HIP - 7

GENERAL CORRESPONDENCE

YEAR(S): 2002 - 2001

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Kieling, Martyne

From:Kieling, MartyneSent:Wednesday, August 14, 2002 9:29 AMTo:'Duarte, Ricardo'Subject:RE: Follow up to HI-071 (issued last May 2001).

Richard,

Good to hear from you. I checked this out and you have 120 days from the date you begin to discharge. The May 21, 2002 permit is still valid. I will place this E-mail note in the File. Let Me know if I can be of any further assistance.

Sincerely,

Martyne Kieling (505) 476-3488

-----Original Message-----

From: Duarte, Ricardo [mailto:Ricardo.Duarte@ElPaso.com]
Sent: Wednesday, August 14, 2002 8:38 AM
To: Martyne Kieling (Kieling, Martyne [MKieling@state.nm.us])
Subject: Follow up to HI-071 (issued last May 2001).

Martyne:

Greetings. We have finally moved along on our project sufficiently to project a discharge date. As you may recall, we were granted the subject permit on May 21, 2001. Considering the discharge may be limited to 120-days (from the date of issuance), it expired on 9/18/2001. As explained before, we encountered project delays that pushed this discharge to finally start in October 2002.

I was reading the permit again and it states that the discharge itself is limited to 120-days. It does not say from the date of issuance. So, perhaps we are still ok and do not need a permit revision. At best we estimate the entire discharge will take about 30-days (5 separate discharges) during this time (into the lined pond). However, if you believe the permit is effective only 120-days from date of issuance, we would like to proceed with a revision.

Please let me know if you need a letter update and request to officially capture the above message (and let me know how you interpret my read on permit expiration).

Thanks for your patience on this, Richard Duarte 505/831-7763 Environmental Representative El Paso Corporation

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Pay ***TWO HUNDRED FIFTY AND XX / 100 US DOLLAR***

To The NEW MEXICO ENVIRONMENT DEPT Order Of WATER QUALITY MANAGEMENT FUND NMOCD ENVIRONMENTAL BUREAU ATTN MARTYNE KIELING 1220 SOUTH ST FRANCIS DRIVE SANTE FE. NM 87505

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NEW MEXICO ENVIRONMENT DEPT WATER QUALITY MANAGEMENT FUND NMOCD ENVIRONMENTAL BUREAU ATTN MARTYNE KIELING 1220 SOUTH ST FRANCIS DRIVE SANTE FE, NM 87505

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October 18, 2001

Ms. Martyne Kieling, Environmental Engineer New Mexico Oil Conservation Division Environmental Bureau – District 4 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

Certified Mail/ Return Receipt 7000 1670 0001 6900 2746

Re: Request to Extend Hydrostatic Test Discharge Permit HI-071 from EPNG's No. 2000 Pipeline near Lordsburg, NM.

Dear Ms. Kieling:

As a result of unexpected project delays, El Paso Natural Gas Company (EPNG) is today anticipating the hydrostatic testing related to this project to occur in late January or early February 2002. EPNG has not yet completed the mechanical conversion of the pipeline from crude to natural gas transmission service. Thus we have not yet commenced any hydrostatic testing. Therefore, EPNG is respectfully requesting an extension from the current deadline to discharge under the subject permit to March 2002.

The scope of the project (excluding milestone-dates) and related hydrostatic discharge, as described in EPNG's May 11, 2001-application, has not changed. Thank you for your consideration of this request. If you have any questions regarding this request, please contact me at (505) 831-7763.

Sincerely,

Purhund Anat

Richard Duarte Principal Environmental Engineer Pipelines West – Environmental Department

CC: Ed Martin, Engineer – NMOCD, Santa Fe, NM

THAT ALL I

Kieling, Martyne

Martin, Ed From: Wednesday, October 03, 2001 8:32 AM Sent: To: 'Duarte, Ricardo' Cc: Kieling, Martyne Subject: RE: Hydrostatic Test Water Discharge HI-071 Richard, sorry I took so long to respond. I would advise that you write a letter to me explaining the situation and requesting an extension. I will approve and give Martyne a copy. Then, when the situation resolves itself, submit your renewal application. If you have any more questions, do not hesitate to e-mail or call. Ed ----Original Message-----From: Duarte, Ricardo [mailto:Ricardo.Duarte@ElPaso.com] Sent: Thursday, September 27, 2001 1:11 PM To: Ed Martin (E-mail) Subject: FW: Hydrostatic Test Water Discharge HI-071 Ed: I realized Martyne may be on maternity-leave. Can you assist with the guestion below? Thanks, Richard > ----Original Message-----Duarte, Ricardo > From: Thursday, September 20, 2001 2:23 PM > Sent: > To: Martyne Kieling (E-mail) > Subject: Hydrostatic Test Water Discharge HI-071 > > Martyne: > On May 21, 2001 the OCD issued the subject Discharge Permit. It expired > on 9/18/01. Due to factors related to delays in authorization to > construct on the pipeline, the FERC has not yet allowed EPNG to touch the > pipeline. They have only allowed us to clean it. > After we clean it (about one month from completing the job), we still have > about 2-months of mechanically converting the pipeline for natural gas > service. EPNG is running behind its originally anticipated schedule. The > hydro testing is now anticipated into December 2001. > QUESTION: Should I write you a letter explaining the above situation and > request an extension for HI-071 OR should re-submit the previous > application for totally new permit? > Appreciate your review of the matter, > Richard 505/831-7763 This email and any files transmitted with it from the ElPaso Corporation are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this email in error please notify the sender. ****** Ricardo. dvorte@ 21 paso. com **************

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Kieling, Martyne

From:	Duarte, Ricardo[SMTP:Ricardo.Duarte@ElPaso.com]
Sent:	Wednesday, May 16, 2001 3:25 PM
То:	Martyne Kieling (E-mail)
Subject:	Follow-up on Requested Information
Importance:	High

Martyne:

Below is a listing items requested by NMOCD to continue to process the two hydrostatic test discharge applications. Should you require further information, please feel free to call or email me.

Belen Area Discharge:

1. Legal site location of frac-tanks. Township 5 - North, Range 1 East, Valencia County. We don't have the quarter sections because this is Unsurveyed land. Please reference second drawing in EPNG's original application. The tanks are being located along the pipeline (south side) between milepost 264 and 263 above the words RANCHO RIO GRANDE UNIT 1 (right at the mid-section of the diagram) along that dirt road that follows the pipeline.

Lordsburg Area Discharge:

2. Pond description: The pond will be constructed using earthen berms and dug at the site. No additional soil will be transported into the location. The pond will be lined with a 40-mil HPDE seamless liner. The dimensions at the top of the berm will be 600 feet long by 350 feet wide. The depth will be adjusted to accommodate the NMOCD's final requirement for free-board. Upon completion of the project and the water has evaporated, EPNG will characterize any solids in the pond and dispose accordingly. Today EPNG is making disposal arrangements with Waste Management's Butterfield Disposal facility in Phoenix, AZ for all and any waste (solid, special or hazardous) generated in Texas, New Mexico and Arizona. The liner will be disposed at the that time as well and the earthen berms leveled to near original grade (no additional compaction).

3. Projected Discharge Date: At the present time the Federal Energy Regulatory Commission is awaiting a filing from EPNG regarding threatened and endangered species and general construction information. This information will be sent by EPNG on or before May 25, 2001. Upon which final approval to begin will be driven by the FERC's review of that information. Considering the energy crises in California, we expect that to be almost immediate. Hence, our best estimated date as to when the discharge will occur is after the pipeline is cleaned which is the last week in June (June 26, 2001) and sometime in July 2001.

Richard Duarte 505/831-7763

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May 11, 2001

Ms. Martyne Kieling, Environmental Engineer New Mexico Oil Conservation Division Environmental Bureau – District 4 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

Certified Mail

MAY 1 4 2001

SEVATION ON

Re: Request for a Permit to Discharge Hydrostatic Test Water from EPNG's Line 2000 Pipeline near Lordsburg, NM.

Dear Ms. Kieling:

El Paso Natural Gas Company (EPNG) is planning to hydrostatic test its new Line 2000 pipeline and discharge the water near Lordsburg, NM. The information attached herein is provided in accordance with the NMOCD's <u>Guidelines for Hydrostatic Test Dewatering</u> (May 1989). In brief, if the proposed conditions are met, EPNG is intending to discharge the test water into a lined pond within EPNG's property.

If you have any questions on any of this information or you need additional information, please contact me at (505) 831-7763.

Sincerely,

Ruchand Amb

Richard Duarte Principal Environmental Engineer Pipelines West – Environmental Department

NMOCD Hydrostatic Test Information EPNG's Pipeline 2000 Near Lordsburg, NM

June 4, 2001

Hydrostatic Test Information

a) Map showing the location of the pipelines to be tested;

One diagram is attached.

b) Description of the test;

EPNG is proposing to test about 506 miles of a 1,088-mile, 30-inch crude oil pipeline purchased in 2000 by EPNG from Plains All American Pipeline L. P and All American Pipeline LP. This Line 2000 will be integrated into EPNG's existing South Pipeline System, which would allow EPNG to almost immediately add up to 230 MMcf/d of new transport capacity to its transmission system. This project may help to ameliorate the current California energy crisis later this year as it begins operations.

The purpose of the test is to satisfy the pipeline safety requirements of the US Department of Transportation – Pipeline Safety Regulations (Reference Title 49 CFR Parts 186 to 199). The CFR Parts prescribes the procedures used by the Research and Special Programs Administration in carrying out the duties regarding the pipeline safety under the laws of 49 USC 60101 and other laws (the pipeline safety laws).

Prior to conducting any portion of the test, EPNG (via a specialized contractor) will utilize both mechanical and chemical pipeline cleaning techniques to remove all residual crude product from the All American Pipeline. The cleaning procedure may utilize up to 11 separate pigging stages to render the pipeline suitable for natural gas transmission. A copy of the cleaning operations is enclosed for NMOCD's information.

EPNG is proposing to conduct the test in three distinct phases: 1) Clean the pipeline 2) Fill pipeline with approximately 15 million gallons of water and hydrostatic test certain pipeline segments between Arizona and Lordsburg, NM; and, 3) if all applicable criteria are met, discharge the water into a lined-pond within EPNG's property.

30" - Pipeline Section 13, Township 23 South, Range 17 West, Hidalgo County, NM Latitude: 32^º 18.8' Longitude: 108^º 33'

c) Source and analysis of test water;

EPNG will get water from the Colorado River at the California/Arizona border. A sample of this source water will be acquired prior to the test and analyzed for organic compounds, major anions and cat ions, heavy metals, aromatic and halogenated hydrocarbons, TDS, Fe, Mn, ph, PAHs and conductivity as recommended by the NMOCD guidelines.

d) Point of discharge of the test water;

The water will be discharged into a single-lined pond (capacity of 15,000,000-gallons) at the former All-American Lordsburg compressor station location, now owned by EPNG.

Section 13, Township 23 South, Range 17 West, Hidalgo County, NM Latitude: 32^o 18.8' Longitude: 108^o 33'

e) Method and location for collection and retention of fluids and solids;

Upon completion of the hydrostatic test, the water will be discharged directly from the pipeline into the linedpond. The water will be permitted to evaporate. Any resultant residue (after evaporation) will be characterized and disposed accordingly.

f) monitoring program;

EPNG is proposing to collect one composite water sample from the pond after the discharge and analyze it for the same constituents performed on the source water.

g) Depth of ground water at discharge and collection/retention site;

Depth to groundwater is estimated at 170 feet.

h) Geological characteristics;

Topsoil is mostly sand with some small to medium sized cobbles and stones. The subsurface soils are chiefly a sandy loam mixed with clayey sediments.

i) Plan for disposal of test water and solids;

After the test, all water will be discharged directly into the pond from the pipeline. Any solids left (after evaporation) in the pond will be collected, characterized and disposed accordingly. The pond will be closed thereafter.

REAL STREET

j) Written permission from the landowner of collection/retention site;

None necessary as EPNG owns the property.



Cleaning Operations

Milbar Hydro-Test, Inc. proposes to clean approximately 800 miles of 30-inch pipeline using a combination of chemical and mechanical means. The methods used have been proven to be a successful means of hydrocarbon based product removal. Although there are a multitude of cleaning agents and chemical procedures that have been proven adequate for pipeline cleaning. Milbar believes the methods outlined below shall prove to be the most efficient, cost effective means available to provide for a smooth transition to the intermittent pipe work and hydro-testing and drying operations.

Milbar plans to employ both mechanical and chemical pipeline cleaning techniques in order to remove the residual petroleum product from All American Pipeline (inclusive of all mainline piping and existing traps). Utilizing the existing pig traps at each site, Milbar will perform a single run using cleaning pigs, diesel based cleaning agents and caustic detergents. (See Table 1) The cleaning process will be propelled at a rate such that the cleaning agents will be in contact with the pipe wall for a minimum of 5 minutes. The cleaning pigs will be propelled using a combination of compressed nitrogen and 100% oil free compressed air.

Milbar plans to clean section one in an effort to determine the extent of the cleaning that will be necessary for the rest of the pipeline. Once this has been determined, we will continue on to section two. The sections will be cleaned individually with the possible exception of cleaning sections three and four as a single section. A cost has been provided should sections three and four (section 3 in the price schedule) be cleaned separately. Cleaning Section 3 in two sections will add 5 days to the overall cleaning schedule. The remaining sections will be cleaned individually due to their extensive lengths, or the head-pressure involved in propelling the cleaning process. As each cleaning section is completed, it will be turned over to El Paso allowing for the intermittent pipe work necessary for testing operations to begin.

The cleaning fluids and residual products that are removed from the pipeline will be separated, as they come into the receiver, based on their condition. Frac-tanks will be set up at each site to allow residual fluids to be trucked for disposal or for reuse on the next section.

The cleanliness of the pipeline shall be determined using several techniques. Milbar will provide the following tests for the approval of the El Paso cleaning inspector. The techniques and specifications listed below are based on our knowledge of the cleaning process. However, because the current state of the pipeline is unknown, the cleaning process we have proposed may be altered somewhat after cleaning section one (1) has been completed. Milbar will conduct analytical measurements of fluid viscosity and sediment loads as the cleaning solutions enter the receiver. We will also perform color wheel determinations and physically dissect the trailing pigs for penetration measurements. The following paragraph will detail each of these methods and what we hope to achieve from performing them.

Table 1:

Cleaning Process

	Pig Type	Batch	Description	Function
1	Ultra-Seal Polyester Swab	Nitrogen	Polyester Foam Swab with Polyurethane Core and Disks	Remove Residual Crude
2	BMF-2C4DB	Nitrogen	Steel-bodied, Two-Cup, Four-Disk Cleaning pig Complete with Brush Wrap	Loosens and Removes Paraffin and Residual Crude From the Pipe Wall
3	BMF-2C4DB	Diesel Based Hydrocarbon Dispersing Agent	Steel-bodied, Two-Cup, Four-Disk Cleaning pig Complete with Brush Wrap	Remove Residual Crude and Disperses Existing Contaminants
4	BMF-2C4DB	Diesel Based Solids Suspension Agent	Steel-bodied. Two-Cup. Four-Disk Cleaning pig Complete with Brush Wrap	Remove Residual Crude and Suspends and Removes Solid Contaminants
5	BMF-2C4DB	Nitrogen	Steel-bodied. Two-Cup, Four-Disk Cleaning pig Complete with Brush Wrap	Cleaning Pig Used to Complete Diesel Based Cleaning Agent Batch
6	Ultra-Seal Polyester Swab	Nitrogen	Polyester Foam Swab with Polyurethane Core and Disks	Maintain Separation Between Caustic Solution and Diesel Based Cleaning Agents
7	BMF-2C4DB	Caustic Cleaning Agent	Steel-bodied. Two-Cup. Four-Disk Cleaning pig Complete with Brush Wrap	Caustic Detergent Cleaning Agent to Remove All Residual Petroleum Distillates
8	BMF-2C4DB	Corrosion Inhibitor. Oxygen Scavenger & Biocide Agent	Steel-bodied, Two-Cup, Four-Disk Cleaning pig Complete with Brush Wrap	Wash Water Complete with Corrosion Inhibitor, Oxygen Scavenging and Biocide Agents
9	Ultra-Seal Polyester Swab	Compressed Air	Polyester Foam Swab with Polyurethane Core and Disks	Ultra-sealing Pigs Used to Remove All Remaining Liquids from the Line
10	Ultra-Seal Polyester Swab	Compressed Air	Polyester Foam Swab with Polyurethane Core and Disks	Ultra-sealing Pigs Used to Remove All Remaining Liquids from the Line
11	Low Density Polyether Swab	Compressed Air	Polyether Foam Swab	Bare Foam Swabs Used to Remove all Remaining Liquids from the Line

Milbar plans to use an analytical viscometer for the primary determination of pipeline cleanliness. Samples will be taken of the diesel based cleaning agents prior to their injection into the pipeline. These samples will serve as a base-line for the amount of crude that is removed from the line. Known viscosities of several grades of fuel oil will then allow us to determine the relative amount of crude that has been removed by the cleaning agent as it exits the pipeline. Figure 1 outlines the viscosity/density/boiling-

range relationships of common fuels. The kinematic viscosities of the products being removed from the pipeline will be compared to these values in an effort to determine the cleanliness of the batch. Milbar will consider

the batch clean if the viscosity of the sample falls below nine (9) mm^2/s . This value is representative of fuel that may be considered primarily petroleum distillate (No. 2 Fuel Oil) with only a minor portion of residuum (Crude). Milbar will provide further evidence of cleanliness using color wheel determinations, centrifugation and pig dissection, which shall be detailed in the following paragraphs.

Figure 1:





Perry RH, Green DW. Energy Resources, Conversion, and Utilization. Page 27-8. <u>Perry's Chemical Engineering Handbook</u>. Seventh Edition. McGraw Hill. 1997.

The use of a color wheel is a time-tested method for determining fuel oil cleanliness. Color wheels are used by comparing a sample of the fuel batch with several different shades on the wheel. The color that the fuel matches on the wheel, will illustrate its cleanliness. Sample from both batches of the diesel based cleaning fluid will be compared using a color wheel. The solids removed from the line will be determined through high-speed centrifugation of the base line sample as well as a final sample from each batch. This analysis will illustrate the efficiency of the suspension agent as well as offering the inspector and Milbar evidence of the total solids removed from the line.

The final determination of cleanliness shall be achieved through the dissection of the trailing swabs used in the cleaning process. As the viscosity of the diesel based cleaning agents drop below nine (9) mm^2/s the bulk of the cleaning ability of the process falls on the use of the caustic solution. Because there is no practical way to measure the cleaning efficiency of the caustic solution in the field, Milbar will rely on the internal state of the foam swabs. Milbar will consider the line clean when the trailing swab in the line shows

a wash water penetration of no more than twenty-four (24) inches. In other words, at least 25% of the core of the trailing swab should be clean. It is Milbar's opinion, that a swab that travels between 50 and 200 miles with no penetration of the core will illustrate that the pipeline is clean and ready for further pipe work and hydro-testing operations.

Pig/Train Tracking:

The cleaning batches will be tracked using the CDI Pig Tracking system. Multiple receivers and antenna will be used to track the progress of a transmitter placed in the body of the first and last batch pig. The heavy-duty transmitter emits a low frequency radio signal that is detected by a handheld antenna and receiver. The Receiver is capable of recording data during day and night operations and will clearly illustrate the passage of the pig train. Each receiver will record the time the pig passed as well as the speed at which it was traveling. This proven pig tracking technology will be the primary source of information as to the location of the cleaning batch. In addition to tracking the pigs using the CDI, we will also correlate the discharge pressure with the flow rate of air entering the pipeline. The backpressure will be regulated in order to control the velocity of the batch. Throughout the running time of the batch, the pressure will be recorded and used to calculate the distance the batch has traveled.

Pig tracking operations during daylight hours will be carried out by Milbar personnel stationed at preset checkpoints along the path of the cleaning batch. These checkpoints will be determined from either ten-mile increments or local access points, which ever is most feasible. Because pigging operations will continue 24-hours a day, strategically placed receivers will be used to record the passage of the batch during the night shift. Using the pig tracking equipment and the redundant systems mentioned above will allow the location of the cleaning process to be known, within several miles, at all times.

Job Safety and Chemical Handling Training:

Prior to the onset of any chemical cleaning operations all employees of Milbar Hydro-Test, Inc. shall be properly trained in the handling of the chemical agents, the risk involved and all of the proper safety equipment that will be used. Milbar will conduct daily "tool box" safety meetings addressing the day's work. Personnel will be issued the proper safety equipment for the jobs they will be performing. Milbar will provide portable eye wash stations, showers and other safety equipment necessary should an exposure occur.

Personnel will also be instructed on the proper handling of spills should they occur. Milbar will provide information on proper clean-up techniques as well as any safety issues that should be discussed. These issues shall be reinforced continually throughout the duration of the job in an effort to provide a safe and efficient working environment.

All of Milbar's supervisors, project managers and foreman are OSHA HAZWOPER trained. Each foreman will be responsible for policing his crew during daily operations and for the prevention of accidents before they occur.

Spill Response Plan of Action:

Although the uncontrolled release of pipeline fluids is not expected the following steps shall be taken to prevent, control and contain any spills that might occur.

- 1. All frac-tanks used to store and control the exit of pipeline fluids (diesel, crude, caustic, etc.) shall be adequately grounded preventing the build up of static electricity.
- 2. All frac-tanks will be placed on heavy-duty tarps with a containment berm built around their perimeter.
- 3. An adequate work area, which is bermed and lined with a heavy-duty tarp, will be built around the launcher/receiver.
- 4. In addition to the work area described above, a drainable trough will be placed under the launcher/receiver in order to catch residual fluids.
- 5. A vacuum truck will be on site while all liquids are being handled.

Empty 55-gallon drums will be brought to the site in order to store any soil that may become contaminated.

Waste Management:

Milbar will provide all of the necessary equipment required to remove all materials from the job site. Solid hydrocarbon based materials will be loaded into roll-off bins and in turn trucked to a solid waste disposal site. Liquid hydrocarbon based wastes will be stored in Frac-tanks until they can be loaded into tankers and removed for reclamation. Non-hydrocarbon based liquid wastes will also be stored in frac-tanks prior to being trucked to Butterfield landfill for disposal. Prior to removing these wastes from the site samples will be analyzed for hazardous constituents as per the disposal facility (See List Below). Wastes that are determined to be hazardous shall be turned over to El Paso Natural Gas for disposal. A more detailed plan will be made available prior to start of the project. Tentative hazardous constituents analysis:

- 1. TCLP RCRA Metals
- 2. Total Volatile Organic Carbon
- 3. Total petroleum Hydrocarbons
- 4. Flash Point (Liquids Only)
- 5. pH (Liquids Only)

EXHIBIT "B-4"

Items to be subcontracted

1. Liquid and Solid waste hauling and disposal will be handled by:

Mesa Oil Inc. – Bulk crude and diesel based cleaning agent hauling and recovery.

Waste Management Inc. - Landfill facilities in AZ, NM & TX.

Chemical Transport Inc. – Non-Hydrocarbon based liquid and solid hauling and disposal.

2. Nitrogen Services – Nitrogen hauling and pumping for buffer during cleaning process as described will be handled by:

Air Products Inc. – Hauling and pumping nitrogen used for cleaning process.

3. Pipe Work – All pipe work associated with M.P. 303.5 will be handled by:

B & H Construction Inc. – Digging, cutting, welding and cleanup associated with pipe work to be done at M.P. 303.5.

4. Spill Remediation – All work associated with large spill remediation will be handled by a certified subcontractor.

