

HIP -

85

**GENERAL
CORRESPONDENCE**

YEAR(S):

2003

ENERGY, MINERALS AND NATURAL RESOURCES DEPT.

-521

NO. 123178

Official Receipt

Date: 7-2 19 2002

Received from: RC Duke Energy Field Services, LLC Dollar Amount 250

DR CR.	AMOUNT NUMBER	CENTER NUMBER	CREDIT AMOUNT	DEPOSIT NUMBER	WORK ORDER NO.
60	4290				
60	4291				
60	3450				
60	3451				
60	3410				
60	4210				
60	4240				
60			250.00		
60					
60					
60					

TOTAL

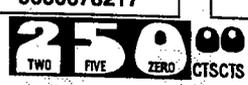
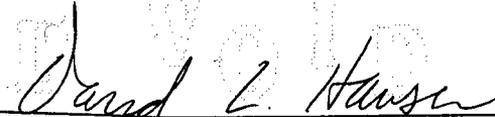
250.00

By: [Signature]

**ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH**

I hereby acknowledge receipt of check No. 61445788 dated 4/16/03
 or cash received on 5/2/03 in the amount of \$ 250.00
 from Duke Energy Field Services, LP
 for HI-085 (Facility Name) Hydrotest For Duke Energy Field Services, LP
 Submitted by: Martyn Kiehn (DP No.) Date: 5/2/03
 Submitted to ASD by: Martyn Kiehn Date: 5/2/03
 Received in ASD by: _____ Date: _____
 Filing Fee _____ New Facility _____ Renewal _____
 Modification _____ Other HI-085 (Agency) _____
 Organization Code 521.07 Applicable FY 2003

To be deposited in the Water Quality Management Fund.
 Full Payment or Annual Increment

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER WITH VISIBLE FIBERS AND A TRUE WATERMARK ON THE REVERSE SIDE.								
Duke Energy Field Services, LP Accounts Payable P.O. Box 5493 Denver, Colorado 80217	THE CHASE MANHATTAN BANK, N.A. SYRACUSE, NEW YORK 50-937/213	<table border="1"> <tr> <td>VENDOR NO</td> <td>CHECK DATE</td> <td>CHECK NUMBER</td> </tr> <tr> <td align="center">0000078217</td> <td align="center">04/16/03</td> <td align="center">61445788</td> </tr> </table>	VENDOR NO	CHECK DATE	CHECK NUMBER	0000078217	04/16/03	61445788
VENDOR NO	CHECK DATE	CHECK NUMBER						
0000078217	04/16/03	61445788						
PAY ONLY > > > > > > >	 TWO FIVE ZERO CTSCTS NOT NEGOTIABLE AFTER 120 DAYS	<table border="1"> <tr> <td>CHECK AMOUNT</td> </tr> <tr> <td align="center">*****\$250.00</td> </tr> </table>	CHECK AMOUNT	*****\$250.00				
CHECK AMOUNT								
*****\$250.00								
TO THE ORDER OF NEW MEXICO- WATER MANAGEMENT QUALITY MANAGEMENT FUND C/O OIL CONSERVATION DIVISION Santa Fe, NM 87505	 AUTHORIZED SIGNATURE							
■ Two hundred fifty and 00/100 Dollars								
HOLD BETWEEN THUMB AND FOREFINGER, OR BREATHE ON COLORED BOX; COLOR WILL DISAPPEAR, THEN REAPPEAR.								
@ 6 1 4 4 5 7 8 8 @ : 0 2 1 3 0 9 3 7 9 : 6 0 1 8 0 7 6 5 4 @								

Kieling, Martyne

From: Lynn C Ward [LCWard@duke-energy.com]
Sent: Wednesday, April 30, 2003 2:10 PM
To: MKieling@state.nm.us
Subject: Re: Hydro Test on ZZ- pipeline

Dear Martyne,

Thank you for contacting me. In response to your questions:

- 1.) The pipeline to be constructed is to be used for natural gas gathering and transmission between the Duke Energy Field Services, LP operated plants: Dagger Draw Plant and Artesia Plant .
- 2.) The line is going to be called the "ZZ-1 Loop" line.
- 3.) The length of the pipeline to be tested is approximately 12 miles long, and;
- 4.) is of entirely new construction from new (never been used) pipe.

Duke Energy Field Services, LP
Accounts Payable
P.O. Box 5493
Denver, Colorado 80217

VENDOR NUMBER
0000078217
VENDOR NAME
NEW MEXICO-

CHECK NUMBER
61445788
CHECK DATE
04/16/03

INVOICE NUMBER	INVOICE DATE	NET AMOUNT	DESCRIPTION
041503	04/15/03	250.00	
			TOTAL PAID
			\$250.00

or from Jerry

> Fanning's private well (<1000 tds) then testing the water is not
> necessary.

>

> Thanks.

>

> Have a Great Day!

>

> Martyne J. Kieling

> Martyne J. Kieling

> Environmental Geologist

>



RECEIVED

APR 2 2003
Environmental Bureau
Oil Conservation Division



DUKE ENERGY FIELD SERVICES
3300 North A Street
Building 7
Midland, TX 79705
915 620 4000

April 18, 2003

Ms. Martyn Kieling
New Mexico Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, NM 87505

RE: Request for Hydrostatic Testing Water Discharge Permit
Duke Energy Field Services, LP

Dear Ms. Kieling,

Duke Energy Field Services, LP is requesting a discharge permit for the purpose of discharging the water resulting from the hydrostatic test of new pipe. The quantity of the water to be discharged is approximately 9,200 bbls. The anticipated date of the discharge is July 10, 2003 pending any construction problems. The elements of this application are discussed in the attachment to follow.

In addition, I have enclosed a check payable to the NMED Water Quality Management Fund in the amount of \$250.00. It is understood that this payment includes a nonrefundable filing fee of \$100.00 and \$150.00 for the temporary permission as specified in Table 2, 20NMAC6.2.3114.A.

If you have any questions or require additional information, please contact me at 915/620-4207.

Sincerely,
Duke Energy Field Services, LP


Lynn Ward

Environmental Specialist
Western Division

Cc: G. Kardos
H. Temple
K. Char
File: ZZ-1 Loop 2.2.3.3

HYDROSTATIC TEST WATER DISCHARGE PERMIT REQUEST

Duke Energy Field Services, LP

ZZ-1 Conversion Line Project

Eddy County, New Mexico

- a) Map showing location of the pipelines to be tested;

The pipeline to be tested is a new twelve (12) inch diameter pipeline line that will replace an existing pipeline. The line will be set 48 inches below surface and have approximately 36 inches of cover. The line is going to extend from Section 7, Township 18S, Range 28E to Section 19, Township 18S, Range 26E, Eddy County, New Mexico, and will be constructed entirely of new pipe. A map of the location of the pipeline to be tested is included as Figure 1.

- b) Description of the test;

Approximately 9,200 bbls (386,400 gallons) of clean, fresh water will be used to perform hydrostatic testing of the twelve (12) inch pipeline of new construction. The water will be obtained from a fresh water well owned by Mr. Jerry Fanning, Carlsbad, New Mexico. In the event the water is not available from Mr. Fanning, the water will be obtained from a public water supplier, Carlsbad Double Eagle System. The water will be pumped into the line to a pressure of between 1,818 to 1,960 psi and maintained for a time period of 24 hours. Upon completion, the water will be pumped into clean frac tanks located in close proximity to the discharge point, in Section 19, Township 18S, Range 26E. Prior to discharge, the water will be sampled for major anions and anions, total RCRA metals, Total Petroleum Hydrocarbons, TDS, Fe, Mn, ph and conductivity. The analytical results will be retained at the Duke Energy Field Services, LP, Midland Office. Pending the results of the analytical, the test water will be discharged through hale bales to be used as a silt trap and onto land surface owned by Mr. Thomas B. R. Wilson. The anticipated date of discharge is July 10, 2003.

- c) Source and analysis of test water;

The test water will be obtained from a fresh water well owned by Mr. Jerry Fanning and used to supply water to several homes, or from the Carlsbad Double Eagle System, a public water supplier, depending on availability.

- d) Point of discharge of the test water;

The test water will be discharged from the frac tanks to the ground surface in the S/2 NE/4 of Section 19, Township 18S, Range 26E.

- e) Method and location for collection and retention of fluids and solids;

Please refer to the Description of the test, above.

- f) Depth of groundwater at discharge and collection/retention site;

The depth to groundwater for the identified discharge location was obtained the New Mexico Office of the State Engineers website. Since no data was available for Section 19, T18S, R26E, Sections 20 and 18 were used since they are adjacent to the location. In Section 18, the most conservative well depth is 115 feet below surface located approximately 1 mile northeast of the discharge location (Well Number RA 03181). In Section 20, a depth to water of 125 feet below surface is indicated for a well approximately 1 mile south-southeast of the discharge location (Well Number RA 04283). A copy of the website data is included as Figure 2.

- g) Proposed method of disposal of fluids and solids after test completion including closure of any pits;

Fluids will be released to the land surface pending the laboratory analysis. Solids will settle to the bottom of the frac tanks and be removed from the location. The water will be discharged from the frac tank through hale bales which will act as a silt screen, to the land surface. No pits or surface impoundments are anticipated for use. The site of the discharge is farmland.

- h) Identification of land owners at and adjacent to the discharge and collection/retention site;

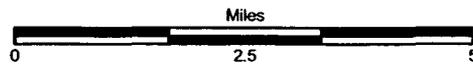
The name of the land owner at the discharge location is Mr. Thomas B.R. Wilson. The discharge location is the S/2 NE/4, Section 19, T18S, R26E. It is anticipated that the discharge will flow into the SW/4 NW/4 Section 20, T18S, R26E, also owned by Mr. Wilson. Figure 3 is written permission received from the land owner allowing the discharge of the test water to his property.

FIGURE 1



**Zia Engineering
and Environmental
Consultants, Inc.**
120 Madeira NE, Suite 301
Albuquerque, NM 87108
(505) 260 - 2311 phone
(505) 260 - 2338 fax

◆ Proposed pipeline ROW



Based on: Artesia
N. Mex. 100K' Quad

1:120,000

UTM zone 13
NAD 1983



Date: 4/3/03
Project No.: Z03-011
Figure No.: 1

FIGURE 2

RA 02877	18S 26E 10 3 1 3	150		
RA 00010 CLW202760	18S 26E 10 3 1 3	863	32	83
RA 00010 CLW202829	18S 26E 10 3 1 3	863	32	83
RA 00010	18S 26E 10 3 3 1	863	32	83
RA 00010 A	18S 26E 10 3 3 1	863	32	83
RA 03756	18S 26E 10 4 1 1	148	55	9
RA 00011	18S 26E 11 3 3	1100		
RA 00011 A	18S 26E 11 3 3	1100		
RA 03639	18S 26E 11 3 4 4	1710		
RA 03634	18S 26E 11 4 1 3	1797		
RA 03596	18S 26E 11 4 3	1736		
RA 00012	18S 26E 11 4 3	600		
RA 00012 A	18S 26E 11 4 3 3	600		
RA 02432	18S 26E 12 1 3 2	100		
RA 03731	18S 26E 14 1 1 1	120	30	9
RA 03600	18S 26E 14 2 3 2	955		
RA 03585	18S 26E 14 4 1 4	1849		
RA 01343 CLW	18S 26E 14 4 2 1	150	23	12
RA 02389	18S 26E 15 2 2 1	209		
RA 03499 REPAR	18S 26E 15 2 3	616	40	57
RA 03499 CLW261762	18S 26E 15 2 3	616	40	57
RA 03499	18S 26E 15 2 3	616	40	57
RA 01446	18S 26E 15 3 1 0	175		
RA 01446 CLW	18S 26E 15 3 3 1	165	42	12
RA 02800	18S 26E 15 3 3 1	102	30	7
RA 03421	18S 26E 16 2 2 1	665	130	53
RA 05241	18S 26E 16 4 3	200	100	10
RA 03181 CLW	18S 26E 17 1 0 0	250	92	15
RA 09709	18S 26E 17 2 2	235	110	12
RA 02013	18S 26E 17 2 2 2	200		
RA 03181 SUP-2	18S 26E 17 3 1 3	250		
RA 03181 COMB	18S 26E 17 3 2 0	229	55	17
RA 02289	18S 26E 17 3 2 3	84		
RA 03181	18S 26E 17 3 2 4	200		
RA 02289 CLW	18S 26E 17 3 3 2	212		
RA 02289 CLW1	18S 26E 17 3 3 3	230		
RA 03181 SUP	18S 26E 17 4 1 1	290	60	23
RA 03181 REPAR-3	18S 26E 17 4 1 1	309	100	20
RA 03966	18S 26E 18 2 1 2	50	18	3
RA 03181 CLW-2	18S 26E 18 2 2 0	258	115	14
RA 03181 CLW-3	18S 26E 18 2 3 0	334	134	20
RA 01469	18S 26E 18 3 2 3	230	90	14
RA 01508	18S 26E 18 3 2 3	235		
RA 01508 CLW	18S 26E 18 3 3 2	300		
RA 01469 SUP	18S 26E 18 3 3 2	225	90	13
RA 01469 2	18S 26E 18 3 3 2	300	150	15
RA 01469 REPAR	18S 26E 18 3 3 2	230	160	7
→ RA 03181 SUP REPAR	18S 26E 18 4 1 1	315	115	20
→ RA 03618	18S 26E 20 2 3	1838		
RA 04283	18S 26E 20 3 4 1	158	125	3
RA 06102	18S 26E 21	202	136	6
RA 04309	18S 26E 21 1	180		
RA 04004	18S 26E 21 2 2 3	140		
RA 01884	18S 26E 21 3 1 1	127		
RA 06029	18S 26E 21 3 3	183	140	4
RA 08976	18S 26E 21 3 3 2	225	120	10
RA 06828	18S 26E 21 4	130	105	2
RA 09763	18S 26E 21 4 1 4	240	140	10
RA 07654	18S 26E 21 4 2	180	170	1
RA 04287	18S 26E 21 4 2 1	170	140	3

FIGURE 3

April 9, 2003

Duke Energy Field Services, LP
3300 North "A" Street, Bldg. 7
Midland, Texas 79705

Re: Eddy 2317-1
ZZ-1 Pipeline Project

Dear Mr. Nash:

The purpose of this letter is to give Duke Energy Field Services, LP our permission to discharge water from the ZZ-1 Pipeline Project onto our property described as:

S/2 NE/4 Section 19, T-18-S, R-26-E; and
SW/4 NW/4 Section 20, T-18-S, R-26-E, N.M.P.M.
Eddy County, New Mexico

The water being discharged will be used for hydrotesting Duke Energy's new constructed steel pipeline.

Wanda Wilson

Thomas B. R. Wilson

Wanda Wilson

Thomas B. R. Wilson

NATURE OF WORK
 SURVEY A 12" FBE STEEL PIPELINE TO

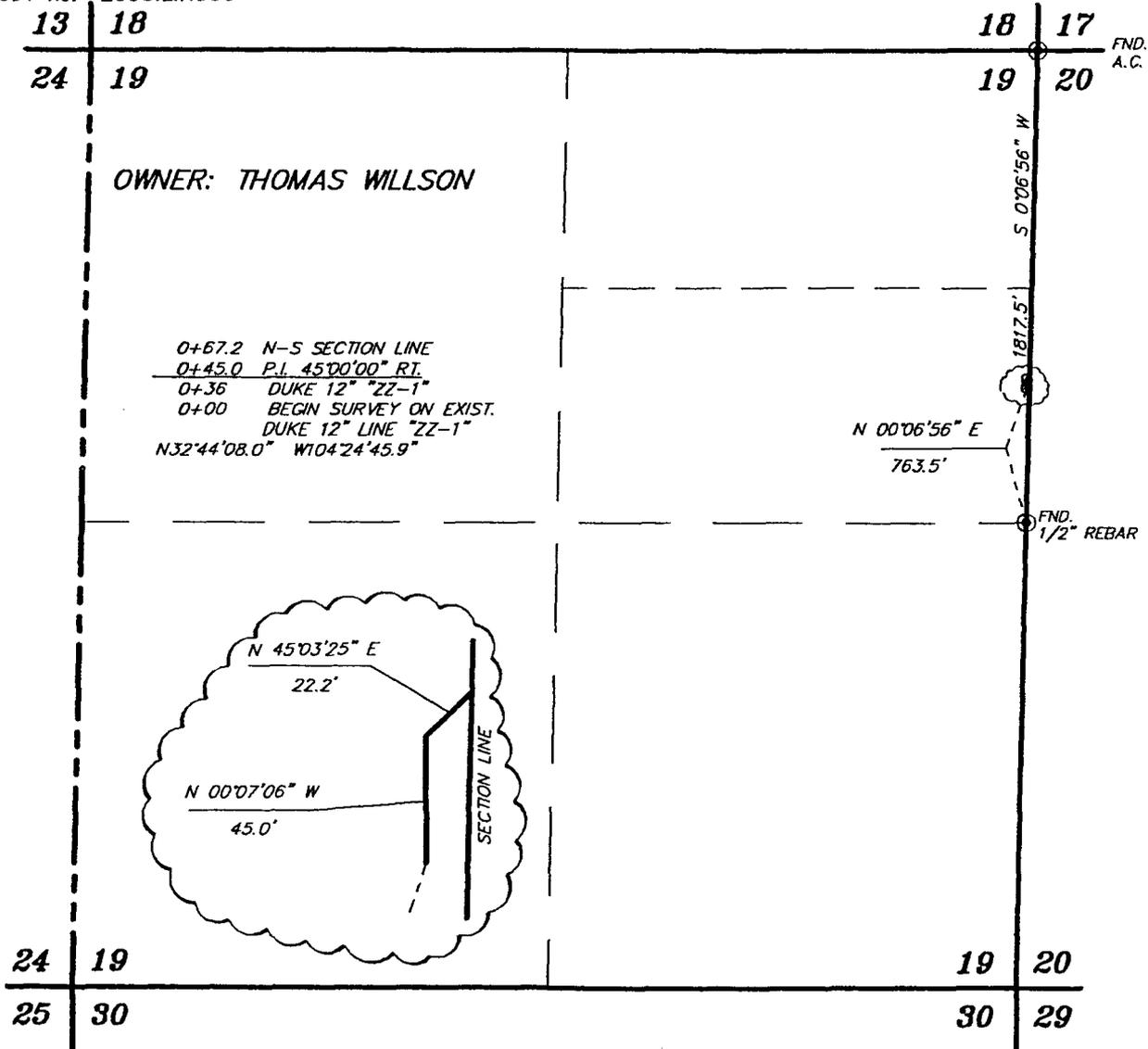
SHEET No. 1
 DATE: 02/17/03

LOOP 12" LINE "ZZ-1"

LINE No. ZZ-1-LOOP

DISTRICT WEST PERMIAN PLANT OR STATION LINAM JOB OR AFE No. 130331610
 SECTION 19 TOWNSHIP 18-S RANGE 26-E SURVEY N.M.P.M. COUNTY EDDY STATE N.M.

STUDY No. 2003ILIN006



SCALE: 1" = 1000'

LEGAL DESCRIPTION

STAKING RESURVEY

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 19, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY.

BEGINNING AT A POINT WHICH LIES N.00°06'56"E., 763.5 FEET FROM THE EAST QUARTER CORNER OF SAID SECTION 19; THENCE N.00°07'06"W., 45.0 FEET; THENCE N.45°03'25"E., 22.2 FEET TO A POINT ON THE EAST SECTION LINE WHICH LIES S01°11'35"W. 1817.5 FEET FROM THE NORTHEAST CORNER OF SAID SECTION 19. SAID STRIP OF LAND BEING 67.2 FEET OR 4.07 RODS IN LENGTH AND CONTAINING 0.05 ACRES, MORE OR LESS.

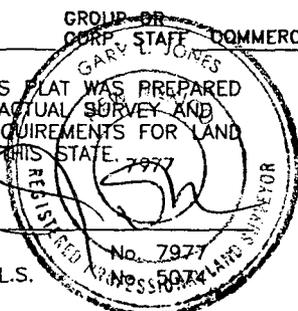
67.2 FEET = 4.07 RODS = 0.05 ACRES

SIGNED

GROUP OR
 CORP. STAFF COMMERCIAL

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

GARY L. JONES N.M. P.S.
 TEXAS P.L.S.



PTRE&C No.: EDDY 2317-1

BASIN SURVEYS

P.O. BOX 1786 - HOBBS, NEW MEXICO
 W.O. Number: 3037 JLP #2- DUK3037

RECEIVED

MAR - 7 2003