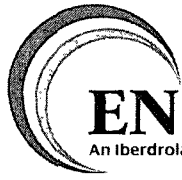


HIP- 116

**TRANSFERRED
TO**

HITP - 012



ENSTOR
An Iberdrola Renewables Company

RECEIVED OCD
2010 FEB -1 A 11: 37

January 29, 2010

Mr. Brad Jones
New Mexico Oil Conservation Division
1120 South St. Francis Dr.
Santa Fe, New Mexico 87505

**RE: Notice of Intent to Discharge Hydrostatic Test Waters
Proposed project to construct new 8-inch and 12-inch natural gas pipelines
Enstor Grama Ridge Storage and Transportation, LLC
Grama Ridge Morrow Storage Unit
Lea County, New Mexico**

Dear Mr. Jones,

By correspondence dated December 29, 2009, Enstor Grama Ridge Storage and Transportation, LLC (Enstor) provided a Notice of Intent (NOI) to discharge hydrostatic test water; the discharge being associated with the referenced natural gas pipelines construction project. Enstor hereby withdraws that NOI, because a discharge of hydrostatic test water no longer is planned for the project.

Thank you for your attention to this matter and for the consultations you provided.

Sincerely,

Rick Weninger
Director, Natural Gas Projects



December 28, 2009

Mr. Brad Jones
New Mexico Oil Conservation Division
1120 South St. Francis Dr.
Santa Fe, New Mexico 87505

RE: Notice of Intent to Discharge Hydrostatic Test Waters
Proposed new 8-inch and 12-inch natural gas pipelines

Dear Mr. Jones,

Pursuant to Section 1201, §20.6.2 (NMAC), Enstor Grama Ridge Storage & Transportation, LLC (Enstor) hereby submits this notice of intent (NOI) to discharge approximately 57,000 gallons of hydrostatic test water from two proposed new natural gas pipelines – one 8-inch diameter and one 12-inch diameter. Construction of the two pipelines is scheduled to commence on or about February 1, 2010, with construction anticipated to be completed in approximately 60 to 90 days. The hydrostatic test water discharge is scheduled to begin upon completion of construction, with New Mexico Oil Conservation Division (OCD) approval.

Water discharged from hydrostatic testing of the new natural gas transportation pipelines will not cause water pollution pursuant to Subsection CCC of §20.6.2.7 (NMAC).

Enstor requests permission to discharge under the "Individual Discharge Permit" (IDP) provisions of the *GUIDELINES FOR HYDROSTATIC TEST DEWATERING* (Rev. Jan. 11, 2007), and submits the following information in support of this request:

a. **The name and address of the proposed discharger :**

Enstor Grama Ridge Storage & Transportation, LLC
c/o Enstor Operating Company, LLC
20329 State Highway 249, Suite 400
Houston, Texas 77070

We've moved to:
20329 State Hwy 249, Suite 400
Houston, TX 77070

www.enstorinc.com

b. Location of discharge by street address and surrounding landmarks :

Construction of the two pipelines and the discharge will occur in a remote location of Lea County. The discharge will be approximately at coordinates 32.422089°N, 103.463769°W. Due to the remote location of the discharge, there is no associated street address. However, the discharge will be adjacent the south boundary of the Grama Ridge Morrow Storage Unit (Grama Ridge) compressor station, located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 3, T22S, R34E - the nearest landmark.

c. Legal description of the discharge location (Section/Township/Range) :

The discharge will be adjacent the south boundary of the Grama Ridge compressor station, in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 3, T22S, R34E.

d. Maps (site specific and regional) indicating the location of the pipelines to be tested and the proposed discharge location :

A copy of the U.S Geological Service (USGS) *San Simon Ranch, N. Mex.* 7.5-minute topographic quadrangle (USGS Quad) is attached behind Tab A, upon which is depicted the Grama Ridge storage boundary (Project Area) - providing a "regional" location. Also attached behind Tab A is a "site specific" map titled *GRAMA RIDGE EXPANSION PROSPECTIVE FACILITIES*, depicting the discharge location and the two pipelines to be constructed.

e. Demonstration of compliance to the following citing criteria or justification for any exceptions :

i. Within 200 feet of a watercourse, lakebed, sinkhole or playa lake :

Based on examinations made of aerial photographic imagery and the USGS Quad map, the nearest waterbody to the discharge location is an un-named playa located approximately 1.52 miles to the northeast. There is no watercourse, lakebed, sinkhole or playa lake located within 200 feet of the discharge location.

ii. Within an existing wellhead protection area or 100-year floodplain :

Based on information obtained from the Lea County Regional Water Plan, the proposed discharge location is not located within an existing wellhead protection area.

The Federal Emergency Management Agency (FEMA) website to access GIS mapping of flood zones (<http://gis1.fema.gov>) was examined. The Project Area for construction of the pipelines was determined to lie totally within FEMA Panel 35025C1625D mapping unit. The proposed discharge location is not located in a 100-year floodplain, based on a review of the FEMA panel.

iii. Within, or within 500 feet of, a wetland :

Enstor caused a wetlands delineation and waterbodies crossing survey of the two proposed pipeline rights-of-way and surrounding areas to be conducted. The findings of these investigations were detailed in a report; and that report concluded that no wetlands or waterbodies are present along the routes of the two proposed pipelines. These findings were further confirmed by an examination of the USGS Quad maps and aerial photographic imagery. The proposed discharge location is not located within, or within 500 feet of, a wetland.

iv. Within the area overlying a subsurface mine :

Based on examination of the USGS Quad map, examination of aerial photographic imagery, and on discussions with individuals knowledgeable with the area, the proposed discharge location is not located in an area overlying any known subsurface mine.

v. Within 500 feet from the nearest permanent residence, school, hospital, institution or church :

No permanent residence, school, hospital, institution or church is located within 500 feet of the discharge location.

f. A brief description of the activities that produce the discharge :

The facilities to be constructed include two subsurface, coated steel pipelines. One pipeline will be an 8-inch diameter flowline connecting a natural gas storage injection/withdrawal well (designated *Grama Ridge Federal 8817 JV-P #001*) located in Section 9, T22S, R34E, with the Grama Ridge compressor station located in Section 3, T22S, R34E. The second pipeline will be a 12-inch diameter interconnect pipeline connecting the Grama Ridge compressor station with two metering stations located in Section 9, T22S, R34E. These pipelines will be used to convey natural gas. Alignment sheets for the two proposed pipelines are attached behind Tab B. (The discharge location is notated on the alignment sheets.)

Following construction, hydrostatic testing will be conducted individually on the 8-inch and on the 12-inch pipelines. Hydrostatic test water from the 8-inch pipeline will be reused to test the 12-inch pipeline. A single discharge of hydrostatic test water will occur following testing of the 12-inch pipeline.

g. The method and location for collection and retention of fluids and solids :

The facilities expansion project calls for construction of two NEW pipelines. Only water obtained from a municipal source will be utilized to test these pipelines following construction. It is anticipated that the resulting discharged water will be essentially free of solids and contaminants. All water to be discharged will be stored in the 12-inch-diameter pipeline until a permit is obtained from OCD to allow the discharge. Once permitted the initial discharge will be into a hay bale and silt-fence-lined dewatering structure, positioned adjacent the south boundary of the Grama Ridge compressor station, which is located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 3, T22S, R34E. (See Drawing AL-400, attached behind Tab C; also see the alignment sheets attached behind Tab B). This dewatering structure will serve the dual purpose of catching and retaining any solids discharged in the water; and it will slow velocity of the water, avoiding erosion and encouraging infiltration.

h. A brief description of best management practices to be implemented to contain the discharge onsite and control erosion :

Enstor will conduct all activities in compliance with requirements of the Federal Energy Regulatory Commission's current *Upland Erosion Control, Revegetation, and Maintenance Plan*. The hydrostatic test water will be discharged into the hay bale and silt-fence-lined dewatering structure described above. Throughout the dewatering process, the discharge will be monitored to ensure erosion is controlled.

i. A request for approval of an alternative treatment, use, and/or discharge location (other than the original discharge site), if necessary :

No alternative discharge location is proposed.

j. A proposed hydrostatic test wastewater sampling plan :

In accordance with OCD *GUIDELINES FOR HYDROSTATIC TEST DEWATERING* procedures, representative samples of the wastewater will be analyzed to demonstrate that the discharge meets New Mexico Water Quality

Control Commission requirements in accordance with 20.6.2.3103 NMAC, on a frequency in accordance with OCD permit requirements.

- k. A proposed method of disposal of fluids and solids after test completion, including closure of any pits, in case the water generated from test exceeds the standards as set forth in Subsections A, B, and C of the 20.6.2.3103 NMAC (the New Mexico Water Quality Control Commission Regulations):**

In the event non-hazardous hydrostatic test water cannot be discharged due to failure to meet water quality requirements, the water will be transported offsite for disposal at a properly licensed disposal facility, such as Sundance Services Inc., Eunice, New Mexico -- a permitted oilfield waste disposal facility.

- l. A brief description of the expected quality and volume of the discharge :**

Approximately 57,000 gallons of municipal water -- such as from the City of Eunice -- will be used to hydrotest both the 8-inch and 12-inch pipelines. Since only new pipelines that have never carried product will be tested, it is anticipated the resulting test water will be essentially free of contaminants.

- m. Geological characteristics of the subsurface at the proposed discharge site :**

Based on information gathered from the Natural Resources Conservation Service (NRCS) soil survey report for Lea County, the soils in the proposed discharge area are classified as "Pyote and Maljamar fine sands." These soils are deep sandy loams, with root penetrations exceeding 60 inches. The NRCS soil report describes this mapping unit as "... soil (having) moderately rapid permeability. Runoff is very slow. Water intake is rapid". In summary, these are very deep, sandy soils that exhibit rapid infiltration and are not subject to being easily eroded by overland flow.

- n. The depth to and total dissolved solids concentration of the ground water most likely affected by the discharge :**

Depth to groundwater was determined based on information obtained from a water supply well located approximately 575 feet hydrologically upgradient from the discharge location. Groundwater depth at the well was recorded to be 62 feet below ground surface, with a TDS concentration of 323 mg/L. It is not anticipated the discharge will have any effect on groundwater at, or in the vicinity of the well.

o. Identification of landowners at and adjacent to the discharge and collection/retention site :

All lands at, adjacent to, and in the vicinity of the proposed discharge site are owner by the United States Government (Bureau of Land Management) or the State of New Mexico (New Mexico State Land Office [SLO]). The property owner at the discharge site is the State of New Mexico -- administered by the SLO.

To cover filing fees, this NOI is accompanied by a check in the amount of \$100.00, payable to Water Quality Management Fund.

I certify that I am authorized to make this application, that this application was prepared by me or under my supervision and direction, and that the data and facts stated herein are true, correct, and complete to the best of my knowledge.

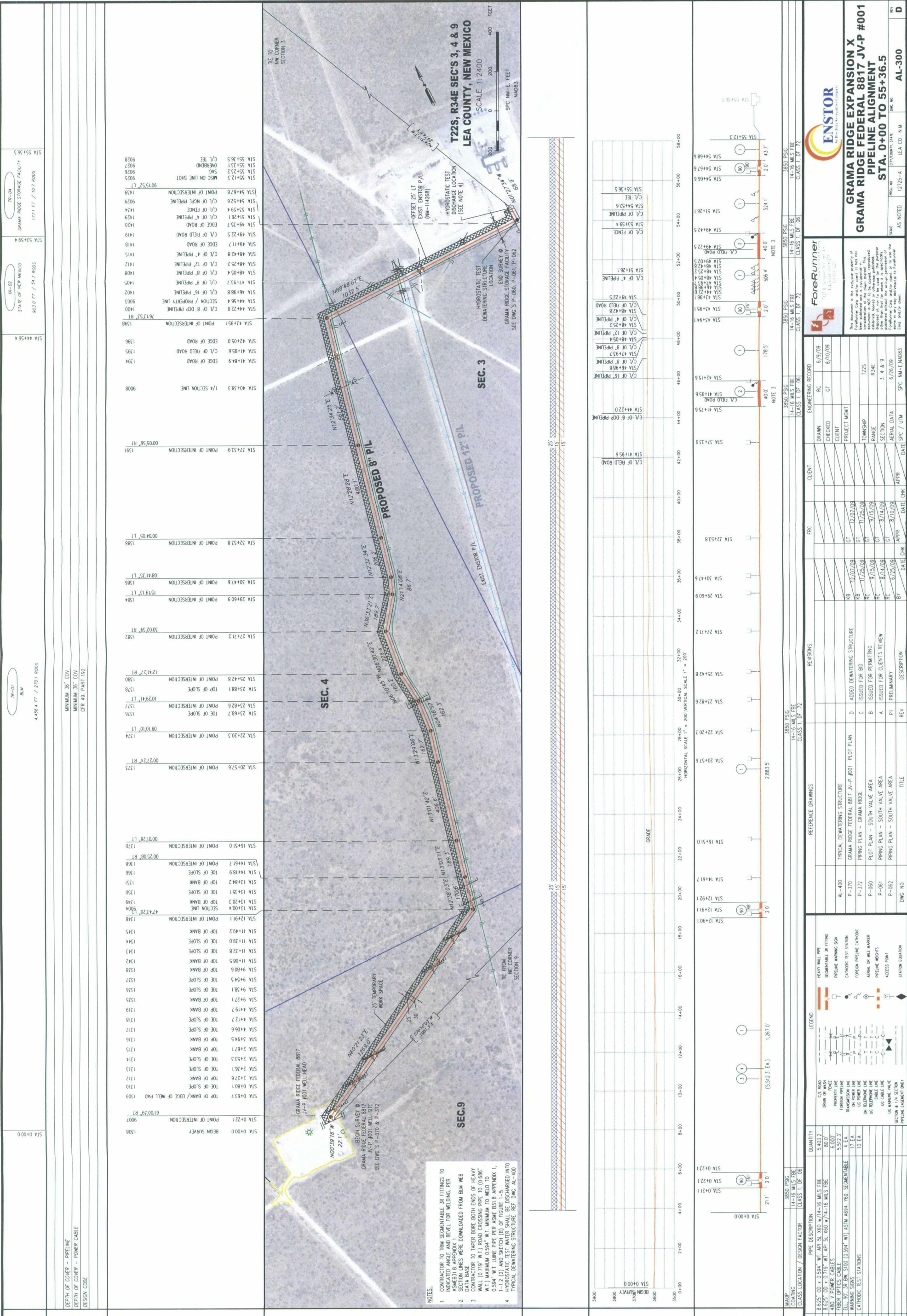
If there are any questions concerning this application or additional information is required, please do not hesitate to contact us at (281) 379-7477.

Sincerely,



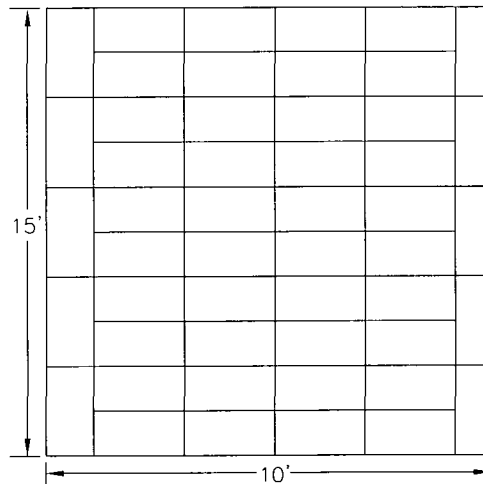
Rick Weninger
Director, Natural Gas Projects

Attachments

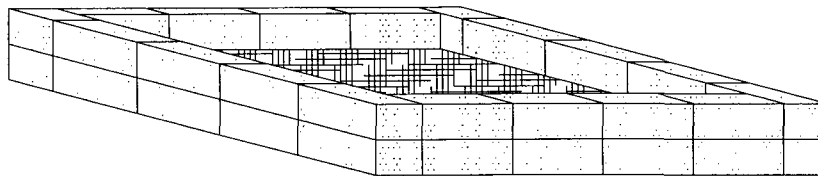


TYPICAL DEWATERING STRUCTURE

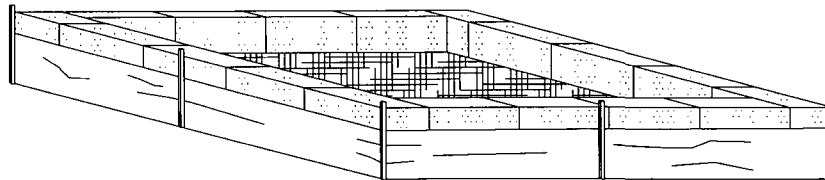
AL-400



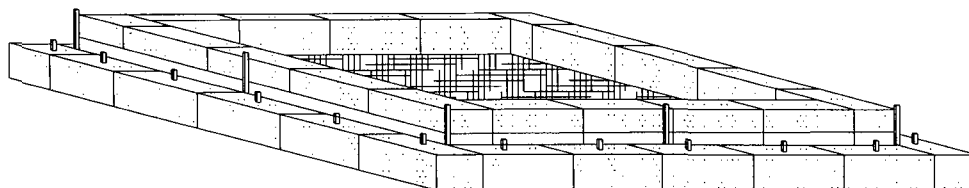
STEP 1: ARRANGE STRAW BALES ON LEVEL GROUND TIGHTLY PACKED AS SHOWN.



STEP 2: INSTALL ANOTHER LAYER OF STRAW BALES ON THE OUTER EDGE AS SHOWN.



STEP 3: INSTALL SILT FENCE ALL AROUND STRUCTURE AS SHOWN.



STEP 4: INSTALL ANOTHER LAYER OF STRAW BALES ON THE OUTSIDE OF SILT FENCE AND SECURE BY DRIVING STAKES THROUGH EACH LAYER OF THE BALES.

DRAWN BY KB	DATE DRAWN 12/07/09	ENGINEER GT	DWG. NO. AL-400	SCALE NONE	PROJ. NO. 12725A	LEA COUNTY, N.M.	REV P-1
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ForeRunner
CORPORATION
7125 W. Jefferson Ave., Ste. 400
Lakewood, CO 80235
303-969-0223

