

HIP - 88

**PERMITS,
RENEWALS, &
MODS**



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

December 12, 2003

Ms. Lynn Ward
Duke Energy Field Services, LP
3300 North A Street, Bldg. 7
Midland, Texas 79705

**Re: Hydrostatic Test Water Discharge Permit HI-088
Black Hills Project
Discharge location: NE/4 NE/4 of Section 29, T 30 N, R 6 W, NMPM,
San Juan County, New Mexico**

Dear Ms. Ward:

The New Mexico Oil Conservation Division (OCD) has received Duke Energy Field Services, LP (Duke) request dated December 5, 2003 for authorization to discharge up to 350,196 gallons of waste water from the hydrostatic test a 12" natural gas pipeline in the Black Hills Project. The test will be on approximately 8.33 miles of new 12-inch and 16-inch natural gas pipeline. The discharge point will be located in NE/4 NE/4 Section 29, Township 30 North, Range 6 West, NMPM, San Juan County, 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 (386,400 gallons) will be collected into frac tanks and then discharged to the ground surface in NE/4 NE/4 Section 29, Township 30 North, Range 6 West, NMPM, San Juan County, New Mexico.
2. Test water will be held in the frac tanks and then released through hay bales to prevent erosion.
3. The pipe must be new and never previously used for oil and/or gas transmission.
4. Only fresh water of less than 1,000 mg/l total dissolved solids from a water supply system or other potable source shall be used in the hydrostatic test.
5. The fluids will not be allowed to migrate to a water of the State or a water of the U.S.

Ms. Lynn Ward
December 12, 2003
Page 2

6. Any solids that accumulate in the frac tanks as a result of the discharge will be subject to full hazardous waste characterization testing to determine the proper means of disposal.
7. The analytical results will be made available to the OCD along with a request for disposal of the accumulated solids.
8. Written permission of landowners must be obtained.

Pursuant to WQCC Regulation 20 NMAC 6.2.3106.B, this approval will allow Duke to discharge without an approved discharge plan for a period not to exceed 120 days. 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 temporary permission permit fee of one hundred fifty dollars (\$150) is due upon receipt of this approval. The \$100 application fee and \$150 temporary permission fee have been received. 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 Duke of liability should their operation result in pollution of surface water, ground water, or the environment. In addition, OCD approval does not relieve Duke of responsibility for compliance with other federal, state or local regulations.

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

Sincerely,



for Roger C. Anderson
Environmental Bureau Chief

RCA/mjk

xc: OCD Aztec Office