

HBP - _____7_____

**GENERAL
CORRESPONDENCE**

**YEAR(S):
_____2008-2010_____**

PNM
Alvarado Square
Albuquerque, NM 87158-2104
505 241-2031
Fax 505 241-2376
www.pnm.com

RECEIVED
FEB 23 PM 1 11

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

February 17, 2009



Brad Jones
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Subject: Public Service Company of New Mexico request to terminate permit HB-NM-007,
Annual Temporary Permission to Discharge of Hydrostatic Test Water

Dear Mr. Jones,

The Public Service Company of New Mexico (PNM) has sold the gas operations to the New Mexico Gas Company (NMGC). PNM has had permit HB-NM-007 since at least 1996 to cover discharges of hydrostatic test water of new pipe from the day-to-day operations of the gas operations. All of the gas assets covered by PNM's permit were transferred to NMGC effective January 30, 2009. With the sale of the gas assets, PNM will no longer be conducting activities that require a hydrostatic test permit and would like to terminate permit HB-NM-007, which expires March 19, 2009.

As required by Condition 9 of Permit HBP-NM-007, PNM hereby submits a report summarizing all tests of new pipe with less than 25,000 gallons each of hydrostatic discharges conducted from March 19, 2008 through January 30, 2009. PNM appreciates working with the Oil Conservation Division for many years.

Please contact me at 505-241-2019 or claudette.horn@pnmresources.com if there are any questions.

Sincerely,

A handwritten signature in cursive script that reads "Claudette Horn".

Claudette Horn
Environmental Manager

Enclosures

cc: Marcelle Fiedler, NMGC
DCC

Jones, Brad A., EMNRD

From: Jones, Brad A., EMNRD
Sent: Wednesday, February 06, 2008 1:21 PM
To: 'Fiedler, Marcelle'
Subject: RE: PNM's temporary permission permit reminder
Attachments: TempPermission 2-6-08 Renewal.pdf

Marcelle,

Please see the attached. A hardcopy will be placed in the mail.

Brad

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

From: Fiedler, Marcelle [mailto:Marcelle.Fiedler@pnmresources.com]
Sent: Tuesday, February 05, 2008 3:18 PM
To: Jones, Brad A., EMNRD
Subject: PNM's temporary permission permit reminder

As you suggested I am emailing you to remind you about PNM's recent request to renew their permit for temporary permission to hydrotest.

thanks

also I hope you got my voice message that the engineer does not want to pursue using water to test the pipe going to the power plant. they have found an alternative.

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

2/11/2008



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

February 6, 2008

Ms. Marcelle Fiedler
Environmental Scientist II
PNM
Alvarado Square
Albuquerque, New Mexico 87158-2104

**Re: Annual Temporary Permission To Discharge Hydrostatic Test Water
Renewal of HB-NM-007**

Dear Ms. Fiedler:

The New Mexico Oil Conservation Division (OCD) has received Public Service Company of New Mexico's (PNM) request, dated January 15, 2008, for the renewal of an annual temporary permission to discharge small quantities of hydrostatic test wastewater generated from the testing of new natural gas pipelines throughout the State of New Mexico, which expires March 19, 2008.

Based on the information provided in the request, **annual temporary permission is hereby granted** for the discharge of the hydrostatic test wastewater generated from all new pipeline hydrostatic tests an operator may perform during an approved one-year period when the following understandings and conditions are applicable:

1. the volume does not exceed 25,000 gallons per hydrostatic test;
2. water from a public/municipal water supply or other OCD approved sources is used for each test;
3. oral or written notification must be provided to the OCD 72 hours prior to each hydrostatic discharge event;
4. the discharge does not enter any lake, perennial stream, river or their respective tributaries that may be seasonal;
5. no discharge shall occur:
 - a. where ground water is less than 10 feet below ground surface.
 - b. within 200 feet of a watercourse, lakebed, sinkhole or playa lake;
 - c. within an existing wellhead protection area;
 - d. within, or within 500 feet of a wetland; or

- e. within 500 feet from the nearest permanent residence, school, hospital, institution or church;
- 6. best management practices must be implemented to contain the discharge onsite, does not impact adjacent property, and to control erosion;
- 7. the discharge does not cause any fresh water supplies to be degraded or to exceed standards as set forth in Subsections A, B, and C of the 20.6.2.3103 NMAC (the New Mexico Water Quality Control Commission Regulations);
- 8. the landowner(s) of each proposed discharge and/or collection/retention or alternative discharge location must be properly notified of the activities prior to each proposed hydrostatic test event; and
- 9. an annual report, summarizing all tests of new pipeline with less than 25,000 gallons per hydrostatic test event, will be submitted to the OCD within 45 days after the temporary permission expiration date and shall contain the following information:
 - a. the location of hydrostatic test (Section/Township/Range or GPS coordinates);
 - b. the date of each test;
 - c. the volume of each discharge; and
 - d. the source and quality of test water (laboratory analysis, if necessary).

Annual temporary permissions shall expire one (1) year after issuance. **This temporary permission will expire March 19, 2009.** Renewal requests for annual temporary permission to discharge shall be submitted forty-five (45) days prior to the expiration date. An annual temporary permission may be revoked or suspended for violation of any applicable provisions and/or conditions of the permit.

This renewal approval is contingent upon PNM satisfaction of completing the annual report provision of Condition #9 of the March 2007 annual temporary permission.

This approval does not relieve PNM of responsibility should its operation result in pollution of surface water, ground water, or the environment. In addition, OCD approval does not relieve PNM of responsibility for compliance with other federal, state or local regulations.

If there are any questions regarding this matter, please do not hesitate to contact Brad A. Jones at (505) 476-3487 or brad.a.jones@state.nm.us.

Sincerely,



Wayne Price
Environmental Bureau Chief

LWP/baj

cc: OCD District Office

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No.

[Redacted]

dated 11/10/08

or cash received on _____ in the amount of \$ 250⁰⁰

from PMMR Services Co.

for HBP-7

Submitted by: Lawrence Romero Date: 11/10/08

Submitted to ASD by: Lawrence Romero Date: 11/10/08

Received in ASD by: _____ Date: _____

Filing Fee _____ New Facility _____ Renewal _____

Modification _____ Other _____

Organization Code 521.07 Applicable FY 2004

To be deposited in the Water Quality Management Fund.

Full Payment _____ or Annual Increment _____

RECEIVED
2008 JAN 18 AM 11 51



CERTIFIED MAIL
RETURN RECEIPT REQUESTED

January 15, 2008

Brad Jones
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Subject: Public Service Company of New Mexico Renewal Request for Annual Temporary
Permission to Discharge of Hydrostatic Test Water- HB-NM-007

Dear Mr. Jones,

The Public Service Company of New Mexico (PNM) requests the renewal of their Annual Temporary Permission to discharge hydrostatic test water from new natural gas pipelines HB-NM-007. The current permit expires March 19, 2008. Discharges will occur within PNM's right-of-way and will be done in a manner to control erosion and prevent sediment discharging from the site. Methods of controlling sediment include: filter bags, detention basins, utilizing a water truck to spray test waters for dust suppression on the right-of-way, working the test water into the trench spoils to aid with compaction, or placing water in the trench and allowing it to soak or evaporate.

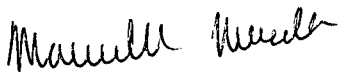
The annual temporary permission authorizes PNM to discharge hydrostatic test waters throughout the state of New Mexico under the following conditions:

1. The volume does not exceed 25,000 gallons per hydrostatic test;
2. Only water from a public/municipal water supply or other OCD approved sources will be used for each test;
3. PNM will provide oral or written notification to the OCD 72 hours prior to each hydrostatic discharge event;
4. Test water will not enter any lake, perennial stream, river or their respective tributaries that may be seasonal;
5. No discharge shall occur:
 - i. where ground water is less than 10 feet below ground surface;
 - ii. within 200 feet of a watercourse, lakebed, sinkhole or playa lake;
 - iii. within an existing wellhead protection area;
 - iv. within 500 feet of a wetland; or

- v. within 500 feet from the nearest permanent residence, school, hospital, institution or church;
- 6. The discharge will not cause any fresh water supplies to be degraded or to exceed standards as set forth in Subsections A, B, and C of the 20.6.2.3103 NMAC (the New Mexico Water Quality Control Commission Regulations);
- 7. Best management practices will be implemented to contain the discharge onsite, does not impact adjacent property, and to control erosion;
- 8. The landowner(s) of each proposed discharge and/or collection/retention or alternative discharge location will be properly notified of the activities prior to each proposed hydrostatic test event; and
- 9. PNM will submit an annual report, summarizing all tests of new pipe with less than 25,000 gallons per hydrostatic test event, to the OCD within 45 days after the temporary permission expiration date. The report shall contain the following information:
 - i. location of hydrostatic test (Section, Township and Range or GPS coordinates);
 - ii. date of each test;
 - iii. volume of each discharge; and
 - iv. source and quality of test water (laboratory analysis, if necessary).

An annual report for 2007 will be submitted by April 23, 2008. A check for \$250 to cover the filing and temporary permission fees was sent to OCD under separate cover. Please feel free to call me at (505) 241-0665 if you have any questions. I appreciate your timely review of this application.

Sincerely,



Marcelle Fiedler
Senior Environmental Scientist

cc: DCC
ESD Files