

HITP - 013

**TEMPORARY
PERMISSION
2010**

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. _____ dated 8/27/10

or cash received on _____ in the amount of \$ 150⁰⁰

from Exstar Operating Co.

for HITP-013

Submitted by: Lawrence Romero Date: 8/31/10

Submitted to ASD by: Yuliana Rocio Date: 8/31/10

Received in ASD by: _____ Date: _____

Filing Fee _____ New Facility _____ Renewal _____

Modification _____ Other TEMPERARY PERMISSES

Organization Code 521.07 Applicable FY 2010

To be deposited in the Water Quality Management Fund.

Full Payment _____ or Annual Increment _____



August 30, 2010

Brad A. Jones
New Mexico Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: *Enstor Grama Ridge Storage and Transportation, LLC*
Hydrostatic Test Discharge-Individual Temporary Permission HITP-13
Locations: SW/4 of the NW/4 of Section 3, Township 22 South, Range 34 Ease NMPM
Lea County, New Mexico
Temporary Permission Fee

Dear Mr. Jones,

Pursuant to 20.26.2.3114 NMAC and the temporary permission fee set out in the August 9, 2010 Hydrostatic Test Discharge – Individual Temporary Permission referenced above, enclosed you will find a check (Check No. 2012698) made payable to the Water Quality Management Fund.

Should you have any questions, please contact the undersigned directly at (281) 374-3062 or daryl.gee@enstorinc.com

Regards,

Daryl W. Gee
Director, Regulatory Affairs & Land Management

Enclosures

RECEIVED OCD
200 AUG 31 P 12:52

Vendor No: 141299
State Of New Mexico
Oil Conservation Division
Water Quality Management Fund
1220 South St Francis Dr
Santa Fe, NM 87505

Check Date 27-AUG-10
Check 2012698

IBERDROLA RENEWABLES
Accounts Payable Dept.
1125 NW Couch Suite 600
Portland, OR 97209
503.796.7000
accounts.payable@iberdrolausa.com

Invoice Number	Invoice Date	Description	Net Amount
080910	09-AUG-10	TEMPORARY STORAGE PERMISSION FEE	150.00
TOTALS			150.00



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

Jim Noel

Cabinet Secretary

Karen W. Garcia

Deputy Cabinet Secretary

Mark Fesmire

Division Director

Oil Conservation Division



August 9, 2010

Mr. Daryl W. Gee
Enstor Grama Ridge Storage & Transportation, LLC
% Enstor Operating Company, LLC
20329 State Highway 249, Suite 400
Houston, Texas 77070

**Re: Hydrostatic Test Discharge - Individual Temporary Permission HTP-13
Enstor Operating Company, LLC
Enstor Grama Ridge Storage & Transportation, LLC
Locations: SW/4 of the NW/4 of Section 3, Township 22 South, Range 34 East, NMPM,
Lea County, New Mexico**

Dear Mr. Gee:

The Oil Conservation Division (OCD) has received Enstor Grama Ridge Storage & Transportation, LLC's (Enstor) notice of intent, dated August 2, 2010, for authorization to temporary store approximately 50,840 gallons of wastewater generated from a hydrostatic test of approximately 8,303 feet of new 12-inch natural gas transmission pipeline that connects Enstor's Grama Ridge Compressor Station with two metering stations located in Section 9, Township 22 South, Range 34 E, NMPM, Lea County, New Mexico. The proposed collection location is within Enstor's lease agreement area of the Grama Ridge Morrow Unit Area in the SW/4 of the NW/4 of Section 3, Township 22 South, Range 22 East, NMPM, Lea County, New Mexico. No surface discharge is proposed by Enstor. The hydrostatic test wastewater will be discharged into a frac tank for temporary storage, transferred from the frac tank to an OCD approved water hauler, and delivered to Sundance Services, Inc. for disposal.

This temporary permission will not become effective until OCD receives the temporary permission fee of \$150 pursuant to 20.26.2.3114 NMAC. Please make the check payable to the **Water Quality Management Fund.**

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

Oil Conservation Division
1220 South St. Francis Drive • Santa Fe, New Mexico 87505
Phone (505) 476-3440 • Fax (505) 476-3462 • www.emnrd.state.nm.us/OCD



1. Enstor will be testing approximately 8,303 feet of new 12-inch natural gas transmission pipeline, within Enstor's lease agreement area of the Grama Ridge Morrow Unit Area;
2. no discharge will occur at the hydrostatic test wastewater collection/discharge location: in the SW/4 of the NW/4 of Section 3, Township 22 South, Range 22 East, NMPM, Lea County, New Mexico;
3. the source of the hydrostatic test water will be a municipal water source obtained from the City of Eunice;
4. approximately 50,840 gallons of hydrostatic test wastewater generated from the test will be slowly discharged into a 250 bbl holding tank (approximately 10,500 gallons at a time) for temporary storage, while awaiting testing, transfer and disposal at Sundance Services, Inc.;
5. the temporary storage tanks shall have impermeable secondary containment (e.g., liners - geomembrane and berms - hay bales), which will contain a volume of at least one-third greater than the total volume of the largest tank;
6. no hydrostatic test wastewater generated from the test will be discharged to the ground or within the existing easement right of right;
7. the hydrostatic test wastewater will be analyzed to determine if it is a RCRA non-hazardous/non-exempt waste that Sundance Services, Inc. may accept for disposal. Enstor will expedite the laboratory analytical testing. If the hydrostatic test wastewater does not meet the criteria for Sundance Services, Inc. waste acceptance, the test water shall be sent to a RCRA permitted TSDF for disposal;
8. Enstor will ensure the transfer the hydrostatic test wastewater via an OCD approved water hauler to Sundance Services, Inc. for disposal;
9. all hydrostatic test wastewater will be removed from the discharge and/or collection/retention locations within ten (10) calendar days of the completion of the hydrostatic test;
10. any surface area impacted or disturb from the approved activities shall be restored.
11. 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;
12. best management practices must be implemented to contain the discharge and/or collection /retention onsite, not impact adjacent property, and to control erosion;
13. 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);
14. 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

Mr. Daryl W. Gee
Enstor Grama Ridge Storage & Transportation, LLC
Permit H1TP-13
August 9, 2010
Page 3 of 3

15. Enstor 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 29 (19.15.29 NMAC).

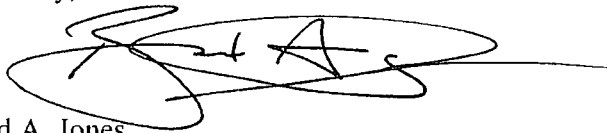
It is understood that the hydrostatic test will begin approximately September 1, 2010. This temporary permission will expire within 120 calendar days of its issue date. Temporary permission may be revoked or suspended for violation of any applicable provisions and/or conditions.

This temporary permission will not become effective until OCD receives the temporary permission fee of \$150 pursuant to 20.26.2.3114 NMAC. Please make the check payable to the **Water Quality Management Fund**.

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

A handwritten signature in black ink, appearing to read 'Brad A. Jones', enclosed within a large, loopy oval shape.

Brad A. Jones
Environmental Engineer

BAJ/baj

cc: OCD District I Office, Hobbs



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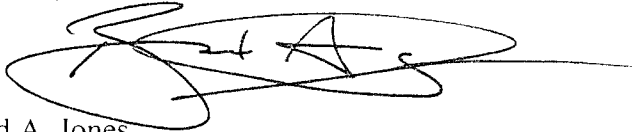
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Brad A. Jones
Environmental Engineer

BAJ/baj

cc: OCD District I Office, Hobbs