

HBP - _23_

**PERMITS,
RENEWALS, &
MODS**



New Mexico Energy, Minerals and Natural Resources Department

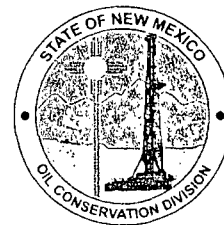
Bill Richardson

Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



May 6, 2010

Mr. Ronnie Reynolds
EMW Gas Association
416 5th Street
Estancia, New Mexico 87016

Re: Request for an Annual Temporary Permission To Discharge Hydrostatic Test Water
EMW Gas Association
Permit: HBP-023

Dear Mr. Reynolds:

The Oil Conservation Division (OCD) has received EMW Gas Association's (EMW) request, submitted by JK Associates, Inc. on the behalf of EMW and dated May 3, 2010, for an annual temporary permission to discharge small quantities of hydrostatic test wastewater generated from the testing of new natural gas pipelines throughout the State of New Mexico. Also, the OCD acknowledges receipt of the filing fee (\$100.00) and temporary permission fee (\$150.00) with the May 3, 2010 request.

Based on the information provided in the request, The OCD hereby grants annual temporary permission. Hydrostatic test wastewater generated from all hydrostatic tests that EMW may perform during an approved one-year period with the following conditions:

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 is used for each test;
3. oral or 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:
 - 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,



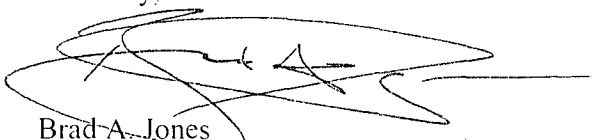
6. best management practices must be implemented to contain the discharge onsite, to ensure that the discharge does not impact adjacent property, and to control erosion;
7. the discharge does not cause any fresh water supplies to be degraded or to exceed standards as set forth in Subsections A, B, and C of the 20.6.2.3103 NMAC (the New Mexico Water Quality Control Commission Regulations);
8. EMW 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 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 all tests of new pipeline 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:
 - 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 5, 2011.** *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 EMW of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve EMW 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
Jon Jones, JK Associates, Inc., 18 Dressage Drive, Tijeras, NM 87059