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PERMITS, RENEWALS, & MODS

January 31, 2000

<u>CERTIFIED MAIL</u> RETURN RECEIPT NO. Z-559-573-260

Mr. David Bays El Paso Energy Corp. 614 Reily Ave. Farmington, NM 87401

Re: Renewable Hydrostatic Test Waters Discharge Permit (HBP-NM-002)

Dear Mr. Bays:

The New Mexico Oil Conservation Division (OCD) has received El Paso Energy Corporation request dated November 9, 1999 to renew their 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 2,000 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.

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- 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 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.

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 June 26, 2004.

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

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

Sincerely,

Roger C. Anderson

Environmental Bureau Chief

RCA/mik

xc:

OCD Hobbs Office

OCD Artesia Office

OCD Aztec Office