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**GENERAL
CORRESPONDENCE**

YEAR(S):

1995 - 1994

MERIDIAN OIL

OIL CONSERVATION DIVISION
RECEIVED

1995 MAR 4 AM 8 52

Certified # P 895-114-164

May 1, 1995

Mr. Chris Eustice
New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87505

Re: **Hydrostatic Test Waters**
Chaco - Bisti Storage Pipelines

Dear Mr. Eustice:

This is to follow-up on our discussion of the hydrostatic test waters from the pipelines connecting the Chaco Plant pigging waste storage tanks to Meridian's Bisti Storage Facility. This issue was the subject of Trigon Engineering's letter dated December 13, 1994, and the Division's response dated April 21, 1995.

As indicated in our discussions, the pipelines in question (2750 feet of new 2" and 2965 feet of existing 4") are to be used to transfer condensate from pigging operations to the Bisti Storage Facility. The pigging operations are from gas production pipelines and are not involved with Chaco Plant liquids processing. The existing 4" line was previously used for the same pigging waste collection, but was discontinued because the tanks connected to it were too small. New, larger collection tanks have now been installed and a section of the 4" line will be used again to transfer the condensate to Bisti (see attached sketch).

Based on these factors, MOI is of the opinion that the hydrotest fluids generated in testing the integrity of these pipelines are "exempt fluids" under the federal RCRA regulations, and thus not subject to TCLP characteristic testing. Moreover, since the fluids will not be discharged to the environment (closed-loop system), the fluids should be allowable for injection at a Class II injection well facility without further authorization.

MOI requests that you authorize the hydrotest fluid disposal as proposed. In addition, it is requested that you provide further guidance on the circumstances wherein OCD permits/authorizations for hydrotest operations are necessary and likewise, when such authorization is not necessary.

Please feel free to contact me with any further questions at (505) 326-9841.

Sincerely yours,

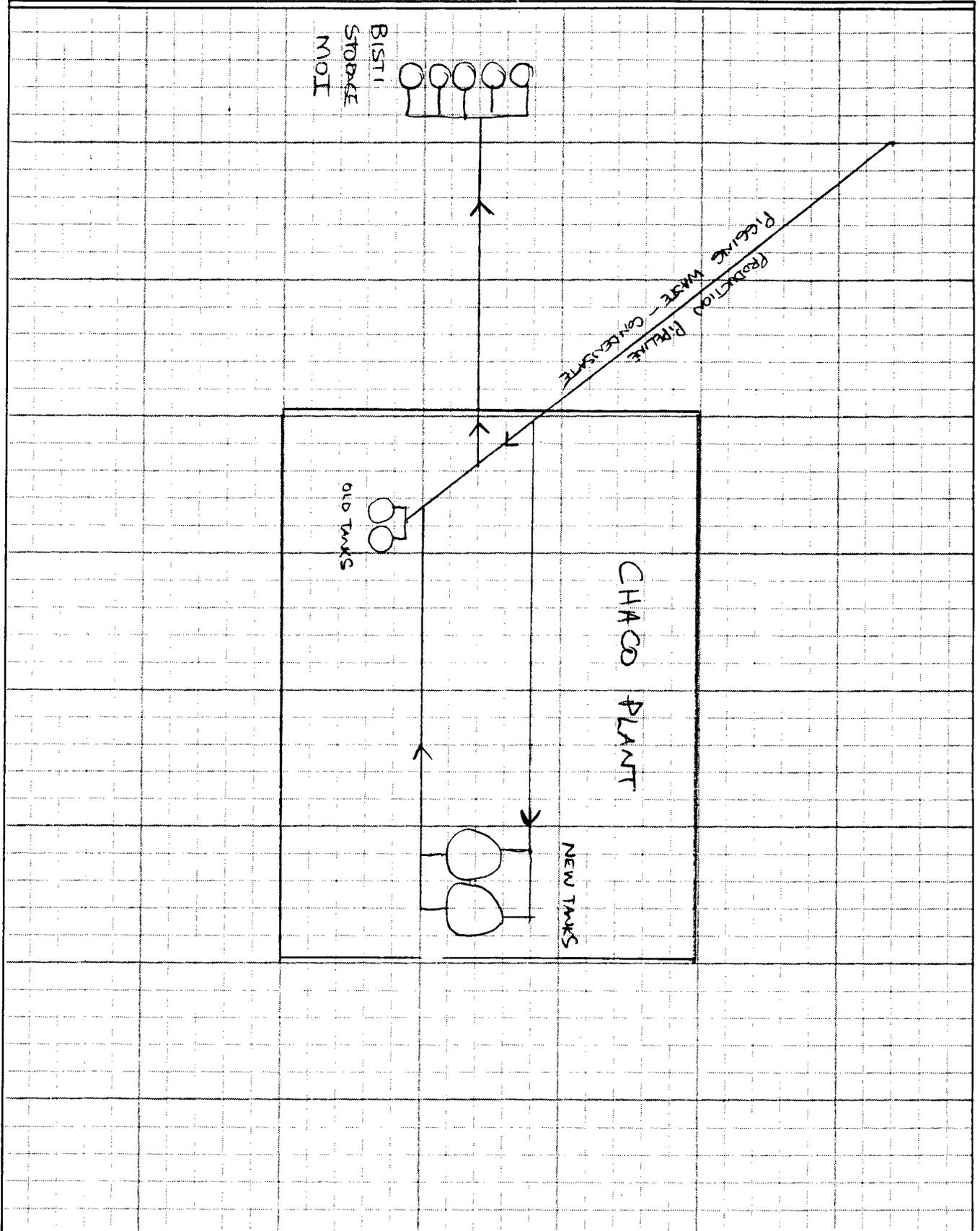


Kevin C. Myers
Environmental Specialist

file: 6.062 Hydrotest

MERIDIAN OIL CO.
ENGINEERING CALCULATION

Sheet: _____ of _____
Date: _____
By: _____
File: _____



MERIDIAN OIL

May 1, 1995

Certified # P 895-114-165

Mr. David Catanach
Director, UIC Program
Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87505

Re: **Pipeline Hydrotest Fluid Disposal
McGrath #4 SWD
OCD Order R-7370**

Dear Mr. Catanach:

This is to advise you that Meridian Oil, Inc. (MOI) intends to periodically dispose of production pipeline hydrotest fluids at our McGrath #4 SWD. Generally, produced water is used for the test fluid and methanol is sometimes added for freeze protection. Volumes vary but are usually less than 100,000 gallons.

As discussed with you and Mr. Roger Anderson, OCD's Environmental Bureau is in agreement that these fluids are exempt under the federal RCRA program and thus, are appropriate for disposal at Class II injection well facilities.

Please give me a call at (505) 326-9841 if I can answer any further questions.

Sincerely yours,



Kevin C. Myers
Environmental Specialist

cc: Roger Anderson - OCD Santa Fe

file: McGrath #4 SWD



MEMORANDUM OF MEETING OR CONVERSATION

<input checked="" type="checkbox"/> Telephone	<input type="checkbox"/> Personal	Time 8:17 AM	Date 4-19-95
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<u>Originating Party</u> BRETT HURLBUTT - TRIGON ENGINEERING dba MERIDIAN OIL INC	<u>Other Parties</u> CHRIS EUSTICE NM-OCD
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SUBJECT
Chaco NGL transfer pipeline hydrostatic test water discharge
request dated 12-13-94

DISCUSSION
Brett stated they wanted to reactivate the above
referenced request after putting it on hold.

I asked for additional information:
1) method of storage (non exempt subject to TOLP)
2) location of discharge & or storage

Conclusions or Agreements
1) frac tank
2) Sec 17 (SE/4), T26N, R12W

Conclusion
Signed



Trigon Engineering Inc



Oil & Gas Pipelines
Compressor Stations
Cogeneration Facilities
Environmental Services

Mechanical
Chemical
Electrical
Structural

December 13, 1994

Mr. Roger Anderson
Environmental Engineer
State of New Mexico
Oil Conservation Division
P.O. Box 2088
Land Office Building
Santa Fe, NM 87504-2088

Dear Mr. Anderson:

Meridian Oil Gathering Inc. is planning to hydrostatic test its Chaco Natural Gas Liquid transfer pipeline. The line is presently under construction and will transfer natural gas liquids from El Paso Natural Gas' Chaco Plant to Meridian Oil's Bisti Storage Facility, which is located approximately one half mile west of the Chaco Plant. The location of the pipeline is approximately 24 miles south of Farmington in Sec. 16 & 17, T.26 N., R.12 W. The land is owned by El Paso Natural Gas and the Navajo Indian Tribe. The landowners are aware of this work and have agreed in principal to this testing plan.

The pipeline consists of 2750 feet of new 2" pipe line and 2965 feet of existing 4" pipe. The existing 4" pipe was previously used for natural gas service and has been out of service for over nine years. The line was purged when taken out of service and presently is capped with nitrogen.

The line will be tested in one closed loop. The amount of water required is 57 barrels. The test will be conducted at 285 psig. Duration of the test will be 8 hours. The water to be used for the test will be from the city of Farmington. The water is scheduled to be disposed of in Meridian's McGrath salt water disposal well.

If you have any questions, please call me at (505) 325-1266.

Sincerely,

Brett Hurlbut
Mechanical Engineer

c: Loren Fothergill, Meridian

4100 E. Main Street
Farmington, New Mexico
87402

Telephone
505 325 1266
Facsimile
505 325 1745