

HITP - 009

**TEMPORARY
PERMISSION
2009**

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



November 18, 2009

Ms. Marcelle Fiedler
New Mexico Gas Company
P.O. Box 97500
Albuquerque, NM 87109-7500

Re: Hydrostatic Test Water Discharge - Temporary Permission (HITP-009)
New Mexico Gas Company
North Belen Interchange Lowering Project
Location: Section 25, Township 6 North, Range 1 East, NMPM,
Nicolas Duran de Chavez Land Grant
Valencia County, New Mexico

Dear Ms. Fiedler:

The Oil Conservation Division (OCD) has received New Mexico Gas Company's (NMGC) revised notice of intent (NOI), dated November 10, 2009, to hydrostatically test two sections of existing pipeline (400 foot and 600 foot sections) of a 12-inch natural gas transmission pipeline that is approximately 1 mile northwest of the City of Belen, New Mexico. The NOI indicates the NMGC proposes to generate approximately 3,861 gallons of wastewater from a hydrostatic test of used pipeline. The hydrostatic test wastewater will be discharged into a frac tank for temporary storage, transferred from the frac tank to an OCD approved water hauler, and delivered to Key Energy Services for injection and disposal into a Class I well.

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

1. no discharge will occur at the hydrostatic test wastewater collection/discharge location: Section 25, Township 6 North, Range 1 East, NMPM, Nicolas Duran de Chavez Land Grant, Valencia County, New Mexico;
2. the source of the hydrostatic test water will be a municipal water source obtained from the City of Belen;
3. approximately 3,861 gallons of hydrostatic test wastewater generated from the test will be slowly discharged into one (1) 5,040 gallon frac tank for temporary storage, while awaiting transfer and disposal into a Class I well at Key Energy Services;
4. the temporary storage tank shall have impermeable secondary containment (e.g., liners - visquene and berms - hay bales), which will contain a volume of at least one-third greater than the total volume of the tank;
5. no hydrostatic test wastewater generated from the test will be discharged to the ground or within the existing easement right of right;



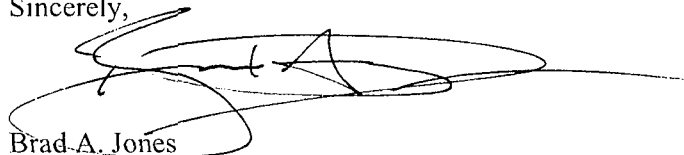
6. the hydrostatic test wastewater will be analyzed to determine if it is a RCRA non-hazardous/non-exempt waste that Key Energy Services may accept for disposal. If the hydrostatic test wastewater does not meet the criteria for Key Energy Services waste acceptance, the test water shall be sent to a RCRA permitted TSDF for disposal;
7. NMGC will ensure the transfer the hydrostatic test wastewater via an OCD approved water hauler to Key Energy Services Class I well for injection and disposal;
8. all hydrostatic test wastewater will be removed from the discharge and/or collection/retention location by December 31, 2009 or within one week from when the hydrostatic test begins;
9. any surface area impacted or disturb from the approved activities shall be restored.
10. no collection or retention of hydrostatic test wastewater shall occur:
 - a. within any lake, perennial stream, river or their respective tributaries that may be seasonal;
 - b. where ground water is less than 10 feet below ground surface.
 - c. within 200 feet of a watercourse, lakebed, sinkhole or playa lake;
 - d. within an existing wellhead protection area;
 - e. within, or within 500 feet of a wetland; or
 - f. within 500 feet from the nearest permanent residence, school, hospital, institution or church;
11. best management practices must be implemented to contain the discharge and/or collection /retention onsite, not impact adjacent property, and to control erosion;
12. the discharge and/or collection/retention 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);
13. the landowner(s) of the proposed discharge and/or collection/retention or alternative discharge location must be properly notified of the activities prior to the proposed hydrostatic test event; and
14. NMGC shall report all unauthorized discharges, spills, leaks and releases of hydrostatic test water and conduct corrective action pursuant to WQCC Regulation 20.6.2.1203 NMAC and OCD Rule 29 (19.15.29 NMAC).

It is understood that the hydrostatic test will occur sometime during the period of December 1, 2009 through December 31, 2009. This temporary permission will expire in 120 days of the effective date of the letter.

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

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

Sincerely,



Brad A. Jones
Environmental Engineer

BAJ/baj

cc: OCD District I Office, Santa Fe