

HIP- _____ 112 _____

**PERMITS,
RENEWALS, &
MODS**



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
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Deputy Cabinet Secretary

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Oil Conservation Division



October 28, 2008

Mr. Michael D. Ford
Hess Corporation
500 Dallas Street
Houston, Texas 77002

**Re: Hydrostatic Test Discharge Permit HIP-112
Hess Corporation
Section 31, Township 19 North, Range 32 East, NMPM,
Harding County, New Mexico**

Dear Mr. Ford:

The New Mexico Oil Conservation Division (OCD) has received Hess Corporation's (Hess) request, dated July 16, 2008, revised notice of intent (NOI), emailed August 6, 2008, for authorization to discharge approximately 362,000 gallons of wastewater from a hydrostatic test of approximately 11.5 miles of a new 12-inch carbon dioxide (CO₂) transmission pipeline, approximately 6 miles northwest of Rosebud, New Mexico. The proposed discharge site is in the West Brave Dome field located within Section 31, Township 19 North, Range 32 East, NMPM, Harding County, New Mexico.

Based on the information provided in the request, the hydrostatic test water discharge **is hereby approved** with the following understandings and conditions:

1. Hess will be testing approximately 11.5 miles of a new 12-inch carbon dioxide (CO₂) transmission pipeline, approximately 6 miles northwest of Rosebud, New Mexico.
2. Source of the hydrostatic test water will be obtained from the Girard Well. Based on the laboratory analytical results and on the information provided in the request; OCD identifies the Girard Well as an approved water source for this hydrostatic test.
3. Hydrostatic test water generated from the test will be temporarily stored within a temporary lined pond. Hess shall comply with the design and construction requirements for a temporary pit of 19.15.17 NMAC in the construction of the temporary pond.
4. Hess shall implement best management practices in order to prevent the release of any hydrostatic test wastewater.
5. Hess will secure a sample from the temporary pond and immediately analyzes it at a certified laboratory.
6. All analyzes of samples from wastewater generated from the test must not exceed the standards as set forth in Subsections A, B, and C of the 20.6.2.3103 NMAC.
7. Test results will be sent to the OCD for review and subsequent approval or disapproval for the test water to be discharged.



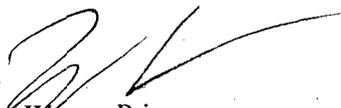
8. If final discharge of the test water is not approved by the OCD, Hess will transport the hydrostatic test water to an OCD approved facility for disposal or treat the wastewater to OCD's approved specifications for discharge.
9. If final discharge of the wastewater is approved, the discharge shall occur on private property located within Section 31, Township 19 North, Range 32 East, NMPM, Harding County, New Mexico.
10. If final discharge of the wastewater is approved, no hydrostatic test water generated from the test will be discharged to groundwater.
11. If final discharge of the wastewater is approved, no discharge shall occur:
 - a. where ground water is less than 10 feet below ground surface.
 - b. within 200 feet of a watercourse, lakebed, sinkhole or playa lake;
 - c. within an existing wellhead protection area;
 - d. within, or within 500 feet of a wetland; or
 - e. within 500 feet from the nearest permanent residence, school, hospital, institution or church;
12. Hess shall remove all hydrostatic test wastewater from the temporary pond within approximately 20 days of OCD's approval to discharge.
13. Hess shall remove any solids from the temporary pond and disposal of such solids within an OCD approved facility.
14. Hess shall remove the pond liner within seven days after the pond is emptied and dispose of the liner material within an OCD approved facility or the proposed BFI landfill facility near Canyon, Texas.
15. Hess shall backfill the pond after the liner is removed and shall restore and reseed any surface area impacted or disturb from the approved activities.
16. Hess shall report all unauthorized discharges, spills, leaks and releases of hydrostatic test water and conduct corrective action pursuant to WQCC Regulation 20.6.2.1203 NMAC and OCD Rule 116 (19.15.3.116 NMAC).

It is understood that the hydrostatic test will begin approximately October 15, 2008. **This permit will expire in 120 calendar days from the proposed start date of January 28, 2009.** This permit may be revoked or suspended for violation of any applicable provisions and/or conditions of the permit.

This approval does not relieve Hess of responsibility should its operation result in pollution of surface water, ground water, or the environment. In addition, OCD approval does not relieve Hess 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.

Sincerely,



Wayne Price
Environmental Bureau Chief

LWP/baj

cc: OCD District Vi Offices, Santa Fe