HIP - ____

PERMITS, RENEWALS, & MODS

Martin, Ed

To:

DeLapp, Robin

Subject: RE: OCD Discharge Permit HI-091

Your requests, as stated below, are approved and permit HI-091 has been amended to reflect the following:

1. The 120 day period will commence on February 1, 2005, with the understanding that your discharge will occur on approximately April 15, 2005. Should this not occur, please contact me for an additional amendment to the permit. Otherwise, it will be understood that HI-091 will expire on June 1, 2005.

2. Your request to treat both discharges under the same permit (HI-095) is also approved and it is understood by the NMOCD that the total discharge will be approximately 235,421 gallons instead of the 350,000 gallons authorized in your original discharge application.

If you have any further questions, please contact me.

Ed Martin

New Mexico Oil Conservation Division Environmental Bureau 1220 S. St. Francis Santa Fe, NM 87505

Phone: 505-476-3492 Fax: 505-476-3462

----Original Message----

From: DeLapp, Robin [mailto:RDELAPP@pnm.com]

Sent: Thursday, February 03, 2005 10:53 AM

To: emartin@state.nm.us Cc: Tom Hess (E-mail)

Subject: OCD Discharge Permit HI-091

Ed Martin NM Ed Martin February 3, 2005

Ed Martin

New Mexico Oil Conservation Division (NMOCD)

RE: OCD Discharge Permit HI-091 Public Service Company of New Mexico (PNM) Crouch Mesa Natural Gas Pipeline Project

Ed,

On October 1, 2004, the NMOCD issued a temporary permit to discharge water used to hydrostatically test 12 miles of new pipeline. This approval allows PNM to discharge for a period not to exceed 120 days commencing November 1, 2004. The permit also states the discharge will take place on or about December 1, 2004.

PNM's in-service date for the pipeline is April 30, 2005 which means the discharge will likely occur

on or about April 15, 2005. The actual discharge will occur outside the original 120-day window as stated in the permit. As we discussed on the phone, PNM seeks NMOCD approval to amend the 120-day discharge period to commence on February 1, 2005 and to acknowledge a revised discharge date.

PNM also seeks clarification on another issue. Crouch Mesa pipeline is split into two into two test sections: (1) station 0+00 - 384+56 and (2) station 384+56 - 671+12. The fill volumes of each of the two test sections are approximately 235,432 gallons and 175,435 gallons respectively. The contractor is planning to fill test section 1, conduct the hydrostatic test, then transfer the water to test section 2. When test section 2 is filled, the remaining 59,997+/- gallons of water in test section 1 will be discharged to the pond. A couple of days later, after hydrostatic testing of section 2 is completed, approximately 175,435 gallons of test water from test section 2 will be discharged to the pond.

The total discharge will be approximately 235,421 gallons, less than the 350,000 gallon maximum stated in the discharge permit. As we discussed on the phone, the NMOCD will consider this method as a single test discharge and is approved under Permit HI-091. PNM seeks NMOCD concurrence with this clarification.

Thank you for your consideration of these requests. Please call if you have any questions.

Robin DeLapp
Public Service Company of New Mexico
Alvarado Square, Mail Stop 2104
Albuquerque, New Mexico 87158
phone: (505) 241-2016/ fax: (505) 241-2376
cell: (505) 362-0730/ email: rdelapp@pnm.com

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NEW MEXICO ENERGY, MMERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

October 1, 2004

Mike Fitzgerald Ecosphere Environmental Services 108 N. Behrend, Suite A Farmington, NM 87401

Dear Mr. Fitzgerald:

The New Mexico Oil Conservation Division (NMOCD) has received your application, dated August 4, 2004, submitted on behalf of PNM, for a temporary permit to discharge water used to hydrostatically test new pipeline. The NMOCD reference for this permit is HI-091. This request is hereby approved with the following conditions and understandings:

- 1. The test water (350,000 gallons maximum) will be discharged in the E/2 NW/4 of Section 11, Township 29 North, Range 12 West, and will take place on or about December 1, 2004.
- 2. The test water will be discharged at a controlled rate and into a structure that will prevent erosion.
- 3. The water has been used to hydrostatically test new pipe.
- 4. Fresh water will be used which you have obtained from the public water supply for the City of Bloomfield, NM.
- 5. The discharged fluids will not be allowed to migrate to a water of the state or a water of the U.S.
- 6. The Bureau of Land Management is the landowner at the site, and the discharge will be maintained within the boundaries of their property.

Pursuant to WQCC Regulation 20 NMAC 6.2.3106.B, this approval will allow PNM to discharge without an approved discharge permit for a period not to exceed 120 days commencing November 1, 2004. Discharge must cease within the 120-day period, or a formal discharge permit will be required. Pursuant to WQCC Regulation 20 NMAC 6.2.3114, an application fee (\$100) and a temporary permit fee (\$150) are due at time of application. These fees have been received by the NMOCD. If this site is to be used for more than one discharge, PNM must make a separate application for the additional discharge.

This approval does not relieve PNM of liability should their operation result in pollution of surface water, groundwater, or the environment, nor does it relieve PNM of its responsibility to comply with any other federal, state or local regulations.

If there are any questions, please contact Ed Martin (505) 476-3492 or emartin@state.nm.us

Sincerely,

Roger C. Anderson

Environmental Bureau Chief

Cc: NMOCD Aztec Office