

HBP - _30_

**PERMITS,
RENEWALS, &
MODS**

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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

Jami Bailey, Division Director
Oil Conservation Division



March 12, 2014

Mr. Don Butler
Crestwood New Mexico Pipeline LP
801 Cherry Street, Suite 3800, Unit 20
Fort Worth, Texas 76102

**Re: Request For An Annual Temporary Permission To Discharge
Hydrostatic Test Water
Crestwood New Mexico Pipeline LP
Permit: HBP-030**

Dear Mr. Butler:

The Oil Conservation Division (OCD) has received the Crestwood New Mexico Pipeline LP (Crestwood) revised request, dated May 2, 2014 and received by OCD on May 8, 2014, for an annual temporary permission to discharge small quantities of hydrostatic test wastewater generated from the testing of new pipeline throughout the State of New Mexico. Also, OCD acknowledges receipt of the filing fee (\$100.00) and temporary permission fee (\$150.00) with the May 2, 2014 request.

Based on the information provided in the request, annual temporary permission is hereby granted to Crestwood for the discharge of the hydrostatic test wastewater generated from all new pipeline hydrostatic tests an operator may perform during an approved one-year period with the following understandings and conditions are applicable:

1. the volume does not exceed 25,000 gallons per hydrostatic test;
2. water from a public/municipal water supply or other OCD approved sources (upon specific request to OCD) is used for each test;
3. written notification must be provided to the OCD 72 hours prior to each hydrostatic discharge event;
4. the discharge does not enter any lake, perennial stream, river or their respective tributaries that may be seasonal;
5. no discharge shall occur to a surface water body without obtaining a National Pollution Discharge Elimination Systems (NPDES) permit from the US EPA, NMED, and OCD prior to the discharge;

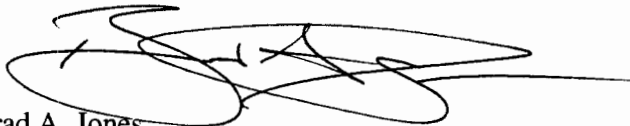
6. best management practices must be implemented to contain the discharge onsite, to ensure that the discharge does not impact adjacent property, and to control erosion;
7. the discharge does not cause any fresh water supplies to be degraded or to exceed standards as set forth in Subsections A, B, and C of the 20.6.2.3103 NMAC (the New Mexico Water Quality Control Commission Regulations);
8. Crestwood shall report all unauthorized discharges, spills, leaks and releases of hydrostatic test water and conduct corrective action pursuant to OCD Rule 19.15.29 NMAC;
9. the landowner(s) of each proposed discharge and/or collection/retention or alternative discharge location must be properly notified of the activities prior to each proposed hydrostatic test event; and
10. an annual report, summarizing each test of new pipeline with less than 25,000 gallons per hydrostatic test event, will be submitted to OCD within 45 days after the temporary permission expiration date and shall contain the following information:
 - a. the location of hydrostatic test (Section/Township/Range or GPS coordinates);
 - b. the date of each test;
 - c. the volume of each discharge; and
 - d. the source and quality of test water (laboratory analysis, if necessary).

Annual temporary permissions shall expire one (1) year after issuance. **This temporary permission will expire May 12, 2015.** Renewal requests for annual temporary permission to discharge shall be submitted forty-five (45) days prior to the expiration date. An annual temporary permission may be revoked or suspended for violation of any applicable provisions and/or conditions of this approval.

Please be advised that approval of this request does not relieve Crestwood of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve Crestwood 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 Offices