

HBP - 21

**PERMITS,
RENEWALS, &
MODS**



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



August 19, 2008.

Mr. Michael D. Ford
Hess Corporation
500 Dallas Street
Houston, Texas 77002

**Re: Annual Temporary Permission to Discharge Hydrostatic Test Water
Permit HBP - 021
Hess Corporation**

Dear Mr. Ford:

The New Mexico Oil Conservation Division (OCD) has received Hess Corporation's (Hess) request, dated July 16, 2008, for an annual temporary permission to discharge small quantities of hydrostatic test wastewater generated from the testing of new carbon dioxide (CO₂) pipelines specifically in the West Brave Dome field located in northeast New Mexico, but generally throughout the State of New Mexico.

Based on the laboratory analytical results and on the information provided in the request, OCD identifies the Mitchell pond as an approved water source. The annual temporary permission is hereby granted for the discharge of the hydrostatic test wastewater generated from all new pipeline hydrostatic tests an operator may perform during an approved one-year period when the following understandings and conditions are applicable:

1. the volume does not exceed 25,000 gallons per hydrostatic test;
2. water from a public/municipal water supply or other OCD approved sources is used for each test;
3. oral or written notification must be provided to the OCD 72 hours prior to each hydrostatic discharge event;
4. the discharge does not enter any lake, perennial stream, river or their respective tributaries that may be seasonal;
5. no discharge shall occur:
 - a. where ground water is less than 10 feet below ground surface.
 - b. within 200 feet of a watercourse, lakebed, sinkhole or playa lake;
 - c. within an existing wellhead protection area;
 - d. within, or within 500 feet of a wetland; or
 - e. within 500 feet from the nearest permanent residence, school, hospital, institution or church;
6. best management practices must be implemented to contain the discharge onsite, does not impact adjacent property, and to control erosion;

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* Santa Fe, New Mexico 87505

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7. the discharge does not cause any fresh water supplies to be degraded or to exceed 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);
8. the landowner(s) of each proposed discharge and/or collection/retention or alternative discharge location must be properly notified of the activities prior to each proposed hydrostatic test event; and
9. an annual report, summarizing all tests of new pipeline with less than 25,000 gallons per hydrostatic test event, will be submitted to the OCD within 45 days after the temporary permission expiration date and shall contain the following information:
 - a. the location of hydrostatic test (Section/Township/Range or GPS coordinates);
 - b. the date of each test;
 - c. the volume of each discharge; and
 - d. the source and quality of test water (laboratory analysis, if necessary).
10. Hess shall report all unauthorized discharges, spills, leaks and releases of hydrostatic test water and conduct corrective action pursuant to WQCC Regulation 20.6.2.1203 NMAC and OCD Rule 116 (19.15.3.116 NMAC).

Annual temporary permissions shall expire one (1) year after issuance. **This temporary permission will expire August 19, 2009.** Renewal requests for annual temporary permission to discharge shall be submitted forty-five (45) days prior to the expiration date. An annual temporary permission may be revoked or suspended for violation of any applicable provisions and/or conditions of the permit.

This approval does not relieve Hess of responsibility should its operation result in pollution of surface water, ground water, or the environment. In addition, OCD approval does not relieve Hess of responsibility for compliance with other federal, state or local regulations.

If there are any questions regarding this matter, please do not hesitate to contact Brad A. Jones at (505) 476-3487 or brad.a.jones@state.nm.us.

Sincerely,



Wayne Price
Environmental Bureau Chief

LWP/baj

cc: OCD District Offices