

HITP - 036

**TEMPORARY
PERMISSION
2012-2013**

**ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH**

I hereby acknowledge receipt of Check No. 24299575 dated 10/27/12
or cash received on _____ in the amount of \$ 100⁰⁰
from Chelon
for HITP-36

Submitted by: Lawrence R. Rocco Date: 11/7/13

Submitted to ASD by: Kevin Rocco Date: 11/7/13

Received in ASD by: _____ Date: _____

Filing Fee ✓ New Facility: _____ Renewal: _____

Modification _____ Other _____

Organization Code 521.07 Applicable FY _____

To be deposited in the Water Quality Management Fund.

Full Payment _____ or Annual Increment _____

**ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH**

I hereby acknowledge receipt of Check No. 24361046 dated 12/19/12

or cash received on _____ in the amount of \$ 150.00

from Cherone

for HITP 36

Submitted by: Lawrence R. Rios Date: 1/7/13

Submitted to ASD by: Ken Date: 1/7/13

Received in ASD by: _____ Date: _____

Filing Fee _____ New Facility: _____ Renewal: _____

Modification _____ Other Temp Permission

Organization Code 521.07 Applicable FY _____

To be deposited in the Water Quality Management Fund.

Full Payment _____ or Annual Increment _____

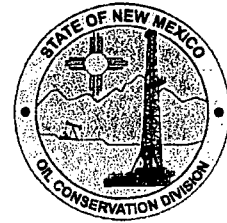
State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

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

Jami Bailey
Division Director
Oil Conservation Division



January 7, 2013

Kimberly Tourloukis
Chevron Pipe Line Company
4800 Fournace Place
Bellaire, Texas 77401

RE: Hydrostatic Test Discharge Permit - Temporary Permission HITP- 036
Chevron Pipe Line Company
Enron Hobbs Lateral Pipeline Project
Location: Unit D of Section 1, Township 20 South, Range 36 East, NMPM,
Lea County, New Mexico

Dear Ms. Tourloukis:

The Oil Conservation Division (OCD) has received Chevron Pipe Line Company's (CPL) notice of intent, dated January 3, 2013, for authorization to temporary store approximately 516 barrels (21,672 gallons) of wastewater generated from a hydrostatic test of approximately 6.3 miles of an existing 4-inch liquid petroleum gas transmission pipeline, located between DCP Midstream, LP's Linam Gas Plant and Monument Gas Plant; approximately 3 miles southwest of the Town of Monument, New Mexico. The proposed collection location is within CPL's pipeline right-of way adjacent to the southwest corner of the Monument Gas Plant, within Unit D of Section 1, Township 20 South, Range 36 East, NMPN, Lea County, New Mexico. No surface discharge is proposed by CPL. The hydrostatic test wastewater will be discharged into frac tanks for temporary storage, transferred from the frac tanks to an OCD approved water hauler, and delivered to Sundance Services, Inc. for disposal. OCD acknowledges the receipt of the filing fee (\$100.00) and the temporary permission fee (\$150.00) from the submittal dated January 3, 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. CPL will be testing approximately 6.3 miles of an existing 4-inch liquid petroleum gas transmission pipeline, located between DCP Midstream, LP's Linam Gas Plant and Monument Gas Plant; approximately 3 miles southwest of the Town of Monument, New Mexico;

2. CPL shall ensure no discharge will occur at the hydrostatic test wastewater collection location: within CPL's pipeline right-of way adjacent to the southwest corner of the Monument Gas Plant, within Unit D of Section 1, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico;
3. CPL will acquire the hydrostatic test water from the City of Eunice, New Mexico;
4. CPL will generate approximately 516 barrels (21,672 gallons) of hydrostatic test wastewater from the test event that will be slowly discharged via a system of flexible hoses and temporary piping discharged into two (2) 500 barrel frac tanks for temporary storage, while awaiting testing and being transferred to Sundance Services, Inc.'s permitted surface waste management facility for disposal (Permit NM1-003);
5. CPL 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. CPL 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. CPL will not discharge any hydrostatic test wastewater generated from the test event to the ground or within the easement right-of-way;
8. CPL will analyze the hydrostatic test wastewater to determine if it is a RCRA non-hazardous/non-exempt waste that Sundance Services, Inc.'s permitted surface waste management facility (Permit NM1-003) may accept for disposal. If the hydrostatic test wastewater does not meet the criteria for Sundance Services, Inc.'s waste acceptance, the test wastewater shall be sent to a RCRA permitted TSDF for disposal;
9. 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 Sundance Services, Inc. (Permit NM1-003) for disposal;
10. CPL will ensure the transfer the hydrostatic test wastewater via an OCD approved C-133 water hauler to Sundance Services, Inc.'s permitted surface waste management facility for disposal;
11. CPL shall remove all hydrostatic test wastewater from the collection/retention location within ten (10) calendar days of the completion of the hydrostatic test;
12. CPL shall restore any surface area impacted or disturb from the approved activities;
13. CPL shall implement best management practices to prevent unauthorized releases during the transfer/collection activities;

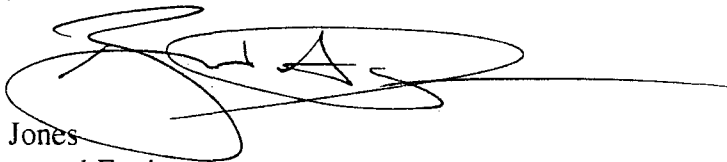
14. CPL shall ensure that the transfer/collection activities do not cause any fresh water supplies to be degraded or to exceed standards as set forth in Subsections A, B, and C of the 20.6.2.3103 NMAC (the New Mexico Water Quality Control Commission Regulations);
15. CPL must properly notify the landowner(s) of the proposed collection/retention or alternative discharge location of the approved activities prior to the hydrostatic test event; and
16. CPL 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 January 7, 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 CPL of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve CPL 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,

A handwritten signature in black ink, appearing to read 'Brad A. Jones', with a long horizontal line extending to the right.

Brad A. Jones
Environmental Engineer

BAJ/baj

Cc: OCD District I Office, Hobbs
Ryan Kainer, Conestoga-Rovers & Associates, Midland, TX 79703