

HBP - 2

**GENERAL
CORRESPONDENCE**

YEAR(S):
2004 - 1981

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. 0005012785 dated 4-23-04,
or cash received on 4-29-04 in the amount of \$ 700.00
from Gulfterra Field Services, LLC
for EIPaso Field Services HB-002
(Facility Name)
Submitted by: Martynne Kieling Date: 4-29-04 (DP No.)
Submitted to ASD by: Martynne Kieling Date: 4-29-04
Received in ASD by: _____ Date: _____
Filing Fee New Facility Renewal
Modification Other (Specify)
Organization Code 521.07 Applicable FY 2003

To be deposited in the Water Quality Management Fund.

Full Payment or Annual Increment

GULFTERRA FIELD SERVICES, LLC
1001 Louisiana, Suite 2700
HOUSTON, TX 77002

CITIBANK
One Penn's Way
New Castle, DE 19720

CHECK DATE 04/23/2004 CHECK NUMBER 0005012785

62-20
311

Amount

***\$700.00

VOID AFTER ONE YEAR

Pay ***SEVEN HUNDRED AND XX/100 US DOLLAR***

To The
Order Of

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



Authorized Signature

⑈0005012785⑈ ⑆031100209⑆ 38629576⑈

GULFTERRA FIELD SERVICES, LLC
1001 Louisiana, Suite 2700
HOUSTON, TX 77002

REMITTANCE ADVICE

CHECK DATE 04/23/2004
CHECK NUMBER 0005012785
VENDOR NUM 0000002667

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

RECEIVED

APR 27 2004

OIL CONSERVATION
DIVISION

RETAIN FOR YOUR RECORDS

Refer Payment Inquires to DELOS - 832-676-4202

Voucher ID	Invoice Number	Invoice Date	Discount	Paid Amount
00029120	CKREQ040416	04/16/2004	0.00	700.00
	HYDROSTATIC TEST PERMIT RENEW FEE			
TOTAL			\$0.00	\$700.00

EEE 0000537

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OFFICIAL RECEIPT

Date: 4-29-04



* E E E 0 0 0 0 5 3 7 *

Received From: Gulf Basin Field Services
for EIPD well services

Dollars

Center Code	Revenue Code	Amount	Work Order No.
0740		700. ⁰⁰	

Center Code	Revenue Code	Amount	Work Order No.

State Treasurer Deposit Number _____

Total \$ 700.⁰⁰

Description: _____

Signed: [Signature]

Kieling, Martyne

From: Bays, James D (David) [David.Bays@ElPaso.com]
Sent: Friday, April 16, 2004 7:05 AM
To: Kieling, Martyne
Subject: RE: Hydrostatic Test Water Discharge Permit renewal

The requested renewal is for El Paso Field Services - Since the original permit was issued, EPFS has been spun off into a separate subsidiary company. I will send an e-mail to Richard Duarte to see if EPNG also needs to get a permit in their name. Thanks!

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

From: Kieling, Martyne [mailto:MKieling@state.nm.us]
Sent: Thursday, April 15, 2004 4:14 PM
To: Bays, James D (David)
Subject: RE: Hydrostatic Test Water Discharge Permit renewal

David,

I just noticed that the previous permit was written for El Paso Energy Corporation and that in your current letter you were requesting the permit on behalf of El Paso Field Services. Could you please clarify which one the permit should be for. Thanks so much.

Martyne

> -----Original Message-----

> From: Kieling, Martyne
> Sent: Thursday, April 15, 2004 3:25 PM
> To: 'david.bays@elpaso.com'
> Subject: Hydrostatic Test Water Discharge Permit renewal

>

> David,

>

> Bill Olson forwarded your letter dated March 29, 2004 to me regarding your

> request to renew Hydrostatic Test Water Discharge Permit HB-NM-002. To be

> able to process the request the following fees must be submitted.

>

> 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 general permit fee of six hundred dollars (\$600) is due

> upon receipt of this approval. The \$100 application fee and \$600 permit

> fee have not been received. Please make your check(s) payable to the NMED

> Water Quality Management Fund. Have the check(s) mailed to my attention.

>

> Attn: Martyne Kieling
> New Mexico Oil Conservation Division
> 1220 S. Saint Francis Drive
> Santa Fe, NM 87505

>

> If you have any questions please e-mail or call me at 505-476-3488.

>

> Sincerely,

>

> Martyne J. Kieling

> Martyne J. Kieling
> Environmental Geologist
>

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This email has been scanned by the MessageLabs Email Security System. For more information please visit <http://www.messagelabs.com/email>

RECEIVED

MAR 6 2004

OIL CONSERVATION
DIVISION

March 29, 2004

Mr. Bill Olson
New Mexico Oil Conservation Division
1220 S. St. Francis
Santa Fe, NM 87505

Dear Bill:

El Paso Field Services (EPFS) is hereby applying to renew our blanket Hydrostatic Test Waters Discharge Permit, number HBP-NM-002. The current permit was issued on January 31, 2000 and expires on June 26, 2004. A copy of the permit is attached for you information.

For whatever additional information you may require, please call me at (505) 599-2256, or e-mail me at david.bays@elpaso.com.

Sincerely yours,



David Bays, REM
Principal Environmental Scientist



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

January 31, 2000

CERTIFIED MAIL
RETURN RECEIPT NO. Z-559-573-260

Mr. David Bays
El Paso Energy Corp.
614 Reily Ave.
Farmington, NM 87401

Re: Renewable Hydrostatic Test Waters Discharge Permit (HBP-NM-002)

Dear Mr. Bays:

The New Mexico Oil Conservation Division (OCD) has received El Paso Energy Corporation request dated November 9, 1999 to renew their five (5) year authorization to discharge hydrostatic test waters.

Based on the information and commitments provided, authorization is hereby **approved** with the following conditions:

1. This permit is for testing new pipe only. All used pipe tests must receive specific discharge approval from the OCD prior to testing. Used pipe is defined as any pipe or section of pipe that has had any hydrocarbons in contact with its walls.
2. Only fresh water (preferably less than 2,000 mg/l total dissolved solids) from a water supply system or other potable source shall be used in hydrostatic testing.
3. The volume of test water cannot exceed 100,000 gallons. All tests involving more than 100,000 gallons must receive specific authorization from the OCD prior to testing.
4. No test waters will be discharged to any lakes, perennial streams, rivers, or any surface bodies of water or their respective tributaries that may be seasonal.
5. Ground water is not less than 10 feet from the surface at the point of discharge.
6. The Discharge does not impact adjacent property.

7. The discharge does not cause any freshwater supplies to be degraded or to exceed standards as set forth in Section 3103A, B and C of the New Mexico Water Quality Control Commission Regulations.
8. **A report must be filed every twelve months** summarizing all tests of new pipe with less than 100,000 gallons each. The report will be submitted to the OCD Santa Fe Office and shall contain the following information:
 - A. Location of test - Section, Township and Range
 - B. Date of test.
 - C. Volume of discharge.
 - D. Source of test water.

The request for discharge authorization was submitted pursuant to New Mexico Water Quality Control Commission Regulations and is approved pursuant to that regulation.

This authorization is approved for a period of five (5) years. The authorization will **expire June 26, 2004.**

Please be advised that this approval does not relieve El Paso Energy Corporation of liability should their operation result in pollution of surface water, ground water, or the environment. In addition, OCD approval does not relieve El Paso Energy Corporation of liability for compliance with other laws and/or regulation.

If there are any questions, please call Martyne Kieling at (505) 827-7153.

Sincerely,



Roger C. Anderson
Environmental Bureau Chief

RCA/mjk

xc: OCD Hobbs Office
OCD Artesia Office
OCD Aztec Office



DEC - 9 1999

December 7, 1999

Ms. Martyne Kieling
New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87505

RE: Renewable Hydrostatic Test Waters Discharge Permit

Dear Ms. Kieling:

In response to Mr. Anderson's letter of November 24, 1999, during 1997 and 1998 El Paso Natural Gas Co. did not discharge any water from hydrostatic testing of pipelines under the blanket discharge permit. All pipeline pressure testing on the natural gas gathering system is currently being done with gas rather than water, so no discharge is necessary. I will forward a letter to you early in January to report whether or not any testing is done in 1999.

If you have any questions about the renewal, or need additional information, please call me at (505) 599-2256.

Sincerely yours,

A handwritten signature in cursive script that reads 'David Bays'.

David Bays, REM
Principal Environmental Scientist

cc: NM Regulatory File



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

November 24, 1999

CERTIFIED MAIL
RETURN RECEIPT NO. P-326-936-667

Mr. David Bays
El Paso Energy Corp.
614 Reilly Avenue
Farmington, NM 87401

Re: Renewable Hydrostatic Test Waters Discharge Permit

Dear Mr. Bays:

The New Mexico Oil Conservation Division (OCD) has received El Paso Energy Corp. (EPEC) request dated November 9, 1999 to renew the five (5) year hydrostatic test waters discharge permit held by El Paso Natural Gas Company. Permit condition 5 (five) required that a report must be filed every year (annually) summarizing the activities and that it shall contain the following information:

- A. Location of test – Section, Township, Range,
- B. Date of test,
- C. Volume of discharge and
- D. Source of test water.

El Paso Natural Gas Company failed to submit the annual report for 1997, 1998 and 1999. El Paso Natural Gas Company shall submit hydrostatic discharge annual reports for 1997, 1998 and 1999 to the OCD by **January 2, 2000**. Hydrostatic test waters discharge permit renewal is contingent upon the receipt and review of the annual reports.

If there are any questions, please call Martyne Kieling at (505) 827-7153.

Sincerely,

A handwritten signature in black ink, appearing to read "Roger C. Anderson".

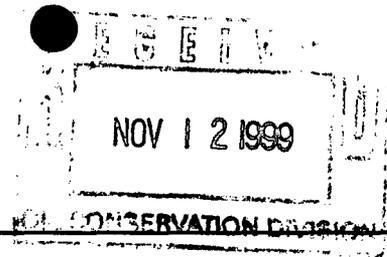
Roger C. Anderson
Environmental Bureau Chief

RCA/mjk

xc: OCD Hobbs Office
 OCD Artesia Office
 OCD Aztec Office

MEMORANDUM OF MEETING OR CONVERSATION

<input checked="" type="checkbox"/> Telephone <input type="checkbox"/> Personal	Time 3:00	Date 11-23-99
<u>Originating Party</u> Marlyne Kieling		<u>Other Parties</u> Pamila Kirshner (505) 599 2107 Lett Message
<u>Subject</u> EL Paso Energy Regarding 5 year Permit David Brays Lett Message.		
<u>Discussion</u> 1997, 1998 & 1999 Need Annual Report According to Permit		
<u>Conclusions or Agreements</u> (Need to call back on Dec 8 th)		
<u>Distribution</u>	Signed Marlyne J. Kieling	



November 9, 1999

Mr. Roger Anderson
New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87505

Dear Sir:

By this letter, El Paso Energy is requesting renewal of our blanket permit to discharge hydrostatic test water from new pipeline construction in New Mexico. A copy of the previous permit is attached for your reference.

When the previous permit was issued El Paso Field Services Co. (EPFS) was a division of El Paso Natural Gas Co. (EPNG). Since the corporate reorganization in 1996, both EPFS and EPNG are wholly owned subsidiaries of El Paso Energy Corp. If the permit renewal is issued in the name of El Paso Energy, then it can be used by both subsidiary companies. Otherwise, it will be necessary for us to obtain two permits, one for EPFS and one for EPNG.

If you have any questions about the renewal, or need additional information, please call me at (505) 599-2256.

Sincerely yours,

A handwritten signature in cursive script that reads 'David Bays'.

David Bays, REM
Principal Environmental Scientist

cc: NM Regulatory File

ATTACHMENT 14 - NEW MEXICO HYDROSTATIC TEST WATER DISCHARGE PERMIT



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE NEW MEXICO 87504
(505) 827 5800

FEB 28 1994
OIL CONSERVATION DIVISION

February 24, 1994

CERTIFIED MAIL
RETURN RECEIPT NO. P-111-334-084

Mr. James F. George
El Paso Natural Gas Company
P.O. Box 1492
El Paso, Texas 79978

Re: Discharge Authorization of Hydrostatic Test Waters

Dear Mr. George:

The Oil Conservation Division (OCD) has received your request dated, February 14, 1994, for authorization renewal to discharge hydrostatic test waters.

Based on the information and commitments, authorization is hereby approved with the following conditions:

1. This permit is for testing new pipe only. All used pipe tests must receive specific discharge approval from the OCD prior to testing. Used pipe is defined as any pipe or section of pipe that has had any hydrocarbons in contact with its walls.
2. Only fresh water (preferably less than 2,000 mg/l total dissolved solids) shall be used in hydrostatic testing.
3. The volume of test water cannot exceed 100,000 gallons. All tests involving more than 100,000 gallons must receive authorization from the OCD on a case by case basis.
4. No test waters will be discharged to any lakes, perennial streams, rivers, or any surface bodies of water upon completion of a test.

ATTACHMENT 14 - NEW MEXICO HYDROSTATIC TEST WATER DISCHARGE PERMIT

Mr. Thomas Bach
February 24, 1994
Pg. 2

5. A report must be filed every year (annually) summarizing the activities and shall contain the following information:
- A. Location of test - Section, Township, Range
 - B. Date of test.
 - C. Volume of discharge.
 - D. Source of test water.

The approved discharge authorization consists of the original permit dated May 31, 1983 and the renewed authorization dated June 26, 1989.

The request for discharge authorization was submitted pursuant to New Mexico Water Quality Control Commission Regulations and is approved pursuant to that regulation.

This authorization is approved for a period of five (5) years. The authorization will expire June 26, 1999.

Please be advised that this approval does not relieve you of liability should your operation result in actual pollution of surface water, ground water, or the environment actionable under other laws and/or regulations. In addition, the OCD approval does not relieve you of liability for compliance with other laws and/or regulation.

If there are any questions, please call Chris Eustice at (505) 827-5824.

Sincerely,



William J. LeMay

William J. LeMay
Director

WJL/cee

xc: OCD Aztec Office
OCD Hobbs Office
OCD Artesia Office

MEMORANDUM OF CONVERSATION

TELEPHONE PERSONAL TIME ~~9:55~~ 9:55 DATE 10:00

ORIGINATING PARTY Martyne Kieling

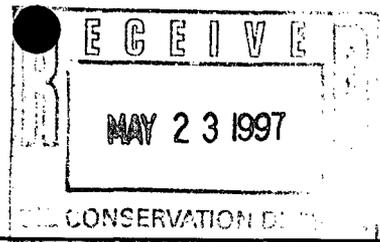
OTHER PARTIES Gilbert Aragon

ELPASO Natural Gas

DISCUSSION Concerning Letter May 16, 1997 to Roger Anderson
about 2x7,000 gal Discharges to be performed on New Pipe.
Blanket Permit For Discharges of up to 100,000 gal
is covered. This kind of Report is Not Necessary. Unless
7100,000gal etc... Following permit outline

CONCLUSIONS EPNG Does Not Need to write about these
except For year end Reports. Report For 1996 (1-27-97)
is in File.

MARTYNE KIELING Martyne J Kieling
C: FILE
DISTRICT OFFICE _____



May 16, 1997

Attn: Mr. Roger Anderson
New Mexico Oil Conservation Division
Environmental Bureau
2040 S. Pacheco St.
Santa Fe, NM 87501

**Re: Request for Permit to Discharge Hydrostatic Test Water in
Luna County, New Mexico**

Dear Mr. Anderson:

El Paso Natural Gas (EPNG) Company plans to conduct a hydrostatic test on approximately 1,050 feet of new 12-3/4-inch replacement pipe on each of El Paso's Lines 1004 and 1005. EPNG is seeking authorization to discharge the test water in the trench for pipe settling purposes.

The two segments of new pipe will be hydrostatically tested separately using approximately 7,000 gallons of water for each segment. The water to be used in the testing of the new pipe will be obtained from the City of Deming. Once testing is complete, EPNG proposes to discharge the test water into the trench in Sec. 12 & 7, T-24-S, R-8-W & 9-W, Luna County, New Mexico.

Attached are information sheets showing the location and other discharge particulars for this project. The test is scheduled to begin June 16.

If you have any questions, please call me at 915/759-2216.

Sincerely,

A handwritten signature in cursive script that reads 'Gilbert Aragon'.

Gilbert Aragon, Principal Engineer
Compliance Services

Attachments

HYDROSTATIC TEST INFORMATION

Company El Paso Natural Gas Company

Request Date May 16, 1997

Person Requesting Gilbert Aragon

Title Compliance Engineer

915-759/2216

A. TEST DESCRIPTION

1. Water Source City of Deming
2. Test Pressure 1647 psig
3. Chemicals, Dyes, Tracers None
4. Test Start Date Approx. June 16, 1997 Duration 8 hrs.
5. Discharge Duration 8 hrs.

B. FACILITY DESCRIPTION

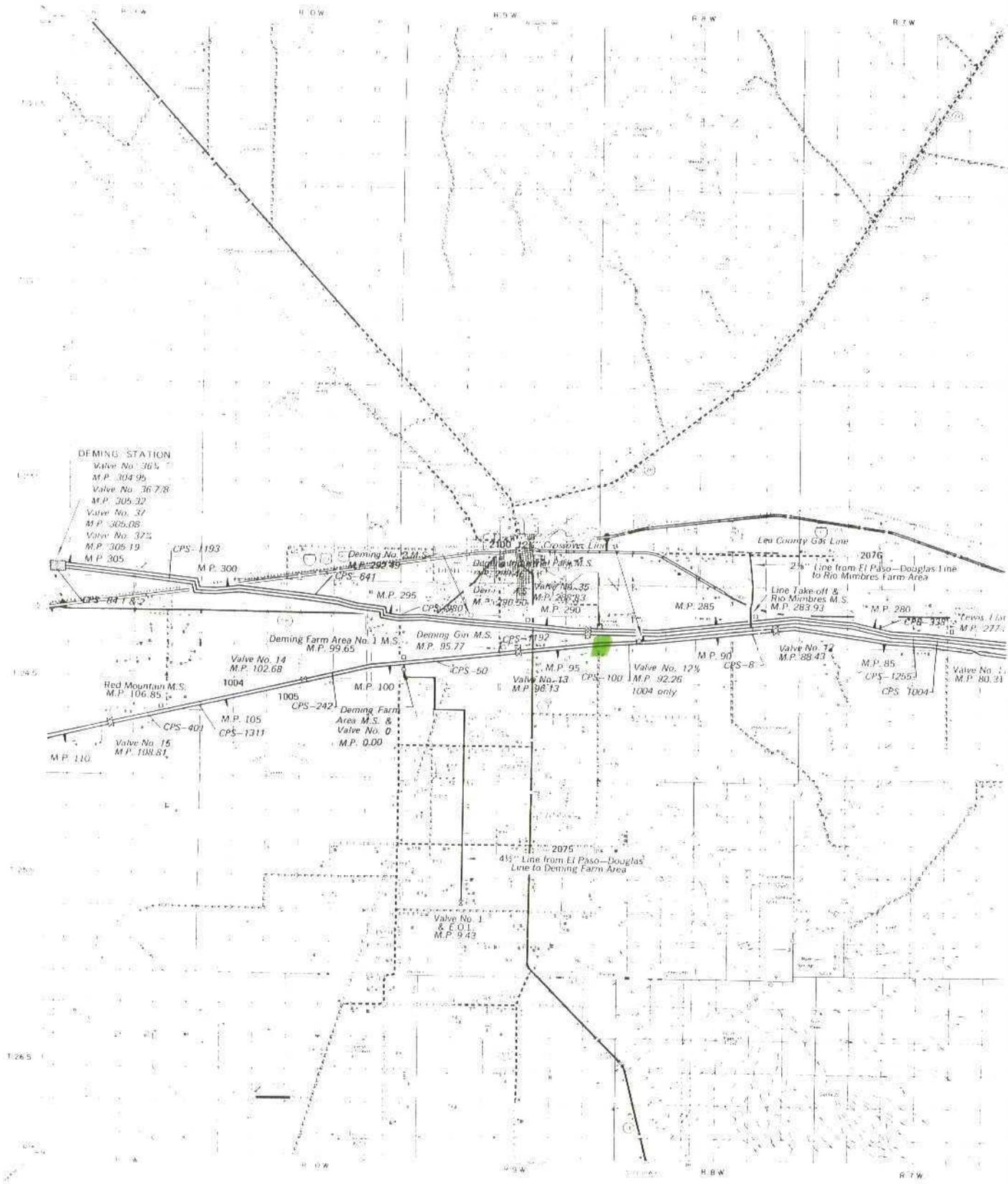
1. Dimension: ID 12-3/4-inch 1,050 feet each line Ft.
2. Material: Steel, Iron, Cement, Plastic, Steel
3. New (Unused) - To be used for: Natural Gas
Used, but Cleaned: _____
Used, not Cleaned. Used or: _____
4. Pollutants on and/or in the Facility:
Corrosion Preventives None
Product None
Corrosion None
5. Location:
County Luna County, New Mexico Nearest City Deming
Runs East (NE) to West (SW)
Between MP 93+2400 (Well) and MP 93+3450 (Well Tie)
Sec. 12 & 7, T-24-S, R-8-W & 9-W Discharge Location

C. DISCHARGE

1. Volume Approx. 14,000 gallons total
2. Point into trench
3. Pat pipe
4. Receiving trench
5. Potential for Erosion None
Nuisance None
Detrimental Effect None
6. Treatment to be provided for:
 - a. Chemical N/A
 - b. Discharge Point(s) N/A
 - c. Suspended Solids N/A
 - d. Pollutant Concentration After Treatment N/A
7. Pollutant Disposal N/A

D. MAP(S)

1. Pipe Location See Map
2. Discharge Point(s) Trench
3. Discharge Path Pipe
Highway and Road Access to Discharge Point South of Deming



Pamila
505 599 2107
Dany,
713 420 6192

El Paso
Natural Gas Company

OIL CONSERVATION DIVISION
RECEIVED

1994 FEB 16 AM 8 35

P. O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-541-2600

February 14, 1994

Mr. Roger Anderson
New Mexico Energy, Minerals, and
Natural Resources Department
Oil Conservation Division
P.O. Box 2088
State Land Office Building
Santa Fe, New Mexico
87504

Dear Mr. Anderson:

In accordance with OCD Guidelines for Hydrostatic Test Dewatering dated May 1989 (copy enclosed), El Paso Natural Gas Company (El Paso) requests renewal of the enclosed permit for hydrostatic test discharges of less than 100,000 gallons. El Paso agrees to follow the following conditions, where applicable, for discharges from new pipe:

- a) The volume per test will not exceed 100,000 gallons.
- b) Fresh water from a water supply system or other potable source will be used for the test.
- c) The discharge will not enter any surface water, or dry or perennial tributaries.
- d) Groundwater will not be less than 10 feet from the surface at the point of discharge.
- e) The discharge will not impact adjacent property.
- f) The discharge will not cause any fresh water supplies to be degraded or to exceed the standards of Section 3-103A, B, and C of the New Mexico Water Quality Control Commission Regulations as amended through October 19, 1993.
- g) An annual report composed of monthly summaries of all tests of new pipe with less than 100,000 gallons each, will be submitted to the OCD. The monthly summaries shall contain the following information:
 - 1) Location of test - Section, Township, and Range;
 - 2) Date of test;
 - 3) Volume of discharge; and
 - 4) Source and quality of test water.

All hydrostatic test discharges conducted in accordance with the conditions of this letter will be to unlined pits, ponds, or trenches.

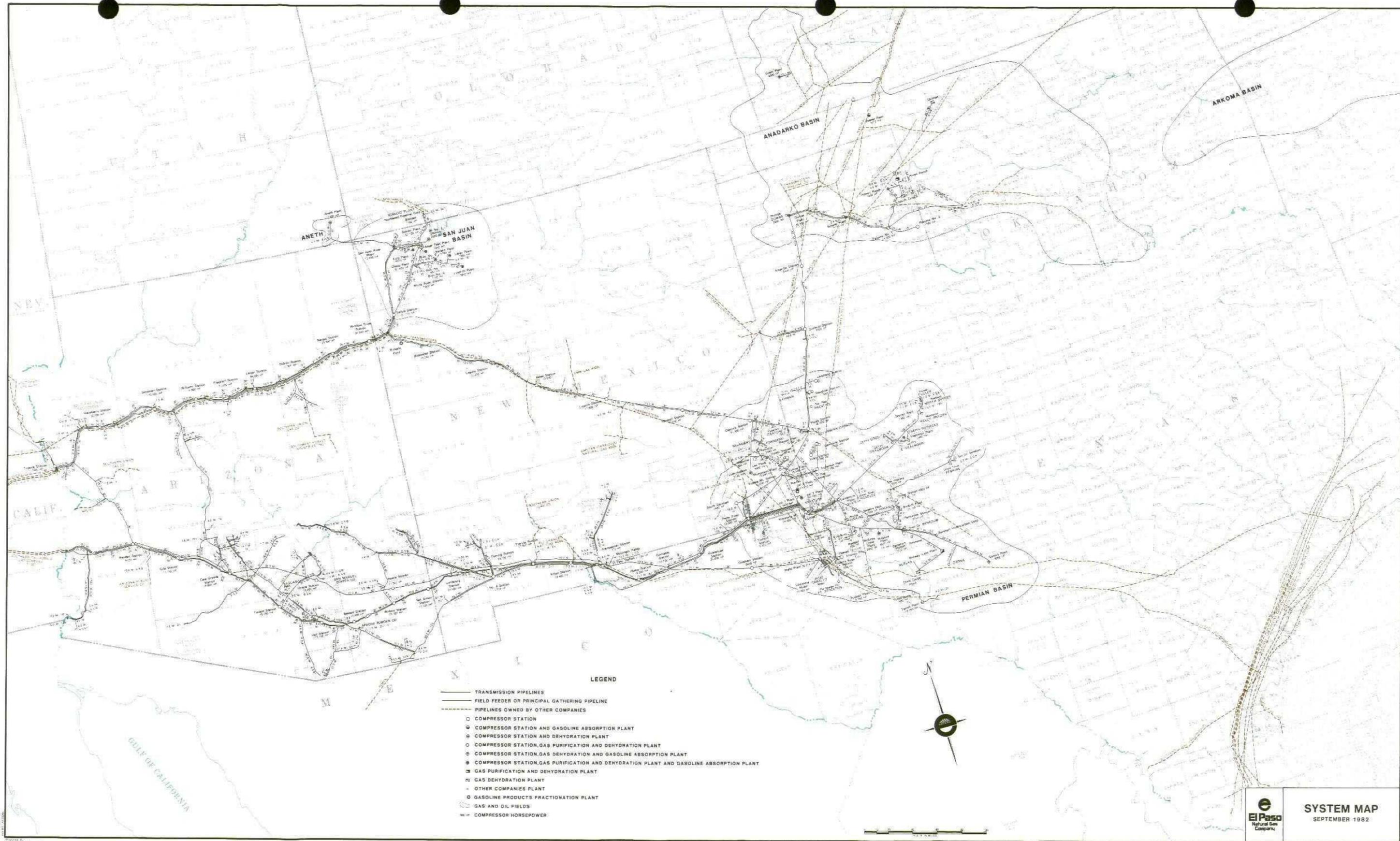
Please note that in condition (g), El Paso is proposing a slight modification from the terms of our previous permit whereby a compilation of monthly reports would be submitted once annually. Because of the lag time in receiving information from the field for the many small-volume tests, some test reports are not received before the end of the month. Since we conduct little testing during the winter months, submittal of all monthly summaries in one batch at the end of the year would allow us to prepare a more accurate accounting by month.

Please call me at 915/541-5588 if you have any questions

Sincerely,

A handwritten signature in cursive script, appearing to read "James F. George".

James F. George, Ph.D.
Environmental Consultant
Environmental Affairs Department



LEGEND

- TRANSMISSION PIPELINES
- FIELD FEEDER OR PRINCIPAL GATHERING PIPELINE
- - - PIPELINES OWNED BY OTHER COMPANIES
- COMPRESSOR STATION
- ⊙ COMPRESSOR STATION AND GASOLINE ABSORPTION PLANT
- ⊕ COMPRESSOR STATION AND DEHYDRATION PLANT
- ⊗ COMPRESSOR STATION, GAS PURIFICATION AND DEHYDRATION PLANT
- ⊘ COMPRESSOR STATION, GAS DEHYDRATION AND GASOLINE ABSORPTION PLANT
- ⊙ COMPRESSOR STATION, GAS PURIFICATION AND DEHYDRATION PLANT AND GASOLINE ABSORPTION PLANT
- ⊚ GAS PURIFICATION AND DEHYDRATION PLANT
- ⊛ GAS DEHYDRATION PLANT
- ⊜ OTHER COMPANIES PLANT
- ⊝ GASOLINE PRODUCTS FRACTIONATION PLANT
- ⊞ GAS AND OIL FIELDS
- HP COMPRESSOR HORSEPOWER



SYSTEM MAP
SEPTEMBER 1982

El Paso
Natural Gas Company

P. O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-541-2600

June 26, 1989

Mr. David Boyer
New Mexico Energy, Minerals, and
Natural Resources Department
Oil Conservation Division
P. O. Box 2088
State Land Office Building
Santa Fe, New Mexico 87504

Dear Mr. Boyer:

In accordance with OCD Guidelines for Hydrostatic Test Dewatering dated May 1989, El Paso Natural Gas Company (El Paso) requests renewal of the enclosed permit for hydrostatic test discharges of less than 100,000 gallons. El Paso agrees to follow the following conditions, where applicable, for discharges from new pipes:

- a) The volume per test will not exceed 100,000 gallons
- b) Fresh water from a water supply system or other potable source will be used for the test
- c) The discharge will not enter any lake, perennial stream, river or respective tributaries that may be seasonal
- d) Groundwater will not be less than 10 feet from the surface at the point of discharge
- e) The discharge will not impact adjacent property
- f) The discharge will not cause any fresh water supplies to be degraded or to exceed the standards of Section 3-103A, B, and C of the New Mexico Water Quality Control Commission Regulations
- g) A monthly report, summarizing all tests of new pipe with less than 100,000 gallons each, will be submitted to the OCD and shall contain the following information:
 - 1) Location of test - Section, Township and Range
 - 2) Date of test
 - 3) Volume of discharge

RECEIVED

JUL - 2 1989

OIL CONSERVATION DIV.
SANTA FE

June 26, 1989
Mr. David Boyer
Page 2

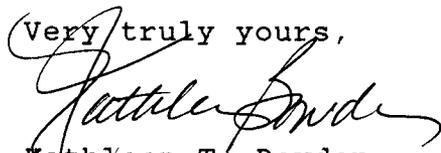
4) Source and quality of testwater.

All hydrostatic test discharges conducted in accordance with the conditions of this letter will be to unlined pits or ponds.

As you requested during our phone conversation today, I am also enclosing a copy of the OCD guidelines pertaining to this permit renewal.

Please call me at (915) 541-3193 if you have any questions.

Very truly yours,



Kathleen T. Bowden
Environmental Compliance Coordinator
Environmental and Safety Affairs Department

KTB/teb

Enclosures: 2



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION



TONEY ANAYA
GOVERNOR

May 31, 1983

William F. Lorang, P.E.
Chief Environmental Engineer
Permits and Support Section
Environmental Affairs Department
El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79978

Dear Mr. Lorang:

El Paso is hereby authorized to hydrostatically test all lines constructed from new pipe, so long as the fluid used is fresh water and so long as it is not disposed of into a surface water body.

These discharges are limited to under 100,000 gallons and are to be reported monthly.

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

El Paso
Natural Gas Company

P. O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-541-2600

October 29, 1984

Mr. Dick Stamets
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Subject: Hydrostatic Tests

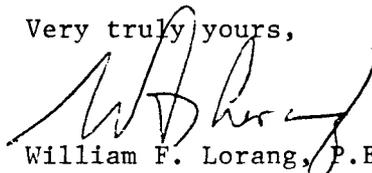
Dear Mr. Stamets:

In the last few months, there has been an inordinate nationwide interest in hydrostatic test discharges. Because of that interest, regulatory bodies in the federal government and in several states are concerned with the quantity, quality and frequency of hydrotest discharges. It appears that perhaps New Mexico has preempted most of the nation in their concern and regulation of these test discharges.

So that you may share our understanding of our responsibility in this regard, EPNG would like to submit the attached copy of our recent communication with the NMOCD and general information relative to hydrotests. From this information, perhaps you will be able to get a better feel for the hydrotest discharge activity in New Mexico.

We have enjoyed a very good working relationship with the OCD and are confident that such a relationship will continue. Please feel free to call if you have questions regarding our hydrostatic test discharges.

Very truly yours,



William F. Lorang, P.E.
Manager Environmental Engineering
Environmental Affairs Department

mts
Attachments



MEMORANDUM

TO: J. F. Eichelmann, Jr. DATE: July 26, 1983
FROM: H. Reiquam PLACE: Environmental Affairs

Subject: Hydrostatic Test Water Quality and Quantities

Recognizing that regulatory agencies are increasing their efforts to understand and to regulate the discharge of all wastewaters, El Paso Natural Gas Company (El Paso) has reviewed its hydrostatic testing experience since 1979. From that review, we have developed the attached summary of numbers of tests versus volumes of discharge in Arizona, New Mexico, Texas and Oklahoma (Table 1).

Because each test is an isolated event, we believe that the discharge of these test waters should be put into perspective with other, continuous, wastewater discharges. There are at least three comparisons which we believe should be made.

The large number of tests (average: 367 per year) in New Mexico, Texas and Oklahoma for that time period (1979-mid 1982) can be attributed largely to the expansion of gathering systems which the entire gas industry was experiencing. Most of these were new pipelines constructed to tie new gas wells into the system. In comparison, we expect less than one-third that number of tests in 1983.

El Paso cannot speak to volumes or quality of wastewater routinely discharged from such facilities as petroleum refineries. However, the discharges from natural gas processing plants are typically on the order of 1,000 barrels per day, all at the same location, either into disposal ponds or injection wells. Hydrostatic test water discharges are, 95% of the time (see Table 1), no more than 1,000 barrels as single events, which are scattered over a wide geographic area.

It is important to note that El Paso hydrostatically tests all lines in accordance with regulatory provisions of the Department of Transportation. However, these tests are generally once-in-a-life-time events which are not repeated unless there is cause to uprate the line because of increased maximum allowable operating pressure. The point is that once tested, the pipeline may never be retested, thus confirming the singularity of the discharge. (Some have indicated that we "periodically" test the lines).

Water used in several recent tests of new pipelines has been analyzed. In general, contaminants are found primarily in a relatively small slug either at the beginning or the end of the discharge depending on the fill point. In any case, the total quantity of contaminants is small

July 26, 1983

when compared with similar contaminants routinely discharged from continuing operations. Suspended solids, largely pipe mill scale and rust (iron oxide), tend to be concentrated at one end or the other of the discharge; COD in the most contaminated sample ranged as high as 450 milligrams per liter; the pH was not significantly affected.

New pipe is internally coated and is relatively clean; however, during the manufacturing and transport of the pipe and construction of the pipeline, there is opportunity for various contaminants (dirt, welding slag, etc.) to be introduced into the pipe. This debris constitutes most of the suspended material found in the hydrostatic test water.

After being in service for some time, pipelines quite often contain small amounts of natural gas liquids, lubricating oil and scale from the interior of the pipe. These extraneous materials are generally cleaned out prior to the test by a "pigging" operation; i.e., by transporting with the gas stream a device (pig) which is sized to fit the interior of the pipe and is fitted with brushes and/or flexible wipers.

Any contaminants contained in test water discharges are kept from entering surface waters by El Paso practices. Typically, discharge is to a temporary pond for evaporation and infiltration. If, for some reason, the water is expected to contain contaminants the pond may be lined to prevent leachate from entering groundwater. In any case, however, because the discharge is contained in a surface impoundment from which infiltration is controlled, there is little likelihood of contamination of either surface or groundwater from discharge of hydrotest water. Because a hydraulic head is not maintained, leaching to groundwater is highly improbable.

Finally, El Paso, along with other natural gas transmission companies, cooperated fully with the Environmental Protection Agency in a test program conducted early in 1981 for possible PCB contamination in pipelines. Samples and analyses were obtained; none of El Paso's samples showed more than trace amounts of PCB. Organics likely to be found in natural gas lines are generally volatile and/or are readily bio-degradable.



gb
Attachment

c: W. F. Lorang

Table 1
Hydrostatic Tests - EPNG
1979 - mid'82

	<500 bb1 (21,000 gal.)	500-1000 bb1 (-42,000 gal.)	1000-2000 bb1 (-84,000 gal.)	2000-5000 bb1 (-210,000 gal.)	5000-10,000 bb1 (-420,000 gal.)	>10,000 bb1 (>420,000 gal.)	Total	%
<u>Arizona</u>								
Number	13	1	2	2	2	4	24	1.9
% of Total	54.2	4.2	8.3	8.3	8.3	16.7		
<u>New Mexico</u>								
Number	629	32	9	7	5	3	685	53.3
% of Total	91.8	4.7	1.3	1.0	0.7	0.4		
<u>Texas</u>								
Number	340	36	1	11	2	8	398	31.0
% of Total	85.4	9.8	0.3	2.8	0.5	2.0		
<u>Oklahoma</u>								
Number	162	10	3	1	1	1	178	13.9
% of Total	91.0	5.6	1.7	0.6	0.6	0.6		
Total Number	1144	79	15	21	10	16	1285	
%	89.0	6.1	1.2	1.6	0.8	1.2		
Average No. per Yr.	327	23	4	6	3	5	≈367	

El Paso NATURAL GAS
COMPANY

P. O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-543-2600

BILLY J. MATTHEWS VICE PRESIDENT

May 5, 1981

THIS LETTER WAS SENT TO THE PERSONS INDICATED ON THE ATTACHED LISTS.

In mid-January 1981, polychlorinated biphenyls (PCB) were found in a few natural gas pipelines and local distribution systems in the New York City area. So far, EPA has not identified any direct threat to health resulting from the presence of PCB in natural gas systems, but a nation-wide cooperative program was launched to determine how widespread this situation might be and to attempt to identify the source of these materials.

PCB have been used widely in various types of electrical and hydraulic equipment. They were also used at one time in lubricating oils for some compressors on natural gas pipelines. EPA rules issued under authority of the Toxic Substances Control Act, however, called for the phase-out of this use of PCB by May 1980.

EPA has coordinated an intensive program, together with the Federal Energy Regulatory Commission and the natural gas transmission industry to determine the source and the extent of the problem by sampling condensates found in natural gas pipelines in all parts of the country. Besides the condensate sampling, EPA has been working to develop methodologies for sampling PCB in natural gas itself and in the air. Initial air sampling in some homes on Long Island, where PCB were found in condensate samples, showed that PCB levels in air were within the tolerance recommended by the National Institute of Occupational Safety and Health for work place exposure.

May 5, 1981

The overall sampling program includes three concurrent elements:

1. Condensate in interstate pipelines has been sampled by 33 major gas transmission companies in coordination with the Interstate Natural Gas Association of America. These samples have been obtained from about 300 sites nation-wide. These sites were selected to get a representative national picture covering about 95% of the transmission pipeline miles in the U.S.
2. Condensate is being sampled by about 1,000 local utilities in coordination with the American Gas Association, EPA's Regional Offices and state and local governmental agencies. Samples are being obtained from some 1,000 sites nation-wide.
3. Lubricating oil used in pipeline compressors is being sampled by EPA's Regional Offices to ensure that the rules which required the phase-out of PCB in pipeline compressors were obeyed. About 75 sites will be sampled nation-wide for this purpose.

In addition to the initial findings from the New York City area, preliminary data indicated that PCB were found in condensate samples in the Chicago area and in natural gas systems in several California cities (Los Angeles, San Diego, San Francisco and San Jose). Preliminary results from the northwestern and southeastern parts of the United States indicated no problems in those areas.

To obtain an accurate picture of the extent and amount of PCB contamination nationally, it was essential that all sampling and analyses for PCB be conducted using the same techniques and methodologies. EPA developed standard methodologies and a quality assurance program to validate the results of condensate sampling whether performed by EPA, individual companies or private laboratories.

El Paso Natural Gas Company has cooperated fully in the cooperative program. Condensate samples were obtained at 22 separate locations across the El Paso pipeline system in strict accordance with sampling guidelines provided by EPA. The samples were sent to an independent laboratory with a demonstrated ability to perform credible PCB analyses down to the 1 part per million (ppm) concentration level. The 22 sampling locations were selected to provide a comprehensive system-wide picture of the extent of any PCB contamination to be found. They included locations where natural gas enters the El Paso system from other companies and points of connection where gas enters the systems of customer companies.

May 5, 1981

Analytical results have now been received. A total of 28 samples were obtained at those 22 locations; most of them were found to have "non-detectable" concentrations of PCB. Subsequent resampling at two locations (Pecos River and Newman Power Plant) where PCB were indicated showed non-detectable levels. Of the remaining six samples which did show PCB, none exceeded 1.9 ppm. It is important to note that EPA deems such low levels (essentially trace amounts) to be of little or no concern. Based upon all of these results, El Paso has concluded that its system does not present a PCB contamination problem.

Attached to this letter is a list of the sample locations and the laboratory results. Also attached is a map of the El Paso system with all of the sample locations identified. As additional information becomes available we shall keep you informed. In the meantime, if you require any additional information as to El Paso's procedures or results, please do not hesitate to contact me or Dr. Howard Reiquam, Director of Environmental Affairs.

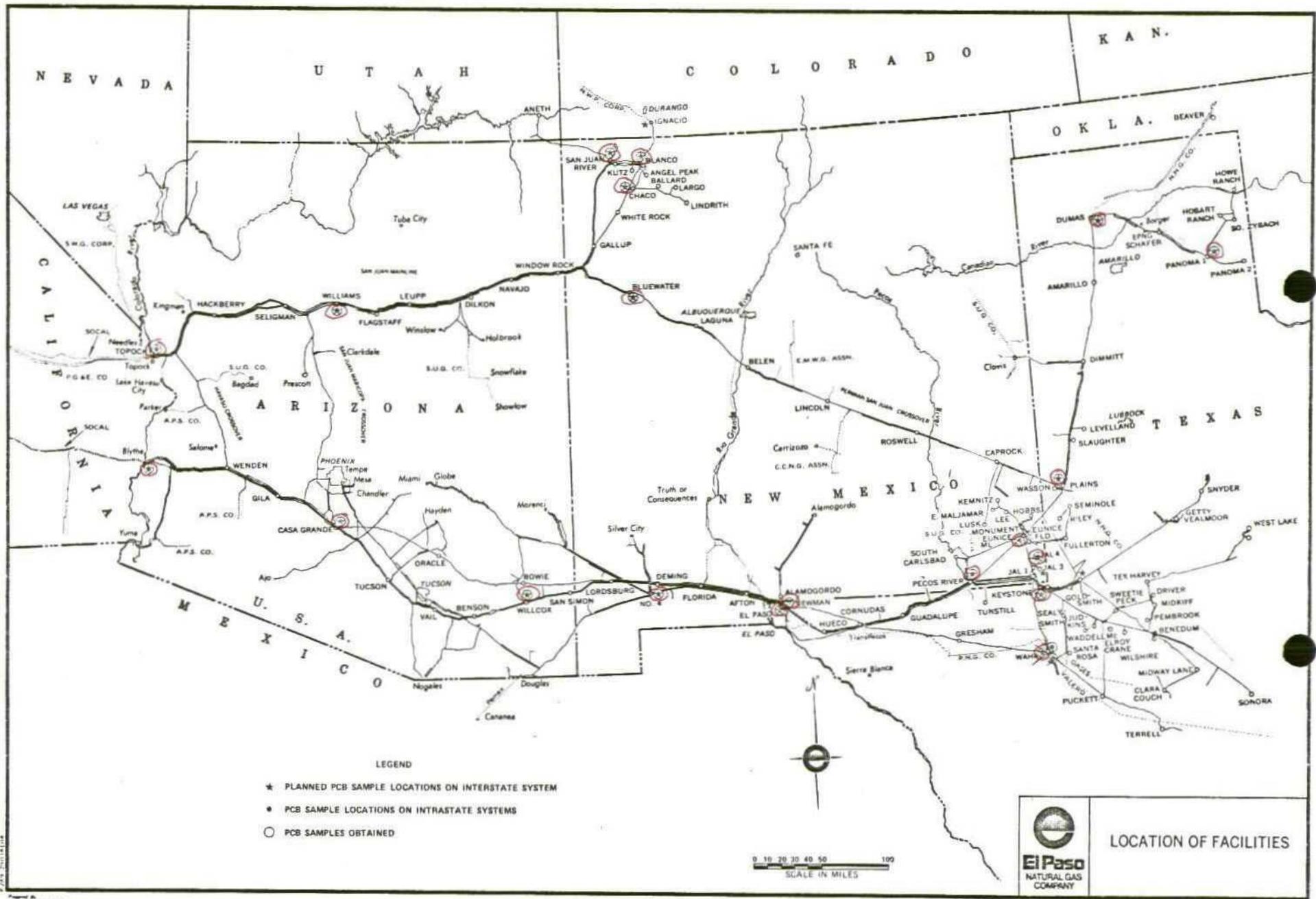
Sincerely yours,

A handwritten signature in cursive script, appearing to read "Billy Watters". The signature is written in dark ink and is positioned below the typed name "Billy Watters".

Attachments

El Paso Natural Gas Company
Condensate Samples

<u>Sample Location</u>	<u>PCB Concentration (ppm)</u>
Panoma	0
Dumas	0
Plains	trace, < 1
Eunice	0
Jal No. 4	trace, < 1
Keystone Main Line	1.6
Oasis	0
Valero	0
Waha	1.9
Pecos River (original sample)	2.9
Pecos River (resample)	0
Pecos River (resample)	0
El Paso	0
Newman Power Plant (original sample)	1.7
Newman Power Plant (resubmission)	0
Newman Power Plant (resample)	0
Newman Power Plant (resample)	0
Station No. 4	0
Willcox	0
Casa Grande	trace, < 1
Ehrenberg	trace, < 1
Blanco	0
Chaco (condensate phase)	0
Chaco (water phase)	0
San Juan River	0
Bluewater	0
Williams	0
Topock	0



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EMW Gas Association

Mr. Darryl Smette
Energy Reserves Group, Inc.

Gamerco Townsite Company
c/o Walter F. Wolf, Jr., Esq.
Schuelke, Wolf and Rich

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Mr. T. M. Ocheltree, Chief Gas Engineer
Gulf Oil Corporation & Production Co.

Page 2

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Mr. Edward K. Bolt
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Pioneer Natural Gas Company
A Division of Pioneer Corporation

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City of Safford

Mr. Carl D. Shook
Superintendent, Operations
Shell Oil Company - Gallup, NM

Mr. Ken Edinborgh, Senior Engineer
Shell Pipe Line Corporation

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Mr. W. L. Nicholson
Warren Petroleum Company

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West Texas Gas, Inc.

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Mr. Howard F. Hersey, Vice President
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Director of Utilities
City of Las Cruces

Mr. Dean E. Sloan
Public Works Director
City of Mesa
cc: Mr. Ralph C. Wisz
Ms. Judith Newman

Mr. Robert W. Brooks
Vice President, Gas Supply
Pacific Gas and Electric Company
cc: Daniel E. Gibson, Esquire
Assistant General Counsel

Mr. William L. Cole
Vice President
Pacific Lighting Corporation
cc: Mr. Robert J. Hohne
Vice President

Mr. K. B. Watson
President and Chief Executive Officer
Pioneer Natural Gas Company
A Division of Pioneer Corporation

Mr. A. G. Prasil
Senior Vice President - Utility Operations
Southern Union Company
cc: Mr. Michael H. Lambert
Vice President, Gas Supply
Southern Union Gas Company

Mr. Robert L. Muirhead, Vice President
Gas Supply and Utilization
Southwest Gas Corporation

Mr. Walter F. Bohls, P.E., President
Western Gas Interstate Company

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Executive Secretary
Arizona Corporation Commission

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The El Paso Company
Phoenix, AZ

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cc: Don L. King
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bc: Mr. John F. Eichelmann, Jr.
The El Paso Company
Santa Fe, NM

William W. Proksch, Jr.
Secretary
Nevada Public Service Commission

The Honorable Hamp Baker, Chairman
Oklahoma Corporation Commission

cc: Ms. Berdee S. Holt
Secretary
