

HIP- _____ 126 _____

**PERMITS,
RENEWALS, &
MODS**

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



January 14, 2014

Ms. Shiver Nolan
Enterprise Products Operating LLC
PO Box 4324
Houston, Texas 77210

Re: Hydrostatic Test Discharge Permit
Permit: HIP-126
Enterprise Products Operating, LLC
Salt Lake Lateral
Locations: NE/4 and SE/4 of the NW/4 of Section 15, Township 24 South, Range 29 East,
NMPM, Eddy County, New Mexico

Dear Ms. Nolan:

The New Mexico Oil Conservation Division (OCD) has received Enterprise Products Operating LLC's (Enterprise) notice of intent, dated October 7, 2013 and received by OCD on October 10, 2013, for authorization to discharge approximately 300,000 gallons of wastewater generated from a hydrostatic test of a new 12-inch diameter natural gas gathering system transmission pipeline approximately 9.1 miles (48,048 feet) long, located approximately 8 miles southeast of Loving, New Mexico. The proposed discharge/collection /retention location is on private property, located within NE/4 and SE/4 of the NW/4 of Section 15, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. OCD acknowledges the receipt of the filing fee (\$100.00) and the permit fee (\$600.00) for the permit from a submittal dated October 7, 2013.

Based on the information provided in the request, the hydrostatic test water discharge is hereby approved with the following understandings and conditions:

1. Enterprise shall comply with all applicable requirements of the New Mexico Water Quality Control Commission Regulations (20.6.2 NMAC), the Oil and Gas Act (Chapter 70, Article 2 NMSA 1978), and all conditions specified in this approval and shall operate and close the project in accordance with the October 7, 2013 request;
2. Enterprise will be testing a new 12-inch diameter natural gas gathering system transmission pipeline approximately 9.1 miles (48,048 feet) long, located approximately 8 miles southeast of Loving, New Mexico;
3. Enterprise will acquire the hydrostatic test water from the City of Carlsbad, New Mexico;

4. Enterprise will generate approximately 300,000 gallons of hydrostatic test wastewater from the test event. The hydrostatic wastewater will remain in the pipeline while being sampled and transferred into frac tanks while awaiting test results from a certified laboratory;
5. Enterprise will slowly discharge the wastewater, via a system of flexible hoses and temporary piping, into twelve (12) 21,000 gallon frac tanks for temporary storage on the private property, in order to await test results from a certified laboratory;
6. 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;
7. Enterprise shall analyze all samples of wastewater generated from the hydrostatic test to demonstrate the results do not exceed the standards as set forth in Subsections A, B, and C of the 20.6.2.3103 NMAC or background, whichever is greater, except for Combined Radium 226 & Radium 228 due to pre-test results;
8. Enterprise shall submit the test results via email or fax to the OCD for review and subsequent approval or disapproval for the test wastewater to be discharged;
9. If the final discharge of the wastewater is approved by the OCD, Enterprise will discharge the wastewater into a dewatering structure, constructed of non-woven geotextile and hay bales, to control erosion and contain the discharge on private property, located within NE/4 and SE/4 of the NW/4 of Section 15, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico;
10. If final discharge of the wastewater is approved, no hydrostatic wastewater generated will be discharged to groundwater;
11. If final discharge of the wastewater is approved, no discharge shall occur:
 - a. within 200 feet of a watercourse, lakebed, sinkhole or playa lake;
 - b. within an existing wellhead protection area;
 - c. within, or within 500 feet of a wetland;
 - d. within an area overlaying a subsurface mine; or
 - e. within 500 feet from the nearest permanent residence, school, hospital, institution or church;
12. If the final discharge of the wastewater is not approved by the OCD, Enterprise will slowly transfer the wastewater from the frac tanks to an OCD approved C-133 water hauler for transport, injection, and disposal at Mesquite SWD, Inc.'s Class II injection well (API 30-015-23728/Order SWD 247-A) and Enterprise will provide OCD billing receipts from the disposal facility within 14 days of disposal;
13. 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;
14. Enterprise will not be analyzing the hydrostatic test wastewater prior to disposal because of the following: the wastewater has been demonstrated to be RCRA exempt waste and the proposal is to transfer the wastewater to Mesquite SWD, Inc.'s Class II injection well for injection and disposal;

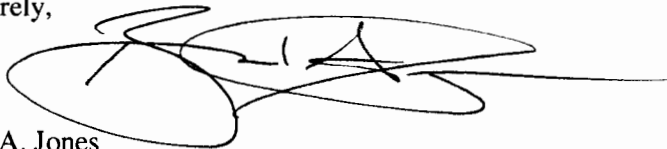
15. Enterprise will ensure the transfer the hydrostatic test wastewater via an OCD approved C-133 water hauler to Mesquite SWD, Inc.'s Class II injection well (API 30-015-23728/Order SWD 247-A) for injection and disposal;
16. Enterprise shall remove all hydrostatic test wastewater from the collection/retention location within ten (10) calendar days of the completion of the hydrostatic test;
17. Enterprise shall restore any surface area impacted or disturb from the approved activities;
18. Enterprise shall implement best management practices to prevent unauthorized releases during the transfer/collection activities;
19. Enterprise shall ensure that the discharge/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);
20. Enterprise must properly notify the landowner(s) of the proposed discharge/collection location of the approved activities prior to the hydrostatic test event; and
21. 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 March 1, 2014. This permit will expire within 120 calendar days of its issue date. This permit 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, LLC, Midland, TX 79701