

**HIP - 40**

**PERMITS,  
RENEWALS, &  
MODS**



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

May 15, 1995

**CERTIFIED MAIL**

**RETURN RECEIPT NO. P-176-012-134**

Mr. Kevin Myers  
Meridian Oil Inc.  
P.O. Box 4289  
Farmington, New Mexico 87499-4289

Re: **Disposal of Hydrostatic Test Waters**  
**Chaco Natural Gas Liquids Pipeline Transfer**

Dear Mr. Myers:

The Oil Conservation Division (OCD) has received Meridian Oil, Inc.'s. (Meridian) letter dated May 1, 1995 requesting authorization to dispose of approximately 2394 gallons of waste water from the hydrostatic testing of a section of pipeline located approximately 24 miles south of Farmington, New Mexico. The request describes a testing procedure that is considered a "closed loop" (no discharge to the surface) involving an exempt testing fluid (produced water) in a pipeline upstream of a processing plant. Meridian has proposed to dispose of the test waters by injecting the fluids into a Class II disposal well.

Based on the information provided in the request, specific authorization to dispose of the water down a Class II disposal well is not required. However, the disposal of hydrostatic testwaters into a disposal well is subject to a one time notification, for each disposal well, to the OCD Director of Underground Injection Control (UIC), David Catanach. Furthermore, any leaks, spills or any other associated mishaps are still subject to OCD regulations.

The OCD does not require that an operator receive specific authorization to discharge hydrostatic testwaters when the process of testing is a closed system, the pipeline being tested is upstream of a processing plant, the fluids used for testing are exempt and the testing fluids will be disposed of by injection into a Class II disposal well.

If I can be of further assistance to you, call me at (505) 827-7153.

Sincerely,

A handwritten signature in cursive script, appearing to read "Chris Eustice".

Chris Eustice  
Geologist

xc: David Catanach, UIC Director  
OCD Aztec Office



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2040 S. PACHECO  
SANTA FE, NEW MEXICO 87505  
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April 21, 1995

**CERTIFIED MAIL**  
**RETURN RECEIPT NO. P-176-012-129**

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

Re: **Discharge of Hydrostatic Test Waters**  
**Chaco Natural Gas Pipeline Transfer**

Dear Mr. Fothergill:

The Oil Conservation Division (OCD) has received Meridian Oil, Inc's. (Meridian) request dated December 13, 1994 requesting authorization to discharge approximately 2394 gallons of waste water from the hydrostatic testing of a combination section of 4" used pipeline (2965') and 2" new pipeline (2750') located approximately 24 miles south of Farmington, New Mexico.

Based on the information provided in the request, the hydrostatic test water discharge is hereby approved subject to the following conditions:

1. The test water will be discharged to a frac tank located in the SE/4 of Section 17, Township 26 North, Range 12 West, NMPM, San Juan County, New Mexico.
2. The test water is non-exempt from federal RCRA regulations and is subject to full characterization testing (TCLP). The analytical results will be presented to the OCD along with Meridian's request for disposal of this waste.
3. Any solids that accumulate in the frac tanks will be subject to TCLP testing. The analytical results must be presented to the OCD along with Meridian's request for disposal of these solids.

Pursuant to WQCC Regulation 3-106.B, this approval will allow Meridian to discharge 2394 gallons of hydrostatic test water from the Chaco Natural Gas Pipeline Transfer without an approved discharge plan for a period not to exceed 120 days. If more than one hydrostatic test water discharge occurs, or the permitted discharge volume is exceeded, another application must

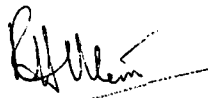
Mr. Lorin Fothergill  
April 21, 1995  
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be made. If the discharge exceeds 120 days, a discharge plan must be submitted for review.

Please be advised that this approval does not relieve Meridian of liability for its operation resulting in pollution of surface water, ground water or the environment.

If there are any questions, please call Chris Eustice at (505) 827-5824.

Sincerely,

 *William J. LeMay*  
William J. LeMay  
Director

WJL/cee

xc: OCD Aztec Office