HITP - 7

GENERAL CORRESPONDENCE

YEAR(S): 2008

Jones, Brad A., EMNRD

From: Fiedler, Marcelle [Marcelle.Fiedler@pnmresources.com]
Sent: Tuesday, August 05, 2008 3:46 PM
To: Jones, Brad A., EMNRD
Subject: Corto Hydro test

Brad
I got your voice message and it looks like we are planning the hydro test for Corto for Approximately the week of November 3. This is approximate.

marcelle

Marcelle Fiedler
PNM Alvarado Square MS 2104
Albuquerque, NM 87158

ph: 505-241-0665
fax: 505-241-2384
cell: 505-220-1056

Jones, Brad A., EMNRD

From: Fiedler, Marcelle [Marcelle.Fiedler@pnmresources.com]
Sent: Tuesday, April 08, 2008 1:30 PM
To: Jones, Brad A., EMNRD
Cc: Jones, Jon
Subject: Corto ML Hydrostatic test

Brad
In response to our phone conversation today, I am emailing you the estimated dates of the Corto ML project. PNM anticipates starting construction for the project in July. Approximately 4 weeks after construction is complete the hydrostatic test on used and new pipe will be done (the line we are testing is partly new and partly old pipe). we estimate the test will begin in August. once hydrostatic testing starts the test will last 3-4 days and then the water will be transferred to tanks while the water analysis is completed. Water analysis takes 4-5 days. When we know the results of the water analysis, the water will be hauled to Key for disposal, approximately 2 weeks after hydrostatic testing starts. So the water will be off site by approximately early September or two weeks from when the hydrostatic test begins.

In our phone conversation you also said that since we are hauling the hydrostatic test water to a disposal facility and there is no discharge on site, that PNM will not have to do the public notice and OCD will issue PNM a permit for temporary permission.

Thanks Brad

PNM Resources
Alvarado Square
Albuquerque, NM 87158-2104
www.pnmresources.com
505.241.2031
Fax: 505.241.2384

RECEIVED
2008 MAY 9 PM 2:18

PNM Resources

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

May 7, 2008

Brad Jones
State of New Mexico - Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Update and revision to PNM Corto Mainline Pressure Test
Notice of Intent to Hydrostatically Test and Discharge

Dear Mr. Jones,

Public Service Company of New Mexico (PNM) is submitting their notice of intent to hydrostatically test and discharge water from the Corto Mainline, San Juan County New Mexico. Following the Oil Conservation Division Guidelines for Hydrostatic Test Dewatering, PNM has provided the following information.

Summary of Activities
PNM will hydrostatically test an 11,500 foot section of 12 inch used pipe on the Corto Mainline. Approximately 70,500 gallons of water from a Bloomfield municipal source will be used for the test.

Name and Address of Discharger
PNM
Marcelle Fiedler
Alvarado Square MS2104
Albuquerque, NM 87158

Location and Legal Description of Discharge

The test water will be collected at the south end of the Corto Mainline within Section 13, Township 28N, Range 11W. The location can be found by driving south on Highway 550 from Bloomfield and turning east on County Road 4980. Drive on County Road 4980 for approximately a 1.75 miles and turn left (northeast) on a dirt road, just past the Holly Energy Tank Farm. This road goes around the Kutz gas facility. Drive 1.1 miles on the dirt road to a turn off heading southwest. Heading southwest on the turn off, drive 0.35 miles until you reach PNM's Kutz Odorizer Station. Enclosed are maps showing the location where the water will be collected.

Once collected, the hydrostatic test water will be sent to a nationally accredited testing laboratory (NELAC) for a hazardous waste analysis.

Maps

The following maps are included with this permit application.

- Overview of project area (topo map)
- Discharge site (topo and aerial map)
- Wells
- Floodplain map
- Geology of area
- Soils
- Land Ownership map
- Total Dissolved Solids map

Demonstration of Compliance with Siting Criteria

See attached Maps and Certification of Compliance with Siting Criteria completed by the PNM Project Manager for demonstration of compliance with Siting Criteria for the location where the water comes out of the pipe. The disposal location, Key Energy Services, is an OCD permitted facility.

Compliance with OCD's siting criteria are met because:

1. Hydrostatic test water collected in tanks will not be within 200 feet of any watercourse (see Discharge site map)
2. The nearest wells are more than 12,000 ft away from the discharge site and the discharge area is not within the 100 year floodplain (see Well and FEMA Flood plain maps)
3. There are no wetlands within 500 ft (see Discharge site map)
4. PNM contacted the NM Bureau of Mines and Minerals about subsurface mines and email verification was submitted to PNM that there are no mines in the area. (see attached email from Bureau of Mines)
5. There are no residences, schools, hospitals, or churches within 500 feet (see Discharge site map)

Description of Activities

PNM anticipates starting construction of the pipeline in August 2008. Approximately 4 weeks after construction is complete the hydrostatic test will be done. The natural gas pipeline will be hydrostatically tested in one section using approximately 70,500 gallons of water from a Bloomfield municipal source. Once hydrostatic testing starts, the test will last 3-4 days and then the water will be stored in holding tanks for an additional 4 to 5 days while the water analysis is completed. When the results of the water analysis are received, the water will be hauled to Key for disposal, approximately 2 weeks after hydrostatic testing starts. PNM anticipates that the water will be off site by approximately early October or two weeks from when the hydrostatic test begins.

Method & Location for Collection and Retention of Fluids & Solids

Five 20,000 gallon mobile tanks will be used to contain the test water prior to transporting it to Key Energy Services Class 1 Injection Well. The test water will be transferred from the pipe into the tanks by connecting a hose from the pipe directly to the tank. When filling, the tanks will be interconnected. When a tank has been filled, valves will be closed/disconnected to isolate the

filled tank. PNM will use plastic liner or drip trays under hoses and valves to collect drips and leaks when transferring water. The holding tank will have secondary containment of hay bales and plastic. If water meets the OCD definition of Non-Hazardous/Non Exempt criteria, Key Energy Services, an OCD approved water hauler, will haul the water to their facility for disposal.

BMPs to Contain Discharge On Site & Control Erosion

Plastic liner and drip trays will be placed under hoses and valves to collect drips and leaks when transferring water. The holding tanks will have 1 and 1/3 secondary containment made with a plastic liner and hay bales.

Request for Alternate Treatment/Disposal

If the hydrostatic test water does not meet conditions for discharge to Key Energy Services injection well disposal, test water will be sent to a RCRA permitted TSDF for disposal.

Hydrostatic Test Water Sampling Plan

A hydrostatic test water sample will be collected from the first tank filled. The test water will be analyzed per the test methods found in 40 CFR 261 Subpart C. PNM will expedite the laboratory analyses to minimize the storage time of the test water in the storage tank.

Disposal of Fluids & Solids

Hydrostatic test water

A representative sample of the hydrostatic test water will be taken from the holding tank. Prior to disposal, the water will be analyzed for the following according to Test Methods for Evaluating a Solid Waste, EPA No. SW-846:

- TPH (418.1)
- TCLP (RCRA 8 – EPA Method 1311)
- BTEX, MTB, TMB (8021B)
- PCB (8082)
- Reactivity
- Corrosivity
- Ignitability
- Chlorides

If the analytical results of the hydrostatic test water determine that the hydrostatic test water is a Non-Hazardous/Non-Exempt waste below the regulatory limits set forth in 40 CFR 261 Subpart C it will be sent to Key Energy Services Class 1 Injection Wells (Farmington, NM) for disposal. Key Energy is an OCD permitted facility.

Expected Quality & Volume of Discharge

The expected volume of the hydrostatic test discharge is approximately 70,500 gallons. PNM does not expect the water to meet WQCC standards and therefore plans to discharge the water at Key Energy Services Class 1 Injection Well. PNM does not anticipate the water will contain any hazardous constituents above OCD regulatory limits.

Geological Characteristics of Subsurface at Discharge Site

According to the NM Bureau of Mines and Mineral resources geologic map, the project is within the San Juan Basin in the Nacimiento formation. Soils in the area are Doak-Sheppard-Shiprock association, rolling and Fruitland-Persayo-Sheppard complex, hilly. The Doak-Sheppard-Shiprock association is found in fan remnants, mesas, stream terraces and dunes and is considered well drained. The parent material is alluvium derived from sandstone and shale or eolian deposits over mixed alluvium. The Fruitland-Persayo-Sheppard complex is found in a mix of alluvial fans and stream terraces, breaks, hills and ridges, and dunes. It is well draining and the parent material varies from alluvium derived from sandstone and shale to weathered shale, to eolian deposits over mixed alluvium (NRCS soils data). The NM Bureau of Mines and Mineral geologic map may be found: http://geoinfo.nmt.edu/publications/maps/geologic/state/home.html - Open file geologic maps for the quadrangles were not available. Information about soils was obtained from the NRCS web soil survey website: http://websoilsurvey.nrcs.usda.gov/app/

Depth & TDS Concentration of Ground Water Most Likely to be Affected by Discharge

According to State Engineer well records, the nearest well is 12,000 feet from the collection location. To get better data on depth to groundwater PNM spoke with Envirotech of Farmington. Envirotech did some core drilling at the Kutz plant, within Section 13 T28N R11W, and hit ground water at greater than 50 feet. Total Dissolved Solids from a water well shown on maps from the *USGS Hydrogeology of the San Jose, Nacimiento, and Animas Formations in the San Juan structural basin, New Mexico, Colorado, Arizona and Utah*, is 3,900 parts per million. (see enclosed maps)

ID of Landowners at and Adjacent to Discharge Site and Collection/Retention Site

A map is provided showing the landownership of the underlying and adjacent property owners of the Corto Mainline. BLM is the underlying and adjacent landowner and has been notified about the project and hydrostatic test.

Closing

In the event of a release associated with project activities, PNM will comply with OCD's Release Notification and Corrective Action regulation NMAC 19.15.3.116 to remediate the spill as soon as possible.

Once OCD rules this application as administratively complete, and if required, PNM will provide notice of the permit application in the Farmington Daily Times following requirements in NMAC 20.6.2.3108. In addition, a sign will be placed at the location of the discharge and at the Breakfast King on US550 in Bloomfield providing a synopsis of the public notice. A check for $100 is enclosed for the filing fee. Thank you for your assistance. If additional information is required please notify me in writing. Please call me at (505) 241-0665 if you have any questions.

Sincerely,

Marcelle Fiedler
Senior Environmental Scientist
Attachment: Location maps
Cc: DCC

PNM Resources
Alvarado Square
Albuquerque, NM 87158-2104
www.pnmresources.com
505.241.2031
Fax: 505.241.2384

PNM Resources

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

March 19, 2008

Brad Jones
State of New Mexico - Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: PNM Corto Mainline Pressure Test
Notice of Intent to Hydrostatically Test and Discharge

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Hydrostatic test water

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- Reactivity
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- Chlorides

If the analytical results of the hydrostatic test water determine that the hydrostatic test water is a Non-Hazardous/Non-Exempt waste below the OCD regulatory limits set forth in NMAC 19.15.9.712 (D)(3) it will be sent to Key Energy Services Class 1 or 2 Injection Wells (Farmington, NM) for disposal. Key Energy is an OCD permitted facility.

Expected Quality & Volume of Discharge

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5. There are no residences, schools, hospitals, or churches within 500 feet (see Discharge site map)

Description of Activities

The natural gas pipeline will be hydrostatically tested in one section using approximately 70,500 gallons of water from a Bloomfield municipal source. The pipe will be tested for a minimum of 8 hours. Once the hydrostatic test is complete the water will be transferred to five holding tanks while water testing is conducted.

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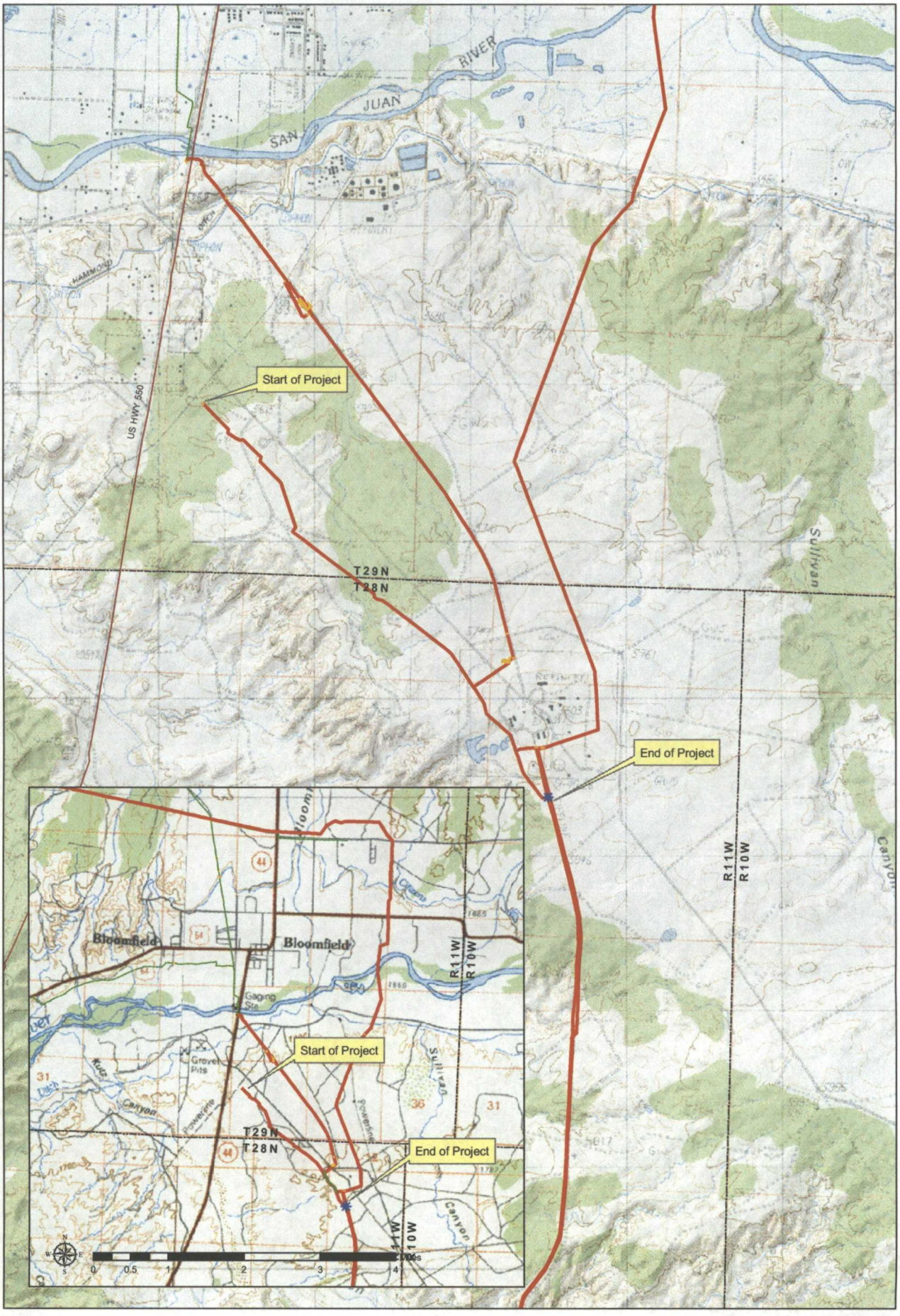
Thank you for your assistance. If additional information is required please notify me in writing. Please call me at (505) 241-0665 if you have any questions.

Sincerely,

Marcelle Fiedler
Senior Environmental Scientist
Attachment: Location maps
Cc: ESD/DCC



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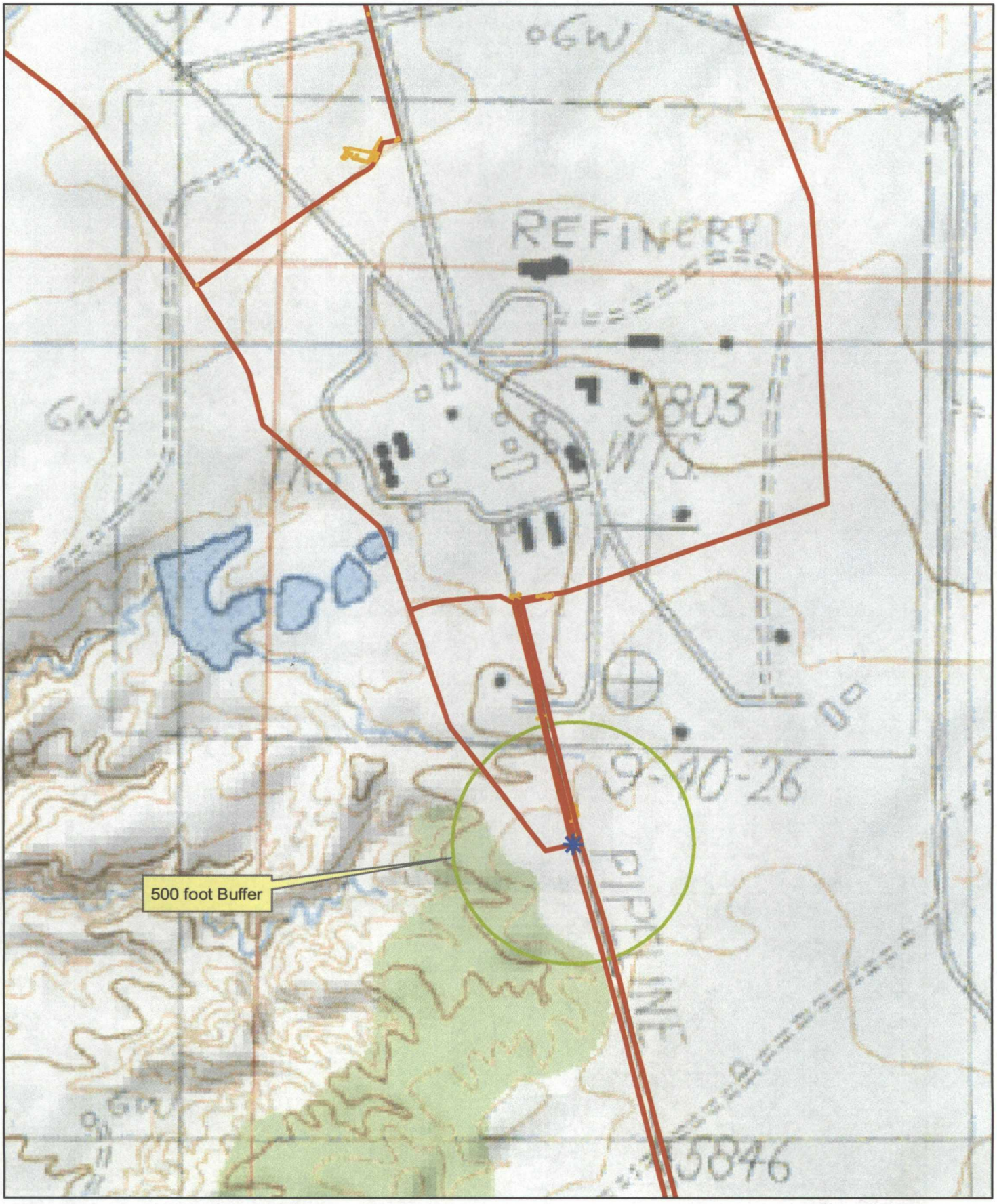
Public Service Company of New Mexico

Corto Mainline Hydrostatic Test

0 0.25 0.5 1 1.5 2 Miles

* Water Collection Location

PNM
A personal commitment to New Mexico



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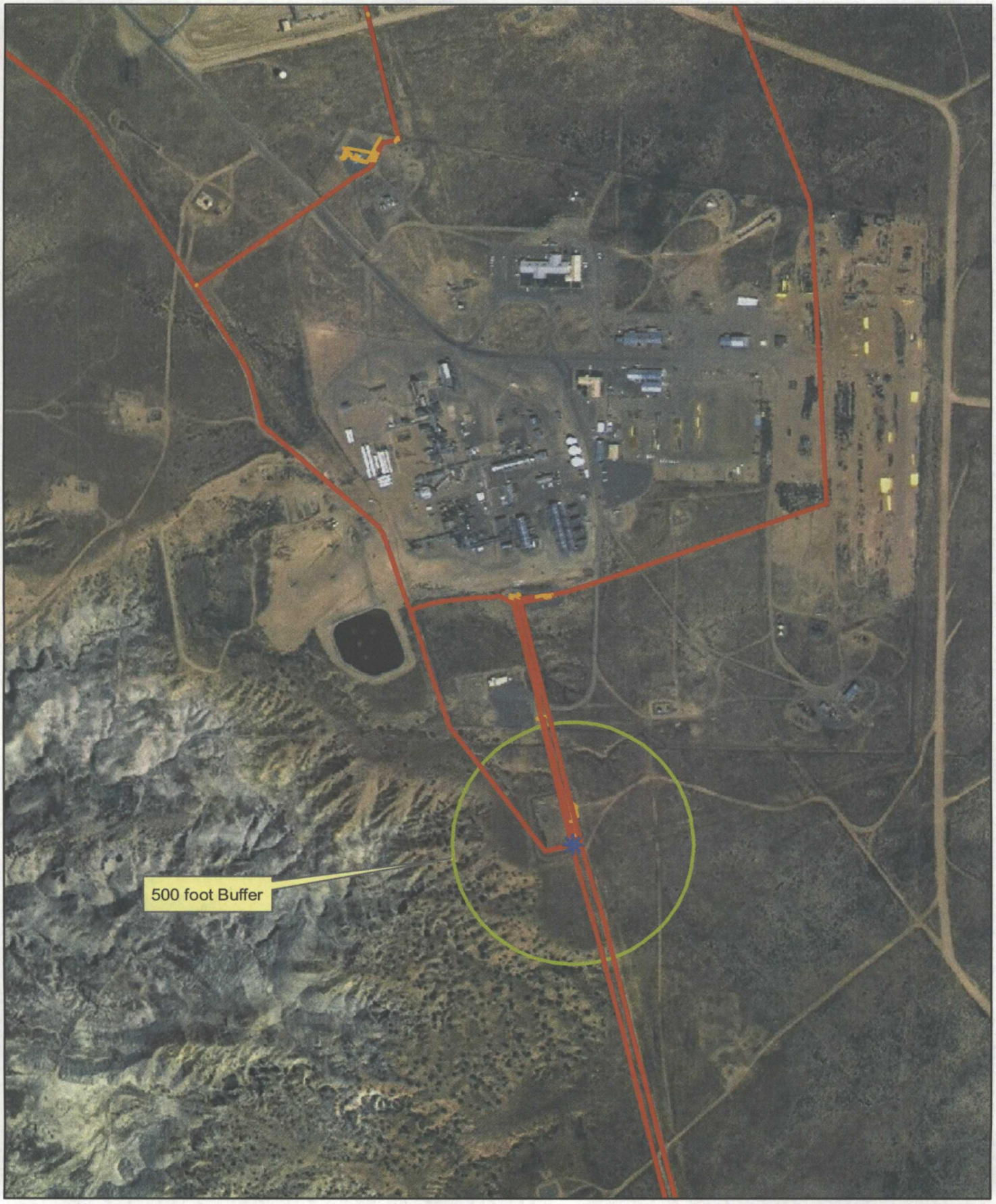
Public Service Company of New Mexico

Corto Mainline Hydrostatic Test - Discharge Site Map

0 185 370 740 1,110 1,480 Feet

* Water Collection Location

PNM
A personal commitment to New Mexico



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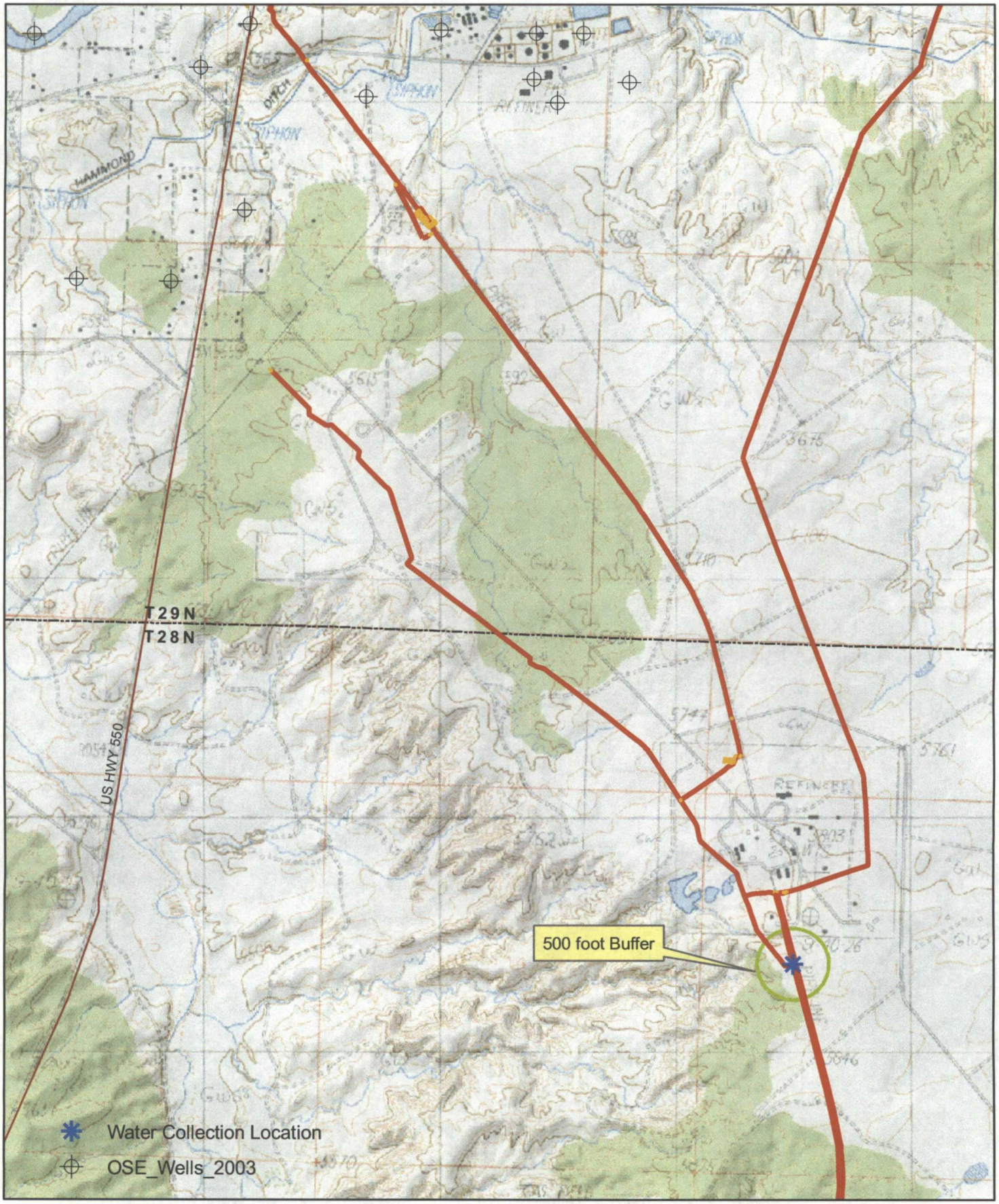
Public Service Company of New Mexico

Corto Mainline Hydrostatic Test - Discharge Site Map

0 185 370 740 1,110 1,480 Feet

* Water Collection Location

PNM
A personal commitment to New Mexico



Public Service Company of New Mexico

Corto Mainline Hydrostatic Test - Wells Map

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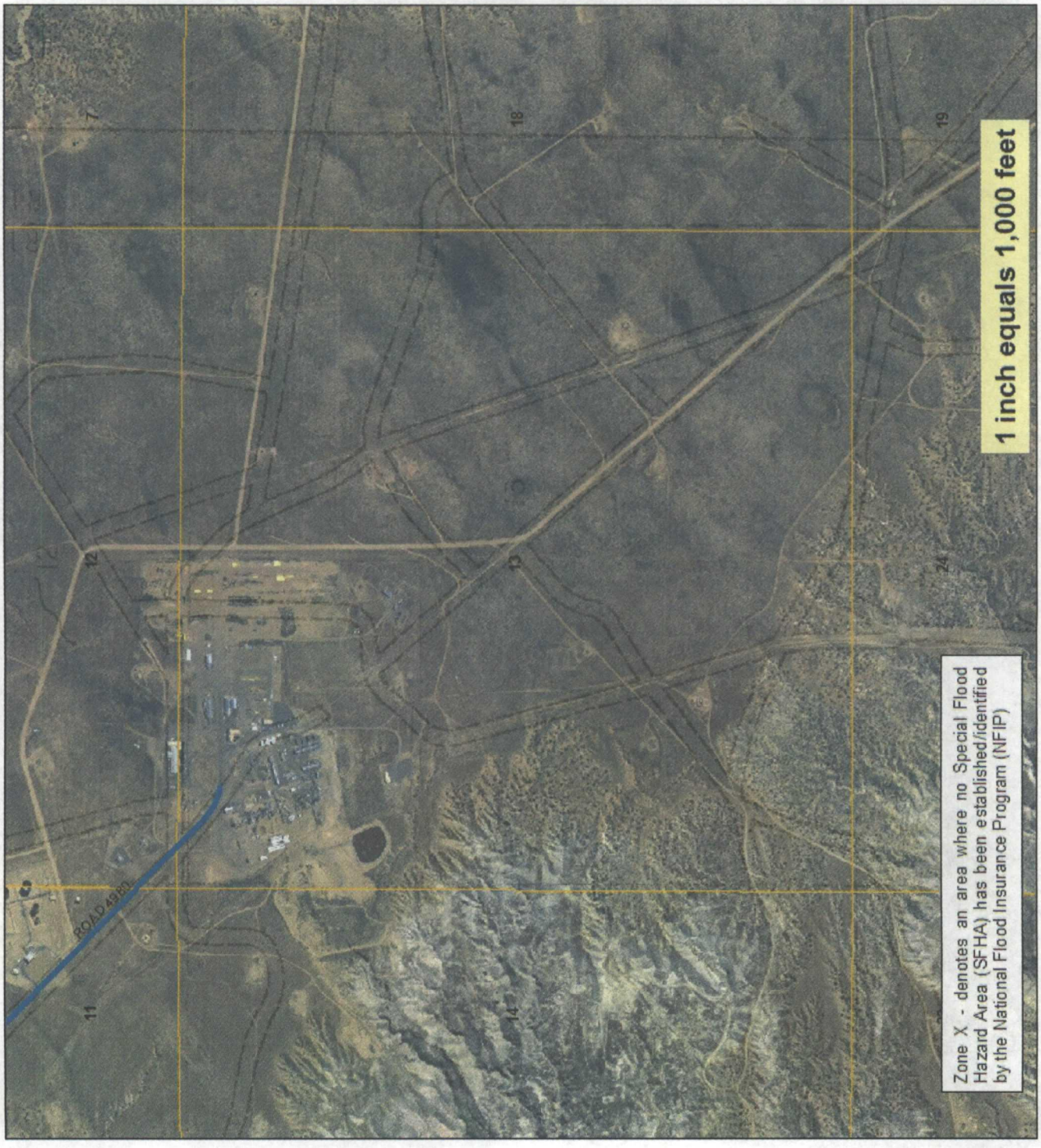
0 600 1,200 2,400 3,600 4,800 Feet

PNM
A personal commitment to New Mexico

SAN JUAN COUNTY
FLOODPLAIN MANAGEMENT
209 S OLIVER, AZTEC NM 87410
505-334-1180

section 13 - township 28 - range 11 west
San Juan County - New Mexico
NFIP FIRM 3500640550B
non-floodplain Zone X



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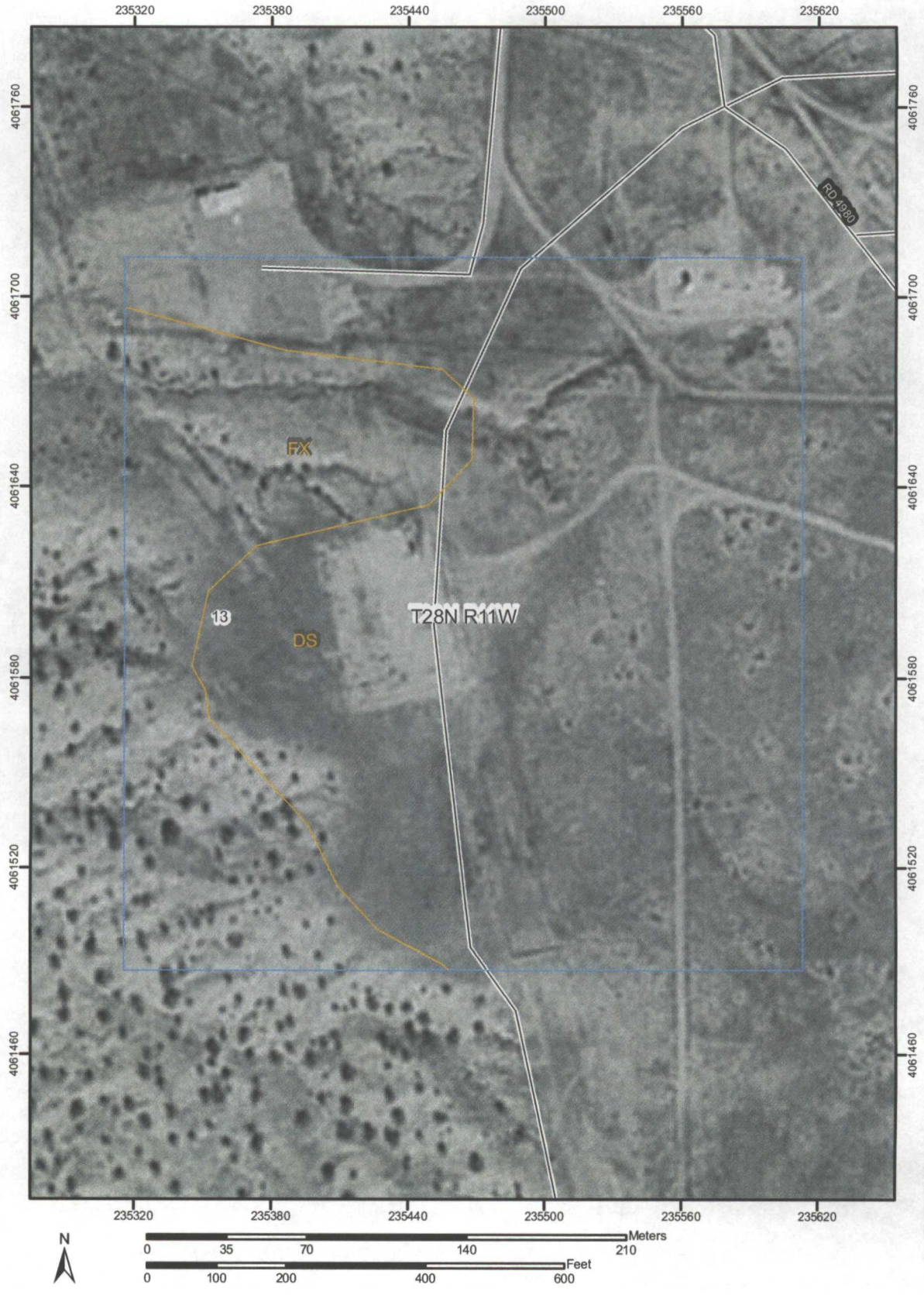
Public Service Company of New Mexico

Corto Mainline Hydrostatic Test - Geology Map

0 1,000 2,000 4,000 6,000 8,000 Feet

✱ Water Collection Location

PNM
A personal commitment to New Mexico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235560
235620
4061760
4061700
4061640
4061580
4061520
4061460
RD 4980
FX
DS
13
T28N R11W
N
0
35
70
140
210
Meters
0
100
200
400
600
Feet

MAP LEGEND

Area of Interest (AOI)
- Area of Interest (AOI)

Soils
- Soil Map Units

Special Point Features
- Blowout
- Borrow Pit
- Clay Spot
- Closed Depression
- Gravel Pit
- Gravelly Spot
- Landfill
- Lava Flow
- Marsh
- Mine or Quarry
- Miscellaneous Water
- Perennial Water
- Rock Outcrop
- Saline Spot
- Sandy Spot
- Severely Eroded Spot
- Sinkhole
- Slide or Slip
- Sodic Spot
- Spoil Area
- Stony Spot
- Very Stony Spot
- Wet Spot
- Other

Special Line Features
- Gully
- Short Steep Slope
- Other

Political Features

Public Land Survey
- Township and Range
- Section

Municipalities
- Cities
- Urban Areas

Water Features
- Oceans
- Streams and Canals

Transportation
- Rails

Roads
- Interstate Highways
- US Routes
- State Highways
- Local Roads
- Other Roads

MAP INFORMATION

Original soil survey map sheets were prepared at publication scale. Viewing scale and printing scale, however, may vary from the original. Please rely on the bar scale on each map sheet for proper map measurements.

Source of Map: Natural Resources Conservation Service
Web Soil Survey URL: http://websoilsurvey.nrcs.usda.gov
Coordinate System: UTM Zone 13N

This product is generated from the USDA-NRCS certified data as of the version date(s) listed below.

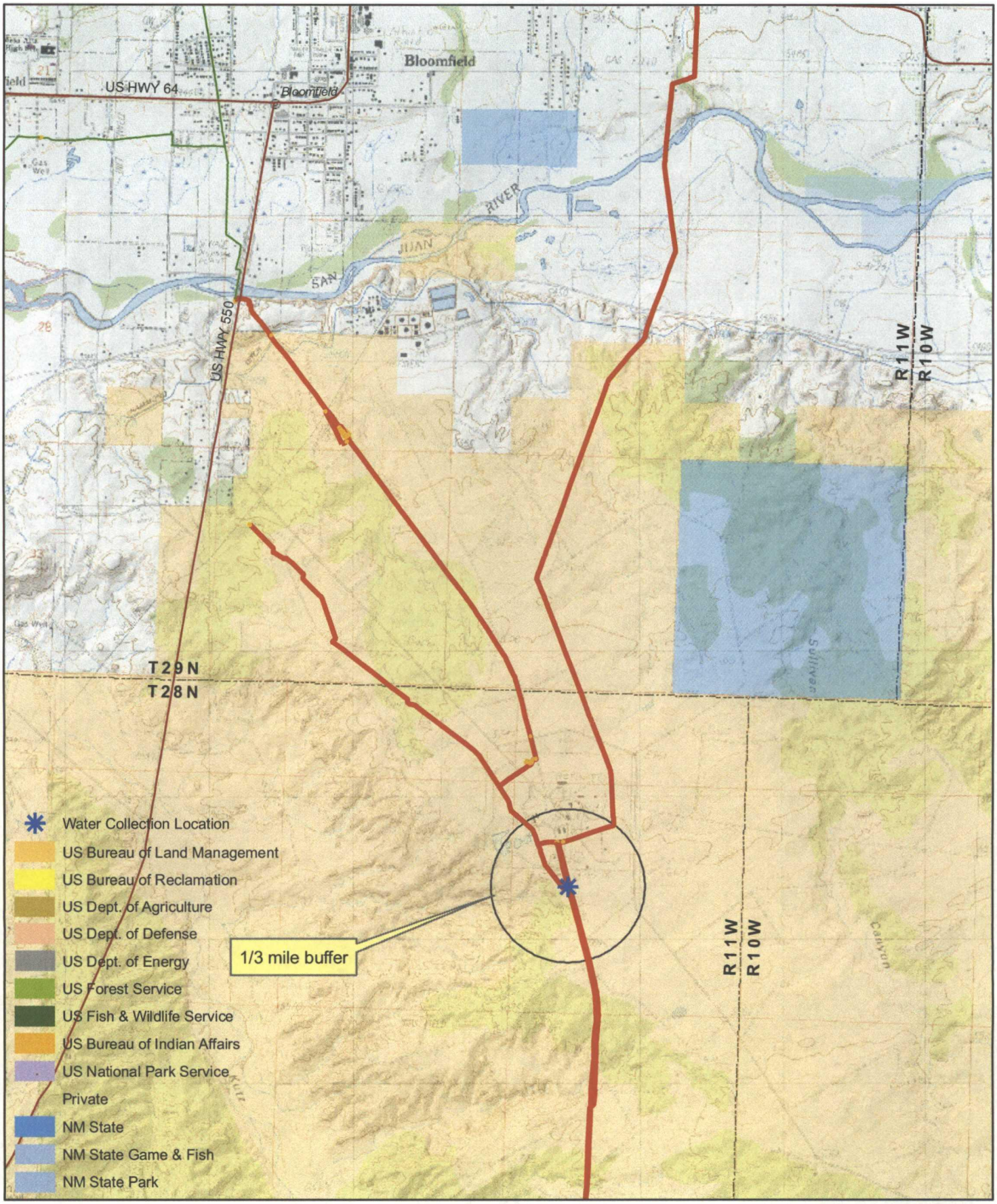
Soil Survey Area: San Juan County, New Mexico, Eastern Part
Survey Area Data: Version 6, Jan 13, 2007

Date(s) aerial images were photographed: 10/9/1997

The orthophoto or other base map on which the soil lines were compiled and digitized probably differs from the background imagery displayed on these maps. As a result, some minor shifting of map unit boundaries may be evident.

Map Unit Legend

San Juan County, New Mexico, Eastern Part (NM618)			
Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
DS	Doak-Sheppard-Shiprock association, rolling	16 8	73 9%
FX	Fruitland-Persayo-Sheppard complex, hilly	5 9	26 1%
Totals for Area of Interest (AOI)		22 7	100 0%



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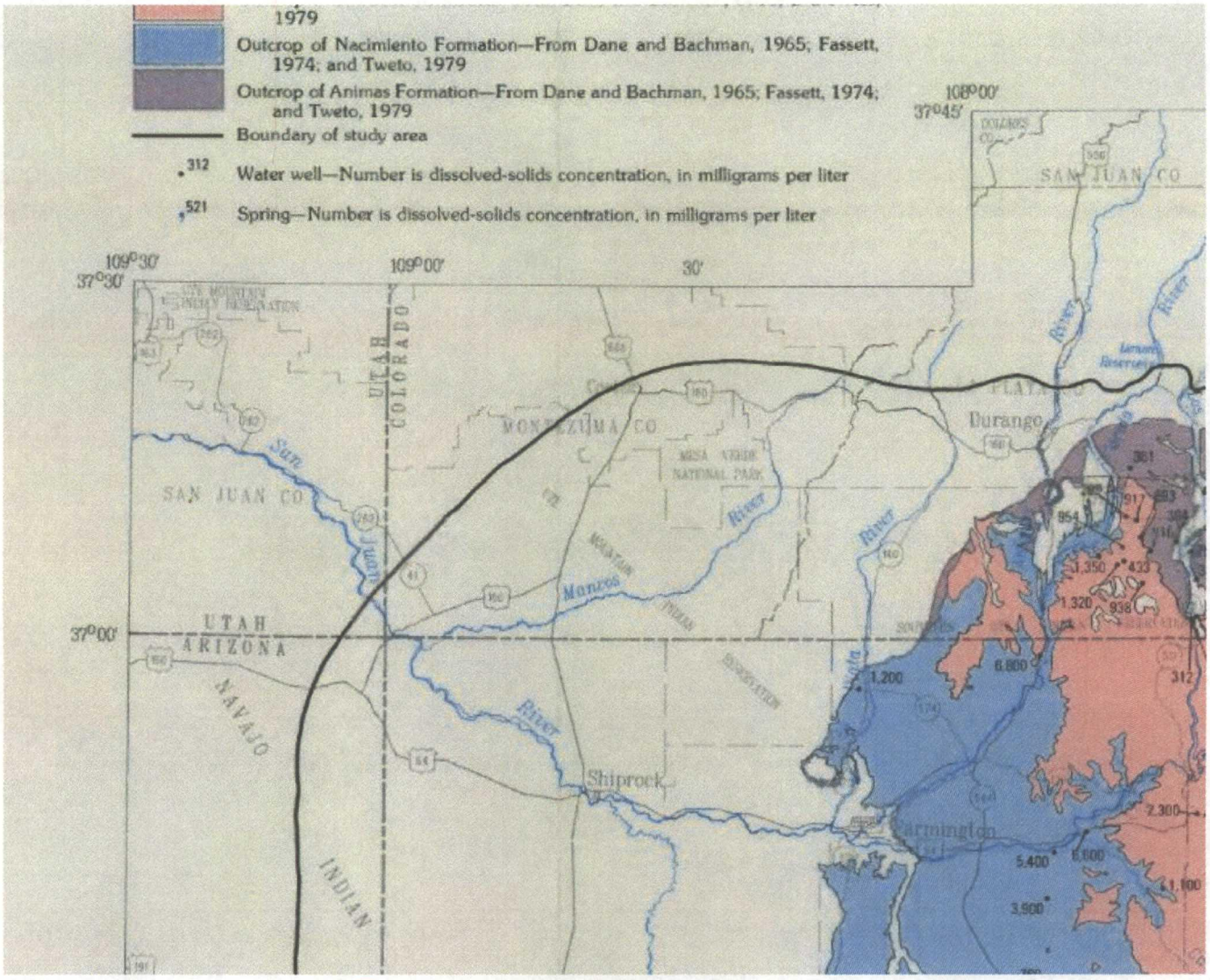
Public Service Company of New Mexico

Corto Mainline Hydrostatic Test - Landownership

0 1,000 2,000 4,000 6,000 8,000 Feet

PNM
A personal commitment to New Mexico



Previous Go To Page 2

Filename
ha_720_a_plt.djvu

Certification of Compliance with Siting Criteria

I, Jon Jones, Professional Engineer with PNM visited the project site in the field on February 20, 2008 and verified that the location where PNM will collect the hydrostatic test water from the pipe, meets the following siting criteria:

- No wells within 1,000 ft
- No watercourses within 200 ft
- No wetlands within 500ft
- No permanent residence, school, hospital, institution or church within 500 ft

My observations in the field match the enclosed map showing where PNM plans to collect the water.

Signature	Title	Date
Jon Jones	Engineer IV	2/20/08

Fiedler, Marcelle

From: Moiola, Lloyd, EMNRD [lloyd.moiola@state.nm.us]
Sent: Tuesday, February 26, 2008 11:46 AM
To: Fiedler, Marcelle
Subject: RE: Request for information about subsurface mines

Hi Marcelle,

I have gone through the Abandoned Mine Land Program records here in Santa Fe and I am not able to find any locations for mines in Section 13 T28N R11W. If you have any questions or need any other information, please call me at 505-476-3429.

Thanks,

Lloyd Moiola
Project Manager
Abandoned Mine Land Program

From: Fiedler, Marcelle [mailto:Marcelle.Fiedler@pnmresources.com]
Sent: Thursday, February 21, 2008 3:09 PM
To: Moiola, Lloyd, EMNRD
Subject: Request for information about subsurface mines

Lloyd
Last year you helped us confirm that there were no subsurface mines in an area where we did a hydrostatic test on our gas pipeline. I wonder if you can check for subsurface mines at a different location for another project. this is a requirement of the Oil conservation Division for our permit application.

This project is location is in Section 13 T28N R11W on the Bloomfield quad.

if you need more information please let me know. 241-0665

Marcelle