GW - 065

TEMPORARY PERMISSION

Hydrostatic Test

June 3, 2008

ACKNOWLEDGEMENT OF RECEIPT OF CHECK/CASH

I hereby acknowledge receipt of check No. _____ dated 7/30/08

or cash received on _____ in the amount of $ 150 00

from PHNI

for GW-065

Submitted by: Lawrence Romero Date: 8/12/08

Submitted to ASD by: Lawrence Romero Date: 8/12/08

Received in ASD by: _____ Date: _____

Filing Fee _____ New Facility _____ Renewal _____

Modification _____ Other Temporary Permission

Organization Code 521.07 Applicable FY 2004

To be deposited in the Water Quality Management Fund.

Full Payment _____ or Annual Increment _____

PNM Resources
Alvarado Square
Albuquerque, NM 87158-2104
www.pnmresources.com
505.241.2031
Fax: 505.241.2384

PNM Resources

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

August 5, 2008

Brad Jones
State of New Mexico - Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: PNM Redondo Hydrostatic Test
Temporary Permission fee for Hydrostatic Test Discharge Permit – GW065

Dear Mr. Jones,

Enclosed is a check in the amount of $150 for PNM's Temporary Permission to Hydrostatic Test Discharge at the Redondo Compressor Station.

Sincerely,

Marcelle Fiedler
Senior Environmental Scientist
Attachment: check
Cc: DCC

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division

June 3, 2008

Ms. Marcelle Fiedler
Environmental Scientist II
PNM
Alvarado Square
Albuquerque, New Mexico 87158-2104

Re: Hydrostatic Test Water Discharge - Temporary Permission
PNM Redonda Compressor Station – Permit GW-065
SE/4 NW/4 of Section 25, Township 8 North, Range 3 West, NMPM
Antonio Sedillo Land Grant
Valencia County, New Mexico

Dear Ms. Fiedler:

The New Mexico Oil Conservation Division (OCD) has received Public Service Company of New Mexico's (PNM) revised request, dated May 7, 2008, to hydrostatically test a 1,200 foot section of used 16-inch natural gas pipeline that is approximately 3.5 miles south of I-40 of the Route 6 Exit within the Antonio Sedillo Land Grant. The request indicates the PNM proposes to generate approximately 12,000 gallons of wastewater from a hydrostatic test of used pipeline. The hydrostatic test wastewater will be discharged and collected into a mobile tank for temporary storage and delivered to Key Energy Services for injection and disposal into a permitted Class I disposal injection well. The proposed collection point is located in the SE/4 NW/4 of Section 25, Township 8 North, Range 3 West, NMPM, Valencia County, New Mexico - within the Antonio Sedillo Land Grant.

Based on the information provided in the request, temporary permission is hereby granted for the disposal of the hydrostatic test water generated from the used pipeline test with the following understandings and conditions:

1. no discharge will occur at the hydrostatic test wastewater collection/discharge location: SE/4 NW/4 of Section 25, Township 8 North, Range 3 West, NMPM, Valencia County, New Mexico - within the Antonio Sedillo Land Grant;
2. the source of the hydrostatic test water will be obtained from the City of Albuquerque municipal water system;
3. approximately 12,000 gallons of hydrostatic test wastewater generated from the test will be slowly discharged and collected into a single 21,000 gallon mobile tank for temporary storage, while awaiting transfer and disposal into a Class I well at Key Energy Services;
4. the mobile tank shall have impermeable secondary containment (e.g., liners - visquene and berms – hay bales), which will contain a volume of at least one-third greater than the total volume of the tank;
5. no hydrostatic test wastewater generated from the test will be discharged to the ground or within the permitted boundary of the compressor station;

6. Key Energy Services will transport the hydrostatic test wastewater via trucks to their Class I well for injection and disposal;
7. all hydrostatic test wastewater will be removed from the discharge and/or collection/retention location within two weeks of the completion of the hydrostatic test event;
8. any surface area impacted or disturb from the approved activities shall be restored.
9. no collection or retention of hydrostatic test wastewater shall occur:
    a. within any lake, perennial stream, river or their respective tributaries that may be seasonal;
    b. where ground water is less than 10 feet below ground surface.
    c. within 200 feet of a watercourse, lakebed, sinkhole or playa lake;
    d. within an existing wellhead protection area;
    e. within, or within 500 feet of a wetland; or
    f. within 500 feet from the nearest permanent residence, school, hospital, institution or church;
10. best management practices must be implemented to contain the discharge and/or collection/retention onsite, not impact adjacent property, and to control erosion;
11. the discharge and/or collection/retention 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);
12. the landowner(s) of the proposed discharge and/or collection/retention or alternative discharge location must be properly notified of the activities prior to the proposed hydrostatic test event; and
13. PNM shall report all unauthorized discharges, spills, leaks and releases of hydrostatic test water and conduct corrective action pursuant to WQCC Regulation 20.5.12.1203 NMAC and OCD Rule 116 (19.15.3.116 NMAC).

It is understood that the hydrostatic test will occur sometime during the period of July 1, 2008 through August 31, 2008. This temporary permission **will expire in 120 calendar days** of the effective date of the letter.

This approval does not relieve PNM of responsibility should its operation result in pollution of surface water, ground water, or the environment. In addition, OCD approval does not relieve PNM of responsibility for compliance with other federal, state or local regulations.

If there are any questions regarding this matter, please do not hesitate to contact Brad A. Jones at (505) 476-3487 or brad.a.jones@state.nm.us. On behalf of the staff of the OCD, I wish to thank you and your staff for your cooperation.

Sincerely,

Wayne Price
Environmental Bureau Chief

LWP/baj

cc: OCD District IV Office, Santa Fe, NM

PNM Resources
Alvarado Square
Albuquerque, NM 87158-2104
www.pnmresources.com
505.241.2031
Fax: 505.241.2384

RECEIVED
2008 MAY 9 PM 2 18

PNM Resources

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

May 7, 2008

Brad Jones
State of New Mexico - Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Update and text revision of PNM Redonda Pressure Test – Request for temporary permission to Hydrostatically Test and Discharge at an existing permitted facility, Redonda Compressor Station GW-065 -

Dear Mr. Jones,

Public Service Company of New Mexico (PNM) is submitting their request for temporary permission to hydrostatically test and collect water at the Redonda Compressor Station (OCD permit GW-065), Valencia County, New Mexico. Following the Oil Conservation Division Guidelines for Hydrostatic Test Dewatering, PNM has provided the following information.

Summary of Activities
PNM will hydrostatically test a 1,200 foot section of used pipe that connects PNM's Redonda Compressor Station to the Transwestern/PNM Interconnect. Approximately 12,000 gallons of water from an Albuquerque municipal water source will be used for the test and collected at Redonda Compressor Station, an OCD permitted facility, GW-065. The water will be sent to a nationally accredited testing laboratory (NELAC) and undergo hazardous waste analysis. PNM plans to conduct the test in June 2008. The test water should be removed from the site within two weeks from the start of the hydrostatic test.

Name and Address of Discharger
PNM
Marcelle Fiedler
Alvarado Square MS2104
Albuquerque, NM 87158

Location and Legal Description of Test and Discharge
The test water will be collected at Redonda Compressor station, within the Antonio Sedillo Land Grant extrapolated Section 25, Township 25N, Range 3W. The Redonda Compressor station can be located by driving west on I-40 to the Route 6 exit. Follow Route 6 for 1.8 miles until it turns east. Where it turns east follow the railroad tracks for 1.6 miles until the place where you can cross the railroad tracks. After crossing the tracks follow the dirt road, staying to the left at the V

intersection, for 0.35 miles until you reach the Redonda Compressor station. Enclosed are maps showing the location of the pipeline to be tested.

Once collected, the hydrostatic test water will be sent to a nationally accredited testing laboratory (NELAC) for a hazardous waste analysis.

Maps

The following maps are included with this permit application.

- Overview of project area (topo map)
- Land Ownership map

Demonstration of Compliance with Siting Criteria

The water collection location, Redonda Compressor Station, and the discharge location, Key Energy Services Class 1 Injection Well, are OCD permitted facilities.

Description of Activities

The natural gas pipeline will be hydrostatically tested in one section using approximately 12,000 gallons of water from an Albuquerque municipal source. The pipe will be tested for a minimum of 8 hours. Once the hydrostatic test is complete the water will be transferred to a holding tank while water analysis is conducted.

Method & Location for Collection and Retention of Fluids & Solids

A single 21,000-gallon mobile tank will be used to contain the test water prior to transporting it to Key Energy Services Class 1 Injection Wells. The test water will be transferred from the pipe into the tank by connecting a hose from the pipe directly to the tank. PNM will use plastic liner or drip trays under hoses and valves to collect drips and leaks when transferring water to ensure there is no discharge to surface or ground water. One and one third Secondary containment will be constructed around the tank with hay bales and plastic. If water meets the OCD definition of Non-Hazardous/Non Exempt criteria, Key Energy Services an OCD approved water hauler will haul the water to their facility for disposal.

BMPs to Contain Discharge On Site & Control Erosion

Plastic liner and drip trays will be placed under hoses and valves to collect drips and leaks when transferring water. The holding tank will have secondary containment made with a plastic liner and hay bales and PNM will conduct daily inspections of the tank.

Request for Alternate Treatment/Disposal

If the analytical results of the hydrostatic test water determine that the hydrostatic test water is a Hazardous/Non-Exempt waste and above the regulatory limits found in 40 CFR 261, it will go to a RCRA permitted TSDF for disposal.

Hydrostatic Test Water Sampling Plan

Hydrostatic test water samples will be collected from the tank once filled. The test water will be analyzed for characteristics of hazardous waste per the test methods found in 40 CFR 261 Subpart C. PNM will expedite the laboratory analyses to minimize the storage time of the test water in the storage tank.

Disposal of Fluids & Solids

Hydrostatic test water

A representative sample of the hydrostatic test water will be taken from the holding tank. Prior to disposal, the water will be analyzed for the following according to Test Methods for Evaluating a Solid Waste, EPA No. SW-846:

- TPH (418.1)
- TCLP (RCRA 8 – EPA Method 1311)
- BTEX, MTB, TMB (8021B)
- PCB (8082)
- Reactivity
- Corrosivity
- Ignitability
- Chlorides

If the analytical results of the hydrostatic test water determine that the hydrostatic test water is a Non-Hazardous/Non-Exempt waste below the regulatory limits set forth in 40 CFR 261 Subpart C it will be sent to Key Energy Services Class 1 Injection Wells (Farmington, NM) for disposal. Key Energy is an OCD permitted facility.

Expected Quality & Volume of Discharge

The expected volume of the hydrostatic test discharge is approximately 12,000 gallons. PNM cannot guarantee that the water will meet WQCC standards and has determined that the most cost effective and expeditious way of disposing the water is through Key Energy Services Class 1 Injection Well. The water analysis for disposal at Key Energy is least expensive and has a shorter turn around time frame than the testing for WQCC standards. PNM does not anticipate the water will contain any hazardous constituents above OCD regulatory limits.

Geological Characteristics of Subsurface at Discharge Site

Because the collection location and discharge location are OCD permitted facilities, this information does not need to be provided.

Depth & TDS Concentration of Ground Water Most Likely to be Affected by Discharge

Because the collection location and discharge location are OCD permitted facilities, this information does not need to be provided.

ID of Landowners at and Adjacent to Discharge Site and Collection/Retention Site

A map is provided showing the landownership of the underlying and adjacent property owners from Redonda Station. Laguna Pueblo is the underlying and adjacent landowner and has been notified via certified mail about the project and hydrostatic test.

Closing

In the event of a release associated with project activities, PNM will comply with OCD's Release Notification and Corrective Action regulation NMAC 19.15.3.116 to remediate the spill as soon as possible.

A check for $100 is enclosed for the filing fee.

Thank you for your assistance. If additional information is required please notify me in writing. Please call me at (505) 241-0665 if you have any questions.

Sincerely,

Marcelle Fiedler
Senior Environmental Scientist
Attachment: Location maps
Cc: ESD/DCC

ACKNOWLEDGEMENT OF RECEIPT OF CHECK/CASH

I hereby acknowledge receipt of check No. _____ dated 4/3/08

or cash received on _____ in the amount of $ 100 00

from PNM

for GW-65

Submitted by: Lawrence Romero Date: 5/2/08

Submitted to ASD by: Lawrence Romero Date: 5/2/08

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 _____

PNM Resources
Alvarado Square
Albuquerque, NM 87158-2104
www.pnmresources.com
505.241.2031
Fax: 505.241.2384

PNM Resources

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

April 25, 2008

Brad Jones
State of New Mexico - Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: PNM Redonda Pressure Test – Request for temporary permission to Hydrostatically Test and Discharge at an existing permitted facility, Redonda Compressor Station GW-065

Dear Mr. Jones,

Public Service Company of New Mexico (PNM) is submitting their request for temporary permission to hydrostatically test and collect water at the Redonda Compressor Station (OCD permit GW-065), Valencia County, New Mexico. Following the Oil Conservation Division Guidelines for Hydrostatic Test Dewatering, PNM has provided the following information.

Summary of Activities
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Name and Address of Discharger
PNM
Marcelle Fiedler
Alvarado Square MS2104
Albuquerque, NM 87158

Location and Legal Description of Test and Discharge
The test water will be collected at Redonda Compressor station, within the Antonio Sedillo Land Grant extrapolated Section 25, Township 25N, Range 3W. The Redonda Compressor station can be located by driving west on I-40 to the Route 6 exit. Follow Route 6 for 1.8 miles until it turns east. Where it turns east follow the railroad tracks for 1.6 miles until the place where you can cross the railroad tracks. After crossing the tracks follow the dirt road, staying to the left at the V intersection, for 0.35 miles until you reach the Redonda Compressor station. Enclosed are maps showing the location of the pipeline to be tested.

Once collected, the hydrostatic test water will be sent to a nationally accredited testing laboratory (NELAC) for a hazardous waste analysis.

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Description of Activities

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Method & Location for Collection and Retention of Fluids & Solids

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BMPs to Contain Discharge On Site & Control Erosion

Plastic liner and drip trays will be placed under hoses and valves to collect drips and leaks when transferring water. The holding tank will have secondary containment made with a plastic liner and hay bales and PNM will conduct daily inspections of the tank.

Request for Alternate Treatment/Disposal

If the analytical results of the hydrostatic test water determine that the hydrostatic test water is a Hazardous/Non-Exempt waste and above the OCD regulatory limits found in NMAC 19.15.9.712 (D)(3), it will go to a RCRA permitted TSDF for disposal.

Hydrostatic Test Water Sampling Plan

Hydrostatic test water samples will be collected from the tank once filled. The test water will be analyzed per the test methods found in NMAC 19.15.9.712(E)(2) and NMAC 19.15.9.712 (D)(2)(l) if applicable. PNM will expedite the laboratory analyses to minimize the storage time of the test water in the storage tank.

Disposal of Fluids & Solids

Hydrostatic test water

If you have any questions about this payment please contact:

PNM UTILITY
Accounts Payable, MS 0720
Alvarado Square
Albuquerque, NM 87102

BANK #	CHECK DATE	VENDOR NO.	CHECK NO.
615	Apr/03/2008	SINGLEPMNT	158961

INVOICE #	DATE	AMOUNT	DISC.	NET AMT	VOUCHER ID	REMARKS
WQMF032008	Mar/20/2008	100.00	0.00	100.00	00137515	

PLEASE CONTACT VELMA CRUZ TO PICK UP CHECK

Total Gross Amount	Total Discounts	Total Paid Amount
$100.00	$0.00	$100.00

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- Ignitability
- Chlorides

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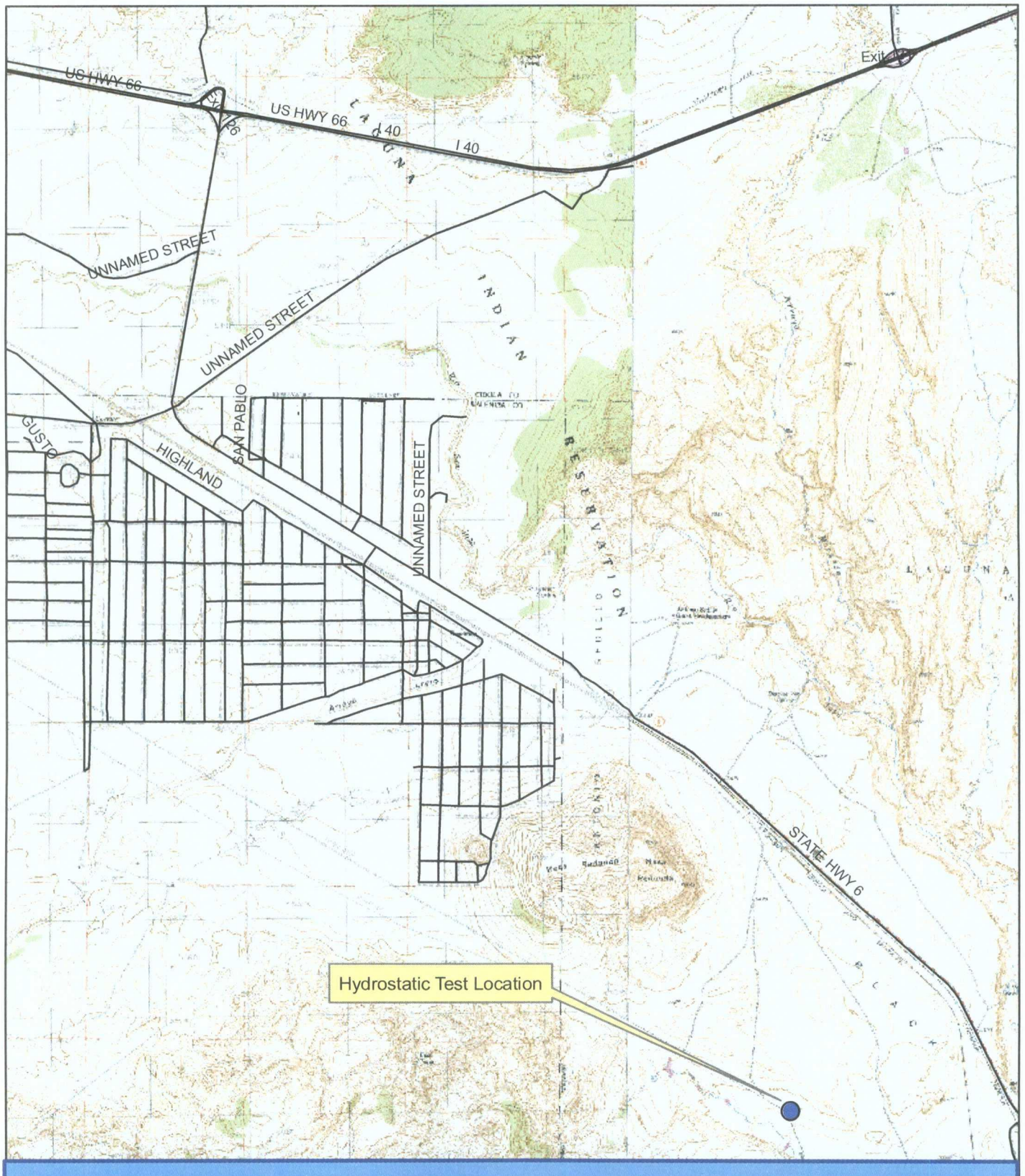
Sincerely,

Marcelle Fiedler
Senior Environmental Scientist
Attachment: Location maps
Cc: ESD/DCC

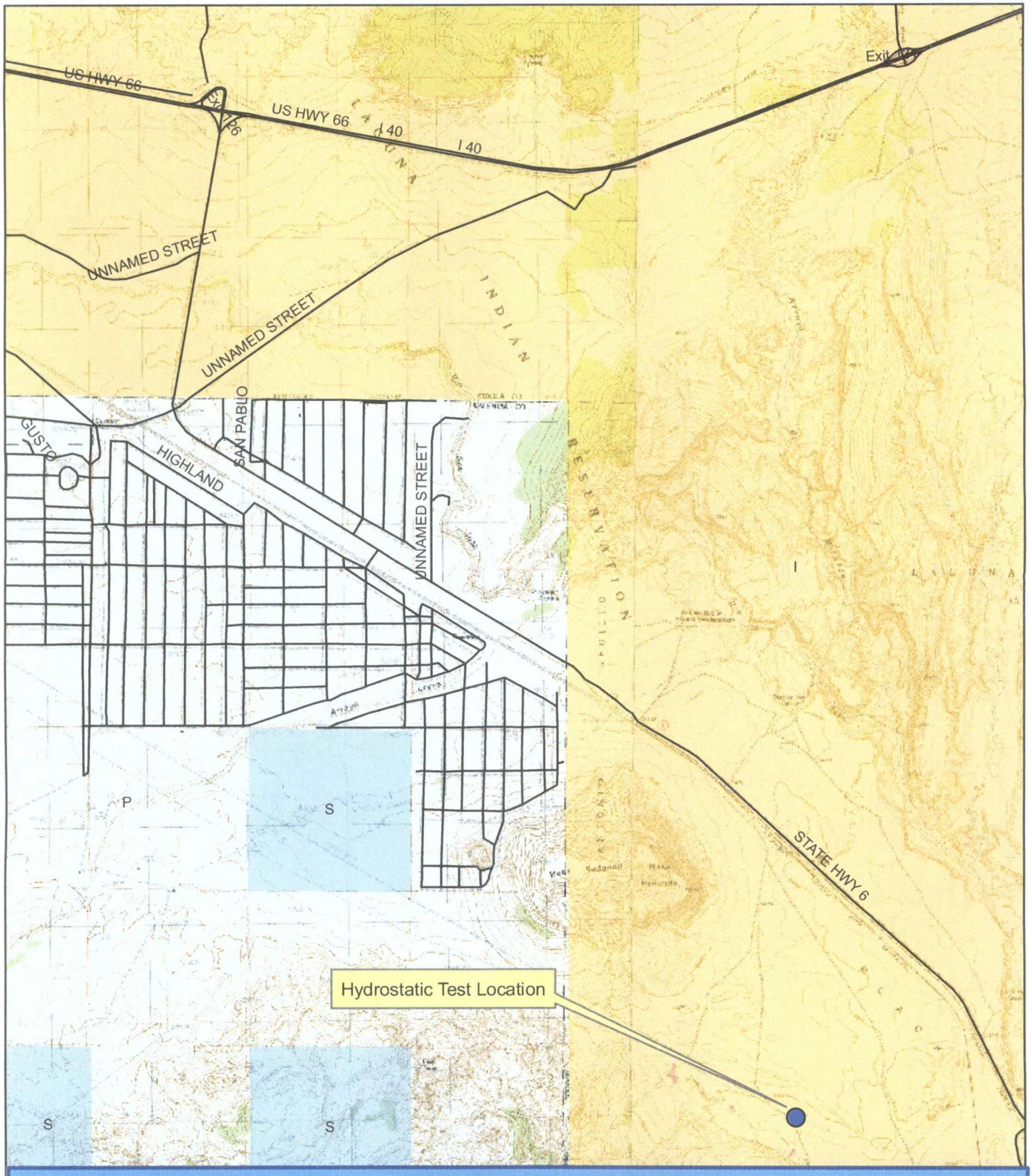


Ownership: Laguna Pueblo
Quad Map: South Garcia
Sec, T N, R: Section 25, T8N, R3W

PNM Redonda Hydrostatic Test
Valencia County, New Mexico

N
W E
S

4,300 2,150 0 4,300 8,600 12,900 Feet



Ownership: Laguna Pueblo
Quad Map: South Garcia
Sec, T N, R: Section 25, T8N, R3W

PNM Redonda Hydrostatic Test - Landownership map
Valencia County, New Mexico

S=State land
P=Private land
I=Indian land

4,300 2,150 0 4,300 8,600 12,900 Feet

N
W E
S