

HITP - 041

**TEMPORARY
PERMISSION
2013-2014**

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



August 14, 2013

Mr. Leonard W. Mallett
POC: Ms. Shiver Nolan
Enterprise Products Operating, LLC
P.O. Box 4324
Houston, Texas 77210

**Re: Hydrostatic Test Individual Temporary Permission HITP-041
Enterprise Products Operating, LLC
Phantom Banks, Big Sinks, Ross Draw Laterals Pipeline Project
Location: Unit M of Section 17 and Unit D of Section 20, Township 25 South, Range 31
East, NMPM, Eddy County, New Mexico**

Dear Ms. Nolan:

The Oil Conservation Division (OCD) has received Enterprise Products Operating LLC's (Enterprise) notice of intent, dated August 8, 2013 and received by OCD on August 14, 2013, for authorization to temporarily store approximately 188,000 gallons of wastewater generated from a hydrostatic test of two new 12-inch natural gas gathering system transmission pipelines (approximately 30,320 feet of the Phantom Banks and Big Sinks Laterals) and one new 8.249-inch gas gathering system transmission pipeline (approximately 20,230 feet of the Ross Draw Lateral), located approximately 20 miles southeast of Loving, New Mexico. The proposed collection location is within Enterprise's pipeline right-of way in Unit M of Section 17 and Unit D of Section 20, Township 25 South, Range 31 East, NMPM, Eddy County, New Mexico. No surface discharge is proposed by Enterprise. The hydrostatic test wastewater will be discharged into frac tanks for temporary storage, transferred from the tanks to an OCD approved C-133 hauler, and delivered to Pyote Well Service LLC's Dorstate SWD No. 1 Class II injection well for injection and disposal. OCD acknowledges the receipt of the filing fee (\$100.00) and the temporary permission fee (\$150.00) from a submittal dated August 8, 2013.

Based on the information provided in the request, temporary permission is hereby granted for the collection, retention, and disposal of the hydrostatic test wastewater generated from the pipeline test with the following understandings and conditions:

1. Enterprise will be testing 5.8 miles (30,320 feet) of two new 12-inch natural gas gathering system transmission pipelines and 3.8 miles (20,230 feet) of one new 8.249-inch gas gathering system transmission pipeline, located approximately 20 miles southeast of Loving, New Mexico;

2. Enterprise shall ensure no discharge will occur at the hydrostatic test wastewater collection/discharge location: within Enterprise's pipeline right-of way in Unit M of Section 17 and Unit D of Section 20, Township 25 South, Range 31 East, NMPM, Eddy County, New Mexico;
3. Enterprise will acquire the hydrostatic test water from the following source(s): City of Carlsbad, New Mexico;
4. Enterprise will generate approximately 188,000 gallons of hydrostatic test wastewater from the test event that will be slowly discharged via a system of flexible hoses and temporary piping into nine (9) 400 barrel frac tanks for temporary storage, while awaiting transfer, injection and disposal at Pyote Well Service LLC's Dorstate SWD No. 1 Class II injection well (API# 30-015-23728/SWD Order#247-A). Approximately 116,000 gallons of hydrostatic test wastewater and five (5) frac tanks will be removed for disposal after testing the Phantom Banks and Big Sinks Laterals. The remaining 72,000 gallons and four (4) frac tanks will be removed for disposal after the completion of the Ross Draw Lateral hydrostatic test event.
5. Enterprise shall ensure that the temporary storage tanks shall have impermeable secondary containment (e.g., liners - geomembrane and berms - hay bales or a secondary containment tank), which will contain a volume of at least one-third greater than the total volume of the largest tank or one-third greater than the total volume of all tanks that are inter-connected, whichever is greater;
6. Enterprise will have personnel on-site to oversee and control the transfer and utilize collection pans placed below the collection points to prevent an unauthorized release;
7. Enterprise will not discharge any hydrostatic test wastewater generated from the test event to the ground or within the easement right-of-way;
8. Enterprise will not be analyzing the hydrostatic test wastewater because of the following: there will be no discharge the wastewater to the surface or surface water; the wastewater has been demonstrated to be RCRA exempt waste and the proposal is to transfer the wastewater to Pyote Well Service LLC's Dorstate SWD No. 1 Class II injection well (API# 30-015-23728/SWD Order#247-A) for injection and disposal;
9. Enterprise will ensure the transfer the hydrostatic test wastewater via an OCD approved C-133 water hauler to Pyote Well Service LLC's Dorstate SWD No. 1 Class II injection well (API# 30-015-23728/SWD Order#247-A) for injection and disposal;
10. Enterprise shall remove all hydrostatic test wastewater from the collection/retention location within ten (10) calendar days of the completion of the hydrostatic test;
11. Enterprise shall restore any surface area impacted or disturb from the approved activities;
12. Enterprise shall implement best management practices to prevent unauthorized releases during the transfer/collection activities;

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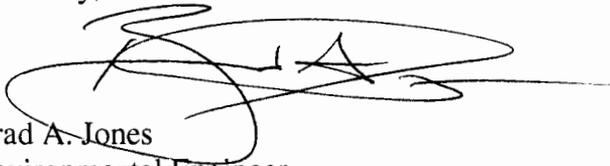
13. Enterprise shall ensure that the transfer/collection activities do not cause any fresh water supplies to be degraded or to exceed standards as set forth in Subsections A, B, and C of the 20.6.2.3103 NMAC (the New Mexico Water Quality Control Commission Regulations);
14. Enterprise must properly notify the landowner(s) of the proposed collection/retention of the approved activities prior to the hydrostatic test event; and
15. Enterprise shall report all unauthorized discharges, spills, leaks and releases of hydrostatic test water and conduct corrective action pursuant to OCD Rule 29 (19.15.29 NMAC).

It is understood that the hydrostatic test will begin approximately August 28, 2013. This temporary permission will expire within 120 calendar days of its issue date. Temporary permission may be revoked or suspended for violation of any applicable provisions and/or conditions.

Please be advised that approval of this request does not relieve Enterprise of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve Enterprise of its responsibility to comply with any other applicable governmental authority's rules and regulations.

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

Sincerely,



Brad A. Jones
Environmental Engineer

BAJ/baj

Cc: OCD District II Office, Artesia
Mr. Jim Heap, Enterprise Products Operating Company, Midland, Texas 79701



ENTERPRISE PRODUCTS PARTNERS L.P.
ENTERPRISE PRODUCTS HOLDINGS LLC
(General Partner)

ENTERPRISE PRODUCTS OPERATING LLC

August 8, 2013

Federal Express

Mr. Brad Jones
New Mexico Energy, Minerals, and Natural Resources Department
Oil Conservation Division
1220 St. Francis Drive
Santa Fe, NM 87505

Dear Mr. Jones:

**RE: Enterprise Products Operating LLC
Submittal of Notice of Intent to Discharge Hydrostatic Test Water
Phantom Banks, Big Sinks, and Ross Draw Laterals
Eddy County, New Mexico**

RECEIVED OFFICE
2013 AUG 14 P 12:00

Enterprise Products Operating LLC (Enterprise) is constructing the Phantom Banks, Big Sinks, and Ross Draw Laterals as part of an expansion to their natural gas gathering system. Please find enclosed an application for authorization to discharge hydrostatic test water following hydrostatic testing of the new pipeline. The enclosed application includes the requested revisions to the drafts that you reviewed and submitted comments on.

Thank you for your assistance with this request. If you have any questions or require additional information, please feel free to call Enterprise's environmental consultant, Ms. Barbara Everett, (505) 344-7373, or myself at (713) 392-2458

Sincerely,

James G. White
Sr. Environmental Scientist

/bjm
Enclosure

cc: Runell Seale, Enterprise
Shiver Nolan, Enterprise