HIP - ___109_____

GENERAL CORRESPONDENCE

YEAR(S): ____2008-2007____

Jones, Brad A., EMNRD

From: Henry, Sean (Irvine,CA-US) [shenry@trcsolutions.com]
Sent: Monday, February 04, 2008 10:06 AM
To: Jones, Brad A., EMNRD
Cc: Bill.VanderLyn@energytransfer.com; edward.wester@southernecosystemsresearch.com; camp.mehrens@universalensco.com; Back, Elisha (Irvine,CA-US)
Subject: Hydrostatic Test Dewatering Permit

Good Morning Brad,

I am currently working on obtaining a permit for hydrostatic test dewatering of a new gas pipeline located in northwestern New Mexico. I have several questions on the NOI and application process. Could you please give me a call at your earliest convenience? (949-439-7723)

Thank You for Your Time,

Sincerely,

Sean Henry
Staff Planner

TRC
21 Technology Drive
Irvine, CA, 92618

949.727.7359 phone
949.753.0111 fax
949.439.7723 cell
shenry@trcsolutions.com

Jones, Brad A., EMNRD

From: Jones, Brad A., EMNRD
Sent: Thursday, January 17, 2008 5:33 PM
To: 'Niles, Ryan (Lowell,MA-US)'
Cc: Patterson, Patricia (Lowell,MA-US); VanderLyn, Bill
Subject: RE: Revised NOI for Discharge Permit Application
Attachments: RAI 1-17-08.pdf

Ryan,

I have attached a written response the your revised notice of intent. I will be back in the office Tuesday, Jan. 22, 2008 (Monday is a holiday - MLK), if you have any questions.

Brad

Brad A. Jones
Environmental Engineer
Environmental Bureau
NM Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505
E-mail: brad.a.jones@state.nm.us
Office: (505) 476-3487
Fax: (505) 476-3462

From: Niles, Ryan (Lowell,MA-US) [mailto:RNiles@trcsolutions.com]
Sent: Wednesday, January 16, 2008 9:21 AM
To: Jones, Brad A., EMNRD
Cc: Patterson, Patricia (Lowell,MA-US); VanderLyn, Bill
Subject: Revised NOI for Discharge Permit Application

Mr. Jones,

Please find attached a revised Notice of Intent for hydrostatic discharge permit application submitted by TRC on behalf of Transwestern Pipeline Company, LLC. Once you have had a chance to review this revised NOI, please contact Patricia Patterson or myself so we can quickly address any issues that arise. I will mail out a hard copy for your use today.

Thank You,

Ryan Niles
Environmental Geologist
TRC

Wannalancit Mills
650 Suffolk Street
Lowell, MA 01854
Phone: (978) 656-3629
Fax: (978) 453-1995
e-mail: rniles@trcsolutions.com

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

January 17, 2008

Mr. Bill Vander Lyn
Transwestern Pipeline Company, LLC
711 Louisiana Street, Suite 900
Houston, Texas 77002

Re: Notice of Intent to Hydrostatically Test and Discharge
Transwestern Pipeline Company, LLC
Loop A 36-inch Pipeline Project
NW ¼ of Section 21, Township 28 North, Range 11 West, NMPM,
San Juan County, New Mexico

Dear Mr. Lyn:

The New Mexico Oil Conservation Division (OCD) has received the Transwestern Pipeline Company, LLC's (Transwestern) notice of intent (NOI) submitted on Transwestern's behalf by TRC, dated January 16, 2008, to hydrostatically test a new 8.9 mile section of 36-inch natural gas pipeline that is approximately 5 miles south of Bloomfield, New Mexico. The NOI does not provide the sufficient details for the OCD to properly assess and make a determination. The OCD recommends that the format of the NOI follow the format of the OCD January 11, 2007 "Guidelines For Hydrostatic Test Dewatering" to ensure the submittal of the NOI is complete and comprehensive.

The following request for additional information is based upon TRC's January 16, 2008 submittal.

Cover letter: Please identify the use of the pipeline (transportation or production), and determination of the waste streams (RCRA exempt or non-exempt) generated from the related activities of the hydrostatic test event.

Page 1, Section D: Please provide site specific maps that illustrate and establish the easement right-of-way of the proposed discharge location area. Please reference the location of the supporting maps in this section.

Please provide site specific maps illustrating the proposed collection and potential discharge location and area of the hydrostatic test wastewater. The site specific maps should demonstrate the topography of the proposed collection and potential discharge location. If the proposed method of disposal involves the discharge of hydrostatic test wastewater along the pipeline right-of-way, a map of the pipeline right-of-way is required to demonstrate compliance to the siting criteria.

Page 1, Section E: A summary statement, certified by the person who completes a visual field survey of the proposed discharge or collection site for compliance to the siting criteria, may be utilized to support the requested demonstrations for the siting criteria. The certification statement should identify the person who completed the visual field survey, provide the date of the survey, identify the proposed discharged area surveyed (supported by a map), and provide a signed statement of compliance or non-compliance regarding each siting criterion.

Page 2, Section E.b: The OCD defines "wellhead protection area" in Paragraph (11) of Subsection W of 19.15.1.7 NMAC. Please review the definition to determine if a proper assessment has been considered. A proper demonstration shall include a certification of a visual field survey of the proposed discharge location for undocumented wells.

Page 2, Section E.d: Please provide a letter or email and map from the NM Bureau of Mines and Minerals, which *confirms that the proposed discharge or collection site* is not within an area overlying a subsurface mine. The letter or email should identify the area of assessment.

Page 2, Section F: The response provided in this section suggests that the discharge flow rate will vary between 600 and 1,200 gallon per minute. OCD has some reservations regarding containment of the discharge within the easement right-of-way and erosional issues due to proposed high volume discharge rate. OCD is unable to assess the proposal because the NOI does not provide any information regarding the size and dimensions of the straw bale dewatering structure. Please justify the discharge flow rate and provide a letter from the BLM stating their assessment (approval or disapproval) of the proposed discharge method.

Please clarify in the second to last sentence of the response, that hydrostatic test water will be discharged to the ground *upon OCD review and approval of the sampling results.*

Page 3, Section G: Please address the issues regarding the proposed discharge flow rate. Please refer to the comments provided for *Page 2, Section F* of this letter for instructions.

Page 3, Section H: Please provide site specific maps illustrating the proposed collection and potential discharge location of the hydrostatic test wastewater. Please describe the methods that will be implemented to contain the discharge within the easement right-of-way.

Page 3, Section I: Please identify the proposed disposal facility. OCD permits and regulates facilities that manage waste generated from oil and gas operations. By identifying the waste stream (RCRA exempt or RCRA non-exempt) and the disposal facility, OCD can confirm if the facility can accept such waste.

Page 4, Section J: Please provide a site specific map that demonstrates the locations of which the hydrostatic test water will enter the pipeline, a sample will be obtained, and the wastewater discharged. Please reference the map in the response. Will a field or method blank be utilized for quality assurance? If so, please provide the details in the sampling plan.

Page 4, Section K: Please provide the operational details and best management practices that will be implemented in the transfer of wastewater from the pipeline to frac tanks and trucks for off-site disposal, if the wastewater does satisfy the standards specified in Section 3103 of 20.6.2 NMAC. Please identify the required qualifications of the hauler to transport the wastewater.

The NOI suggests that the wastewater generated from the hydrostatic test could be classified as RCRA non-exempt waste. Please confirm this assessment. Please propose and identify a disposal facility for approval.

Page 5, Section O: Please provide site specific maps illustrating the proposed collection and potential discharge location of the hydrostatic test wastewater. The site specific maps should demonstrate the topography of the proposed collection and potential discharge location. If the proposed method of disposal involves the discharge of hydrostatic test wastewater along the pipeline right-of-way, a map of the pipeline right-of-way is required. Please demonstrate the results of the Lea County Assessors Office records review on a map and identify the adjacent landowners and parties within one-third of a mile of the established easement right-of-way that will require public notice.

Figures: Please provide site specific maps illustrating the proposed collection and potential discharge location of the hydrostatic test wastewater. If the proposed method of disposal involves the discharge of hydrostatic test wastewater along the pipeline right-of-way, a map of the pipeline right-of-way is required to demonstrate compliance to the siting criteria. If the pipeline right-of-way extends beyond the proposed collection and temporary storage initial legal description, the legal description must be modified to include the pipeline right-of-way of the potential discharge.

Appendix C: Please identify the number of samples that will be obtained from the source and the wastewater. Please provide quality control protocols in the sampling plan.

Any and all general statements in the NOI must be supported by a citation of publication. Copies of all cited pages must be provided for verification of the accuracy of the general statements.

Please provide a draft public notice that satisfies the requirements of Section 3108 of 20.6.2 NMAC. Please verify that the required information of Subsection F of 20.6.2.3108 NMAC is provided in the public notice. Also, please acknowledge the tasks required in Subsections A and B of 20.6.2.3108 NMAC to provide adequate public notice.

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, Aztec, NM
Ryan Niles, Environmental Geologist, TRC, Lowell, MA 01854

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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Oil Conservation Division

January 17, 2008

Mr. Bill Vander Lyn
Transwestern Pipeline Company, LLC
711 Louisiana Street, Suite 900
Houston, Texas 77002

Re: Notice of Intent to Hydrostatically Test and Discharge
Transwestern Pipeline Company, LLC
Loop A 36-inch Pipeline Project
NW ¼ of Section 21, Township 28 North, Range 11 West, NMPM,
San Juan County, New Mexico

Dear Mr. Lyn:

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Appendix C: Please identify the number of samples that will be obtained from the source and the wastewater. Please provide quality control protocols in the sampling plan.

Any and all general statements in the NOI must be supported by a citation of publication. Copies of all cited pages must be provided for verification of the accuracy of the general statements.

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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, Aztec, NM
Ryan Niles, Environmental Geologist, TRC, Lowell, MA 01854

Jones, Brad A., EMNRD

From: Niles, Ryan (Lowell,MA-US) [RNiles@trcsolutions.com]
Sent: Thursday, December 06, 2007 3:27 PM
To: Jones, Brad A., EMNRD
Cc: Patterson, Patricia (Lowell,MA-US); Bill.VanderLyn@energytransfer.com
Subject: draft Hydrostatic Discharge application
Attachments: 12-6-07_NMOCD Loop A draft discharge application.doc

Mr. Jones,

Please find attached a draft Hydrostatic Discharge Application sent on behalf of Transwestern Pipeline Company, LLC. Transwestern understands that upon completion of this application a $100 filing and $600 general permit fee will be required pursuant to Section 3114 of 20.6.2.NMAC. Please let Pat Patterson (ppatterson@trcsolutions.com) or me know if there is anything else you require.

Thank You,

Ryan Niles
Environmental Geologist

TRC
Wannalancit Mills
650 Suffolk Street
Lowell, Massachusetts 01854

phone: (978) 656-3629
fax: (978)453-1995

rniles@trcsolutions.com

Wannalancit Mills
650 Suffolk Street
Lowell, MA 01854

978.970.5600 PHONE
978.453.1995 FAX

www.TRCsolutions.com

January 16, 2008

Mr. Brad Jones
New Mexico Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, New Mexico

RE: Revised Notice of Intent
Hydrostatic Discharge Permit Application for
Transwestern Pipeline Company, LLC
Loop A 36-inch pipeline, San Juan County, New Mexico

Dear Mr. Jones:

On behalf of Transwestern Pipeline Company, LLC (Transwestern), TRC is providing a revised notice of intent for the Hydrostatic Discharge Permit Application for Transwestern's 36-inch Loop A pipeline. This revised notice of intent is in response to your comments to Ryan Niles on the initial draft application provided to you on December 6, 2007 (and again on December 10, 2007).

We will be contacting you shortly to discuss this revised notice of intent and to resolve any remaining questions or concerns you may have. In the interim, please do not hesitate to contact either of the undersigned at 978-970-5600 (also ppatterson@trcsolutions.com or rniles@trcsolutions.com).

Thank you for your time and consideration.

Sincerely,

Patricia Patterson
Project Manager

Ryan Niles
Environmental Geologist

Attachments
Hydrostatic Test Discharge Permit Application
Appendix A – Maps
Appendix B – Hydrostatic Discharge Structure
Appendix C – Proposed Water Sampling Plan

cc: B. Vander Lyn, Transwestern

File (TRC)

Hydrostatic Test Discharge Permit Application
Transwestern Pipeline Company, LLC
Loop A Milepost 6.82/Station 360+00

A. Name and address of the proposed discharger:

Transwestern Pipeline Company, LLC (Transwestern)
Attn: Bill Vander Lyn
711 Louisiana Street, Suite 900
Houston, TX 77002

B. Location of discharge, including a street address, if available, and sufficient information to locate the facility with respect to surrounding landmarks:

The discharge site is at pipeline milepost (MP) 6.82, station 360+00, of a 8.9-mile-long pipeline loop (Loop A) being installed adjacent to Transwestern's existing natural gas pipeline (see Figure 1 in Appendix A). The discharge site is within a utility corridor that includes six existing pipelines and a powerline. It is rural and does not have a street address but is located south of County Road 5500 (West Hammond Road) and approximately 0.9 mile west of Highway 550. The discharge site is located at Latitude 36° 39' 08" North and Longitude 108° 00' 56" West.

C. Legal description (Section/Township/Range) of the discharge location:

The discharge site is located on land managed by the U.S. Bureau of Land Management (BLM) in the NW1/4 of Section 21, T28N, R11W (see Figure 1 in Appendix A).

D. Maps (site specific and regional) indicating the location of the pipelines to be tested and the proposed discharge location:

Appendix A includes the following maps:
Figure 1: Hydrostatic Discharge Location Map (map showing pipeline, discharge location, watercourses, wells, wetlands, township, and land ownership)
Figure 2: Hydrostatic Discharge Location Map (aerial of discharge location with 1/3 mile buffer)
Figure 3: FEMA map showing approximate location of discharge

E. A demonstration of compliance to the following siting criteria or justification for any exceptions:

The discharge site was visited in the field to confirm GIS data for New Mexico obtained from various internet sources. See Figure 2 in Attachment A for the presence/absence of the features identified below.

a. The discharge site is not within 200 feet of a mapped lakebed, sinkhole, watercourse or playa, but is approximately 250 feet south of an unnamed ephemeral wash (watercourse) designated SJL-SJ-023.1-X that was identified during field surveys and is approximately 6-feet wide by 1-foot deep (see Figure 2). The discharge location is dictated by the hydraulics of the pipeline and specifications for the hydrostatic test. A 200-foot buffer will be maintained

from nearby watercourses and will be established in the field using pin flags and/or stakes. Hydrostatic test water will be discharged within an area surrounded by hay bales and outside of the established 200-foot buffer zone.

b. Based on existing FEMA Floodplain mapping, the discharge site is not within an existing wellhead protection area or 100 year floodplain. A FEMA map showing floodplains is provided as Figure 3 in Appendix A. Based on review of GIS data compiled and maintained by the New Mexico Office of the State Engineer (OSE; most recent release May 2006), the discharge location is not within a wellhead protection area (see Figure 2 in Appendix A for location of wells). Review of the Waters Database maintained by the OSE further indicated that there was no record of any other water wells within the same ¼ section as the proposed discharge location. According to Robert Genualdi of OSE the database was updated as recently as October 2007.

c. Based on the National wetlands inventory mapping maintained by the United States Fish and Wildlife Service, the discharge site is not within 500 feet of any wetlands (see Figure 2 in Appendix A).

d. According to the New Mexico Bureau of Geology and Mineral Resources employees Gretchen Hoffman, Senior Coal Geologist, and Maureen Wilks, Information Center Director, the discharge site does not overlay a subsurface mine. Both women were contacted via email.

e. Based on December 2007 site surveys and 2005 aerial imagery maintained by the State of New Mexico, the discharge site is not within 500 feet of any permanent residence, school, hospital, institution or church (see Figure 2 in Attachment A). All land within 500 feet (and within 1 mile) of the discharge location is managed by the BLM (see Figure 2 in Attachment A).

F. A brief description of the activities that produce the discharge:

The hydrostatic test water will be used to test the new steel pipeline for structural integrity. Hydrostatic testing of a pipeline consists of filling the pipeline segments with water, pressuring the section commensurate with the maximum allowable operating pressure and class location, and then maintaining that pressure for a period of 8 hours. Test water discharge will be a one-time discharge with discharge flow rates varying between 600 and 1,200 gallons per minute depending on site conditions at the time of discharge. All discharge will occur after pipeline construction has been completed but prior to final tie-ins, clean up and restoration. Exact dates of discharges will be determined once the construction schedule has been finalized. Following hydrostatic testing the water will be discharged to the ground. No chemicals will be added to the water used for the test.

G. The method and location for collection and retention of fluids and solids:

The source water for the hydrostatic test will be water obtained from Duggans Ditch, also known as Citizens Ditch, in Bloomfield. The water in Duggans/Citizens

Ditch is obtained from the San Juan River about 20 miles east of the Transwestern intake. From the San Juan River, the water flows along Duggans/Citizens Ditch into Aragon Reservoir. From the reservoir, a portion of water goes by pipe to a treatment plant for domestic water use in the City of Bloomfield, the rest flows year round along the ditch/canal for domestic/livestock/agricultural use by landowners. The Bloomfield Irrigation District is not aware of any water quality problems with the water (personal communication, January 10, 2008 [505] 632-2800).

Approximately 2,122,284 gallons of water from Duggans/Citizens Ditch will be loaded by hose and pump directly into the steel pipeline and will be used to test approximately 6.82 miles of pipeline at the prescribed pressure for about 8 hours. Following the test, the water will be retained within the pipeline and a water sample will be collected in accordance with the sampling plan provided in Appendix C. Provided the water meets New Mexico water quality standards, approximately 1,359,622 gallons of the test water will then be discharged into a surface straw bale dewatering structure (see Appendix B) at the discharge site at MP 6.82 at a rate varying between 600 and 1,200 gallons per minute. An energy dissipating device will be employed prior to the water being discharged into the straw bale dewatering structure.

The remaining 762,662 gallons will be relayed into the next section of the pipe to test the remaining 2.1 miles of pipeline. Once the final test section is complete and the water is tested, 762,662 gallons of water will be discharged to the land through a surface straw bale dewatering structure at the discharge site at the end of the pipeline. The second discharge location is on Navajo Nation land, specifically the Navajo Indian Irrigation Project, Navajo Agricultural Products Industry (see Figure 1 in Appendix A). Transwestern is concurrently applying for a Navajo Nation hydrostatic discharge permit.

H. A brief description of best management practices to be implemented to contain the discharge onsite and to control erosion:

Prior to discharge and after the water sample is approved, approximately 1,359,622 gallons of the test water will be discharged into a surface straw bale dewatering structure (see Appendix B) at the discharge site at a rate varying from 600 to 1,200 per minute. An energy dissipating device will be employed prior to the water being discharged into the straw bale dewatering structure to minimize erosion. The straw bale dewatering structure will be installed within the staked construction work area (see Figure 2 in Appendix A) and a 200-foot buffer will be maintained from field-identified watercourses.

The pipeline was certified by the Federal Energy Regulatory Commission (FERC) in November 2007. The FERC requires that the hydrostatic test discharge be regulated, that energy dissipating devices be used, and that sediment barriers be installed as necessary to prevent erosion, streambed scour, suspension of sediments, or excessive water flow. In addition, the BLM issued its record of decision in December 2007 following review of Transwestern's Best Management Practices (BMPs) for construction of the pipeline, including hydrostatic discharge.

In accordance with the requirements of FERC and BLM, Transwestern will use BMPs at any hydrostatic testing discharge or source fill areas. BMPs consist of silt fence, fiber logs, or straw bale (certified weed free) dewatering structures (see Appendices B and C).

I. A request for approval of an alternative treatment, use, and/or discharge location (other than the original discharge site), if necessary:

Should the discharge site be disapproved by the New Mexico Oil Conservation Division (NMOCD), Transwestern would discharge the test water into frac tanks for disposal at an appropriate facility in a manner acceptable to San Juan County and the NMOCD. An earth berm dike (BMP) would be placed around the frac tanks to prevent any spillage onto the land surface and the hydrostatic test water would be transferred from the frac tanks into water hauling trucks for disposal.

J. A Proposed hydrostatic test wastewater sampling plan:

See Appendix C for water sampling plan.

K. A proposed method of disposal of fluids and solids after test completion, including closure of any pits, in case the water generated from text exceeds the 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):

The hydrostatic test water will be discharged into dewatering structures on the surface and will not exceed the standards set forth in Subsections A, B, and C of 20.6.2.3103 NMAC (see attached typical drawing of dewatering structure in Appendix B). Following completion of the discharge, all dewatering structures will be removed.

L. A brief description of the expected of the expected quality and volume of the discharge:

Approximately 1,359,622 gallons of hydrostatic test water will be discharged at the discharge site at a rate of varying between 600 and 1,200 gallons per minute. No chemicals will be added to the water obtained from Duggans/Citizens Ditch and used for the test. Hydrostatic testing activities are not expected to impact the quality of the test water.

M. Geological characteristics of the subsurface at the proposed discharge site:

The discharge site overlies the Nacimiento formation. According to Soil Survey of San Juan County, New Mexico, soils underlying the discharge site are Fruitland-Persayo-Sheppard complex, hilly.

The Fruitland soil formed in alluvium derived dominantly from sandstone and shale. This soil unit is on hills, mesas, fans, and breaks with slopes of 0-40 percent. The Fruitland soil is deep and well drained with moderately rapid permeability and low

to medium runoff. Water capacity and erosion is moderate, and the hazard of soil blowing is severe.

The Persayo soil is shallow and well drained, formed in residuum derived dominantly from shale with slopes ranging from 0-40 percent. Permeability is moderately slow with medium to rapid runoff. The hazard of water erosion is high and the hazard of wind erosion is severe.

The Sheppard soil formed in eolian material derived from mixed materials with slopes ranging from 0 to 40 percent. Permeability of this soil is rapid with negligible to low runoff. The hazard of water erosion is slight with the hazard of wind erosion severe.

N. The depth to and total dissolved solids concentration of the ground water most likely to be affected by the discharge:

A review of USGS monitoring well data for wells advanced in alluvium indicates that groundwater tends to occur from 8 feet below ground surface to greater than 25 feet below ground surface.

Based on review of the USGS Groundwater Atlas of the United States (1995), the discharge location overlies the Uinta-Animas aquifer. Dissolved solid concentrations in this aquifer are expected to range from approximately 1,000 mg/L to 2,000 mg/L.

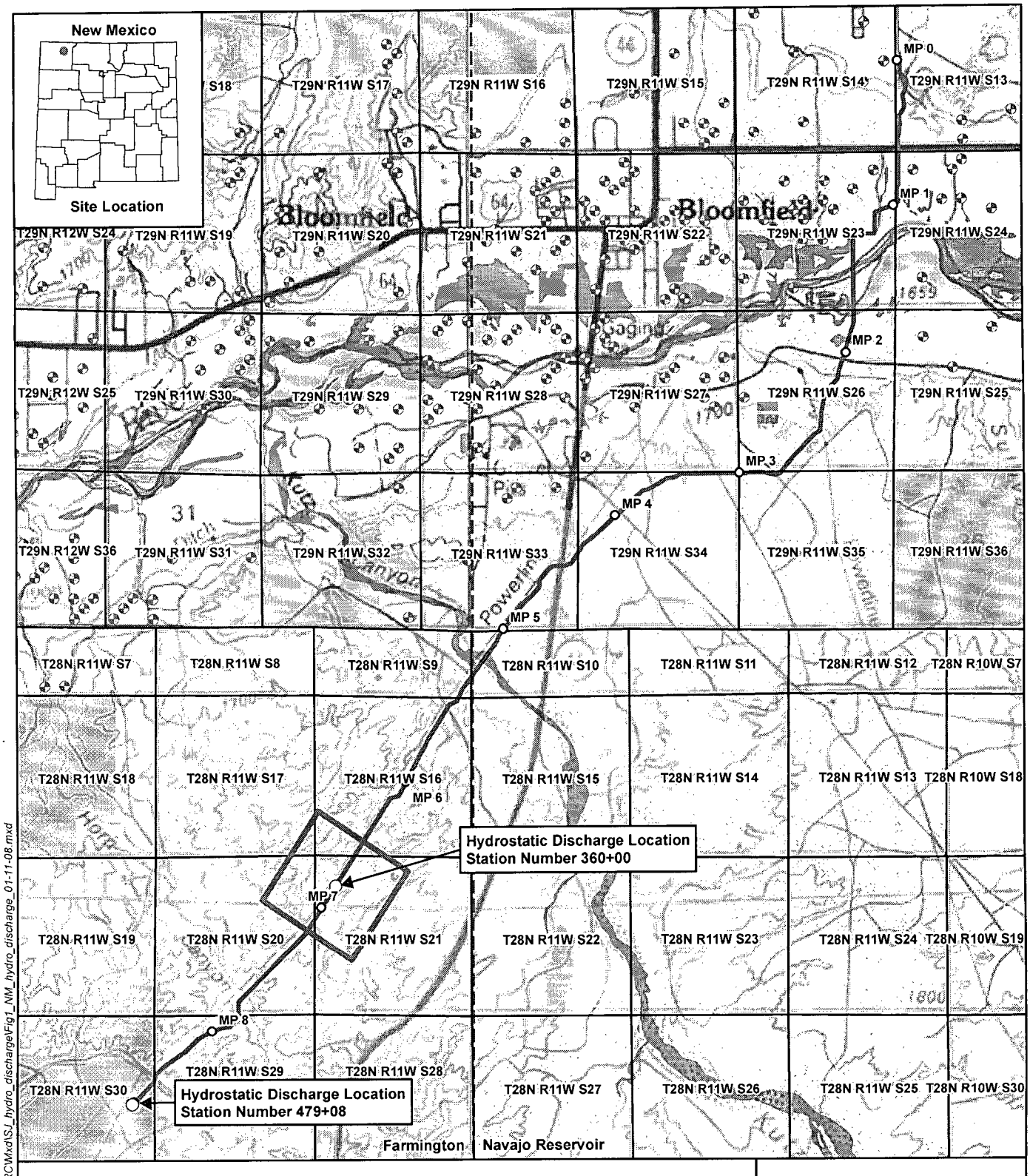
O. Identification of landowners at and adjacent to the discharge and collection/retention site:

The discharge site is utility right-of-way on land leased from the BLM, Farmington Field Office, 1235 La Plata Highway, Farmington, NM, 87401. The nearest adjacent land owner is the Navajo Nation which owns land several miles west and south of the discharge location (see Figure 1 in Appendix A.

APPENDIX A

Hydrostatic Test Discharge Permit Application
Transwestern Pipeline Company, LLC
Loop A Milepost 6.82/Station 360+00

Site Maps



Mileposts
Centerline
Hydrostatic Discharge Location
Wells
Wetlands

Land Ownership
BLM
Indian/Tribal
Private
State of New Mexico

1/3-mile set-back from ROW
Townships

Sources: Wells, NM Office of State Engineer; Wetlands, US Fish & Wildlife Service National Wetlands Inventory; Land Ownership, Townships, Bureau of Land Management; Farmington and Navajo Reservoir USGS 30x60 Minute Topographic Quadrangles.

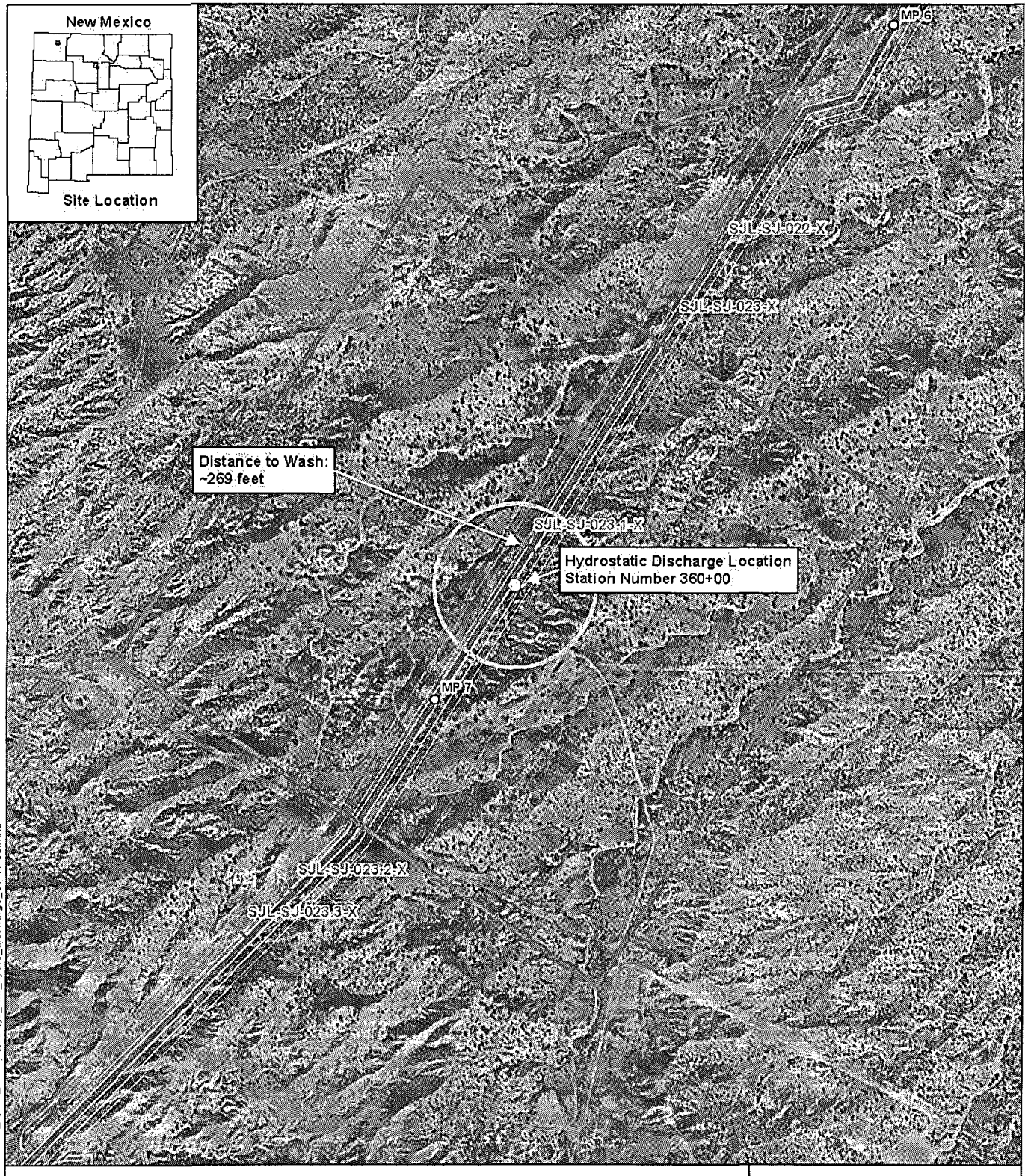
0 0.5 1 Miles

TRC
Wannalancit Mills
650 Suffolk Street
Lowell, MA 01854
(978) 970-5600

HYDROSTATIC DISCHARGE LOCATION MAP

FIGURE 1

R:\Projects\GIS_2006\48936-TW-FERC\Mxd\SJ_hydro_discharge\Fig1_NM_hydro_discharge_01-11-08.mxd



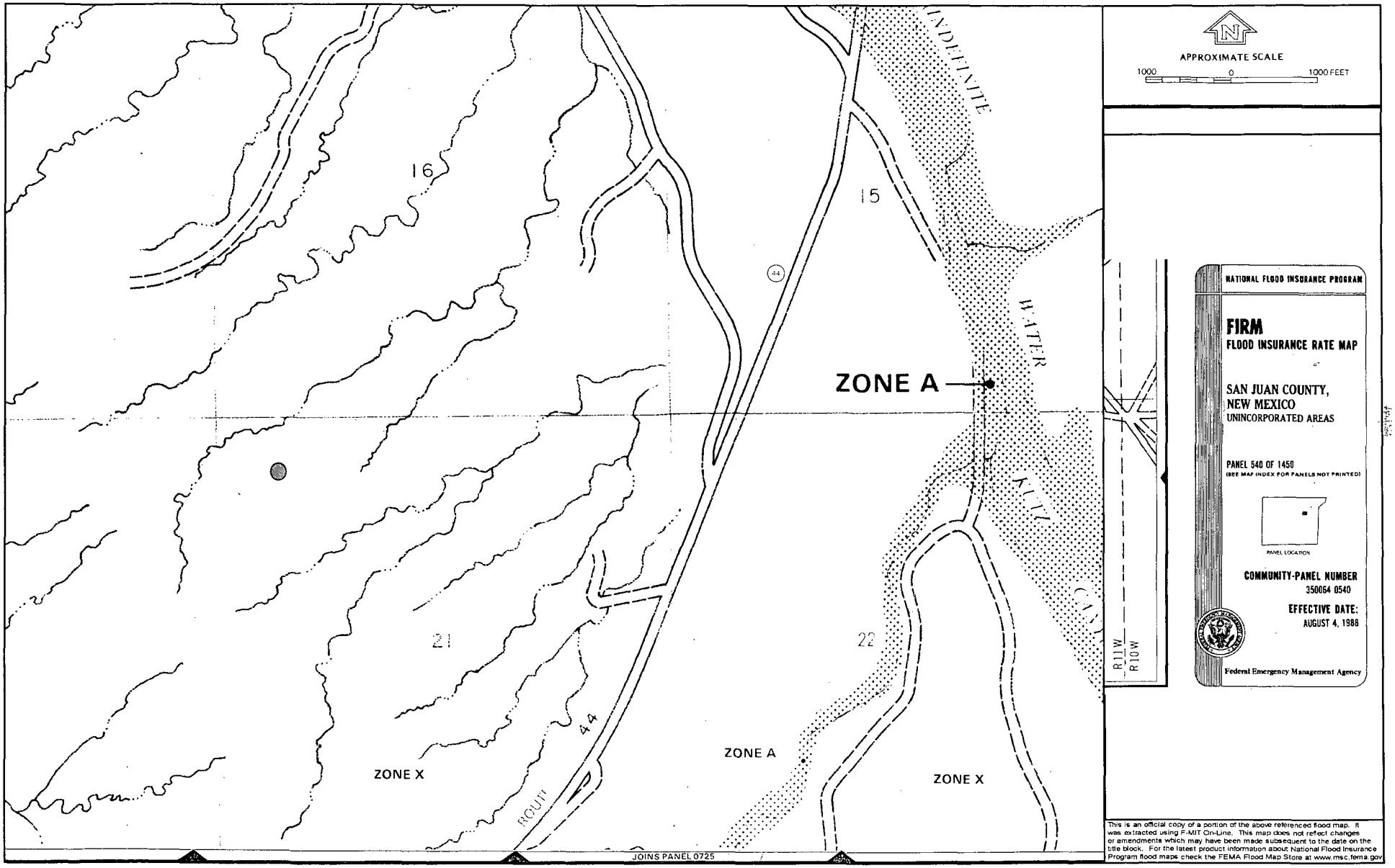
TRC
Wannalancit Mills
650 Suffolk Street
Lowell, MA 01854
(978) 970-5600

HYDROSTATIC DISCHARGE LOCATION MAP

FIGURE 2

R:\Projects\GIS_2006\48936-TW-FERC\Mxds\SJ_hydro_discharge\Fig2_NM_hydro_discharge_01-11-08.mxd

FIGURE 3 FEMA MAP



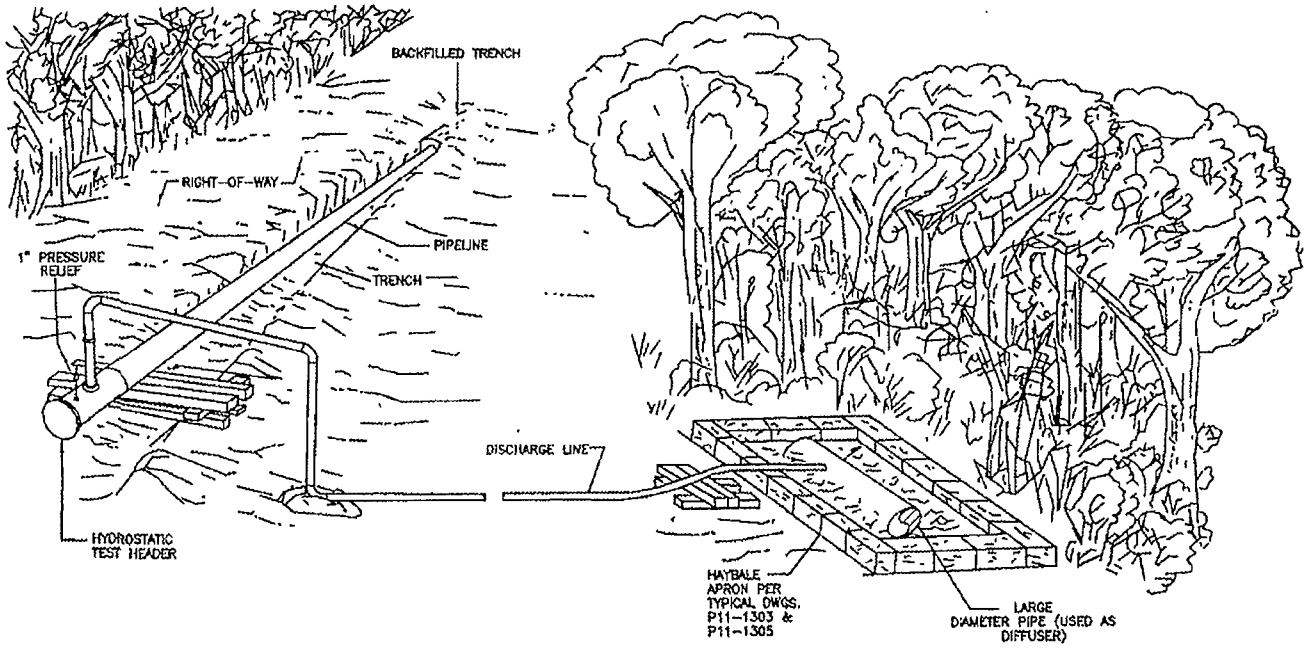
NOTES: APPROXIMATE DISCHARGE LOCATION

ZONE X - AREAS DETERMINED TO BE OUTSIDE OF 500 YEAR FLOODPLAIN

APPENDIX B

Hydrostatic Test Discharge Permit Application
Transwestern Pipeline Company, LLC
Loop A Milepost 6.82/Station 360+00

Typical Surface De-watering Structure



NOTES

1. PRESSURE IS RELEASED INITIALLY THROUGH 1" RELIEF.
2. WATER IS THEN RELEASED THROUGH DISCHARGE LINE TO COMPANY APPROVED METHOD OF DISSIPATING WATER.
3. COMPANY MAY ALSO APPROVE OTHER METHODS OF DISSIPATING WATER COMPLYING WITH EROSION CONTROL.
4. THIS METHOD MAY ALSO BE INITIATED WHEN PUMPING WATER FROM DITCH.

PIPELINE, STATION, OR ACCOUNT NUMBER	SCALE	CONST. YR.	Transwestern Pipeline Company	PROJECT NO.
	N.T.S.	2007		
FILENUMBER / CADD FILENAME: I:\8528_A_B\MAPDWGS\LOOPA\MISC.	DRAWN: UEI	DATE: 10/04/07		

REV. NO. – DESCRIPTION	BY	DATE	APP.

Transwestern Pipeline

HYDROSTATIC TEST DRAWING (METHOD 1)

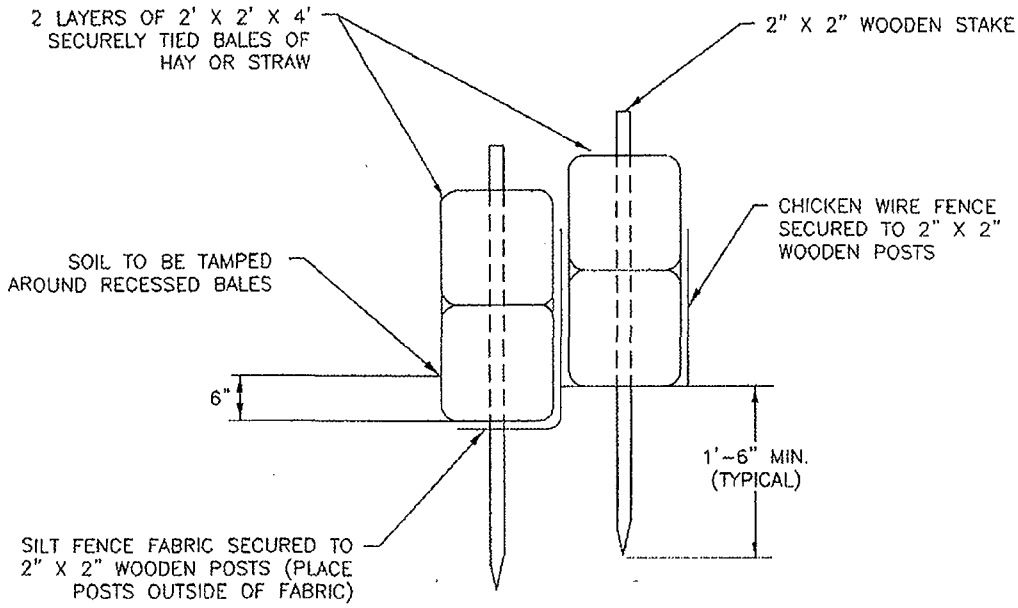
PREVIOUS DWG. NO.

SHT. OF

DWG. NO. TYP-1

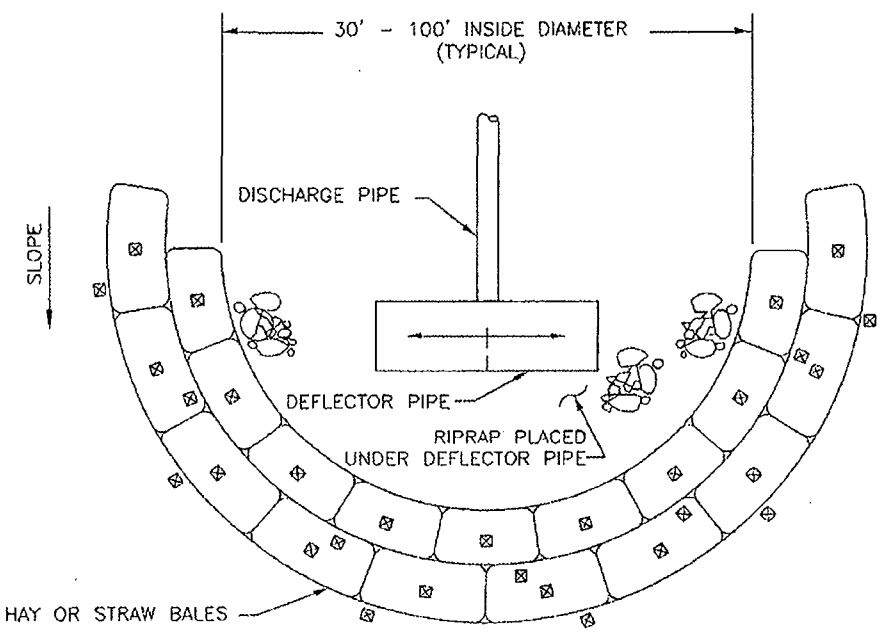
SHT. 1 OF 1

0



PROFILE
(NOT TO SCALE)

NOTE: STAKES SECURING SILT FENCE FABRIC AND CHICKEN WIRE FENCE ARE NOT SHOWN FOR CLARITY.



PLAN
(NOT TO SCALE)

PIPELINE, STATION, OR ACCOUNT NUMBER	SCALE N.T.S.		CONST. YR. 2007	Transwestern Pipeline Company	PROJECT NO.
FILENUMBER	CADD FILENAME I:\8528_A_B\MAPDWGS\LOOPA\MISC.	DRAWN UEI	DATE 10/04/07		
REV. NO. -- DESCRIPTION	BY	DATE	APP.	HYDROSTATIC TESTING DEWATERING CONTAINMENT STRUCTURE (METHOD 2)	PREVIOUS DWG. NO.
					SHT. OF
					DWG. NO. TYP-2
					SHT. 1 OF 1

Transwestern Pipeline

0

APPENDIX C

Hydrostatic Test Discharge Permit Application
Transwestern Pipeline Company, LLC
Loop A Milepost 6.82/Station 360+00

Water Sampling Plan

Hydrostatic Test Discharge Permit Application
Transwestern Pipeline Company, LLC
Loop A Milepost 6.82/Station 360+00

Water Sampling Plan

Transwestern will be constructing approximately 8.9 miles of pipeline adjacent to its existing San Juan Lateral pipeline in San Juan County, New Mexico. This pipeline is referred to as Loop A. Table 1 below identifies proposed source and discharge locations. Both source and discharge locations are within the San Juan River watershed.

Table 1. Source and Discharge Locations for Hydrostatic Testing of Loop A

Pipeline Milepost		Uptake		Discharge				
Begin Test	End Test	Location	Quantity (gal)	Station No.	Owner of Discharge Tract	Quantity (gal)	Latitude	Longitude
0	1.4	MP 0.0 Duggans/ Citizens Ditch	2,584,560		Private			
1.4	6.82			360+00	BLM	1,359,622	36° 39' 08"	108° 00' 56"
6.82	9.07			479+08	Navajo Nation	762,662	36° 37' 56"	108° 02' 19"

Transwestern will employ Environmental Inspectors (EI) who will be responsible for ensuring that the pipeline is constructed in accordance with all environmental permits and requirements. Prior to conducting hydrostatic testing, the EI will collect water samples from the withdrawal source location and send the samples to a lab for processing. Upon completion of the hydrostatic test, the EI will collect samples from the pipe prior to discharge to ensure the quality of the water meets all applicable state requirements as set forth in the hydrostatic test water discharge permits and the attached Subsections A, B, and C of the 20.6.2.3103 NMAC (the New Mexico Water Quality Control Commission Regulations).

Sample Bottles will be obtained from a certified testing laboratory. Analysis of the samples will be in accordance with the permit requirements. Each sample bottle will be marked with:

- Source of water with pipeline station number, milepost or latitude and longitude.
- Date taken,
- Laboratory Order Number, and
- Name of EI taking the sample.

Transwestern construction contractor will notify Transwestern's EI at least 72 hours before hydrostatic testing begins to allow pre-test water sample collection at the source site. Following completion of the hydrostatic test, the EI will collect water samples from the pipe. Test water will not be discharged until the results of the sampling are obtained, the EI has obtained appropriate state approvals, and EI authorizes the discharge.

ACKNOWLEDGEMENT OF RECEIPT OF CHECK/CASH

I hereby acknowledge receipt of check No [redacted] dated 12/21/07

or cash received on _____ in the amount of $ 600 00

from Transwestern Pipeline Co.

for HIP-109

Submitted by: Lawrence Romero Date: 1/16/08

Submitted to ASD by: Lawrence Romero Date: 1/16/08

Received in ASD by: _____ Date: _____

Filing Fee _____ New Facility _____ Renewal _____

Modification _____ Other _____

Organization Code 521.07 Applicable FY 2004

To be deposited in the Water Quality Management Fund.

Full Payment _____ or Annual Increment _____

TRC
Wannalancit Mills
650 Suffolk Street
Lowell, MA 08154

Main 978.970.5600
Fax 978.453.1995

Transmittal

To: Water Quality Management Fund
NM Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Date: 12/20/07

Project No.: 48936

Project: Transwestern Pipeline
New Mexico

We have enclosed [Click here and type #] copy(s) of:

☐ B/W Prints ☐ Reproducible ☐ Reports ☐ Letter
☐ Specifications ☐ Memorandum X [Other]

Description	Rev. #	Date

Enclosed are checks for filing ($100.00) and permit ($600.00) fees for hydrostatic discharge permit application. This application is being prepared by TRC for Transwestern Pipleline Company, LLC. TRC's contacts for this have been Brad Jones and Wayne Price of the Environmental Bureau of NMOCD.

Sent Via:

☐ Messenger X 1st Class Mail ☐ FedEx [Type] ☐ [Other]

Copy to: [Type Recipient's Name]

Very truly yours,
TRC

Ryan Niles
[Type Sender's Name]

Jones, Brad A., EMNRD

From: Niles, Ryan (Lowell,MA-US) [RNiles@trcsolutions.com]
Sent: Monday, December 10, 2007 10:53 AM
To: Jones, Brad A., EMNRD
Cc: Patterson, Patricia (Lowell,MA-US); Bill.VanderLyn@energytransfer.com
Subject: draft Hydrostatic Discharge application
Attachments: 20071206172301.pdf

This message has the entire application (with appendices) attached.
Apologies for any confusion.

****

Mr. Jones,

Please find attached a draft Hydrostatic Discharge Application sent on behalf of Transwestern Pipeline Company, LLC. Transwestern understands that upon completion of this application a $100 filing and $600 general permit fee will be required pursuant to Section 3114 of 20.6.2.NMAC. Please let Pat Patterson (ppatterson@trcsolutions.com) or me know if there is anything else you require.

Thank You,

Ryan Niles
Environmental Geologist

TRC
Wannalancit Mills
650 Suffolk Street
Lowell, Massachusetts 01854

phone: (978) 656-3629
fax: (978)453-1995

rniles@trcsolutions.com

Wannalancit Mills
650 Suffolk Street, Suite 200
Lowell, MA 01854

978.970.5600 PHONE
978.453.1995 FAX

www.TRCsolutions.com

December 6, 2007

Mr. Brad Jones
New Mexico Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, New Mexico

RE: Hydrostatic Discharge Permit Application for
Transwestern Pipeline Company, LLC
Loop A 36-inch pipeline, San Juan County, New Mexico

Dear Mr. Jones:

On behalf of Transwestern Pipeline Company, LLC (Transwestern), TRC is requesting your review of the attached draft Hydrostatic Discharge Permit Application for Transwestern's 36-inch Loop A pipeline. The location of the discharge is at pipeline milepost 6.82, in the SW1/4 of Section 16, Township 28North, Range 11West, NMPM, Latitude 36° 39' 08" and Longitude 108° 00' 56". The land is under the jurisdiction of the Bureau of Land Management/ Farmington Field Office in San Juan County.

The discharge application is for a surface discharge of 1,359,622 gallons of test water that will come from an irrigation ditch in Bloomfield, New Mexico. The water will be dewatered into a structure of straw bales at a rate of 3,000 gallons per minute. The time of discharge is anticipated as being in February/March, 2008. No chemicals will be added to the hydrostatic test water.

I will be contacting you shortly to discuss this draft application to resolve any questions or concerns you may have. In the interim, please do not hesitate to contact either of the undersigned at 978-970-5600 (also ppatterson@trcsolutions.com or rniles@trcsolutions.com).

Thank you for your time and consideration.

Sincerely,

Patricia Patterson
Project Manager

Ryan Niles
Environmental Geologist

Attachments
Hydrostatic Test Discharge Permit Application
Appendix A – Map
Appendix B – Hydrostatic Discharge Structure
Appendix C – Proposed Water Sampling Plan
cc: B. Vander Lyn, Transwestern
File (TRC)

Hydrostatic Test Discharge Permit Application
Transwestern Pipeline Company, LLC
Loop A Milepost 6.82/Station 360+00

A. Name and address of the proposed discharger:

Transwestern Pipeline Company, LLC
Attn: Bill Vander Lyn
711 Louisiana Street, Suite 900
Houston, TX 77002

B. Location of discharge, including a street address, if available, and sufficient information to locate the facility with respect to surrounding landmarks:

The discharge site is at Loop A pipeline milepost 6.82, station 360+00. The site is rural and does not have a street address but is located south of County Road 5500 (West Hammond Road) and approximately 0.8 of a mile west of Highway 550. The discharge site is located at Latitude 36° 39′ 08″ North and Longitude 108° 00′ 56″ West.

C. Legal description (Section/Township/Range) of the discharge location:

The discharge site is located in the SW1/4 of Section 16, T28N, R11W.

D. Maps (site specific and regional) indicating the location of the pipelines to be tested and the proposed discharge location:

See in Appendix A showing the location of Loop A and the discharge site.

E. A demonstration of compliance to the following siting criteria or justification for any exceptions:

Proximity of the discharge site to the features below is depicted on Figure 2, attached to this application (Appendix A). Features such as lakebeds, playas, mines, or institutions and residences are not within the mapped area, according to the GIS data utilized.

a. The discharge site is not within 200 feet of a, lakebed, sinkhole, or playa but is within 200 feet of an unnamed ephemeral wash (watercourse) that is approximately 6-feet wide by 1-foot deep located within 100 feet east of the discharge site.
b. In accordance to the FEMA Floodplain map, the discharge site is not within an existing wellhead protection area or 100 year floodplain:
c. The discharge site is not within 500 feet of any wetlands.
d. The discharge site does not overlay a subsurface mine.
e. The discharge site is not within 500 feet of any permanent residence, school, hospital, institution or church:

F. A brief description of the activities that produce the discharge:

The hydrostatic test water will be used to test new pipe for structural integrity. The hydrostatic test pressure will range from 1575 to 1627 per square inch (psi). No

chemicals will be added to the water obtained from Duggan's Ditch and used for the test.

G. The method and location for collection and retention of fluids and solids:

The source water for the hydrostatic test will be irrigation water from Duggans Ditch in Bloomfield. Approximately 2,122,284 gallons of water from Duggans Ditch will be loaded by hose and pump directly into the pipe and will be used to test the pipe at 1575 pounds psi for about 8 hours. Approximately 1,359,622 gallons of the test water will then be discharged into a surface dewatering structure (see Appendix B) at the discharge site at a rate of about 3,000 gallons per minute. An energy dissipating device will be employed prior to the water being discharged into the straw bale structure. The remaining 762,662 gallons will be relayed into the next section of the pipe for testing at approximately 1627 psi. Once the final test section is complete, 762,662 gallons of water will be discharged to the land through a surface dewatering structure at a discharge site at pipeline milepost 9.07, station number 470+08. The milepost 9.07 discharge site is on Navajo Nation land. Transwestern is concurrently applying for a Navajo Nation hydrostatic discharge permit.

H. A brief description of best management practices to be implemented to contain the discharge onsite and to control erosion:

The pipeline has been certified by the Federal Energy Regulatory Commission which requires that the hydrostatic test discharge be regulated, that energy dissipating devices be used, and that sediment barriers be installed as necessary to prevent erosion, streambed scour, suspension of sediments, or excessive water flow. In accordance with these requirements, Transwestern will use Best Management Practices (BMPs) at any hydrostatic testing discharge or fill areas. BMPs consist of silt fence, fiber logs, or straw bale (certified weed free) dewatering structures (see Appendix B).

I. A request for approval of an alternative treatment, use, and/or discharge location (other than the original discharge site), if necessary:

Should the discharge site be disapproved by the New Mexico Oil Conservation Division (NMOCD), Transwestern would discharge the test water into frac tanks for disposal in a manner acceptable to San Juan County and the NMOCD. An earth berm dike (BMP) would be placed around the frac tanks to prevent any spillage onto the land surface and the hydrostatic test water would be transferred from the frac tanks into water hauling trucks for disposal.

J. A Proposed hydrostatic test wastewater sampling plan:

See Appendix C for water sampling plan.

K. A proposed method of disposal of fluids and solids after test completion, including closure of any pits, in case the water generated from test exceeds the 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):

The hydrostatic test water will be discharged into dewatering structures on the surface and will not exceed the standards set forth in Subsections A, B, and C of 20.6.2.3103 NMAC (see attached typical drawing of dewatering structure in Appendix B).

L. A brief description of the expected of the expected quality and volume of the discharge:

Approximately 1,359,622 gallons of hydrostatic test water will be discharged at the discharge site at a rate of 3,000 gallons per minute. No chemicals will be added to the water obtained from Duggan's Ditch and used for the test. Hydrostatic testing activities are not expected to impact the quality of the test water.

M. Geological characteristics of the subsurface at the proposed discharge site:

The discharge site overlies the Nacimiento formation. According to Soil Survey of San Juan County, New Mexico, soils underlying the discharge site are Fruitland-Persayo-Sheppard complex, hilly.

The Fruitland soil formed in alluvium derived dominantly from sandstone and shale. This soil unit is on hills, mesas, fans, and breaks with slopes of 5-30 percent. The Fruitland soil is deep and well drained with moderately rapid permeability. Water capacity and erosion is moderate, and the hazard of soil blowing is severe.

The Persayo soil is shallow and well drained, formed in residuum derived dominantly from shale. Permeability is moderately slow with available water being very low. The hazard of water erosion is high and the hazard of wind erosion is severe.

The Sheppard soil formed in eolian material derived from mixed materials. Permeability of this soil is rapid and water capacity is low. The hazard of water erosion is slight with the hazard of wind erosion severe.

N. The depth to and total dissolved solids concentration of the ground water most likely to be affected by the discharge:

Transwestern could not obtain information regarding the occurrence and quality of ground water proximate to the discharge location on the New Mexico State Engineer, Natural Resource Conservation Service, New Mexico Environmental Department, New Mexico Oil Conservation Division, or USGS web-sites. As described in the attached water sampling plan (Appendix C), samples will be collected of the discharge water to ensure water quality is not adversely impacted.

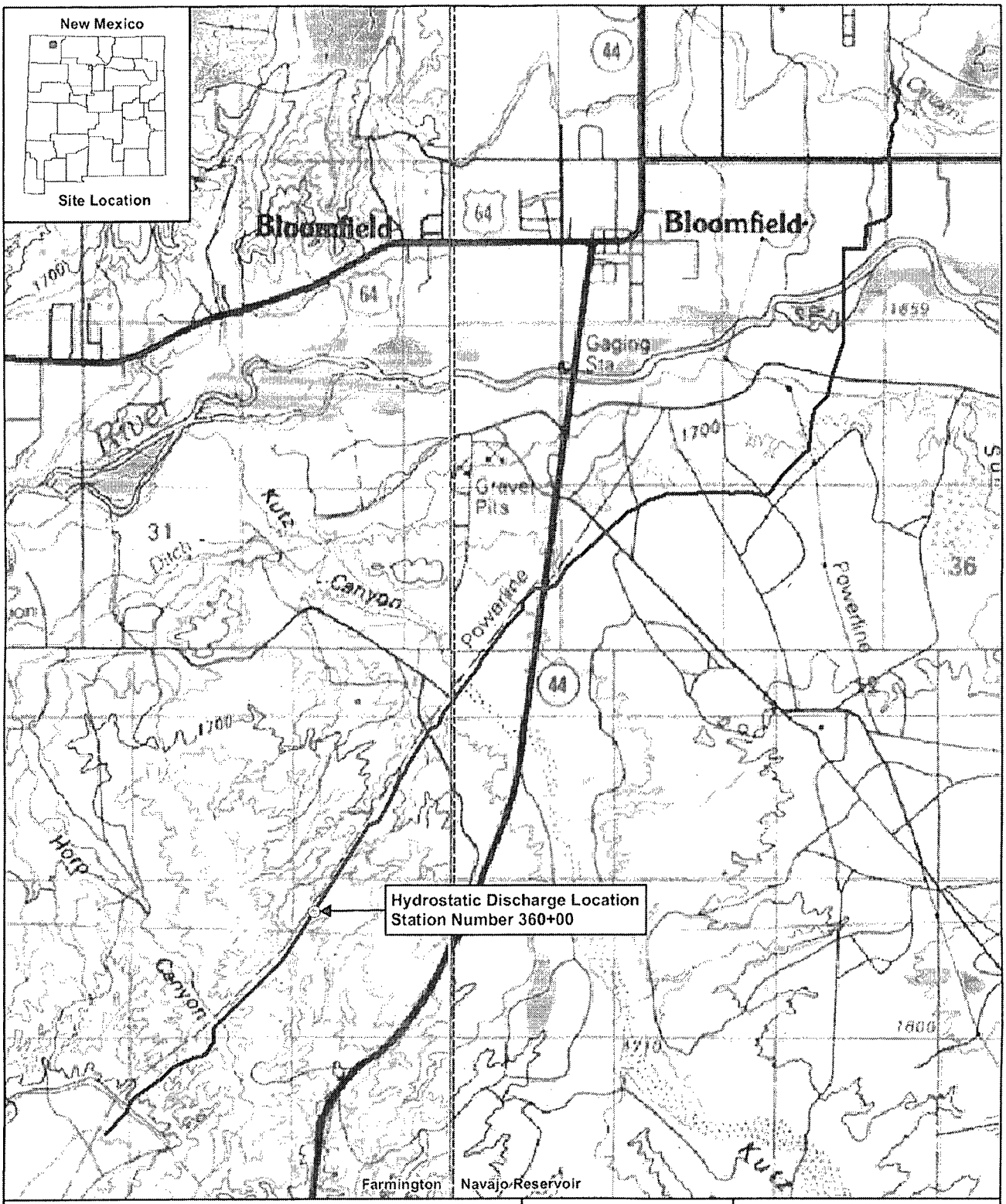
O. Identification of landowners at and adjacent to the discharge and collection/ retention site:

The discharge site is on land under the jurisdiction of the Bureau of Land Management, Farmington Field Office, 1235 La Plata Highway, Farmington, NM, 87401. The adjacent land owner to the south is the Navajo Nation and more specifically the Navajo Indian Irrigation Project, Navajo Agricultural Products Industry.

APPENDIX A

Hydrostatic Test Discharge Permit Application
Transwestern Pipeline Company, LLC
Loop A Milepost 6.82/Station 360+00

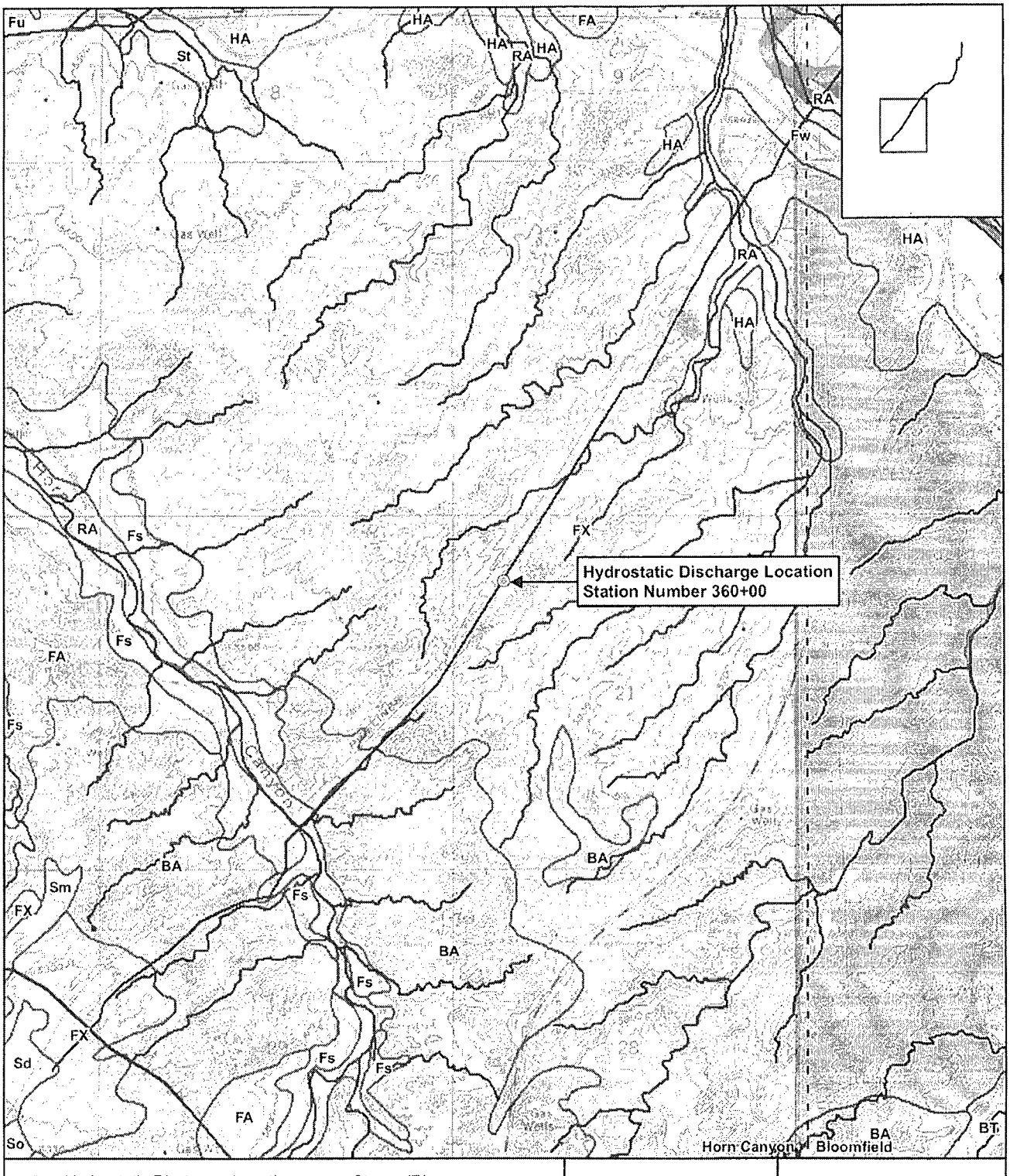
Site Maps



HYDROSTATIC DISCHARGE LOCATION MAP

FIGURE 1

TRC
Wannalancit Mills
650 Suffolk Street
Lowell, MA 01854
(978) 970-5600



Hydrostatic Discharge Location
Centerline
Wetlands
Soils
Stream/River
Artificial Path
Canal/Ditch

Source: Wells, NM Office of State Engineer; Streams, USGS National Hydrography Dataset; Wetlands, US Fish & Wildlife Service National Wetlands Inventory; Soils, National Conservation Resources Service

0 1,000 2,000 Feet

N

HYDROSTATIC DISCHARGE LOCATION CHARACTERISTIC PLAN

STATION NUMBER 360+00

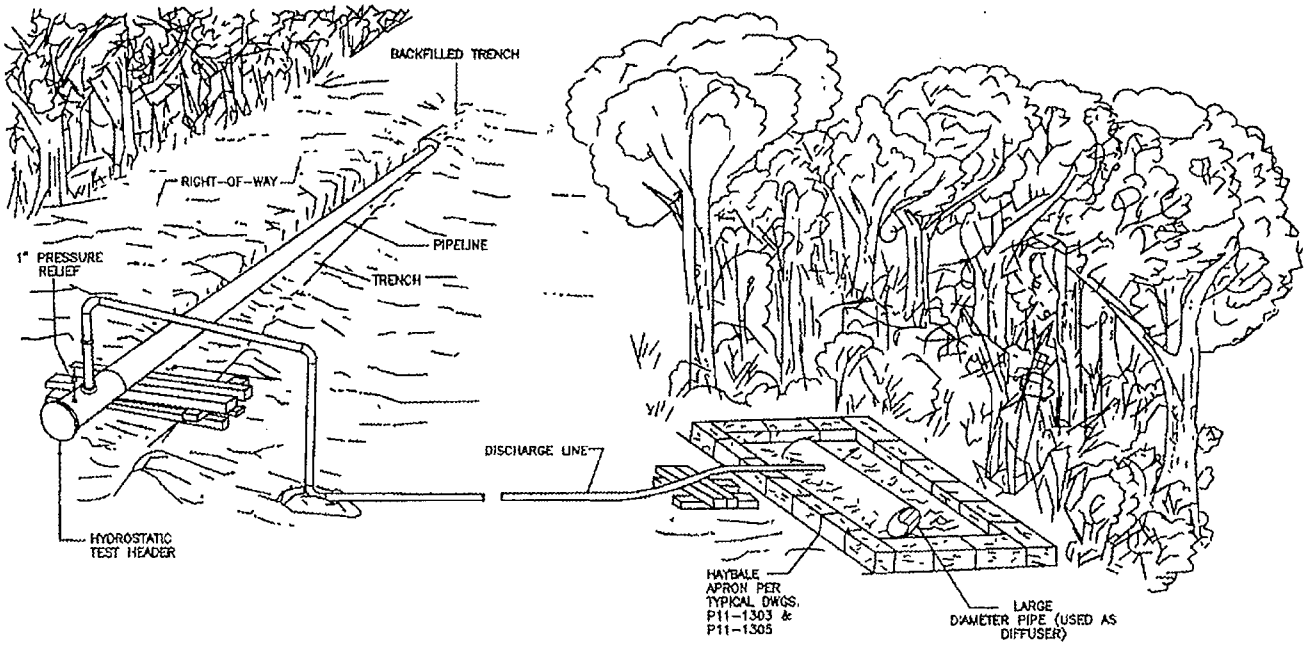
FIGURE 2

TRC
Wannalancit Mills
650 Suffolk Street
Lowell, MA 01854
(978) 970-5600

APPENDIX B

Hydrostatic Test Discharge Permit Application
Transwestern Pipeline Company, LLC
Loop A Milepost 6.82/Station 360+00

Typical Surface De-watering Structure



NOTES

1. PRESSURE IS RELEASED INITIALLY THROUGH 1" RELIEF.
2. WATER IS THEN RELEASED THROUGH DISCHARGE LINE TO COMPANY APPROVED METHOD OF DISSIPATING WATER.
3. COMPANY MAY ALSO APPROVE OTHER METHODS OF DISSIPATING WATER COMPLYING WITH EROSION CONTROL.
4. THIS METHOD MAY ALSO BE INITIATED WHEN PUMPING WATER FROM DITCH.

PIPELINE, STATION, OR ACCOUNT NUMBER	SCALE N.T.S.		CONST. YR. 2007	Transwestern Pipeline Company	PROJECT NO.
FILENUMBER	CADD FILENAME I:\8528_A_B\MAPDWGS\LOOPA\MISC.	DRAWN UEI	DATE 10/04/07		

REV. NO. - DESCRIPTION	BY	DATE	APP.

Transwestern Pipeline

HYDROSTATIC TEST DRAWING (METHOD 1)

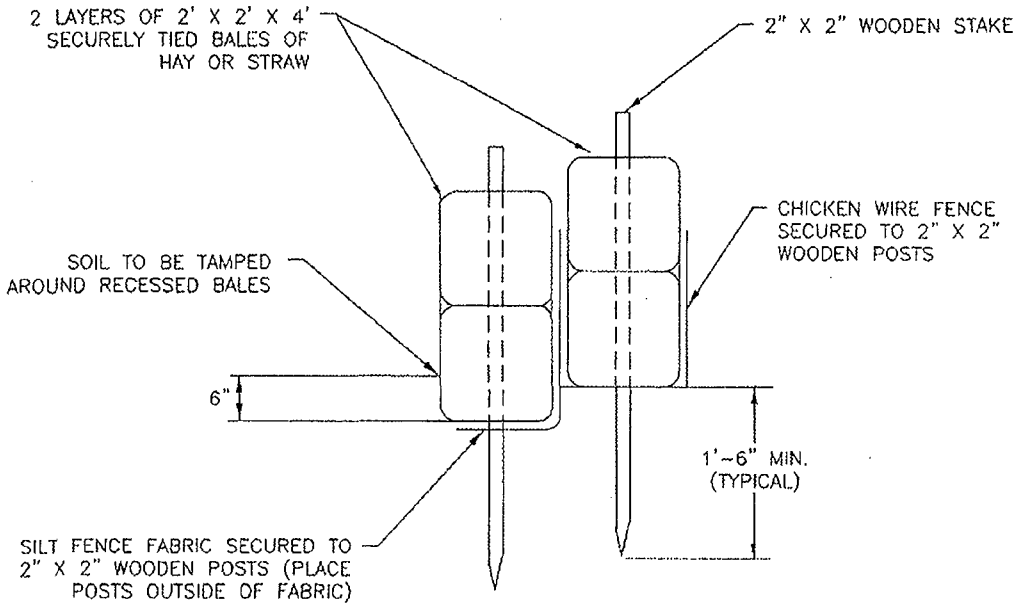
PREVIOUS DWG. NO.

SHT. OF

DWG. NO. TYP-1

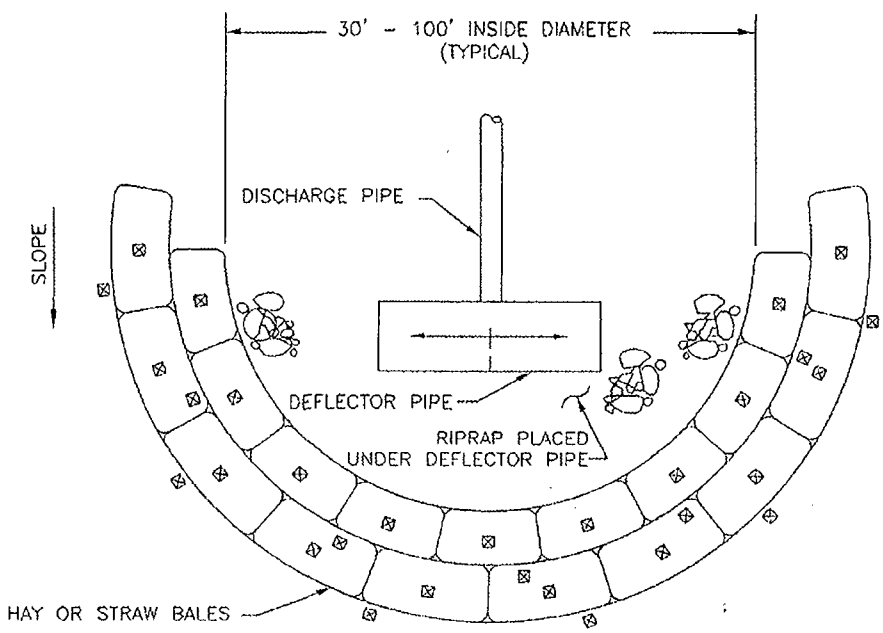
SHT. 1 OF 1

0



PROFILE
(NOT TO SCALE)

NOTE: STAKES SECURING SILT FENCE FABRIC AND CHICKEN WIRE FENCE ARE NOT SHOWN FOR CLARITY.



PLAN
(NOT TO SCALE)

PIPELINE, STATION, OR ACCOUNT NUMBER	SCALE N.T.S.		CONST. YR. 2007	Transwestern Pipeline Company	PROJECT NO.
FILENUMBER	CADD FILENAME I:\8528_A_B\MAPDWGS\LOOPA\MISC.	DRAWN UEI	DATE 10/04/07		
REV. NO. - DESCRIPTION	BY	DATE	APP.	HYDROSTATIC TESTING DEWATERING CONTAINMENT STRUCTURE (METHOD 2)	PREVIOUS DWG. NO.
					SHT. OF
					DWG. NO. TYP-2
					SHT. 1 OF 1

Transwestern Pipeline

0

APPENDIX C

Hydrostatic Test Discharge Permit Application
Transwestern Pipeline Company, LLC
Loop A Milepost 6.82/Station 360+00

Water Sampling Plan

Hydrostatic Test Discharge Permit Application
Transwestern Pipeline Company, LLC
Loop A Milepost 6.82/Station 360+00

Water Sampling Plan

Transwestern will be constructing 8.1 miles of pipeline adjacent to its existing San Juan Lateral pipeline in San Juan County, New Mexico. This pipeline is referred to as Loop A. Table 1 below identifies proposed source and discharge locations.

Table 1. Source and Discharge Locations for Hydrostatic Testing of Loop A

Pipeline Milepost		Uptake		Discharge				
Begin Test	End Test	Location	Quantity (gal)	Station No.	Owner of Discharge Tract	Quantity (gal)	Latitude	Longitude
0	1.4	MP 0.0 Duggans Ditch	2,584,560					
1.4	6.82			360+00	SJ-28 BLM	1,359,622	36° 39' 08"	108° 00' 56"
6.82	9.07			479+08	SJ-29 NN	762,662	36° 37' 56"	108° 02' 19"

Hydrostatic test water sampling will be performed in conformance with New Mexico Water Quality Act, NMSA 1978, 74-6-1 et seq. and Subsections A, B, and C of the 20.6.2.3103 NMAC (the New Mexico Water Quality Control Commission Regulations).

Transwestern will employ Environmental Inspectors who will be responsible for ensuring that the pipeline is constructed in accordance with all environmental permits and requirements. The Environmental Inspector will obtain water samples from each source to allow time for lab analysis prior to filling the pipeline section. The Environmental Inspector also will obtain samples at the discharge site upon completion of the filling process and hydrostratic test. These samples will be sent to the lab for analysis for testing prior to discharge for assurance that the quality of the water meets the requirements set forth in Subsections A, B, and C of the 20.6.2.3103 NMAC (the New Mexico Water Quality Control Commission Regulations).

Sample Bottles will be obtained from a certified testing laboratory. Analysis of the samples will be in accordance with the permit requirements. Each sample bottle will be marked with:

- Source of water with pipeline station number, milepost or latitude and longitude.
- Date taken,
- Laboratory Order Number, and
- Name of Environmental personnel taking sample.

Transwestern's Environmental Inspector will be notified by the hydro testing contractor at least 72 hrs prior to obtaining and/or discharging water and the contractor will provide the Environmental Inspector access for sampling.

ACKNOWLEDGEMENT OF RECEIPT OF CHECK/CASH

I hereby acknowledge receipt of check No. _____ dated 12/21/07

or cash received on _____ in the amount of $ 100.00

from Transwestern Pipeline Co.

for HIP-109

Submitted by: Lawrence Romero Date: 1/16/08

Submitted to ASD by: Lawrence Romero Date: 1/16/08

Received in ASD by: _____ Date: _____

Filing Fee ✓ New Facility _____ Renewal _____

Modification _____ Other _____

Organization Code 521.07 Applicable FY 2004

To be deposited in the Water Quality Management Fund.

Full Payment _____ or Annual Increment _____

Jones, Brad A., EMNRD

From: Niles, Ryan (Lowell,MA-US) [RNiles@trcsolutions.com]
Sent: Wednesday, January 16, 2008 9:21 AM
To: Jones, Brad A., EMNRD
Cc: Patterson, Patricia (Lowell,MA-US); VanderLyn, Bill
Subject: Revised NOI for Discharge Permit Application
Attachments: 01-16-08_Revised NMOCD discharge application.pdf

Mr. Jones,

Please find attached a revised Notice of Intent for hydrostatic discharge permit application submitted by TRC on behalf of Transwestern Pipeline Company, LLC. Once you have had a chance to review this revised NOI, please contact Patricia Patterson or myself so we can quickly address any issues that arise. I will mail out a hard copy for your use today.

Thank You,

Ryan Niles
Environmental Geologist
TRC
Wannalancit Mills
650 Suffolk Street
Lowell, MA 01854
Phone: (978) 656-3629
Fax: (978) 453-1995
e-mail: rniles@trcsolutions.com

Wannalancit Mills
650 Suffolk Street, Suite 200
Lowell, MA 01854

978.970.5600 PHONE
978.453.1995 FAX

www.TRCsolutions.com

December 6, 2007

Mr. Brad Jones
New Mexico Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, New Mexico

RE: Hydrostatic Discharge Permit Application for
Transwestern Pipeline Company, LLC
Loop A 36-inch pipeline, San Juan County, New Mexico

Dear Mr. Jones:

On behalf of Transwestern Pipeline Company, LLC (Transwestern), TRC is requesting your review of the attached draft Hydrostatic Discharge Permit Application for Transwestern's 36-inch Loop A pipeline. The location of the discharge is at pipeline milepost 6.82, in the SW1/4 of Section 16, Township 28North, Range 11West, NMPM, Latitude 36° 39' 08" and Longitude 108° 00' 56". The land is under the jurisdiction of the Bureau of Land Management/ Farmington Field Office in San Juan County.

The discharge application is for a surface discharge of 1,359,622 gallons of test water that will come from an irrigation ditch in Bloomfield, New Mexico. The water will be dewatered into a structure of straw bales at a rate of 3,000 gallons per minute. The time of discharge is anticipated as being in February/March, 2008. No chemicals will be added to the hydrostatic test water.

I will be contacting you shortly to discuss this draft application to resolve any questions or concerns you may have. In the interim, please do not hesitate to contact either of the undersigned at 978-970-5600 (also ppatterson@trcsolutions.com or rniles@trcsolutions.com).

Thank you for your time and consideration.

Sincerely,

Patricia Patterson
Project Manager

Ryan Niles
Environmental Geologist

Attachments
Hydrostatic Test Discharge Permit Application
Appendix A – Map
Appendix B – Hydrostatic Discharge Structure
Appendix C – Proposed Water Sampling Plan
cc: B. Vander Lyn, Transwestern
File (TRC)

Hydrostatic Test Discharge Permit Application
Transwestern Pipeline Company, LLC
Loop A Milepost 6.82/Station 360+00

A. Name and address of the proposed discharger:

Transwestern Pipeline Company, LLC
Attn: Bill Vander Lyn
711 Louisiana Street, Suite 900
Houston, TX 77002

B. Location of discharge, including a street address, if available, and sufficient information to locate the facility with respect to surrounding landmarks:

The discharge site is at Loop A pipeline milepost 6.82, station 360+00. The site is rural and does not have a street address but is located south of County Road 5500 (West Hammond Road) and approximately 0.8 of a mile west of Highway 550. The discharge site is located at Latitude 36° 39' 08" North and Longitude 108° 00' 56" West.

C. Legal description (Section/Township/Range) of the discharge location:

The discharge site is located in the SW1/4 of Section 16, T28N, R11W.

D. Maps (site specific and regional) indicating the location of the pipelines to be tested and the proposed discharge location:

See in Appendix A showing the location of Loop A and the discharge site.

E. A demonstration of compliance to the following siting criteria or justification for any exceptions:

Proximity of the discharge site to the features below is depicted on Figure 2, attached to this application (Appendix A). Features such as lakebeds, playas, mines, or institutions and residences are not within the mapped area, according to the GIS data utilized.

a. The discharge site is not within 200 feet of a, lakebed, sinkhole, or playa but is within 200 feet of an unnamed ephemeral wash (watercourse) that is approximately 6-feet wide by 1-foot deep located within 100 feet east of the discharge site.
b. In accordance to the FEMA Floodplain map, the discharge site is not within an existing wellhead protection area or 100 year floodplain:
c. The discharge site is not within 500 feet of any wetlands.
d. The discharge site does not overlay a subsurface mine.
e. The discharge site is not within 500 feet of any permanent residence, school, hospital, institution or church:

F. A brief description of the activities that produce the discharge:

The hydrostatic test water will be used to test new pipe for structural integrity. The hydrostatic test pressure will range from 1575 to 1627 per square inch (psi). No

chemicals will be added to the water obtained from Duggan's Ditch and used for the test.

G. The method and location for collection and retention of fluids and solids:

The source water for the hydrostatic test will be irrigation water from Duggans Ditch in Bloomfield. Approximately 2,122,284 gallons of water from Duggans Ditch will be loaded by hose and pump directly into the pipe and will be used to test the pipe at 1575 pounds psi for about 8 hours. Approximately 1,359,622 gallons of the test water will then be discharged into a surface dewatering structure (see Appendix B) at the discharge site at a rate of about 3,000 gallons per minute. An energy dissipating device will be employed prior to the water being discharged into the straw bale structure. The remaining 762,662 gallons will be relayed into the next section of the pipe for testing at approximately 1627 psi. Once the final test section is complete, 762,662 gallons of water will be discharged to the land through a surface dewatering structure at a discharge site at pipeline milepost 9.07, station number 470+08. The milepost 9.07 discharge site is on Navajo Nation land. Transwestern is concurrently applying for a Navajo Nation hydrostatic discharge permit.

H. A brief description of best management practices to be implemented to contain the discharge onsite and to control erosion:

The pipeline has been certified by the Federal Energy Regulatory Commission which requires that the hydrostatic test discharge be regulated, that energy dissipating devices be used, and that sediment barriers be installed as necessary to prevent erosion, streambed scour, suspension of sediments, or excessive water flow. In accordance with these requirements, Transwestern will use Best Management Practices (BMPs) at any hydrostatic testing discharge or fill areas. BMPs consist of silt fence, fiber logs, or straw bale (certified weed free) dewatering structures (see Appendix B).

I. A request for approval of an alternative treatment, use, and/or discharge location (other than the original discharge site), if necessary:

Should the discharge site be disapproved by the New Mexico Oil Conservation Division (NMOCD), Transwestern would discharge the test water into frac tanks for disposal in a manner acceptable to San Juan County and the NMOCD. An earth berm dike (BMP) would be placed around the frac tanks to prevent any spillage onto the land surface and the hydrostatic test water would be transferred from the frac tanks into water hauling trucks for disposal.

J. A Proposed hydrostatic test wastewater sampling plan:

See Appendix C for water sampling plan.

K. A proposed method of disposal of fluids and solids after test completion, including closure of any pits, in case the water generated from test exceeds the 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):

The hydrostatic test water will be discharged into dewatering structures on the surface and will not exceed the standards set forth in Subsections A, B, and C of 20.6.2.3103 NMAC (see attached typical drawing of dewatering structure in Appendix B).

L. A brief description of the expected of the expected quality and volume of the discharge:

Approximately 1,359,622 gallons of hydrostatic test water will be discharged at the discharge site at a rate of 3,000 gallons per minute. No chemicals will be added to the water obtained from Duggan's Ditch and used for the test. Hydrostatic testing activities are not expected to impact the quality of the test water.

M. Geological characteristics of the subsurface at the proposed discharge site:

The discharge site overlies the Nacimiento formation. According to Soil Survey of San Juan County, New Mexico, soils underlying the discharge site are Fruitland-Persayo-Sheppard complex, hilly.

The Fruitland soil formed in alluvium derived dominantly from sandstone and shale. This soil unit is on hills, mesas, fans, and breaks with slopes of 5-30 percent. The Fruitland soil is deep and well drained with moderately rapid permeability. Water capacity and erosion is moderate, and the hazard of soil blowing is severe.

The Persayo soil is shallow and well drained, formed in residuum derived dominantly from shale. Permeability is moderately slow with available water being very low. The hazard of water erosion is high and the hazard of wind erosion is severe.

The Sheppard soil formed in eolian material derived from mixed materials. Permeability of this soil is rapid and water capacity is low. The hazard of water erosion is slight with the hazard of wind erosion severe.

N. The depth to and total dissolved solids concentration of the ground water most likely to be affected by the discharge:

Transwestern could not obtain information regarding the occurrence and quality of ground water proximate to the discharge location on the New Mexico State Engineer, Natural Resource Conservation Service, New Mexico Environmental Department, New Mexico Oil Conservation Division, or USGS web-sites. As described in the attached water sampling plan (Appendix C), samples will be collected of the discharge water to ensure water quality is not adversely impacted.

O. Identification of landowners at and adjacent to the discharge and collection/ retention site:

The discharge site is on land under the jurisdiction of the Bureau of Land Management, Farmington Field Office, 1235 La Plata Highway, Farmington, NM, 87401. The adjacent land owner to the south is the Navajo Nation and more specifically the Navajo Indian Irrigation Project, Navajo Agricultural Products Industry.

APPENDIX A

Hydrostatic Test Discharge Permit Application
Transwestern Pipeline Company, LLC
Loop A Milepost 6.82/Station 360+00

Site Maps

APPENDIX B

Hydrostatic Test Discharge Permit Application
Transwestern Pipeline Company, LLC
Loop A Milepost 6.82/Station 360+00

Typical Surface De-watering Structure

APPENDIX C

Hydrostatic Test Discharge Permit Application
Transwestern Pipeline Company, LLC
Loop A Milepost 6.82/Station 360+00

Water Sampling Plan

Hydrostatic Test Discharge Permit Application
Transwestern Pipeline Company, LLC
Loop A Milepost 6.82/Station 360+00

Water Sampling Plan

Transwestern will be constructing 8.1 miles of pipeline adjacent to its existing San Juan Lateral pipeline in San Juan County, New Mexico. This pipeline is referred to as Loop A. Table 1 below identifies proposed source and discharge locations.

Table 1. Source and Discharge Locations for Hydrostatic Testing of Loop A

Pipeline Milepost		Uptake		Discharge				
Begin Test	End Test	Location	Quantity (gal)	Station No.	Owner of Discharge Tract	Quantity (gal)	Latitude	Longitude
0	1.4	MP 0.0 Duggans Ditch	2,584,560					
1.4	6.82			360+00	SJ-28 BLM	1,359,622	36° 39′ 08″	108° 00′ 56″
6.82	9.07			479+08	SJ-29 NN	762,662	36° 37′ 56″	108° 02′ 19″

Hydrostatic test water sampling will be performed in conformance with New Mexico Water Quality Act, NMSA 1978, 74-6-1 et seq. and Subsections A, B, and C of the 20.6.2.3103 NMAC (the New Mexico Water Quality Control Commission Regulations).

Transwestern will employ Environmental Inspectors who will be responsible for ensuring that the pipeline is constructed in accordance with all environmental permits and requirements. The Environmental Inspector will obtain water samples from each source to allow time for lab analysis prior to filling the pipeline section. The Environmental Inspector also will obtain samples at the discharge site upon completion of the filling process and hydrostratic test. These samples will be sent to the lab for analysis for testing prior to discharge for assurance that the quality of the water meets the requirements set forth in Subsections A, B, and C of the 20.6.2.3103 NMAC (the New Mexico Water Quality Control Commission Regulations).

Sample Bottles will be obtained from a certified testing laboratory. Analysis of the samples will be in accordance with the permit requirements. Each sample bottle will be marked with:

- Source of water with pipeline station number, milepost or latitude and longitude.
- Date taken,
- Laboratory Order Number, and
- Name of Environmental personnel taking sample.

Transwestern's Environmental Inspector will be notified by the hydro testing contractor at least 72 hrs prior to obtaining and/or discharging water and the contractor will provide the Environmental Inspector access for sampling.