

OIL CONSERVATION DIVISION
GUIDELINES FOR HYDROSTATIC TEST DEWATERING
Revised
April 21, 2021

Purpose:

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

OCD typically grants two types of approvals,

1. Individual discharge permits (HIP), pursuant to Water Quality Regulations 20.6.2.3104 NMAC, are required for discharges of any generated volume of hydrostatic test wastewater of 25,000 gallons or greater for new pipeline or any volume for existing pipeline. These permits require public notice pursuant to 20.6.2.3108 NMAC, a \$100.00 filing fee, along with a \$600.00 general permit fee pursuant to 20.6.2.3114 NMAC.
2. 120-day temporary permission (HBP) may be granted for discharges of small quantities less than 25,000 gallons per hydrostatic test event when the wastewater to be discharged is generated when testing new pipeline utilizing clean water. "Clean" water is defined as water from a public/municipal water supply or other OCD approved source, upon written request. A temporary permission to discharge covers all hydrostatic test wastewater discharges an operator may perform during an approved 120-day period which satisfy the conditions specified below. A temporary permission to discharge is renewable. These approvals do not require public notice, but a \$100.00 filing and \$50.00 temporary permission fee are required pursuant to 20.6.2.3114 NMAC.

General Requirements:

1. All operators that perform hydrostatic tests on pipelines of transmission of oil and gas or products thereof, require individual discharge permits or a temporary permission for discharges unless otherwise approved.
2. Operators shall ensure wastewater discharged from hydrostatic testing of pipelines does not cause water pollution pursuant to 20.6.2.7.W(5) NMAC.

3. For hydrostatic test wastewater to be discharged in an area where it may reach fresh water supplies, the operator must first demonstrate to the OCD that the discharges will meet or exceed the quality of the receiving waters and/or not cause ground water contamination exceeding the standards as set forth in Subsections A, B, and C of 20.6.2.3103 NMAC.

How to Submit Applications:

Operators must be registered to operate a pipeline and have an OGRID number or must register to obtain authorization to operate a pipeline and submit requests and notices at the following hyperlink: <https://wwwapps.emnrd.state.nm.us/OCD/OCDPermitting/default.aspx>. The Operator must complete the registration process, obtain an OGRID number, and setup their Administrator account to submit their requests and process submittals.

The online submittal system can only be accessed through the OCD Permitting website: <https://wwwapps.emnrd.state.nm.us/OCD/OCDPermitting/default.aspx>. In the upper right corner of the screen click “Sign In” and sign into your Administrator account. Once signed in, place your cursor on “Submissions” (upper right corner of screen) and select “All OCD Forms” from the drop-down options. Scroll down the page to the Unnumbered Forms UF-HP and select the HBP option to submit a temporary permission request (including a renewal request), the HIP option to submit an individual discharge permit application request, and the HIP NOI option to submit a notice of intent to discharge. By following the step-by-step process, you will provide the requested information, attach a PDF of the request or notice, and click “Submit to OCD” in the bottom left of the screen.

All fees (filing, temporary permission, and permit fees) must be made by check payable to the “Water Quality Management Fund” and submitted by mail. Please refer to the guidance below to determine when payments are required. After completing the OCD Permitting submittal process, mail a hardcopy of the request and check(s) for the required fees to the following address:

Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, New Mexico 87505

Also, email each request submittal to OCD.Enviro@state.nm.us. The email should provide a brief description of its purpose and contents, a copy of the fee payment, and the relevant documents attached in pdf format.

Individual Discharge Permits (HIP):

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

Existing Pipelines – All hydrostatic test wastewater discharges.

Pursuant to 20.6.2.1201.A(1) NMAC, applicants must submit a notice of intent (NOI) to discharge if the applicant is unable to determine if a discharge permit is required. The NOI shall state the following: the name of the person making the discharge; the address of the person making the discharge; the location of the discharge; an estimate of the concentration of water contaminants in the discharge; and the quantity of the discharge. In accordance with 20.6.2.1201.D NMAC, OCD will review the information provided in the notice and determine if a discharge permit is required. It is recommended to submit the NOI no less than 90 days prior to the potential discharge.

If the OCD determines a permit is required or the applicant determines a permit is needed, the applicant shall submit a discharge permit application and a \$100 filing fee to the OCD. It is recommended to submit the application and a \$100 filing fee no less than 120 days prior to the potential discharge to allow for time to satisfy the public notice requirements (20.6.2.3108 NMAC). The application shall include:

- a. the name and address of the proposed discharger;
- b. the location of the discharge area, 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 boundary of the discharge area;
- e. a demonstration of compliance with the following siting criteria from the boundary of the proposed discharge area and *justification for any exceptions*:
 - i. within 200 feet of a watercourse (defined in 19.15.2.7.W(4) NMAC), lakebed, sinkhole, or playa lake (defined in 19.15.2.7.P(4) NMAC);
 - ii. within an existing wellhead protection area (defined in 19.15.2.7.W(8) NMAC);
 - iii. within a 100-year floodplain;
 - iv. within 500 feet of a wetland (defined in 19.15.2.7.W(9) NMAC);
 - v. within the area overlying an active and/or inactive subsurface mine; or
 - vi. 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(s) and location(s) for collection and retention of hydrostatic test wastewater and any associated solids;
- h. a brief description of best management practices to be implemented to contain the discharge onsite within the proposed discharge area boundary and to control erosion;
- i. any request for approval of an alternative treatment, use, and/or discharge location (other than the original discharge site), if necessary;
- j. any determination and justification that the hydrostatic test wastewater and any associated solids are RCRA exempt exploration and production waste or RCRA non-exempt waste streams.
- k. a proposed hydrostatic test wastewater sampling plan;
- l. a proposed method of disposal of fluids after test completion in case the wastewater generated from hydrostatic test exceeds the standards as set forth in Subsections A, B, and C of the 20.6.2.3103 NMAC;
- m. a closure plan for the disposal of solids generated, for any pits, and other methods of containment and/or treatment, if applicable;

- n. a brief description of the expected quality and volume of the discharge;
- o. geological characteristics of the subsurface at the proposed discharge site;
- p. the depth to and total dissolved solids concentration of the ground water most likely to be affected by the discharge; and
- q. identification of landowners at and adjacent to the boundary of the proposed discharge area and collection/retention site(s).

In accordance with 20.6.2.3114 NMAC, the applicant shall pay a filing fee of \$100.00 to the Water Quality Management Fund at the time of submittal of the discharge permit application. The filing fee is nonrefundable.

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

Within 60 days after OCD makes its administrative completeness determination and all required technical information is available, OCD shall make available a draft permit or a notice of intent to deny an application for a discharge permit.

Following the 30-day public notice comment period (by the 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 required. 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. Applicants applying for discharge permits which are subsequently withdrawn or denied shall pay one-half of the permit fee at the time of denial or withdrawal.

Discharge permits will not become valid until full payment of all required fees are received by the OCD Santa Fe Office.

The laboratory analysis results of samples from wastewater generated from the hydrostatic test 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.

120-Day Temporary Permission To Discharge (HBP):

New Sections of Pipeline Only - Hydrostatic test wastewater discharges of less than 25,000 gallons per test.

Hydrostatic tests of new pipelines generating less than 25,000 gallons of wastewater per test require a temporary permission to discharge. A temporary permission to discharge may be granted upon the submittal of a written request acknowledging the operator will comply the conditions listed below. A temporary permission to discharge covers all hydrostatic tests an operator may perform during an approved 120-day period when the following conditions are applicable:

- a. the volume of the discharge is less than 25,000 gallons per hydrostatic test;
- b. water from a public/municipal water supply or other OCD approved sources, by written request and analytical results, is used for each hydrostatic test;
- c. email or written notification must be provided to the OCD 72 hours prior to each hydrostatic discharge event. Each notice shall contain the following information:
 - i. the proposed location of hydrostatic test discharge (Section/Township/Range or GPS coordinates);
 - ii. the date of the proposed discharge;
 - iii. the volume of the proposed discharge; and
 - iv. the source of hydrostatic test water;
- d. the discharge will 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 (defined in 19.15.2.7.W(4) NMAC), lakebed, sinkhole, or playa lake (defined in 19.15.2.7.P(4) NMAC);
 - iii. within an existing wellhead protection area (defined in 19.15.2.7.W(8) NMAC);
 - iv. within 500 feet of a wetland (defined in 19.15.2.7.W(9) NMAC); 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, to ensure the discharge 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;
- 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 discharge event; and
- i. A report, summarizing all hydrostatic test wastewater discharges of 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 each hydrostatic test water discharge (Section/Township/Range or GPS coordinates);
 - ii. the date of each discharge;
 - 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 a temporary permission to discharge.

If the OCD grants approval of a temporary permission to discharge, a temporary permission fee of \$50.00 is required. In accordance with Subsection A of 20.6.2.3114 NMAC, the applicant shall pay the temporary permission fee to the Water Quality Management Fund. Temporary permissions will not activate or become valid until the OCD receives payment of all required fees.

Temporary permissions shall expire 120-days after issuance. Renewal requests for a temporary permission to discharge shall be submitted forty-five (45) days prior to the expiration date. Operators must provide the temporary permission approval number (HBP-XXX) in the renewal request. A temporary permission may be revoked or suspended for violation of any applicable provisions and/or conditions of the approval.