

HBP - 5

**PERMITS,
RENEWALS, &
MODS**

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



February 6, 1995

CERTIFIED MAIL
RETURN RECEIPT NO. P-176-012-105

Mr. Lorin W. Fothergill
Meridian Oil Inc.
P.O. Box 4289
Farmington, New Mexico 87499-4289

Re: **Discharge of Hydrostatic Test Waters (HBP-NM-005)**

Dear Mr. Fothergill:

The Oil Conservation Division (OCD) has received your request for a renewable five year authorization to discharge hydrostatic test waters.

Based on the information and commitments, authorization is hereby approved with the following conditions:

1. This permit is for testing new pipe only. All used pipe tests must receive specific discharge approval from the OCD prior to testing. Used pipe is defined as any pipe or section of pipe that has had any hydrocarbons in contact with its walls.
2. Only fresh water (preferably less than 2,000 mg/l total dissolved solids) shall be used in hydrostatic testing.
3. The volume of test water cannot exceed 100,000 gallons. All tests involving more than 100,000 gallons must receive authorization from the OCD on a case by case basis.
4. No test waters will be discharged to any lakes, perennial streams, rivers, or any surface bodies of water upon completion of a test.

VILLAGRA BUILDING - 408 Galisteo

Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830

Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco

Office of the Secretary
827-5950

Administrative Services
827-5925

Energy Conservation & Management
827-5900

Mining and Minerals
827-5970

Oil Conservation
827-7131

Mr. Lorin Fothergill

February 6, 1995

Pg. 2

5. A report must be filed every twelve months summarizing the activities and shall contain the following information:
- A. Location of test - Section, Township and Range
 - B. Date of test.
 - C. Volume of discharge.
 - D. Source of test water.

The approved discharge authorization consists of the original permit dated November 2, 1989 and the renewal request.

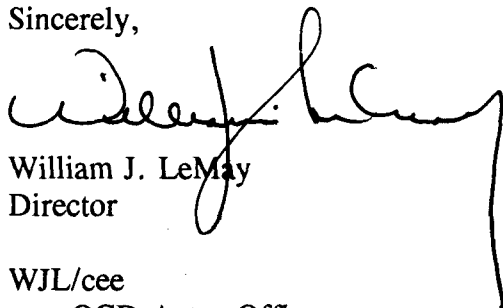
The request for discharge authorization was submitted pursuant to New Mexico Water Quality Control Commission Regulations and is approved pursuant to that regulation.

This authorization is approved for a period of five (5) years. The authorization will expire October 31, 1999.

Please be advised that this approval does not relieve you of liability should your operation result in actual pollution of surface water, ground water, or the environment actionable under other laws and/or regulations. In addition, the OCD approval does not relieve you of liability for compliance with other laws and/or regulation.

If there are any questions, please call Chris Eustice at (505) 827-7153.

Sincerely,



William J. LeMay
Director

WJL/cee

xc: OCD Aztec Office
OCD Hobbs Office
OCD Artesia Office



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

November 2, 1989

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

CERTIFIED MAIL
RETURN RECEIPT NO. P-106-675-188

Mr. Loren N. Fathergill
MERIDIAN OIL, INC.
P. O. Box 4289
Farmington, New Mexico 87499-4289

RE: Discharge of Hydrostatic Test Waters

Dear Mr. Fathergill:

The Oil Conservation Division (OCD) has received and evaluated your request, dated October 19, 1989, for a renewable five year authorization to discharge hydrostatic test waters.

Based on the information provided in your request, the authorization is hereby approved with the following conditions:

1. This permit is for testing newly constructed pipe only. All used pipe tests must receive individual discharge approval from the OCD prior to testing. Used pipe is defined as any pipe or section of pipe that has had any hydrocarbon in contact with its walls.
2. The volume per test does not exceed 100,000 gallons.
3. The tests follow the procedures as proposed in your October 19, 1989 request. Since the testing will utilize a closed-loop system and water will be entirely self-contained, the provisions of the hydrostatic test guidelines pertaining to anticipated discharges will pertain to leaks in the tested pipe:
 - a) No discharge due to any leak may enter any lake, perennial stream, river or their respective tributaries that may be seasonal.
 - b) Ground water may not be less than 10 feet from the surface at any point of discharge.
 - c) No discharge may impact adjacent property.

- d) No discharge may cause any fresh water supplies to be degraded or to exceed standards as set forth in Section 3-103A, B, and C of the New Mexico Water Quality Control Commission Regulations.
4. A monthly report, summarizing all tests of new pipe with less than 100,000 gallons each, will be submitted to the OCD and shall contain the following information:
 - a) Location of test-Section, township and Range;
 - b) Date of test;
 - c) Volume of test water;
 - d) Source of test water;
 - e) Leaks detected and action taken to contain and recover the test water.
5. In the event a leak in the new pipe occurs such that conditions 3(a) - (d) above are not met, OCD shall be notified and a spill report submitted.
6. Precautions shall be taken at the pipeline entry and exit points to prevent spillage of produced water on the surface of the ground. Spills not meeting the conditions 3(a) - (d) above shall be reported to OCD.

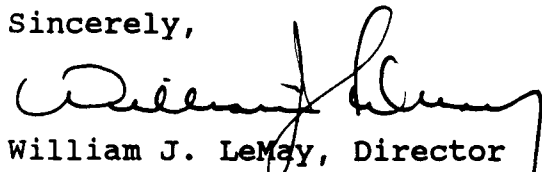
The approved discharge authorization consists of the request dated October 19, 1989.

The request for discharge authorization was submitted pursuant to Section 1-201 of the New Mexico Water Quality Control Commission Regulations and is approved pursuant to that regulation.

Please be advised that the approval of this plan does not relieve you of liability should your operation result in actual pollution of surface of ground waters which may be actionable under other laws and/or regulations.

This authorization is approved for a period of five (5) years. The authorization will expire October 31, 1994 and you should submit an application for renewal in ample time before that date.

Sincerely,



William J. LeMay, Director

WJL/RCA/sl