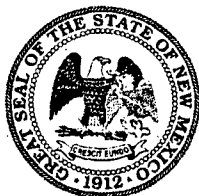


HBP - 16

**PERMITS,
RENEWALS, &
MODS**



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

October 31, 2001

Lori Wrotenbery

Director

Oil Conservation Division

RETURN RECEIPT NO. 7099-3220-0000-5051-2573

Mr. Mark Bishop
Conoco, Inc.
921 W. Sanger
Hobbs, NM 88240

Re: Renewable Hydrostatic Test Waters Discharge Permit (HBP-NM-016)

Dear Mr. Bishop:

The New Mexico Oil Conservation Division (OCD) has received Conoco, Inc.'s request dated September 24, 2001 to renew their five (5) year authorization to discharge hydrostatic test waters. The request for discharge authorization was submitted pursuant to New Mexico Water Quality Control Commission Regulations. 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 20 NMAC 6.2.3103.A, B and C of the New Mexico Water Quality Control Commission Regulations.

8. A report must be filed every twelve months 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. Location of test - Section, Township and Range
 - B. Date of test.
 - C. Volume of discharge.
 - D. Source of test water.

Pursuant to WQCC Regulation 20 NMAC 6.2.3114 an application fee of one hundred dollars (\$100) is due at the time of the permit application submittal and a general permit fee of six hundred dollars (\$600) is due upon receipt of this approval. The \$100 application fee has been received. This authorization is approved for a period of five (5) years. The authorization will expire **October 30, 2006**.

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

If there are any questions, please call Martyne Kieling at (505) 476-3488.

Sincerely,



Roger C. Anderson
Environmental Bureau Chief

RCA/mjk

xc: OCD Hobbs Office
 OCD Artesia Office
 OCD Aztec Office



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

October 31, 1996

CERTIFIED MAIL
RETURN RECEIPT NO. P-288-258-841

Mr. Weldon R. Ransbarger
Conoco, Inc.
P.O. Box 217
Bloomfield, New Mexico 87413

Re: **Hydrostatic Test Water Discharge Permit #HBP-NM-015**

Dear Mr. Ransbarger:

The Oil Conservation Division (OCD) has received your request, dated August 21, 1996, for a renewable five year authorization to discharge hydrostatic test waters.

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

1. This permit is for the discharging of hydrostatic test waters from new pipe only. The discharge of hydrostatic test waters from used pipe must receive separate 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. Fresh water will be used for all tests authorized by this permit.
3. The volume of water per test cannot exceed 100,000 gallons. Any test in excess of 100,000 gallons must receive separate discharge approval 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 upon completion of a test.
5. A report will be filed with the OCD annually describing all tests authorized by this permit for that period.
 - A. Location of test - Section, Township, Range
 - B. Date of test.
 - C. Volume of discharge.
 - D. Source of test water.

Mr. Weldon R. Ransbarger
October 31, 1996
Pg. -2-

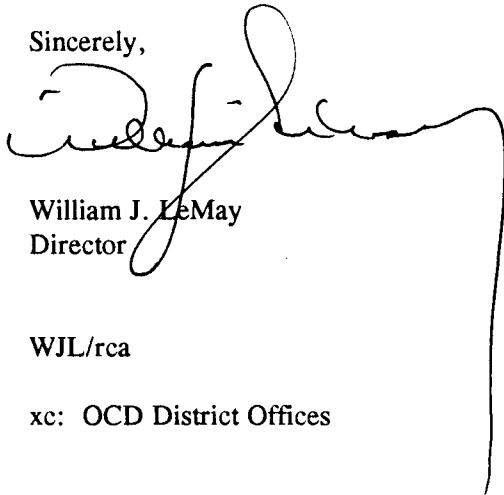
6. The duration of each individual discharge cannot exceed 120 days. If the discharge for an individual discharge exceeds 120 days a formal discharge plan application must be submitted for review and approval.

The request for discharge authorization was submitted pursuant to New Mexico Quality Control Commission Regulation 1-201 and is approved pursuant to that regulation.

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

This authorization is for a period of five (5) years. The authorization will expire October 30, 1996 and you should submit an application for renewal in ample time before that date.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. LeMay', with a long, sweeping horizontal line extending to the right.

William J. LeMay
Director

WJL/rca

xc: OCD District Offices