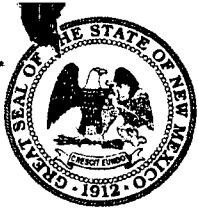


HBP - 14

**PERMITS,
RENEWALS, &
MODS**



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

September 26, 2000

CERTIFIED MAIL
RETURN RECEIPT NO. 7099-3220-0000-5051-1248

Mr. Fred Clakely
TEPPCO Crude Pipeline LP
100 N. Broadway, Suite 2500
Oklahoma City, OK 73102

Re: 5-Year Renewable Hydrostatic Test Waters Discharge Permit HBP-NM-014

Dear Mr. Clakely:

The New Mexico Oil Conservation Division (OCD) has received TEPPCO Crude Pipeline LP (TCO) request for transfer of Permit HBP-NM-014 from ARCO Pipe Line to TCO and to renew the five (5) year authorization to discharge hydrostatic test waters.

Based on the information and commitments provided, 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 1,000 mg/l total dissolved solids) from a water supply system or other potable source 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 specific authorization from the OCD prior to testing.
4. No test waters will be discharged to any lakes, perennial streams, rivers, or any surface bodies of water or their respective tributaries that may be seasonal.
5. Ground water is not less than 10 feet from the surface at the point of discharge.
6. The Discharge does not impact adjacent property.

7. The discharge does not cause any freshwater supplies to be degraded or to exceed standards as set forth in Section 3103A, B and C of the New Mexico Water Quality Control Commission Regulations.
8. **A report must be filed by November 9 of each year** summarizing all tests of new pipe with less than 100,000 gallons each. The report will be submitted to the OCD Santa Fe Office and shall contain the following information:
 - A. Date of test,
 - B. Location of test - Section, Township and Range,
 - C. Volume of discharge, and
 - D. Source of test water

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 November 9, 2005**.

Please be advised that this approval does not relieve received TEPPCO Crude Pipeline LP of liability should their operation result in pollution of surface water, ground water, or the environment. In addition, OCD approval does not relieve received TEPPCO Crude Pipeline LP of liability for compliance with other laws and/or regulations.

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

Sincerely,



Roger C. Anderson
Environmental Bureau Chief

RCA/mjk

xc: OCD Hobbs Office
 OCD Artesia Office
 OCD Aztec Office
 OCD Santa Fe Office
 Mr. Jack Amberg, ARCO Pipe Line, 15600 J.F. Kennedy Blvd., Suite 300, Houston, Texas 77032

NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

**2040 S. Pacheco
Santa Fe, New Mexico 87505**

November 9, 1995

CERTIFIED MAIL

RETURN RECEIPT NO. P-765-962-590

Mr. Samuel Lun
Arco Pipe Line Company
15600 JFK Blvd., Suite 300
Houston, Texas 77032

Re: Discharge of Hydrostatic Test Waters (HBP-NM-014)

Dear Mr. Lun:

The Oil Conservation Division (OCD) has received Arco Pipe Line Company's (Arco-PL) request dated November 9, 1995 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.

Mr. Samuel Lun
November 9, 1995
Page 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.

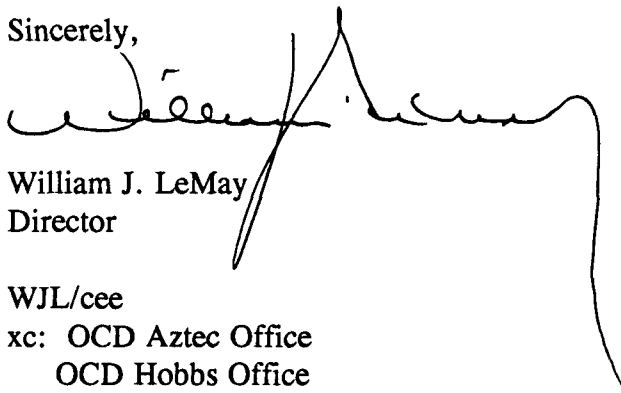
The request for discharge authorization was submitted pursuant to New Mexico Water Quality Control Commission Regulations and is approved pursuant to that regulation.

This authorization is approved for a period of five (5) years. The authorization will expire November 9, 2000.

Please be advised that this approval does not relieve Arco-PL of liability should their operation result in pollution of surface water, ground water or the environment. In addition, the OCD approval does not relieve Arco-PL 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