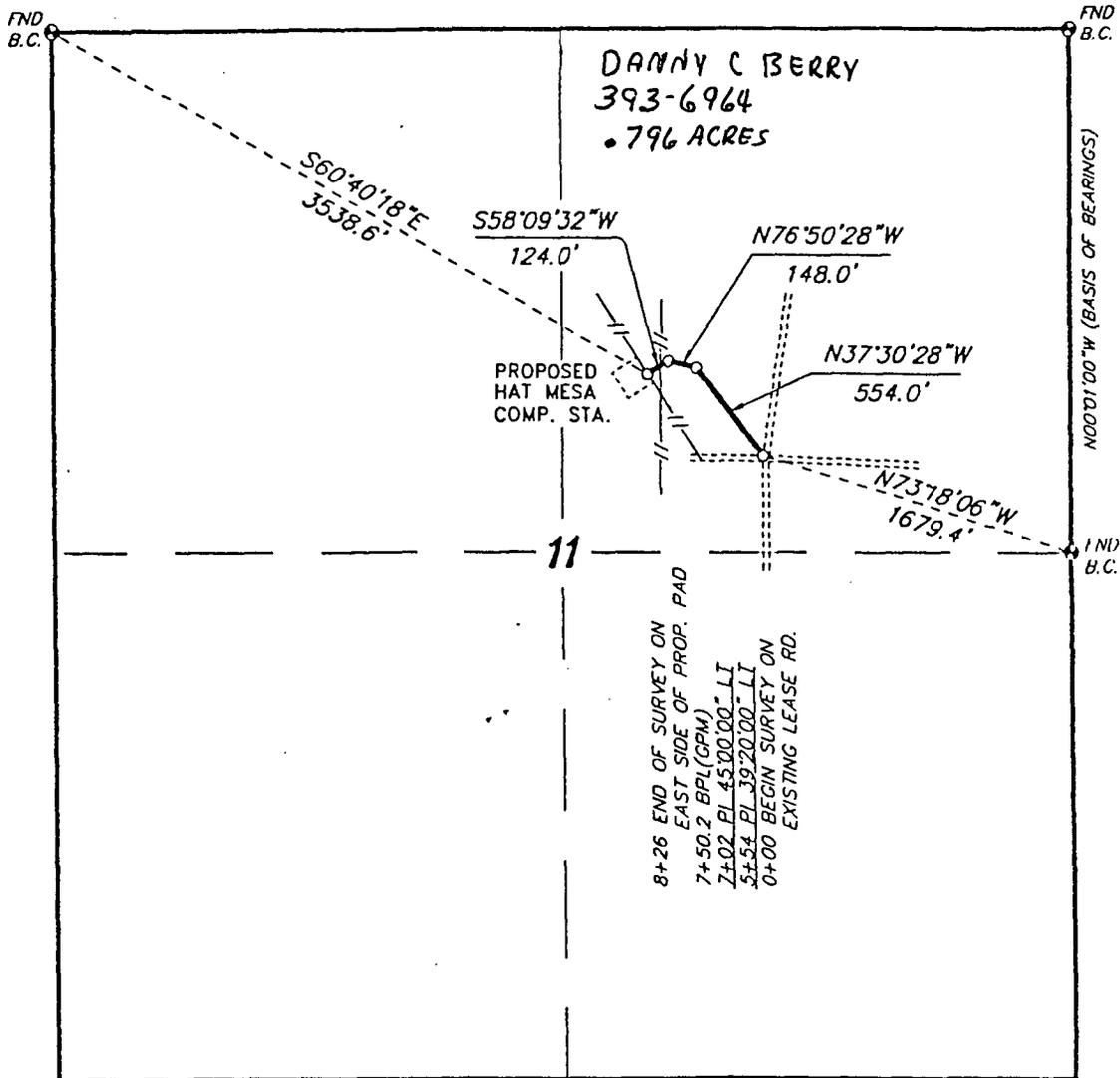
Remarks: NEXT BILL DATE 1/1/2000

ACTION	FUND SYMBOL	CTY.	AMOUNT
FILING FEE			
RENTAL			
UNEARNED			
REFUND			
TOTAL			
AMOUNT DUE			

BY:

DATE: A

SECTION 11, TOWNSHIP 21 SOUTH, RANGE 32 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO.



LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 11, TOWNSHIP 21 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY.

BEGINNING AT A POINT WHICH LIES N.73°18'06"W, 1679.4 FEET FROM THE EAST QUARTER CORNER OF SAID SECTION 11; THENCE N.37°30'28"W, 554.0 FEET; THENCE N.76°50'28"W, 148.0 FEET; THENCE S.58°09'32"W, 124.0 FEET TO THE END OF THIS LINE WHICH LIES S.60°40'18"E, 3538.6 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 11. SAID STRIP OF LAND BEING 826.0 FEET OR 50.06 RODS IN LENGTH.

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

*Gary L. Jones*  
GARY L. JONES N.M. P.S. TEXAS P.L.S.  
7977  
No. 7977  
No. 5074  
PROFESSIONAL LAND SURVEYOR

1000 0 1000 2000 FEET

**HADSON GAS GATHERING AND PROCESSING**

REF: PROPOSED ROAD

A ROAD CROSSING FEE LAND IN  
SECTION 11, TOWNSHIP 21 SOUTH, RANGE 32 EAST,  
N.M.P.M., LEA COUNTY, NEW MEXICO.

**BASIN SURVEYS** P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 9201

Drawn By: K. GOAD

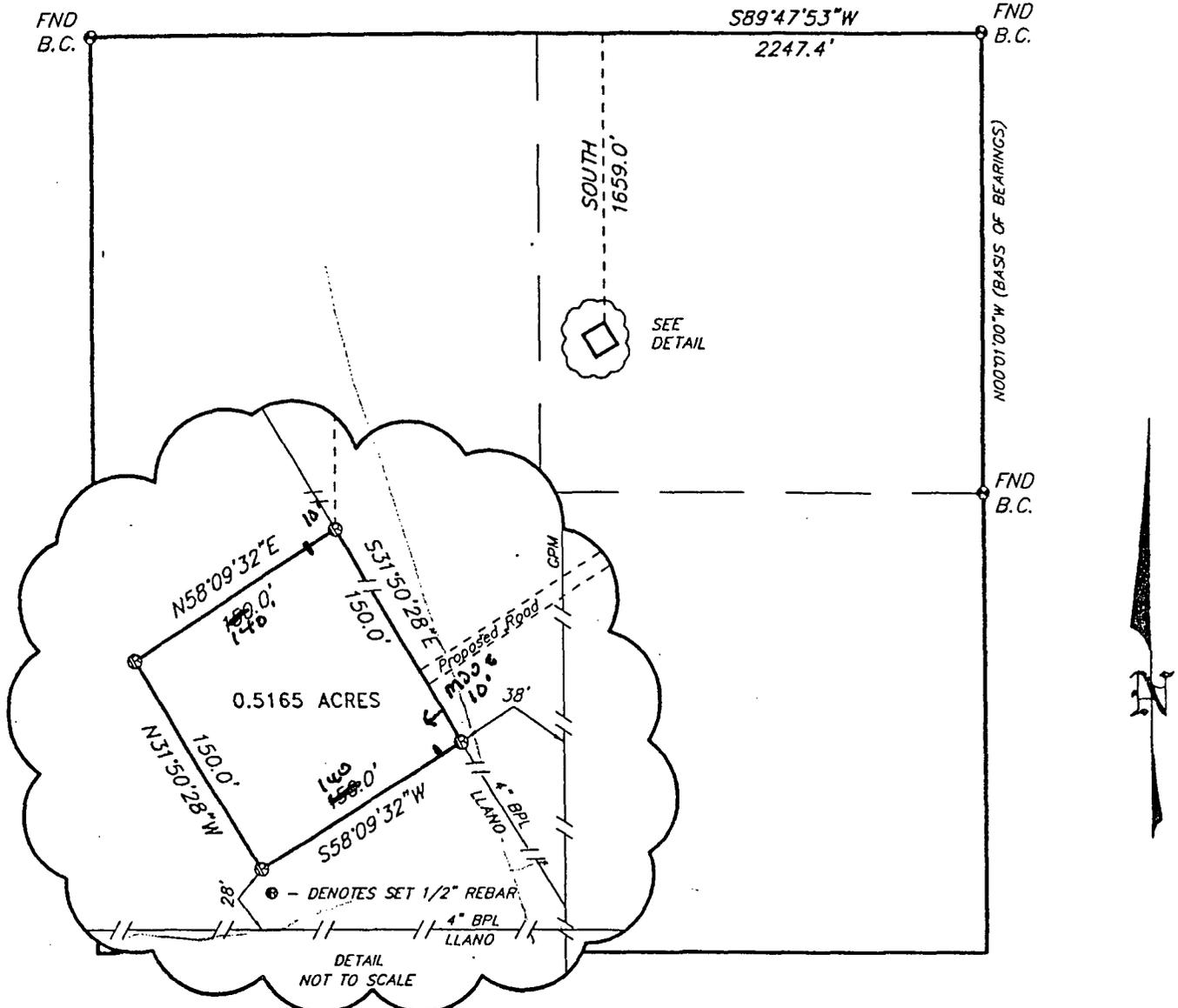
Date: 06-07-99

Disk: KJG #120 - HAD9201C.DWG

Survey Date: 06-03-99

Sheet 1 of 1 Sheets

SECTION 11, TOWNSHIP 21 SOUTH, RANGE 32 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO.



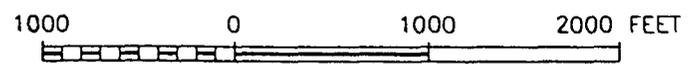
LEGAL DESCRIPTION

A TRACT OF LAND LOCATED IN SECTION 11, TOWNSHIP 21<sup>st</sup> SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS.

BEGINNING AT A POINT WHICH LIES S.89°47'53\"/>

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

*Gary L. Jones*  
 GARY L. JONES N.M. P.S. No. 7977 TEXAS P.L.S. No. 5074



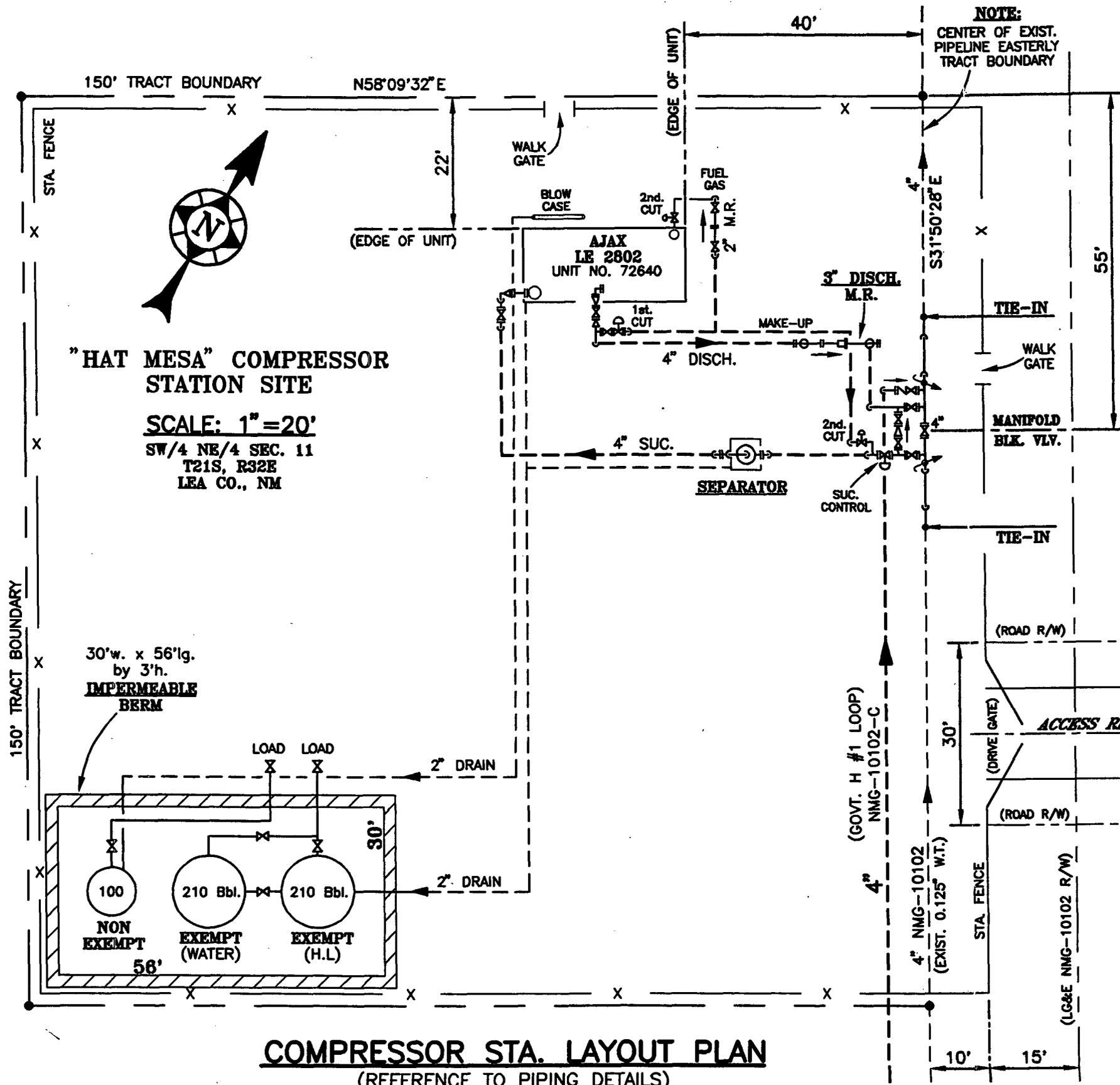
**HADSON GAS GATHERING AND PROCESSING**

REF: COMPRESSOR STATION TRACT

A TRACT OF LAND LOCATED IN  
 SECTION 11, TOWNSHIP 21 SOUTH, RANGE 32 EAST,  
 N.M.P.M., LEA COUNTY, NEW MEXICO.

**BASIN SURVEYS** P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 9201	Drawn By: K. GOAD	Survey Date: 06-03-99	Sheet 1 of 1 Sheets
Date: 06-04-99	Disk: KJG #120 - HAD9201A.DWG		



## COMPRESSOR STA. LAYOUT PLAN

(REFERENCE TO PIPING DETAILS)

## VI. Sources, Quantities, & Quality of Effluent & Waste Solids:

1. Engine Cooling Water - The engine driving the compressor contains approximately 220 gallons of a 50% Norkool, 50% water mixture for cooling purposes. This is a closed loop system and normally required no make-up.
2. Separators - Each scrubber, the station inlet, and each of the two scrubbers which are skid mounted on the compressor, will remove an estimated 0 to 30 bbl. of liquid per day, condensate & produced water, depending on the ambient conditions, and other factors involved.
3. Waste Lubrication Oils- The compressor contains approximately 25 gallons of lubricating oil, and the engine contains approximately 28 gallons of lubrication oil. The lubrication oil is a standard 30 or 40 weight oil and is replaced approximately every 5000 hours of run time, or as required by oil analysis.
4. Used Oil Filters- Used oil filters will be properly drained, and will be stored in a receptacle on location for this purpose. Our engine oil vendor will collect the filters and will dispose of them in an approved manner.
5. The liquids caught from the environmental skid of the compressor will be piped to a separate 100 bbl. tank. This tank will not be connected to the other tanks for proper management of the waste streams.

The produced water and hydrocarbon liquids will be commingled within the facility. Individual rates, volumes and concentrations should not vary beyond the ranges identified above. All Process units will be self-contained to prevent unintentional or inadvertent discharges and spills.

## VII. Transfer & Storage of Process Fluid & Effluents

Produced water and hydrocarbon liquid are collected in the scrubbers. The produced water and hydrocarbon liquids are commingled and piped to a closed storage tank. (see attached facility schematic).

Each of the scrubbers are pressurized vessels. The closed storage tank will be maintained at atmospheric pressure. There will be a 210 bbl. steel API storage tank which will be utilized for storage of produced water.

The condensate storage tanks are standard API 210 bbl. tanks. The tanks are constructed above ground level. The 100 bbl. tank is constructed above ground level. These tanks will have an earthen dike enclosure to provide secondary containment equal to one-third greater than the tank capacity. The containment area will have an impermeable barrier installed to prevent contamination of soils.

Waste lubrication oil will be collected in a mobile tank provided for the purpose of oil changes. This used lubrication oil is collected, and relinquished to a licensed oil reclaiming facility for proper recycling and handling of the used lubrication oil. This used lubrication oil and filters will be handled through our oil vendor.

The compressor will be set on an "environmental" base. This base will provide a guttering system, which will keep any rain water from running off of the equipment and onto the ground. This guttering system will be piped to a blow case system. This blow case system will be piped to our 100 bbl. storage tank. These liquids will be stored separately from our "produced" liquids and the tanks will not be connected for proper management of the fluids.

## VIII.

This is not a disposal site for EFFLUENT Liquid.

As previously stated, the purpose of this site is to compress natural gas. There will be some produced water, and condensate, which will be recovered from the natural gas. These liquids will be stored in 210 Bbl. tanks, and will be hauled from location. The produced water will be disposed of by a trucking company, either Rowland Trucking, or AA Oilfield Service. Both of these companies have approved disposal wells which they use, and charge us for the disposal of the produced water.

The condensate will be sold to a refinery. The refinery of choice will be elected by price, and they will pick up the condensate from the storage tank and transport it to their facility.

The used engine lubricants, and filters will be handled by our compressor vendor. The Compressor is owned by Hanover Compression and all maintenance required on this unit will be performed by Hanover Compression.

The storage tanks will be set on an impermeable barrier, and monitored by our operators on a daily bases. Our operators will be reporting to their supervisor by mobile communications if the tanks should need any further attention. Our supervisors have the means to order a truck to haul liquid at the time our operator's report to him. With this type of check, and safety check, there should be no ground water contamination to contend with.

Simply stated, if the liquid is contained in the tanks, then it cannot contaminate the ground, or ground water.

IX.

This facility will have an operator which will check the operations of the facility on a daily bases. The operator will report the functioning of the compressors, and a log will be kept of the units. If the operator should locate any problem in any of the equipment, what-so-ever, he will report the problem to his supervisor. Each operator is equipped with mobile communications, which 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 our emergency report and operating 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.

The compressor unit has an "environmental" skid, which will not allow precipitation which has contacted this unit to runoff onto the ground. The new unit skid will be piped into a blow case system which will transfer all fluids to an above ground storage tank. As previously stated the contents of these tanks will be hauled by truck as often as necessary to assure proper levels are maintained.

The blow case system will be piped to a separate tank for management of fluids. The drain lines will be tested at least once every five years to assure OCD compliance.

X.

Our contingency plan for cleaning up spills, and reporting same is not complicated. We have a supervisor on call who is available 24 hours a day. There are administrative support supervisors available when ever needed.

If a spill should occur, the supervisor on duty would start the field operations of the clean-up, by first stopping the source of the spill, and containing all fluids that he possibly can. The on duty supervisor would notify the support people of the situation. The OCD would be notified pursuant to rule 116, and a contractor would be dispatched at that time to start clean up. The land owner would be notified, and all measures would be taken to protect his live-stock, as well as any wild animals.

All clean up would be carried out in an approved manner, and all necessary waste would be dealt with accordingly .

## XI. SITE CHARACTERISTICS

A. There are no water wells located within one mile of this compressor site. Upon checking with the State of New Mexico Engineering Office, a Sandy Swicer advised, there is one water well approximately three miles from this compressor location, according to their records. The water table readings obtained from Ms. Swicer in the State Engineer's Office are not current. From the years of 1976 to 1991, the water table had a high of 43.18' and a low of 51.60' respectively.

In order to obtain further information a site inspection was conducted with a GPS unit. It was determined that the compressor location is located at GPS coordinates of Lat.=32° 29.76N

Lon = 103° 38.64W

The water well located approximately three miles from the compressor area had been plugged with concrete and capped. The GPS location for this is:

Lat = 32° 31.31 N

Lon = 103° 39.70 W

According to the GPS readings there is 125' of elevation difference. This compressor station is sitting close to the top of the Hat Mesa, and the water well is off of the Mesa. Thus the compressor site is approximately, by GPS, 125' high in elevation than the water well. With the belief that the aquifer is running stable in its location underground, this would put the depth of ground water at the location of the compressor station in the area of 176' deep.

This is not a disposal site. So we would not adversely effect any water, ground, or other environmental state with the disposal of waste.

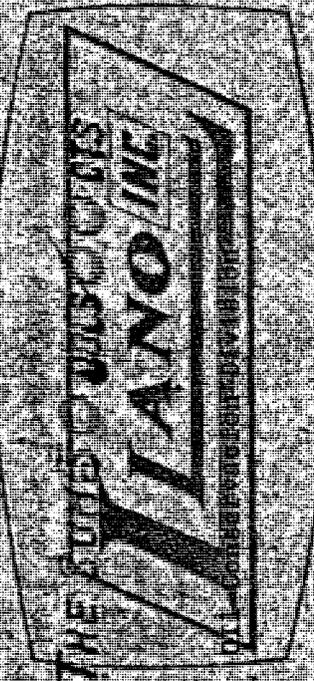
(ALSO SEE SECTION 5)

# LLANO, INC.

INVOICE NO.	INVOICE DATE	DESCRIPTION	GROSS AMOUNT	DISCOUNT	NET AMOUNT
CKREQ 8-11-99	8-11-99	Check Request 90016.2109 P1259	50.00	0.00	50.00
<b>TOTALS</b>			<b>50.00</b>	<b>0.00</b>	<b>50.00</b>

**LLANO, INC.**  
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