

HBP - ____1____

**GENERAL
CORRESPONDENCE**

YEAR(S):

____2009 - Present____



711 Louisiana St., Suite 900
Houston, Texas 77002
281-714-2195
832-668-1124 (Fax)
buffy.thomason@energytransfer.com

November 19, 2010

RECEIVED 11/19/10

2010 11 19 PM 3:55

Brad A. Jones
Environmental Engineer
Environmental Bureau
New Mexico Oil Conservation Department (OCD)
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Annual Report for Hydrostatic Test Dewatering
Transwestern Pipeline Company's Atoka 8-inch Lateral Pipeline Replacement
Project (HBP-001)

Dear Mr. Jones:

Transwestern Pipeline Company (Transwestern) conducted the replacement of approximately 800 feet of an existing 8-inch natural gas pipeline, within an existing 150-foot right-of-way across the Pecos River, approximately eight miles southeast of Artesia in Eddy County, New Mexico in December 2009. In accordance with permit number HBP-001, Transwestern is providing details of the discharge as an annual report.

One discharge of approximately 3,200 gallons of municipal water occurred on December 20, 2009 in Section 7, Township 18S, Range 27E. The discharge did not reach a waterbody. No laboratory analyses were required.

Transwestern is not requesting permission to renew this permit. Please let me know if you have any questions or need additional information.

Thank you,

Buffy Thomason
Environmental Scientist

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. _____ dated 11/18/09

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

from Transwestern Pipeline

for HBP-1

Submitted by: Lawrence Romero Date: 11/24/09

Submitted to ASD by: James Roman Date: 11/24/09

Received in ASD by: _____ Date: _____

Filing Fee _____ New Facility _____ Renewal _____

Modification _____ Other Temp Discharge

Organization Code 521.07 Applicable FY 2004

To be deposited in the Water Quality Management Fund

Full Payment _____ or Annual Increment _____



TRANSMITTAL LETTER

To Mr. Brad Jones Date November 18, 2009
Environmental Engineer
Environmental Bureau
New Mexico Oil Conservation Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Project Transwestern Pipeline Company Project No. N/A

☐

As Requested

☒

For Approval

☒

For Your Information and File

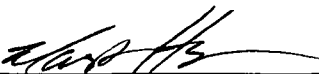
☐

Other

NUMBER	DESCRIPTION
1	Request for Annual Temporary Permission to Discharge
	Hydrostatic Test Waters for Transwestern Pipeline Company
1	Check No. 2023 for the amount of \$150.00 – Temporary Permission Fee

Remarks

By


Marty Heaney

Copies

RECEIVED OCD
2009 NOV 19 A 11:42



November 18, 2009

Mr. Brad Jones
Environmental Engineer
Environmental Bureau
New Mexico Oil Conservation Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Request for Annual Temporary Permission to Discharge
Hydrostatic Test Waters
Transwestern Pipeline Company

Dear Mr. Jones:

On behalf of Transwestern Pipeline Company (Transwestern), BIO-WEST would like to request an Annual Temporary Permission to Discharge Hydrostatic Test Waters. Transwestern understands this permit will only apply to new pipe construction for hydrostatic tests less than 25,000 gallons per test and will fully comply with the criteria outlined in your Guidelines for Hydrostatic Test Dewatering (Revised January 11, 2009) presented below:

Annual Temporary Permission to Discharge Criteria:

- a. the volume does not exceed 25,000 gallons per hydrostatic test;
- b. water from a public/municipal water supply or other New Mexico Oil Conservation Division (OCD) approved sources is used for each test;
- c. oral or written notification must be provided to the OCD 72 hours prior to each hydrostatic discharge event;
- d. the discharge does not enter any lake, perennial stream, river or their respective tributaries that may be seasonal;
- e. no discharge shall occur:
 - i. where ground water is less than 10 feet below ground surface.
 - ii. within 200 feet of a watercourse, lakebed, sinkhole or playa lake;
 - iii. within an existing wellhead protection area;
 - iv. within, or within 500 feet of a wetland; or
 - v. within 500 feet from the nearest permanent residence, school, hospital, Institution or church;
- f. best management practices must be implemented to contain the discharge onsite, does not impact adjacent property, and to control erosion;

Annual Temporary Permission to Discharge Criteria Cont'd:

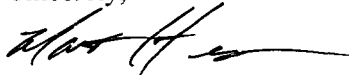
- g. the discharge does not cause any fresh water supplies to be degraded or to exceed standards as set forth in Subsections A, B, and C of the 20.6.2.3103 NMAC (the New Mexico Water Quality Control Commission Regulations);
- h. the landowner(s) of each proposed discharge and/or collection/retention or alternative discharge location must be properly notified of the activities prior to each proposed hydrostatic test event; and
- i. an annual report, summarizing all tests of new pipe with less than 25,000 gallons per hydrostatic test event, will be submitted to the OCD within 45 days after the temporary permission expiration date and shall contain the following information:
 - i. the location of hydrostatic test (Section/Township/Range or GPS coordinates);
 - ii. the date of each test;
 - iii. the volume of each discharge; and
 - iv. the source and quality of test water (laboratory analysis, if necessary).

Please find included a check for the amount of \$150.00 made out to the Water Quality Management Fund for a temporary permission fee. In addition, the contact for Transwestern Pipeline Company will be:

Ms. Buffy Thomason
Environmental Project Manager
Transwestern Pipeline Company, LLC
711 Louisiana Street
Houston, Texas 77002
(281) 714-2195

We greatly appreciate your help and support with this request. Please feel free to contact me at (281) 380-7930 or Buffy Thomason at (281) 714-2195 should you have any questions.

Sincerely,



Martin Heaney
Senior Ecologist

cc: Buffy Thomason, Transwestern



TRANSMITTAL LETTER

To Mr. Brad Jones Date November 18, 2009
Environmental Engineer
Environmental Bureau
New Mexico Oil Conservation Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Project Transwestern Pipeline Company Project No. N/A

☐ As Requested

☒ For Approval

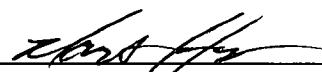
☒ For Your Information and File

☐ Other

NUMBER	DESCRIPTION
1	Request to Rescind Previous Letter Request
	Annual Temporary Permission to Discharge
	Hydrostatic Test Waters
	Transwestern Pipeline Company

Remarks

By


Marty Heaney

Copies



November 18, 2009

Mr. Brad Jones
Environmental Engineer
Environmental Bureau
New Mexico Oil Conservation Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Request to Rescind Previous Letter Request
Annual Temporary Permission to Discharge
Hydrostatic Test Waters
Transwestern Pipeline Company

Dear Mr. Jones:

On behalf of Transwestern Pipeline Company (Transwestern), BIO-WEST would like to rescind our previous letter dated November 5, 2009 requesting annual temporary permission to discharge hydrostatic test water. This request is pursuant to our conversation clarifying what is needed by your department for such projects. Since this time, we have submitted a revised request dated November 18, 2009.

I greatly apologize for any inconvenience and sincerely appreciate your time and patience expediting our most recent request. If you have any questions or comments, please feel free to contact me at by phone at (281) 380-7930.

Thank you once again,

A handwritten signature in black ink, appearing to read 'Martin Heaney', written in a cursive style.

Martin Heaney
Senior Ecologist

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. _____ dated 11/10/09

or cash received on _____ in the amount of \$ 100⁰⁰

from Transwestern Pipeline Co

for HBP-1

Submitted by: LAURIE POWERS Date: 11/20/09

Submitted to ASD by: LAURIE POWERS Date: 11/20/09

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 _____



RECEIVED

NOV 17 2009

Per.....

November 5, 2009

Brad A. Jones
Environmental Engineer
Environmental Bureau
New Mexico Oil Conservation Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
brad.a.jones@state.nm.us
(505) 476-3487

Re: Request for Annual Temporary Permission to Discharge, Hydrostatic Test Dewatering for Transwestern Pipeline Company's Atoka 8-inch Lateral Pipeline Replacement Project

Dear Mr. Jones:

Transwestern Pipeline Company (Transwestern) is proposing the replacement of approximately 800 feet of an existing 8-inch natural gas pipeline (Project), within an existing 150-foot right-of-way (ROW) across the Pecos River approximately 8 miles southeast of Artesia in Eddy County, New Mexico (Exhibit 1).

In summary, the proposed Project will require the use of approximately 3,200 gallons of municipal water to be trucked in to test the new pipeline segment. The discharge point may occur on either side of the river, at a location greater than 200 feet from the Pecos River on private property within the existing ROW. Proper best management practices (BMPs) will be utilized at the discharge point in order to prevent erosion. All other guidelines to be followed for the Project will be based on the revised January 11, 2007 "Guidelines for Hydrostatic Test Dewatering," which has been provided in Appendix A. A summary of these guidelines along with relevant project information has also been provided.

Contact Information

Buffy Thomason
Environmental Project Manager
Transwestern Pipeline Company, LLC
711 Louisiana Street
Houston, Texas 77002
(281) 714-2195

Project Location*

State Plane Coordinates; New Mexico East Zone; NAD83
Drill Entry side top of bank: Lat. 32°45'48.9680", Long. -104°19'23.2920"
Drill Exit side top of bank: Lat. 32°45'48.8247", Long. -104°19'24.3875"
Section 7 Township 18S Range 27E

*Coordinates do represent Project location, not discharge location

Guidelines

- A. Volume of water is approximately 3,200 gallons;
- B. Source of the water will be the municipal, potable water supply;
- C. Transwestern will notify the New Mexico Oil Conservation Department (OCD) 72 hours prior to the hydrostatic discharge event;
- D. Prior to conducting on-site surveys of the Project area, BIO-WEST conducted a review of maps and photographs, collected from the New Mexico Resource Geographic Information System Project (NMRGIS), U.S. Geological Survey (USGS), and Natural Resources Conservation Service (NRCS). This review showed little topographic relief along the proposed Project ROW and an approximately 10-foot change in elevation from the top of the banks of the ROW to the Pecos River.

An on-site waters of the U.S. and wetlands delineation was conducted by BIO-WEST, Inc. (BIO-WEST) on September 30, 2009 to verify hydrologic conditions. The Pecos River was identified as the only potential jurisdictional water within the survey area. Hydrostatic discharge will not occur near the Pecos River to ensure that discharge does not enter the river.

- E. No discharge shall occur:
 - i. Where ground water is less than 10 feet below the surface. According to the New Mexico Office of the State Engineer (OSE) Water Rights Reporting System (WRRS), no average depth to groundwater data exists for the Project location (S7 T18S R27E). For the same township and range in which the Project occurs (T18S R27E), the average depth to groundwater, based on 11 records, is 78 feet with the minimum depth at 17 feet (<http://nmwrrs.ose.state.nm.us/WRDispatcher?page=waterColumn>). A copy of the WRRS Report is provided in Appendix B;
 - ii. Within 200 feet of the Pecos River, no other potential jurisdictional water was identified within the Project area;
 - iii. Within a wellhead protection area;
 - iv. Within a wetland. No wetlands were identified within the Project area;
 - v. Within 500 feet of a residence, school, hospital, institution, or church.
- F. Best management practices (BMPs) will be implemented by Transwestern in order to contain the on-site discharge and may include: hay bale structures, geosynthetic dewatering sacks or similar structure.
- G. Discharge will not degrade existing freshwater supplies;
- H. Landowners of the adjacent properties will be contacted and notified prior to each hydrostatic test discharge event. Adjacent landowners include: Higgins Trust, attn: David Vandiver (575) 746-9841 and Yates Petroleum (575) 624-4300.
- I. An annual report will be provided to the OCD no later than 45 days after the temporary permission expiration date and will include: the location of the hydrostatic test discharge event (Section/Township/Range or GPS coordinates), the date of the test, the volume of the discharge, and the source and quality of test water.

On behalf of Transwestern, we would like to request an Annual Temporary Permission to Discharge, for Hydrostatic Test Dewatering, from the OCD, New Mexico Engineer, Minerals, and Natural Resources Department (EMNRD) for the Atoka Lateral Pipeline Replacement Project located in Eddy County, New Mexico.

Included is a payment of \$100.00 filing fee to the Water Quality Management Fund. Upon approval of the annual temporary permission to discharge, Transwestern will pay a temporary permission fee of \$150.00 to the Water Quality Management Fund.

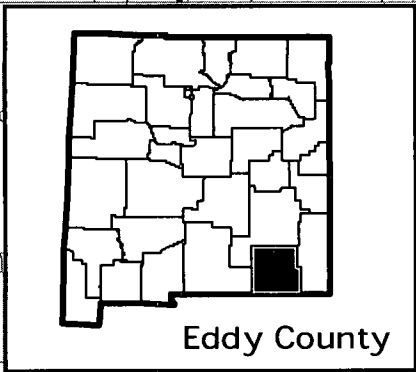
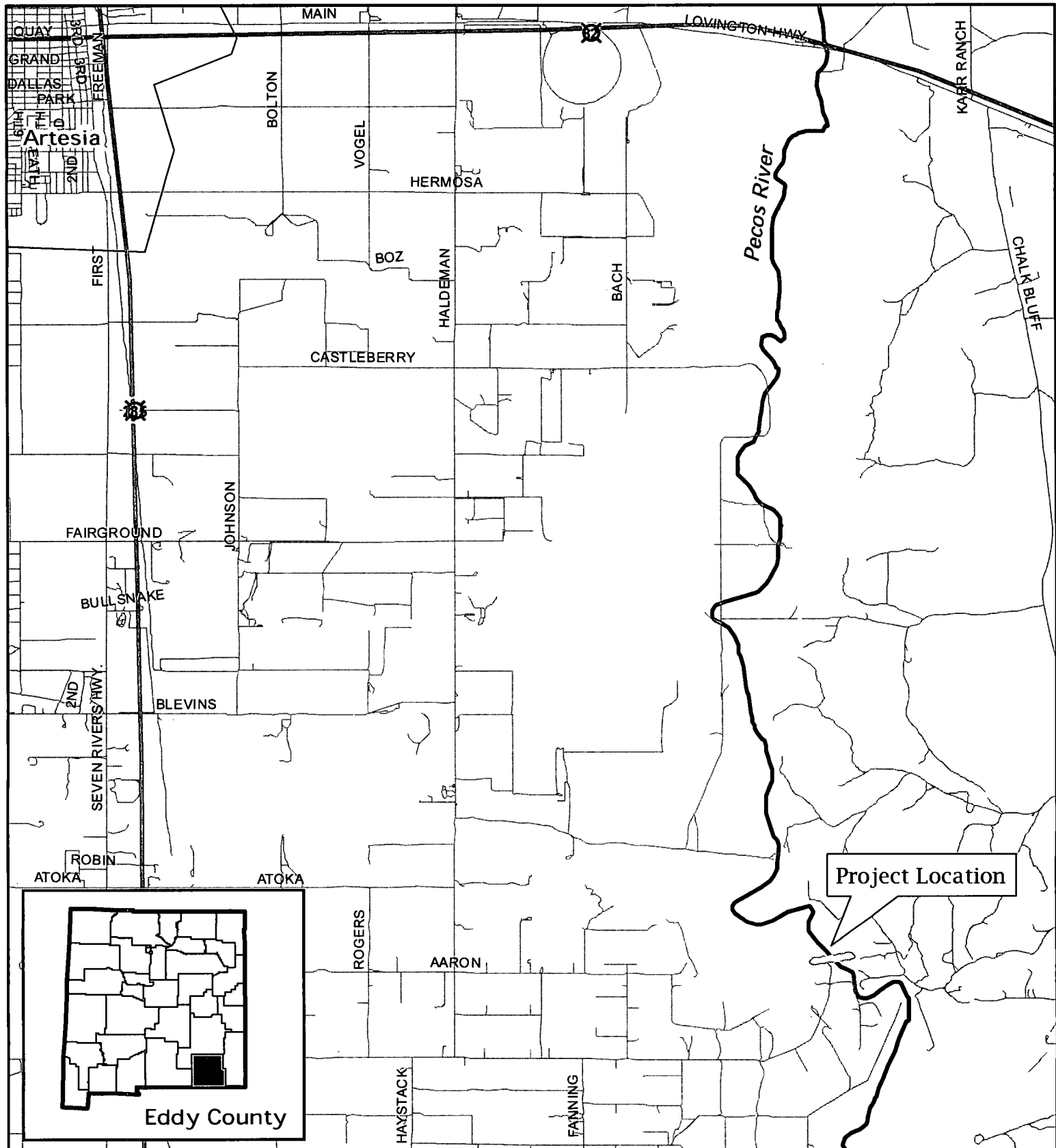
We greatly appreciate your help and support with this Project. Please feel free to contact me at (281) 380-7930 or Buffy Thomason at (281) 714-2195 should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Martin Heaney', with a stylized flourish at the end.

Martin Heaney
Senior Ecologist

cc: Buffy Thomason, Transwestern



Legend

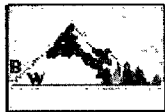
— Pipeline Right-of-way

0 3,000 6,000
Feet

0 0.5 1
Miles

1 inch = 1 miles

Prepared by:



BIO-WEST, Inc.
1018 Frost Street
Rosenberg, Texas
Phone: 832.595.9064

Prepared for:



ENERGY TRANSFER
Transwestern Pipeline Company

Exhibit 1

Local Area Map
Atoka 8-inch Pipeline Replacement
Eddy County, New Mexico

Date: October 1, 2009

Project: 1273

File: P:\Projects\1273\GIS\Local_Area.pdf

Appendix A

Guidelines for Hydrostatic Test Dewatering

GUIDELINES FOR HYDROSTATIC TEST DEWATERING

**Revised
January 11, 2007**

**NEW MEXICO OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
SANTA FE, NEW MEXICO 87505**

Purpose:

This document may be used as a guide for filing proper notification and preparing plans when operators intend to discharge water used for hydrostatic testing of crude oil and natural gas pipelines under the jurisdiction of the New Mexico Oil Conservation Division (OCD). Hydrostatic testing of these pipelines may lead to the generation of water contaminants and cause water pollution if discharged without proper methods and controls. Operators must receive approval from OCD for all such discharges.

OCD will normally grant two types of approvals,

1. Individual discharge permits, pursuant to Water Quality Control Regulations (WQCC) 20.6.2.3104 NMAC, are required for any generated volume of hydrostatic test water greater than 25,000 gallons for new pipe or any volume for used pipe. These permits require public notice pursuant to 20.6.2.3108 and a \$100 filing and \$600 general permit fee pursuant to Section 3114 of 20.6.2.NMAC.
2. Annual temporary permission may be granted for small quantities less than 25,000 gallons per test when the water to be discharged is generated from new pipe utilizing clean water. "Clean" water is defined as water from a public/municipal water supply or other OCD approved sources. The annual temporary permission to discharge covers all hydrostatic tests an operator may perform during an approved one (1) year period that satisfy the conditions specified below. An annual temporary permission to discharge is renewable. These approvals do not require public notice but a \$100 filing and \$150 temporary permission fee are assessed pursuant to Table 2 of 20.6.2.3114 NMAC.

General Requirements:

1. All hydrostatic tests require individual discharge permits or temporary permission for each discharge event unless approved otherwise.
2. Water discharged from hydrostatic testing of petroleum or natural gas transportation pipelines shall not cause water pollution pursuant to Subsection CCC of 20.6.2.7 NMAC (New Mexico Water Quality Control Commission Regulations).

3. In order for hydrostatic test wastewater to be discharged in an area where it may reach fresh water supplies, *it must be demonstrated* that the wastewater discharges will meet or be better than the quality of the receiving waters and/or not cause the ground water to exceed standards as set forth in Section 3103 A, B, and C of the New Mexico Water Quality Control Commission Regulations.
4. All fees (filing, temporary permission, and permit fees) shall be made out to the Water Quality Management Fund and submitted to the OCD. Please refer to guidance below to determine when payments of certain fees are required. Please remit all checks for payment made payable to Water Quality Management Fund:

Water Quality Management Fund
C/o: Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, New Mexico 87505

Individual Discharge Permits:

New Pipelines - Hydrostatic tests of 25,000 gallons or more per test.

Old Pipelines – All hydrostatic tests.

Pursuit to Section 1201 of 20.6.2 NMAC, applicants must submit a notice of intent (NOI) to discharge and a \$100 filing fee to the OCD. It is recommended to submit the NOI no less than 90 days prior to the potential discharge, in order to satisfy the public notice requirements (20.6.2.3108 NMAC), if determined necessary. The notice of intent to discharge shall include:

- a. the name and address of the proposed discharger;
- b. the location of the discharge, including a street address, if available, and sufficient information to locate the facility with respect to surrounding landmarks;
- c. legal description (Section/Township/Range) of the discharge location;
- d. maps (site specific and regional) indicating the location of the pipelines to be tested and the proposed discharge location;
- e. a demonstration of compliance to the following siting criteria or *justification for any exceptions*:
 - i. within 200 feet of a watercourse, lakebed, sinkhole or playa lake;
 - ii. within an existing wellhead protection area or 100-year floodplain;
 - iii. within, or within 500 feet of, a wetland;
 - iv. within the area overlying a subsurface mine; or
 - v. within 500 feet from the nearest permanent residence, school, hospital, institution or church;
- f. a brief description of the activities that produce the discharge;
- g. the method and location for collection and retention of fluids and solids;
- h. a brief description of best management practices to be implemented to contain the discharge onsite and to control erosion;

- i. a request for approval of an alternative treatment, use, and/or discharge location (other than the original discharge site), if necessary;
- j. a proposed hydrostatic test wastewater 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);
- l. a brief description of the expected quality and volume of the discharge;
- m. geological characteristics of the subsurface at the proposed discharge site;
- n. the depth to and total dissolved solids concentration of the ground water most likely to be affected by the discharge; and
- o. identification of landowners at and adjacent to the discharge and collection/retention site.

In accordance with Section 3114 of 20.6.2 NMAC, the applicant shall pay a filing fee of \$100.00 to the Water Quality Management Fund with the notice of intent to discharge submittal.

In accordance with subsection D of 20.6.2.1201 NMAC, OCD will review the information provided in the notice of intent to discharge and determine if a discharge permit or temporary permission is required.

If a discharge permit is required, the applicant must satisfy the requirements of subsection A of 20.6.2.3108 NMAC in order for the OCD to deem the application administratively complete. Once the application is deemed administratively complete, the applicant must satisfy the notice requirements specified in Section 3108 of 20.6.2 NMAC.

Following the public notice period (applicant and OCD), if the OCD proposes approval of the application and it is determined that there is no substantial public interest, a discharge permit will be issued and payment of the permit fee will be requested. In accordance with Section 3114 of 20.6.2 NMAC, the applicant shall pay a general permit fee of \$600.00 to the Water Quality Management Fund upon receipt of the approval.

Discharge permits will not activate or become valid until full payment of all fees and a signed copy of the conditions are received by the OCD Santa Fe Office.

All analyzes of samples from wastewater generated from testing must demonstrate that 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).

Annual Temporary Permission To Discharge:

New Pipelines - Hydrostatic tests less than 25,000 gallons per test.

Hydrostatic tests of new pipelines generating less than 25,000 gallons per test require temporary permission. An annual temporary permission to discharge may be granted, upon the submittal of a written request. An annual temporary permission to discharge covers all hydrostatic tests an

operator may perform during an approved one-year period when the following conditions are applicable:

- a. the volume does not exceed 25,000 gallons per hydrostatic test;
- b. water from a public/municipal water supply or other OCD approved sources is used for each test;
- c. oral or written notification must be provided to the OCD 72 hours prior to each hydrostatic discharge event;
- d. the discharge does not enter any lake, perennial stream, river or their respective tributaries that may be seasonal;
- e. no discharge shall occur:
 - i. where ground water is less than 10 feet below ground surface.
 - ii. within 200 feet of a watercourse, lakebed, sinkhole or playa lake;
 - iii. within an existing wellhead protection area;
 - iv. within, or within 500 feet of a wetland; or
 - v. within 500 feet from the nearest permanent residence, school, hospital, institution or church;
- f. best management practices must be implemented to contain the discharge onsite, does not impact adjacent property, and to control erosion;
- g. 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);
- h. 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
- i. an annual report, summarizing all tests of new pipe with less than 25,000 gallons per hydrostatic test event, will be submitted to the OCD within 45 days after the temporary permission expiration date and shall contain the following information:
 - i. the location of hydrostatic test (Section/Township/Range or GPS coordinates);
 - ii. the date of each test;
 - iii. the volume of each discharge; and
 - iv. the source and quality of test water (laboratory analysis, if necessary).

In accordance with Section 3114 of 20.6.2 NMAC, the applicant shall pay a filing fee of \$100.00 to the Water Quality Management Fund upon the submittal of a written request for an annual temporary permission to discharge.

If the OCD grants approval of an annual temporary permission to discharge, a temporary permission fee will be requested. In accordance with Subsection A of 20.6.2.3114 NMAC, the applicant shall pay a temporary permission fee of \$150.00 to the Water Quality Management Fund. Annual temporary permissions will not activate or become valid until the OCD Santa Fe Office receives payment of all fees.

Annual temporary permissions shall expire one (1) year after issuance. 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 the permit.

Appendix B
Water Rights Reporting System (WRRS) Report



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest) (NAD83 UTM in meters) (In feet)

POD Number	Sub basin	Use	County	Q 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	Depth Well	Depth Water	Water Column
L 01370 REPAR-1	DOM	LE	LE	2	4	15	18S	27E	569328	3623355*	96	58	38	
RA 03714	PRO	CH	CH	4	4	2	08	18S	27E	566212	3625253*	381		
RA 03917	PRO	LE	LE	4	1	2	10	18S	27E	569019	3625660*	130	50	80
RA 04048	OBS	LE	LE	1	4	4	14	18S	27E	570841	3623030*	2096		
RA 04211	PRO	CH	CH	3	1	28	18S	27E	566512	3620562*	120	100	20	
RA 04298	OBS	ED	ED	1	2	19	18S	27E	564082	3622523*	92			
RA 05524	STK	ED	ED	2	4	33	18S	27E	567721	3618532*	90	49	41	
RA 05660	PRO	ED	ED	3	4	31	18S	27E	564094	3618090*	305	65	240	
RA 05664	EXP	ED	ED	4	1	33	18S	27E	566914	3618936*		145		
RA 05664	OBS	ED	ED	4	1	33	18S	27E	566914	3618936*		145		
RA 06091	PRO	ED	ED	1	2	3	29	18S	27E	565211	3620222*	90	17	73

Average Depth to Water: **78 feet**

Minimum Depth: **17 feet**

Maximum Depth: **145 feet**

Record Count: 11

PLSS Search:

Township: 18S Range: 27E

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.