

HIP - 55

**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

March 12, 1997

CERTIFIED MAIL

RETURN RECEIPT NO. P-326-936-259

Ms. Margaret A. Ash
PanEnergy
P.O. Box 5493
Denver, Colorado 80217

**Re: Hydrostatic Test Water Discharge
Eddy County, New Mexico**

Dear Ms. Ash:

The Oil Conservation Division (OCD) has received PanEnergy's request, dated March 5, 1997, for authorization to discharge approximately 126,500 gallons of waste water from the hydrostatic test of three segments of new pipeline. The proposed location for the discharge is at the Pan Energy Kathleen Compressor Station located in Section 1, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico.

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

1. The test water will be discharged onto the ground in a manner to prevent erosion.
2. The pipe must be new and never previously used for oil and/or gas transmission.
3. Fresh water will be used to conduct the test.
5. All discharged fluids will not be allowed to enter a water of the U.S..

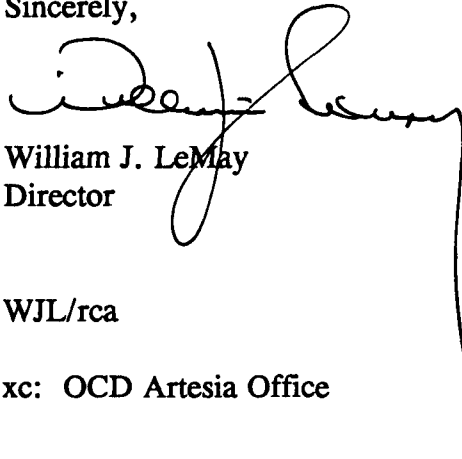
Ms. Margaret A. Ash
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Pursuant to WQCC Regulation 3-106.B, this approval will allow PanEnergy to discharge without an approved discharge plan for a period not to exceed 120 days. If the site is to be used for more than one test discharge, formal reapplication must be made. If the discharge exceeds 120 days, a formal discharge plan must be submitted for review.

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

If there are any questions, please call Roger Anderson at (505) 827-7152.

Sincerely,

A handwritten signature in dark ink, appearing to read 'William J. LeMay', is written over the typed name. The signature is fluid and cursive, with a long, sweeping line extending downwards from the end of the name.

William J. LeMay
Director

WJL/rca

xc: OCD Artesia Office