

Justis SWD

C-144s

**(North & South
BGTs)**

Closure Reports

RICE *Operating Company*

112 West Taylor • Hobbs, New Mexico 88240

Phone: (575) 393-9174 • Fax: (575) 397-1471

CERTIFIED MAIL

RETURN RECEIPT NO. 7007 2560 0000 4569 9002

November 12, 2013

Mr. Edward Hansen
New Mexico Energy, Minerals, & Natural Resources
Oil Conservation Division, Environmental Bureau
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505

RE: Below Grade Tank (BGT) - Closure
Justis B-12 North BGT (API 30-025-24761):
Unit B, Sec. 12, T25S, R37E
RICE Operating Company – Justis SWD System

Mr. Hansen:

Rice Operating Company (ROC) is the service provider (agent) for the Justis Saltwater Disposal (SWD) System and has no ownership of any portion of the pipeline, well, or facility. The System is owned by a consortium of oil producers, System Parties, who provide all operating capital on a percentage ownership/usage basis.

Based on the October 7, 2013, Finalization of Below Grade Tank Closure Plan, the north and south below grade tanks were removed from the site on October 22, 2013 and were properly disposed. On November 4, 2013, a composite sample was collected from the area beneath the former north tank. Laboratory analysis of the North Tank 5 Pt. Comp resulted in chloride, TPH, and BTEX concentrations below detectable limits.

On October 4, 2013, the landowner was notified of ROC's intent to conduct on-site closure activities at this site. The landowner also gave approval for the site to be backfilled with caliche and not seeded.

To further protect groundwater, a 56x30-ft, 20-mil reinforced liner was installed at approximately 4 ft below ground surface (bgs). The top and the bottom of the liner was then padded with 6 inches of imported soil. Laboratory analysis of the imported soil resulted in a chloride concentration below detectable limit and a PID (field) reading of 0.0. The remaining excavation was backfilled with the remaining caliche previously

stockpiled on site. Lab analysis of the north soil pile resulted in a chloride concentration of 176 mg/kg, a DRO concentration of 97.4 mg/kg, and GRO and BTEX concentrations below detectable limits. Lab analysis of the south soil pile resulted in a chloride concentration of 64 mg/kg and a DRO, GRO, and BTEX concentration below detectable limits. Laboratory analyses, PID sheet, and photo documentation is attached.

ROC acknowledges they have met the requirements of 19.15.17 NMAC, and respectfully request termination or similar closure status for the east and west below grade tank formerly located at this site. If you require any additional information or have any questions or comments, please contact me at (575)393-9174. Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'H. Conder', with a stylized, flowing script.

Hack Conder
Environmental Manager
RICE Operating Company

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
July 21, 2008

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office.
For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

**Pit, Closed-Loop System, Below-Grade Tank, or
Proposed Alternative Method Permit or Closure Plan Application**

Type of action: ☐ Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method
☒ Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method
☐ Modification to an existing permit
☐ Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method

Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: Rice Operating Company OGRID #: _____
Address: 122 West Taylor, Hobbs NM 88240
Facility or well name: Justis B-12 NORTH TANK
API Number: none 30-025-24761 OCD Permit Number: none
U/L or Qtr/Qtr B Section 12 Township 25S Range 37E County: Lea
Center of Proposed Design: Latitude 32° 08' 956" Longitude 103° 06' 920" NAD: ☒ 1927 ☐ 1983
Surface Owner: ☐ Federal ☐ State ☒ Private ☐ Tribal Trust or Indian Allotment

2.
☐ **Pit:** Subsection F or G of 19.15.17.11 NMAC
Temporary: ☐ Drilling ☐ Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A
☐ Lined ☐ Unlined Liner type: Thickness _____ mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
☐ String-Reinforced
Liner Seams: ☐ Welded ☐ Factory ☐ Other _____ Volume: _____ bbl Dimensions: L _____ x W _____ x D _____

3.
☐ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC
Type of Operation: ☐ P&A ☐ Drilling a new well ☐ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)
☐ Drying Pad ☐ Above Ground Steel Tanks ☐ Haul-off Bins ☐ Other _____
☐ Lined ☐ Unlined Liner type: Thickness _____ mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
Liner Seams: ☐ Welded ☐ Factory ☐ Other _____

4.
☒ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC
Volume: two 250 bbl tanks Type of fluid: Produced Water
Tank Construction material: Fiberglass
☐ Secondary containment with leak detection ☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner ☐ Visible sidewalls only ☒ Other Buried 4 feet below grade
Liner type: Thickness none mil ☐ HDPE ☐ PVC ☐ Other _____

5.
☐ **Alternative Method:**
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

6. **Fencing:** Subsection D of 19.15.17.11 NMAC (*Applies to permanent pits, temporary pits, and below-grade tanks*)

- ☐ Chain link, six feet in height, two strands of barbed wire at top (*Required if located within 1000 feet of a permanent residence, school, hospital, institution or church*)
- ☒ Four foot height, four strands of barbed wire evenly spaced between one and four feet
- ☐ Alternate. Please specify _____

7. **Netting:** Subsection E of 19.15.17.11 NMAC (*Applies to permanent pits and permanent open top tanks*)

- ☐ Screen ☐ Netting ☐ Other _____
- ☐ Monthly inspections (If netting or screening is not physically feasible)

8. **Signs:** Subsection C of 19.15.17.11 NMAC

- ☒ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
- ☐ Signed in compliance with 19.15.3.103 NMAC

9. **Administrative Approvals and Exceptions:**

Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.

Please check a box if one or more of the following is requested, if not leave blank:

- ☒ Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau office for consideration of approval.
- ☐ Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

10. **Siting Criteria (regarding permitting):** 19.15.17.10 NMAC

Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above-grade tanks associated with a closed-loop system.

- | | |
|--|---|
| Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank.
- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).
- Topographic map; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.
(Applies to temporary, emergency, or cavitation pits and below-grade tanks)
- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image | <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> NA |
| Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.
(Applies to permanent pits)
- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image | <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> NA |
| Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application.
- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended.
- Written confirmation or verification from the municipality; Written approval obtained from the municipality | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within 500 feet of a wetland.
- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within the area overlying a subsurface mine.
- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within an unstable area.
- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within a 100-year floodplain.
- FEMA map | <input type="checkbox"/> Yes <input type="checkbox"/> No |

11.

Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
☐ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC
☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☒ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
☐ Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

12.

Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9
☐ Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC
☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
☐ Previously Approved Design (attach copy of design) API Number: _____
☐ Previously Approved Operating and Maintenance Plan API Number: _____ (Applies only to closed-loop system that use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

13.

Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC
☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
☐ Climatological Factors Assessment
☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Quality Control/Quality Assurance Construction and Installation Plan
☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Nuisance or Hazardous Odors, including H₂S, Prevention Plan
☐ Emergency Response Plan
☐ Oil Field Waste Stream Characterization
☐ Monitoring and Inspection Plan
☐ Erosion Control Plan
☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

14.

Proposed Closure: 19.15.17.13 NMAC**Instructions:** Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.

- Type: ☐ Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ P&A ☐ Permanent Pit ☒ Below-grade Tank ☐ Closed-loop System
☐ Alternative
 Proposed Closure Method: ☒ Waste Excavation and Removal
☐ Waste Removal (Closed-loop systems only)
☐ On-site Closure Method (Only for temporary pits and closed-loop systems)
☐ In-place Burial ☐ On-site Trench Burial
☐ Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)

15.

Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) **Instructions:** Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.

- ☒ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
☒ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
☒ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)
☒ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☒ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
☒ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

16.

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)

Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.

Disposal Facility Name: Sundance SeivicsDisposal Facility Permit Number: NM-01-0003

Disposal Facility Name: _____

Disposal Facility Permit Number: _____

Will any of the proposed closed-loop system operations and associated activities occur on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please provide the information below) ☐ No

Required for impacted areas which will not be used for future service and operations:

☒ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

☒ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC

☒ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

17.

Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC

Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 50 feet below the bottom of the buried waste.

- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☐ Yes ☐ No☐ NA

Ground water is between 50 and 100 feet below the bottom of the buried waste

- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☐ Yes ☐ No☐ NA

Ground water is more than 100 feet below the bottom of the buried waste.

- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☐ Yes ☐ No☐ NA

Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).

- Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.

- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image

☐ Yes ☐ No

Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application.

- NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended.

- Written confirmation or verification from the municipality; Written approval obtained from the municipality

☐ Yes ☐ No

Within 500 feet of a wetland.

- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Within the area overlying a subsurface mine.

- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division

☐ Yes ☐ No

Within an unstable area.

- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map

☐ Yes ☐ No

Within a 100-year floodplain.

- FEMA map

☐ Yes ☐ No

18.

On-Site Closure Plan Checklist: (19.15.17.13 NMAC) **Instructions:** Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.

☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC

☐ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC

☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC

☐ Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC

☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC

☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC

☐ Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC

☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)

☐ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC


☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC

☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

19. **Operator Application Certification:**

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): Hack Conder Title: Environmental Manager

Signature:  Date: 12/12/08

e-mail address: hconder@riceswd.com Telephone: 575-393-3174

20. **OCD Approval:** ☐ Permit Application (including closure plan) ☒ Closure Plan (only) ☐ OCD Conditions (see attachment)

OCD Representative Signature: Edward J. Hansen Approval Date: January 13, 2009
Title: Hydrologist OCD Permit Number:

21. **Closure Report (required within 60 days of closure completion):** Subsection K of 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☐ Closure Completion Date: _____

22.
Closure Method:

☐ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative Closure Method ☐ Waste Removal (Closed-loop systems only)
☐ If different from approved plan, please explain.

23. Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:

Instructions: Please indentify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____
 Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please demonstrate compliance to the items below) ☐ No

Required for impacted areas which will not be used for future service and operations:

- ☐ Site Reclamation (Photo Documentation)
- ☐ Soil Backfilling and Cover Installation
- ☐ Re-vegetation Application Rates and Seeding Technique


24. Closure Report Attachment Checklist: *Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.*

- ☒ Proof of Closure Notice (surface owner and division)
- ☐ Proof of Deed Notice (required for on-site closure)
- ☐ Plot Plan (for on-site closures and temporary pits)
- ☒ Confirmation Sampling Analytical Results (if applicable)
- ☐ Waste Material Sampling Analytical Results (required for on-site closure)
- ☐ Disposal Facility Name and Permit Number
- ☒ Soil Backfilling and Cover Installation
- ☒ Re-vegetation Application Rates and Seeding Technique
- ☒ Site Reclamation (Photo Documentation)

On-site Closure Location: Latitude _____ Longitude _____ NAD: ☐ 1927 ☐ 1983

25. **Operator Closure Certification:**

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): Hack Conder Title: Environmental Manager
Signature:  Date: 11-12-13
e-mail address: hconder@riceswt.com Telephone: 575-631-6432

RICE *Operating Company*

112 West Taylor • Hobbs, New Mexico 88240

Phone: (575) 393-9174 • Fax: (575) 397-1471

CERTIFIED MAIL

RETURN RECEIPT NO. 7007 2560 0000 4569 8951

October 4, 2013

Mr. D W Blocker
PO Box 5769
Monument, New Mexico 88265

RE: Justis B-12 BGT (API # 30-025-24761): UL/B, Sec. 12, T25S, R37E
RICE Operating Company – Justis SWD System

Mr. Blocker:

Rice Operating Company (ROC) is the service provider (agent) for the Justis Saltwater Disposal (SWD) System and has no ownership of any portion of the pipeline, well, or facility. The System is owned by a consortium of oil producers, System Parties, who provide all operating capital on a percentage ownership/usage basis.

In accordance of Subsection F of 19.15.17.13 NMAC, ROC provides this notification that on-site closure activities of the former below grade tanks located at Justis B-12 will be conducted from October through December 2013. The former below grade tanks will be removed from the site beginning October 2013. Soil samples collected from beneath the former tanks were analyzed and found to meet the 'clean closure' criteria. As a preventative measure, a 20-mil reinforced liner, measuring approximately 36 x 58 ft. will be installed at approximately 5 ft below ground surface (bgs). A liner installed below the subsurface will prevent the migration of any residual constituents and of any constituents contributed in the future. The liner will be padded with blow sand and the site will be backfilled with caliche to the ground surface. The site is located on an active caliche lease pad, so revegetation is not required. Attached is the Finalization of Below Grade Tank Closure Plan submitted to NMOCD on October 7, 2013.

Please see the attached letter designating the lease pad will not need to be seeded. After review, sign and send back to ROC in the self-addressed, stamped envelope contained within this packet.

Thank you for your time and please contact me at (575)393-9174 if you have any questions.

Sincerely,
RICE Operating Company

A handwritten signature in black ink, appearing to read 'H. Conder', with a stylized, flowing script.

Hack Conder
Environmental Manager

RICE *Operating Company*

112 West Taylor • Hobbs, New Mexico 88240

Phone: (575) 393-9174 • Fax: (575) 397-1471

Sent via E-mail and U.S. Certified Mail with Return Receipt No.
7007 2560 0000 4569 8968

October 7, 2013

Mr. Edward Hansen

New Mexico Energy, Minerals, & Natural Resources
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

**RE: Finalization of Below Grade Tank Closure Plan
Rice Operating Company – Justis SWD System
Justis B-12 BGT (SWD) – North and South Tanks
UL B, Sec 12, T25S, R37E**

Mr. Hansen:

This letter is presented to update and finalize the OCD approved “C-144 Modifications to the Closure Plans” of November 10th, 2009, for two below-grade tanks at the Rice Operating Company (ROC) Justis B-12 BGT (SWD) facility (attached as an appendix to this letter).

The Justis B-12 BGT facility is located approximately 5 miles northeast of Jal, New Mexico (Figure 1). Since the submittal of the C-144 Modifications in 2009, ROC has conducted additional soil sampling of the excavated soil, removed from around the below grade tanks (Figure 2). An 8 point composite sample was collected from the north soil pile and the south soil pile and sent to Cardinal Laboratory for analysis. The composite sample collected from the north soil pile resulted in a chloride concentration of 176 mg/kg, a DRO concentration of 97.4 mg/kg, and GRO and BTEX concentrations below detectable limit. The composite sample collected from the south soil pile resulted in a chloride concentration of 64 mg/kg and a DRO, GRO, and BTEX concentration below detectable limit. These low concentrations are consistent with the tank integrity test and soil sampling and analyses presented in the 2009 C-144 Modifications, and indicate that this facility has not impacted soils or threatened groundwater quality.

Justis B-12 BGT

ROC therefore proposes the following work items to affect and finalize the Closure Plan for this facility:

1. A new salt water disposal (SWD) terminal facility will be installed adjacent to and used in place of the existing below-grade tanks (BGT), Figure 3. The existing BGTs will be removed from service. The new facility will have one fiberglass receiving tanks and one fiberglass overflow tank with the necessary plumbing and fittings. The tanks will be installed within a lined secondary containment. The gathering system pipeline will be connected to the new facility and placed into operation prior to removal of the BGTs on site.
2. The existing (north and south) below-grade tanks will be removed and properly disposed at an off-site location. Due care will be given to empty the tanks of their contents and to secure the lines so that no fluid loss will occur.
3. In 2009, composite samples were collected from beneath the edge of the north tank and the south tank, resulting in low chloride concentrations. A concentration of 32 mg/kg was observed under the north tank, and 80 mg/kg were observed under the south tank. Upon removal of the below-grade tanks, the soil will be visually inspected for any possible impact. If the visual inspection shows no sign of impact, a synthetic liner will be properly seated in the bottom of the excavation at approximately 5 feet below ground surface (bgs), Figure 2. The synthetic liner will be padded with approximately 6 inches of blow sand beneath and above and will cover an area of approximately 36x58 ft. The excavation will then be backfilled with clean caliche (testing less than 250 mg/kg for chlorides) and compacted to the natural ground surface of the lease pad. Since the site is located on an active lease pad, seeding is not required. If visual inspection of the soil beneath the former BGTS shows sign of impact, a composite sample will be collected and analyzed for chloride. If residual soil chloride levels test below 250 mg/kg, ROC will proceed with the synthetic liner installation. A synthetic liner installed beneath a site will inhibit the downward migration of water through the subsurface, slowing movement of any residual constituents toward groundwater.
4. A report with photographic chronology will be provided to OCD, which summarizes the course and completion of this work.

The remediation (if warranted) of soils found to exceed 250 mg/kg chlorides and the placement of a synthetic liner will serve to protect groundwater quality. Further, the replacement of below-grade tanks with above-ground tanks will facilitate early detection of any future leaks or spillage that may occur so that timely and effective response may be made.

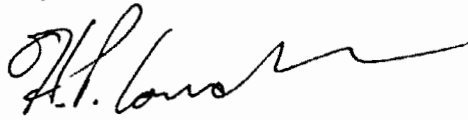
ROC is the service provider (agent) for the Justis SWD System and has no ownership of any portion of the pipeline, well, or facility. The System is owned by a consortium of oil producers, System Parties, who provide all operating capital on a percentage ownership/usage basis. Environmental projects of this magnitude require System Party AFE approval, and work begins as funds are received. In general, project funding is not

Justis B-12 BGT

forthcoming until NMOCD approves the work plan. Therefore, your timely review of this submission would be greatly appreciated.

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read 'H. Conder', with a long horizontal flourish extending to the right.

Hack Conder
Environmental Manager

Copy: Pete Galusky (Texerra)
 Katie Jones (ROC)
 File

Attachments: Figure 1 – Site Location Map
 Figure 2 – Soil Sampling
 Figure 3 – New Facility Diagram
 NMOCD Approval (e-mail letter) of November 16, 2009
 C-144 Modifications to the Closure Plans November 10, 2009

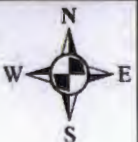
Site Location Map



JUSTIS B-12 BGT

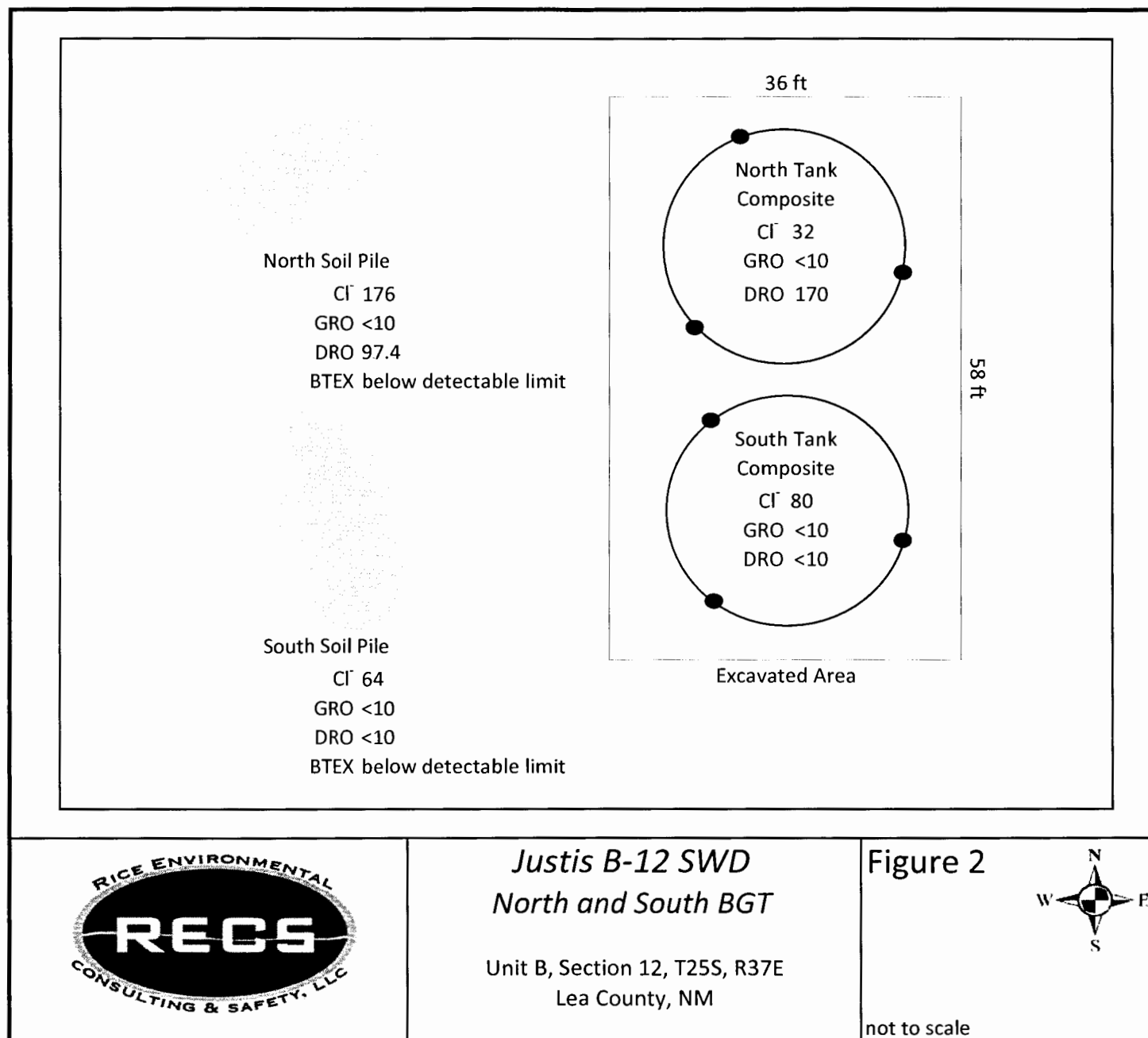
LEGALS: UL/B sec. 12
T-25-S R-37-E
LEA COUNTY, NM

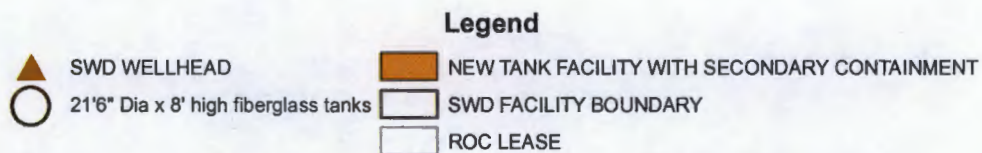
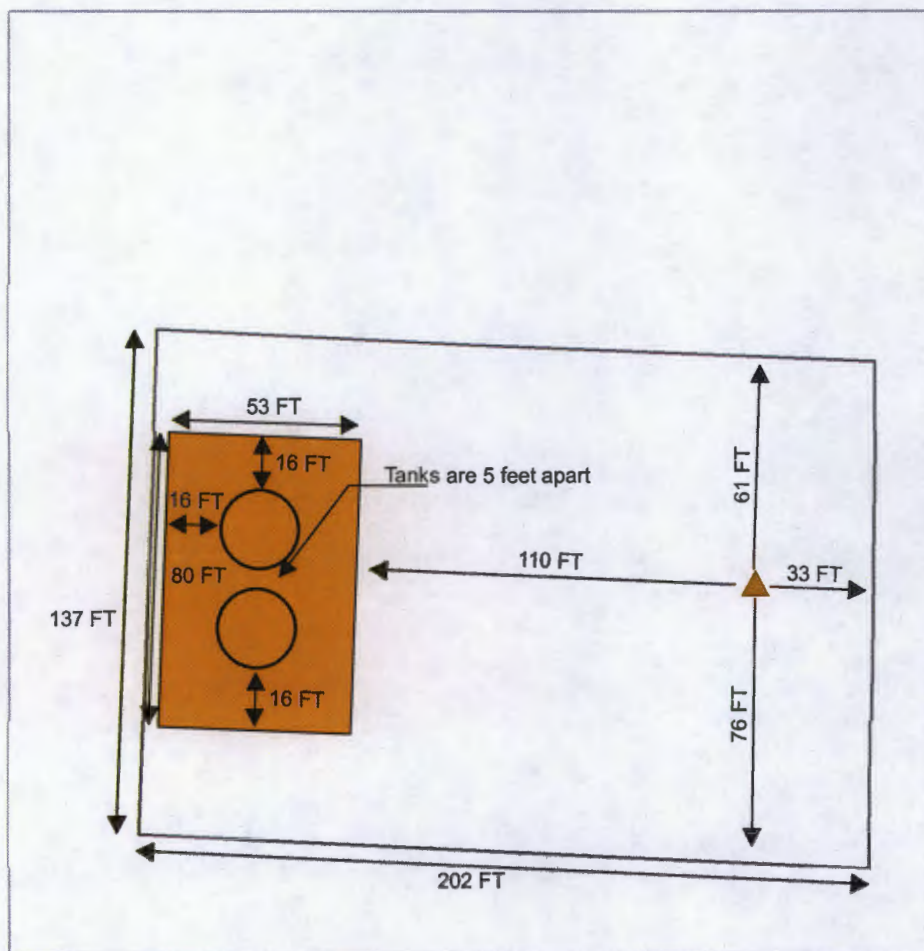
Figure 1



0 0.5 1
Miles

Drawing date: 9/25/13
Drafted by: L. Weinheimer

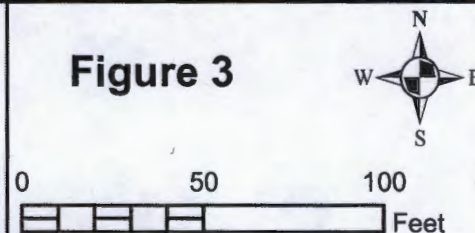




JUSTIS B-12 SWD

UL B SECTION 12
T-25-S R-37-E
LEA COUNTY, NM

Figure 3



GPS date: 9/26/13 TG
Drawing date: 9/26/13
Drafted by: T. Grieco

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

DW Blocker
PO Box 5769
Abilene, TX 79608

2. Article Number

(Transfer from service label)

7007 2560 0000 4569 8951

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

DW Blocker

☐ Agent☐ Addressee

B. Received by (Printed Name)

DW Blocker

C. Date of Delivery

OCT 10 2013

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☒ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

From: Katie Jones
To: "Edward J. Hansen, EMNRD"; "Leonard.Lowe@state.nm.us"; "GeoffreyR.Leking@state.nm.us";
"daniel.sanchez@state.nm.us"; "wsonnamaker@slo.state.nm.us"
Cc: Hack Conder; Laura Pena
Subject: ROC - Work Schedule 10/21/13
Date: Friday, October 18, 2013 3:55:00 PM
Attachments: ROC - Work Schedule 10.21.13.xlsx

Please find the attached work schedule for this week. As field conditions may be unpredictable, please call ROC for verification of a more specific time frame for any particular site.

Thank you,

Katie Jones
Environmental Project Manager
RICE *Operating Company*

Operating Schedule

Day	System	Location	UL	Sec	T	R	GW	Driving Directions	Work Scheduled
10/21/2013	BD	O-30 vent	O	30	22S	38E	77'	From the intersection of NM-18 & Drinkard Rd, Go east, then south on Drinkard for 3.6 miles. Turn left, heading east, then south for 2.7 miles. Turn right, heading west, for 0.4 miles. Turn right down "2-track" road, heading north for 250 ft to location.	Junction Box Delineation
10/21/2013	BD	G-31	G	31	22S	38E	62'	From the intersection of Hwy 8 and Hwy 176 east of Eunice. Go south on Highway 8 0.84 miles to Drinkard Road. Turn left, heading east then south, and go 3.7 miles to Vivian Lane. Turn left, heading east, and go 2 miles. Turn right, heading south, and go 1 mile to a 'Y' intersection. Take the right, heading southwest, fork and go 0.2 miles. Turn right, heading west, and go 0.3 miles. Turn right, heading south, and go 0.56 miles. Turn left, heading east, and go .03 miles to the site located north of the Chevron Scarborough battery at the south edge of the lease road.	Junction Box Delineation
10/21/2013	BD	J-30 EOL	J	30	22S	38E	77'	From the intersection of NM-18 & Drinkard Rd, Go east, then south on Drinkard for 3.6 miles. Turn left, heading east, then south for 2.7 miles. Turn right, heading west, for 0.4 miles. Turn right down "2-track" road, heading north for 250 ft to location.	Junction Box Delineation
10/21/2013	BD	Jct. M-29	M	29	22S	38E	77'	From N-18 and Drinkard Rd, Go east then south on Drinkard for 3.6 miles. Turn left, heading east, then south for 2.5 miles. Turn left, heading east, for 0.2 miles. Turn right, heading south for 0.1 miles to location.	Junction Box Delineation
10/21/2013	BD	G-29 EOL	G	29	22S	38E	77'	From N-18 and Drinkard Rd, go east then south on Drinkard for 3.6 miles. Turn left, heading east then south for 2.5 miles. Go left, heading east for 0.5 miles. Turn left, heading north, 0.5 miles. Turn right, heading east for 200 ft to locaiton.	Junction Box Delineation
10/21/2013	BD	Jct. M-28	M	28	22S	38E	105'	Turn left at the intersection of Hwy 18 and Drinkard Rd. Traveling East then South drive 3.6 miles. Turn left, heading East then South on Vivian Rd. (15 mph Rd.), for 2.5 mi. Turn left through the cattle guard, heading East for 0.2 mi. At the four way intersection, turn left and travel 0.4 mi North. The road will curve right, heading East, go 0.8 miles. The road will turn again to the right, heading South, drive 0.7 mi. Turn right (West), drive past the tan pumpjack to the junction box located on the west side of the pad	Junction Box Delineation

10/21/2013	BD	N-18 BGT	N	18	22S	37E	101'	From Eunice, go south on Main Street to Delaware Basin Rd. Turn right on Delaware Basin Rd and go west 2.4 miles. Turn left through the cattle guard and go south 0.6 miles. Turn right and go west 0.3 miles. Turn left and go south 0.1 miles. Turn left and continue to site.	Monitoring well plugging per the Termination Request approved by the NMOCD on October 7, 2013
10/21/2013	BD	J-26	J	26	21S	37E	41'	From the intersection of Hwy 18 & NM-176 east of Eunice, go north on Hwy 18 0.6 miles. Go west less than 0.1 miles. Go northwest 0.3 miles. Turn southwest to pump station.	Monitoring well plugging per the Termination Request approved by the NMOCD on October 8, 2013
10/21/2013	EME	Amerada WE F EOL	N	1	21S	35E	175'	From Monument at the intersection of Hwy 8 and Hwy 322. Go South on Hwy 8 for 6.2 miles to Maddox Rd. Turn right, heading west, for 2.8 miles to Tuffy Cooper Rd. Turn left, heading west, and go 2 miles. Turn left, heading south, and go 2.2 miles. Turn left, heading east, and go 0.55 miles to the Apache State WE 'F' Battery. The location is south of the lease road, 32 ft west of existing box.	Hydrovac site for soil bore installation
10/21/2013	EME	I-12	I	12	21S	35E	133'	From the intersection of Hwy 8 and Hwy 176. Go west on Hwy 176 for 3.2 miles. Turn right, heading north, on the lease road. Go 1 mile to a pump jack. On the east side of the pump jack, the road forks. Take the left, heading northeast, fork. Go 0.2 miles to the location (marking plate), which is just south of the current box.	Hydrovac site for soil bore installation
10/21/2013	EME	B-13 boot	B	13	21S	35E	170'	From the intersection of Hwy 8 and Hwy 176. Go west on Hwy 176 for 3.2 miles. Turn right, heading north, on the lease road. Go 0.8 miles to a 'Y.' Take the northwest fork at the 'Y' and go 0.1 miles. Turn left, heading west, and go 0.1 mile to the site (marking plate) located northeast of the existing box.	Hydrovac site for soil bore installation
10/21/2013	EME	E-30	E	30	21S	36E	230'	On Hwy 176 travel approx 2 miles WEST from Hwy 8. Turn left onto Weaver Road [21]. Drive approx 1.1 miles south to service road on the right. Turn right onto service road. Drive .08 miles west to the end of service road. Turn left and drive .1 miles to site slightly to the left.	Hydrovac site for soil bore installation
10/21/2013	EME	B-30 EOL	M	30	21S	36E	231'	From the intersection of Hwy 8 and Hwy 176. Go west on Hwy 176 for 2 miles. Turn left, heading south, onto Weaver Road (paved- not marked) and go 1.1 miles. Turn right, heading west, and go 0.8 miles. Turn left, heading south, and go 0.2 miles to a 'T.' Turn right, heading west, and follow the road as it turns south for 0.4 miles to a battery. The site is on the east side of the battery.	Hydrovac site for soil bore installation

10/21/2013	EME	LH B-31 EOL	J	31	21S	36E	200'	From the intersection of Hwy 8 and Hwy 176. Go WEST on Hwy 176 for 2 miles. Turn left, heading south, onto Weaver Road (paved- not marked) and go 3 miles. Turn right, heading west, and go 0.4 miles. Turn right, heading north, and go 0.3 miles. Turn right, heading northeast, and go <0.1 mile to the battery. Location is north of the battery on the east end.	Hydrovac site for soil bore insstallation
10/21/2013	EME	Conoco C-20 EOL boot	K	20	21S	36E	230'	From the intersection of Hwy 8 and Hwy 176. Go west on Hwy 176 for 1.6 miles. Turn left, heading south, then immediately west, on main lease road and go 0.3 miles. Turn left, heading south, and go 0.5 miles to a battery. The location is south of the existing box between the current box and the battery fence	Hydrovac site for soil bore insstallation
10/21/2013	EME	D-28	D	28	21S	36E	175'	On Hwy 176 travel approx 1 mile west from Hwy 8. Turn left onto service road. Drive south approx 1.1 mile to service road 4 way. Turn right onto service road. Drive approx 1.2 miles to service road veering slightly to left. Veer left and follow service road approx 0.1 miles to site. Site is approx 0.3 miles north.	Hydrovac site for soil bore insstallation
10/21/2013	EME	Jct. C-6	C	6	21S	36E	135'	From the intersection of Hwy 8 and Hwy 175. Go west on Hwy 175 for 1.5 miles to Gulf Rd. Turn left, heading south, on Gulf Road and go 0.4 miles. Turn right, heading west, and go 0.5 miles to a 'T.' Turn right, heading north, and go 0.1 miles to a '+.' Turn left, heading west, at first, curves north halfway along) and go 1.5 miles to the ROC ROW. Turn right, heading northeast, along the ROW (2 track road) and go 0.1 miles to the site	Hydrovac site for soil bore insstallation
10/21/2013	EME	T-5	T	5	21S	36E	200'	From the intersection of Hwy 8 and Hwy 175. Go west on Hwy 175 for 1.5 miles to Gulf Rd. Turn left, heading south, and go 0.3 miles. Turn right, heading west, and go 0.3 miles. Turn left, heading south, and go 0.1 miles to a pad. From the southwest corner of the pad, go southwest < 0.1 mile. The location is just east of the lease road	Hydrovac site for soil bore insstallation
10/21/2013	EME	State 'A' EOL	A	8	21S	36E	200'	From the intersection of Hwy 8 and Hwy 175. Go south on Hwy 8 for 0.9 miles. Turn right, heading west, and go 1.3 miles to a pad. Turn right, heading north, at the pad and go 0.1 miles. Turn right, heading east, and go 0.2 miles to a pad with two pump jacks and a two tank battery. The site is just north of the tanks.	Hydrovac site for soil bore insstallation

10/21/2013	EME	G-4 boot	G	4	21S	36E	190'	From the intersection of Hwy 8 and Hwy 175 south of Oil Center. Go west on Hwy 175 for 0.4 miles. Turn right, heading north, and travel 0.5 miles to the Conoco Phillips Myer B-4 Battery. The current box is 160 ft north of the battery, the old box is 270 southwest of the new box.	Hydrovac site for soil bore installation
10/21/2013	EME	I-9	I	9	21S	36E	200'	From the intersection of Hwy 8 and Hwy 175. Go south on Hwy 8 for 0.9 miles. Turn right, heading west, and go 0.15 miles. Turn left, heading south, and go 0.2 miles to the ROC ROW. Turn right, heading southeast, up the ROW for < 0.1 miles to the site.	Hydrovac site for soil bore installation
10/21/2013	EME	F-1 EOL	U	1	21S	36E	98'	From the intersection of Hwy 8 and Hwy 175. Go south on Hwy 8 for 0.25 miles to Curry Road. Turn left, heading east, and go 2.3 miles. Turn right, heading north, and go < 0.1 miles to a 'Y.' Take the left, heading northwest, fork and go 0.1 miles to a 'T.' Turn left, heading southwest, and go < 0.1 mile to a battery. The site is south of the treaters next to the compressor.	Hydrovac site for soil bore installation
10/21/2013	EME	Jct. I-19	I	19	20S	37E	35'	From the intersection of Hwy 8 and Billy Walker Road. Go south on Hwy 8 for 2.9 miles. Turn right, heading southwest, and go 0.4 miles. Turn left, heading southwest, and go 0.93 miles. Turn left, heading south, and go 0.23 miles to a 'Y' intersection. Take the right, heading southwest, fork and go 0.29 miles. Turn left, heading south, 120 ft to the current junction box. The former box was located 20 ft SW of the edge of the present box.	Hydrovac site for soil bore installation
10/21/2013	EME	E-4	E	4	21S	36E	190'	Travel north on Hwy 8 approx 2.4 miles. Turn left on Hwy 175. Travel 0.8 miles west to 5th service road on right. Turn right onto service road. Travel north approx 0.4 miles to small service road on right. Turn very slight right onto diagonal road just passed road on hard right. Site is approx 0.2 miles ahead.	Hydrovac site for soil bore installation
10/21/2013	EME	State B EOL	D	7	22S	37E	157'	From the intersection of Hwy 8 and Hwy 176. Go west on Hwy 176 for 2 mile. Turn left, heading south, on the paved road and go 4.1 miles. Turn right, heading west, and go 0.8 miles to the battery.	Hydrovac site for soil bore installation
10/21/2013	EME	L-25	L	25	19S	36E	14'	In Monument, at the intersection of Hwy 8 and Hwy 322, go west 1.8 miles on Hwy 322 to Hess Lane. Continue west on Hess Lane for 0.6 miles. Turn right and go north for 0.3 miles. Turn left and go west for 0.4 miles to the site.	Excavation and liner installation per the CAP submitted to the NMOCD on September 20, 2013
10/21/2013	Hobbs	O-29 EOL	O	29	18S	38E	70'	From the intersection of Sanger Street and French Drive in Hobbs, go west on Sanger Street for 0.35 miles. Turn right and go north 0.1 miles. Turn right and go east 0.1 miles. The site is east of the tank battery.	Liner installation per the CAP, approved by the NMOCD on September 3, 2013

10/21/2013	Hobbs	M-4	M	4	19S	38E	29'	From the intersection of Stanolind Road and Grimes, travel west 0.6 miles. Turn right and go 0.3 miles north-west, then turn left and travel past the cattle-guard and locked gate. Turn right and travel north-west 0.1 miles. Turn west and travel 0.1 miles, then turn left and travel 0.25 miles south-east to the South Hobbs Production Heater #5. Site is to the north-west.	Liner installation per the CAP, approved by the NMOCD on August 29, 2013.
10/21/2013	Justis	B-12 BGT	B	12	25S	37E	81'	Go north of Jal on Hwy 18 between MM 13 and MM 12. Turn east on C-13 and go 3 miles. Turn right and go 1.8 miles south. Turn left and go 1.2 miles east. Turn right through cattle guard and go 2/10 mile. Turn left for 1/10 mile. Turn right through cattle guard and go 1/10 mile. Turn left and go 2/10 mile north to location.	Tank removal and liner installation per the Finalization of BGT Closure Plan sent to the NMOCD on October 7, 2013
10/21/2013	Justis	E-26	E	26	24S	37E	68'	From the intersection of Hwy 18 and the Flying E Road, go east on Flying E Road for 3.3 miles. Turn left through the cattle guard and go 0.2 miles until you come to a T intersection. Turn left and go north to a tank battery. The site is on the east side of the tank battery.	Monitoring well plugging per the CAP Report and Termination Request approved by the NMOCD on October 9, 2013
10/21/2013	Vacuum	F-35	F	35	17S	35E	54'	From the intersection of Buckeye Road and Hwy 238, go south on Hwy 238 for 0.4 miles. Turn right and go west for 0.6 miles. The location is on the left side of the road.	Surface Restoration (seeding)
10/21/2013	Vacuum	D-31-2	J	31	17S	35E	100'	In Buckeye and the intersection of the Buckeye Road and Hwy 238, go south on Hwy 238 for 0.3 miles. Turn left and go east 0.2 miles. The site is in the pasture 180 ft north of the lease road.	Liner installation (seeding) per the CAP, approved by the NMOCD on May 31, 2012

November 05, 2013

KATIE JONES

Rice Operating Company

112 W. Taylor

Hobbs, NM 88240

RE: JUSTIS B-12

Enclosed are the results of analyses for samples received by the laboratory on 11/04/13 13:11.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

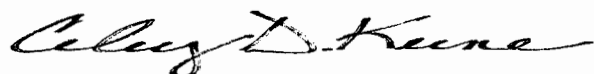
Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,



Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

Rice Operating Company
KATIE JONES
112 W. Taylor
Hobbs NM, 88240
Fax To: (575) 397-1471

Received: 11/04/2013
Reported: 11/05/2013
Project Name: JUSTIS B-12
Project Number: NOT GIVEN
Project Location: 25-S / 37-E

Sampling Date: 11/04/2013
Sampling Type: Soil
Sampling Condition: Cool & Intact
Sample Received By: Jodi Henson

Sample ID: NORTH TANK 5 PT. COMP (H302683-01)

BTEX 8021B			mg/kg		Analyzed By: MS				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	11/05/2013	ND	1.90	94.9	2.00	2.12	
Toluene*	<0.050	0.050	11/05/2013	ND	1.89	94.7	2.00	2.22	
Ethylbenzene*	<0.050	0.050	11/05/2013	ND	1.90	95.2	2.00	2.41	
Total Xylenes*	<0.150	0.150	11/05/2013	ND	5.57	92.9	6.00	2.39	
Total BTEX	<0.300	0.300	11/05/2013	ND					

Surrogate: 4-Bromofluorobenzene (PIE) 107 % 89.4-126

Chloride, SM4500Cl-B			mg/kg		Analyzed By: AP				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	<16.0	16.0	11/04/2013	ND	400	100	400	3.92	

TPH 8015M			mg/kg		Analyzed By: MS				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	11/05/2013	ND	200	100	200	0.0305	
DRO >C10-C28	<10.0	10.0	11/05/2013	ND	205	102	200	0.511	

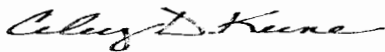
Surrogate: 1-Chlorooctane 90.4 % 65.2-140

Surrogate: 1-Chlorooctadecane 95.9 % 63.6-154

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

Rice Operating Company
KATIE JONES
112 W. Taylor
Hobbs NM, 88240
Fax To: (575) 397-1471

Received: 11/04/2013
Reported: 11/05/2013
Project Name: JUSTIS B-12
Project Number: NOT GIVEN
Project Location: 25-S / 37-E

Sampling Date: 11/04/2013
Sampling Type: Soil
Sampling Condition: Cool & Intact
Sample Received By: Jodi Henson

Sample ID: SOUTH TANK 5 PT. COMP (H302683-02)

BTX 8021B		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	11/05/2013	ND	1.90	94.9	2.00	2.12	
Toluene*	<0.050	0.050	11/05/2013	ND	1.89	94.7	2.00	2.22	
Ethylbenzene*	<0.050	0.050	11/05/2013	ND	1.90	95.2	2.00	2.41	
Total Xylenes*	<0.150	0.150	11/05/2013	ND	5.57	92.9	6.00	2.39	
Total BTX	<0.300	0.300	11/05/2013	ND					

Surrogate: 4-Bromofluorobenzene (PIE) 106 % 89.4-126

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	<16.0	16.0	11/04/2013	ND	400	100	400	3.92	

TPH 8015M		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	11/05/2013	ND	200	100	200	0.0305	
DRO >C10-C28	<10.0	10.0	11/05/2013	ND	205	102	200	0.511	

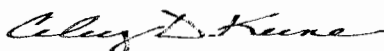
Surrogate: 1-Chlorooctane 80.3 % 65.2-140

Surrogate: 1-Chlorooctadecane 80.8 % 63.6-154

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

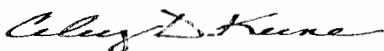
Notes and Definitions

ND	Analyte NOT DETECTED at or above the reporting limit
RPD	Relative Percent Difference
**	Samples not received at proper temperature of 6°C or below.
***	Insufficient time to reach temperature.
-	Chloride by SM4500Cl-B does not require samples be received at or below 6°C Samples reported on an as received basis (wet) unless otherwise noted on report

Cardinal Laboratories

* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

ARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240 2111 Beechwood, Abilene, TX 79603
(505) 393-2326 FAX (505) 393-2476 (325) 673-7001 FAX (325) 673-7020

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

[illegible]

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476



PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

November 07, 2013

KATIE JONES

Rice Operating Company

112 W. Taylor

Hobbs, NM 88240

RE: JUSTIS B-12

Enclosed are the results of analyses for samples received by the laboratory on 11/06/13 15:35.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Coley D. Keene". The signature is written in a cursive, flowing style.

Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

Rice Operating Company
KATIE JONES
112 W. Taylor
Hobbs NM, 88240
Fax To: (575) 397-1471

Received: 11/06/2013
Reported: 11/07/2013
Project Name: JUSTIS B-12
Project Number: NOT GIVEN
Project Location: 25-S / 37-E

Sampling Date: 11/06/2013
Sampling Type: Soil
Sampling Condition: ** (See Notes)
Sample Received By: Jodi Henson

Sample ID: IMPORTED SOIL (H302707-01)**Chloride, SM4500Cl-B****mg/kg****Analyzed By: AP**

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	<16.0	16.0	11/07/2013	ND	432	108	400	4.01	

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager


Notes and Definitions

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RPD	Relative Percent Difference
**	Samples not received at proper temperature of 6°C or below.
***	Insufficient time to reach temperature.
-	Chloride by SM4500Cl-B does not require samples be received at or below 6°C Samples reported on an as received basis (wet) unless otherwise noted on report

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager



CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page 4 of 4

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Relinquished By: 	Date: 11-6-13	Received By: 	Phone Result: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Add'l Phone #:
	Time: 3:35		Fax Result: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Add'l Fax #:
Relinquished By:	Date:	Received By:	REMARKS: email results Robert Egans, Kyle Norman, Lara Weinheimer, Zach Condon	
	Time:			
Delivered By: (Circle One)	Sample Condition	CHECKED BY:		
Sampler - UPS - Bus - Other:	Cool Intact <input type="checkbox"/> Yes <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No	 (Initials)		

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476

54

RICE ENVIRONMENTAL CONSULTING & SAFETY

122 West Taylor Hobbs, NM 88240
PHONE: (505) 393-9174 FAX: (505) 397-1471
PID METER CALIBRATION & FIELD REPORT FORM

CK.	<input type="checkbox"/>	MODEL: PGM 7300	SERIAL NO: 590-000508
MODEL	<input type="checkbox"/>	MODEL: PGM 7300	SERIAL NO: 590-000504
NO.	<input checked="" type="checkbox"/>	MODEL: PGM 7320	SERIAL NO: 590-902431
	<input type="checkbox"/>	MODEL: PGM 7300	SERIAL NO: 590-000183

GAS COMPOSITION: ISOBUTYLENE 100PPM / AIR: BALANCE

LOT NO : THAN-248-100-3	EXPIRATION DATE: 07/12/2017
METER READING ACCURACY: 100.0 ppm	

ACCURACY : +/- 2%

COMPANY
Rice Operating Company

SITE	UNIT	SECTION	TOWN SHIP	RANGE
Justis B-12 BGT (SWD)	B	12	25S	37E

SAMPLE ID	PID	SAMPLE ID	PID
Imported Soil	0		

I verify that I have calibrated the above instrument in accordance to the manufacture operation manual.

SIGNATURE:



DATE: 11-6-13

September 11, 2013

Hack Conder
Rice Operating Company
112 W. Taylor
Hobbs, NM 88240

RE: JUSTIS B-2

Enclosed are the results of analyses for samples received by the laboratory on 09/06/13 15:08.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

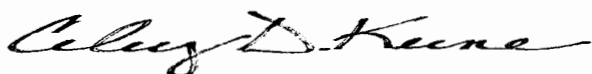
Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,



Caley D. Keene
Lab Director/Quality Manager

Analytical Results For:

Rice Operating Company
Hack Conder
112 W. Taylor
Hobbs NM, 88240
Fax To: (575) 397-1471

Received: 09/06/2013
Reported: 09/11/2013
Project Name: JUSTIS B-2
Project Number: NONE GIVEN
Project Location: NOT GIVEN

Sampling Date: 09/06/2013
Sampling Type: Soil
Sampling Condition: ** (See Notes)
Sample Received By: Amanda Ponce

Sample ID: N 8 PT COMP (H302162-01)

BTEX 8021B			mg/kg		Analyzed By: MS				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	09/10/2013	ND	1.85	92.6	2.00	6.48	
Toluene*	<0.050	0.050	09/10/2013	ND	1.87	93.3	2.00	7.38	
Ethylbenzene*	<0.050	0.050	09/10/2013	ND	1.93	96.4	2.00	7.53	
Total Xylenes*	<0.150	0.150	09/10/2013	ND	5.78	96.3	6.00	8.29	
Total BTEX	<0.300	0.300	09/10/2013	ND					

Surrogate: 4-Bromofluorobenzene (PIE) 102 % 89.4-126

Chloride, SM4500Cl-B			mg/kg		Analyzed By: AP				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	176	16.0	09/10/2013	ND	400	100	400	3.92	

TPH 8015M			mg/kg		Analyzed By: MS				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	09/09/2013	ND	208	104	200	0.475	
DRO >C10-C28	97.4	10.0	09/09/2013	ND	192	96.1	200	3.54	

Surrogate: 1-Chlorooctane 76.9 % 65.2-140

Surrogate: 1-Chlorooctadecane 94.2 % 63.6-154

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

Rice Operating Company
Hack Conder
112 W. Taylor
Hobbs NM, 88240
Fax To: (575) 397-1471

Received: 09/06/2013
Reported: 09/11/2013
Project Name: JUSTIS B-2
Project Number: NONE GIVEN
Project Location: NOT GIVEN

Sampling Date: 09/06/2013
Sampling Type: Soil
Sampling Condition: ** (See Notes)
Sample Received By: Amanda Ponce

Sample ID: S 8 PT COMP (H302162-02)

BTX 8021B		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	09/10/2013	ND	1.85	92.6	2.00	6.48	
Toluene*	<0.050	0.050	09/10/2013	ND	1.87	93.3	2.00	7.38	
Ethylbenzene*	<0.050	0.050	09/10/2013	ND	1.93	96.4	2.00	7.53	
Total Xylenes*	<0.150	0.150	09/10/2013	ND	5.78	96.3	6.00	8.29	
Total BTX	<0.300	0.300	09/10/2013	ND					

Surrogate: 4-Bromofluorobenzene (PIE) 102 % 89.4-126

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	64.0	16.0	09/10/2013	ND	400	100	400	3.92	

TPH 8015M		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	09/09/2013	ND	208	104	200	0.475	
DRO >C10-C28	<10.0	10.0	09/09/2013	ND	192	96.1	200	3.54	

Surrogate: 1-Chlorooctane 76.1 % 65.2-140

Surrogate: 1-Chlorooctadecane 82.1 % 63.6-154

Cardinal Laboratories

*=Accredited Analyte


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Celey D. Keene, Lab Director/Quality Manager

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***	Insufficient time to reach temperature.
-	Chloride by SM4500Cl-B does not require samples be received at or below 6°C Samples reported on an as received basis (wet) unless otherwise noted on report



Celey D. Keene, Lab Director/Quality Manager



CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

D W Blocker
PO Box 5769
Abilene, TX 79608

October 7, 2013

Hack Conder
Environmental Project Manager
Rice Operating Company
112 West Taylor
Hobbs, NM 88240

Dear Mr. Conder:

This letter is in regards to work that will be performed at Justis B-12 BGT (API 30-025-24761) located at UL/B, Sec. 12, T25S, R37E. The site is located inside of an active facility. Therefore, I am authorizing that it is permissible for the site to be backfilled with clean caliche and seeding will not be required.

Sincerely,

A handwritten signature in black ink, appearing to read "D W Blocker", written in a cursive style.

D W Blocker

**Justis B-12 North and South BGT
Unit Letter B, Section 12, T25S, R37E**



former below grade tanks 10/22/2013



removing the below grade tanks 10/22/2013



below grade tanks removed with new facility
being built in the background, facing southwest
10/22/2013



sampling beneath the former north BGT,
facing southwest 11/4/2013



sampling beneath the former south BGT,
facing southwest 11/4/2013



excavation padded with 6 inches of blow sand,
facing southwest 11/7/2013



20-mil reinforced liner installed at 4 ft bgs,
facing southwest 11/8/2013



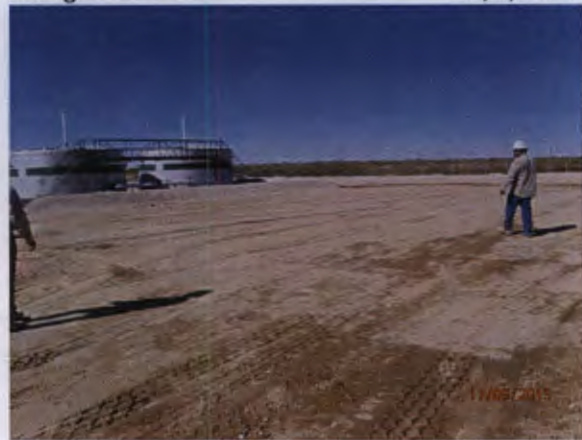
padding the liner with 6 inches of blow sand,
facing southwest 11/8/2013



backfilling the excavation with caliche,
facing southwest 11/8/2013



compacting the caliche, facing west 11/8/2013



site complete, facing northwest 11/9/2013

RICE *Operating Company*

112 West Taylor • Hobbs, New Mexico 88240

Phone: (575) 393-9174 • Fax: (575) 397-1471

RECEIVED OCD

2013 OCT -9 P 1:33

Sent via E-mail and U.S. Certified Mail with Return Receipt No.
7007 2560 0000 4569 8968

October 7, 2013

Mr. Edward Hansen

New Mexico Energy, Minerals, & Natural Resources
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

**RE: Finalization of Below Grade Tank Closure Plan
Rice Operating Company – Justis SWD System
Justis B-12 BGT (SWD) – North and South Tanks
UL B, Sec 12, T25S, R37E**

Mr. Hansen:

This letter is presented to update and finalize the OCD approved “C-144 Modifications to the Closure Plans” of November 10th, 2009, for two below-grade tanks at the Rice Operating Company (ROC) Justis B-12 BGT (SWD) facility (attached as an appendix to this letter).

The Justis B-12 BGT facility is located approximately 5 miles northeast of Jal, New Mexico (Figure 1). Since the submittal of the C-144 Modifications in 2009, ROC has conducted additional soil sampling of the excavated soil, removed from around the below grade tanks (Figure 2). An 8 point composite sample was collected from the north soil pile and the south soil pile and sent to Cardinal Laboratory for analysis. The composite sample collected from the north soil pile resulted in a chloride concentration of 176 mg/kg, a DRO concentration of 97.4 mg/kg, and GRO and BTEX concentrations below detectable limit. The composite sample collected from the south soil pile resulted in a chloride concentration of 64 mg/kg and a DRO, GRO, and BTEX concentration below detectable limit. These low concentrations are consistent with the tank integrity test and soil sampling and analyses presented in the 2009 C-144 Modifications, and indicate that this facility has not impacted soils or threatened groundwater quality.

Justis B-12 BGT

ROC therefore proposes the following work items to affect and finalize the Closure Plan for this facility:

1. A new salt water disposal (SWD) terminal facility will be installed adjacent to and used in place of the existing below-grade tanks (BGT), Figure 3. The existing BGTs will be removed from service. The new facility will have one fiberglass receiving tanks and one fiberglass overflow tank with the necessary plumbing and fittings. The tanks will be installed within a lined secondary containment. The gathering system pipeline will be connected to the new facility and placed into operation prior to removal of the BGTs on site.
2. The existing (north and south) below-grade tanks will be removed and properly disposed at an off-site location. Due care will be given to empty the tanks of their contents and to secure the lines so that no fluid loss will occur.
3. In 2009, composite samples were collected from beneath the edge of the north tank and the south tank, resulting in low chloride concentrations. A concentration of 32 mg/kg was observed under the north tank, and 80 mg/kg were observed under the south tank. Upon removal of the below-grade tanks, the soil will be visually inspected for any possible impact. If the visual inspection shows no sign of impact, a synthetic liner will be properly seated in the bottom of the excavation at approximately 5 feet below ground surface (bgs), Figure 2. The synthetic liner will be padded with approximately 6 inches of blow sand beneath and above and will cover an area of approximately 36x58 ft. The excavation will then be backfilled with clean caliche (testing less than 250 mg/kg for chlorides) and compacted to the natural ground surface of the lease pad. Since the site is located on an active lease pad, seeding is not required. If visual inspection of the soil beneath the former BGTS shows sign of impact, a composite sample will be collected and analyzed for chloride. If residual soil chloride levels test below 250 mg/kg, ROC will proceed with the synthetic liner installation. A synthetic liner installed beneath a site will inhibit the downward migration of water through the subsurface, slowing movement of any residual constituents toward groundwater.
4. A report with photographic chronology will be provided to OCD, which summarizes the course and completion of this work.

The remediation (if warranted) of soils found to exceed 250 mg/kg chlorides and the placement of a synthetic liner will serve to protect groundwater quality. Further, the replacement of below-grade tanks with above-ground tanks will facilitate early detection of any future leaks or spillage that may occur so that timely and effective response may be made.

ROC is the service provider (agent) for the Justis SWD System and has no ownership of any portion of the pipeline, well, or facility. The System is owned by a consortium of oil producers, System Parties, who provide all operating capital on a percentage ownership/usage basis. Environmental projects of this magnitude require System Party AFE approval, and work begins as funds are received. In general, project funding is not

Justis B-12 BGT

forthcoming until NMOCD approves the work plan. Therefore, your timely review of this submission would be greatly appreciated.

Thank you.

Sincerely,

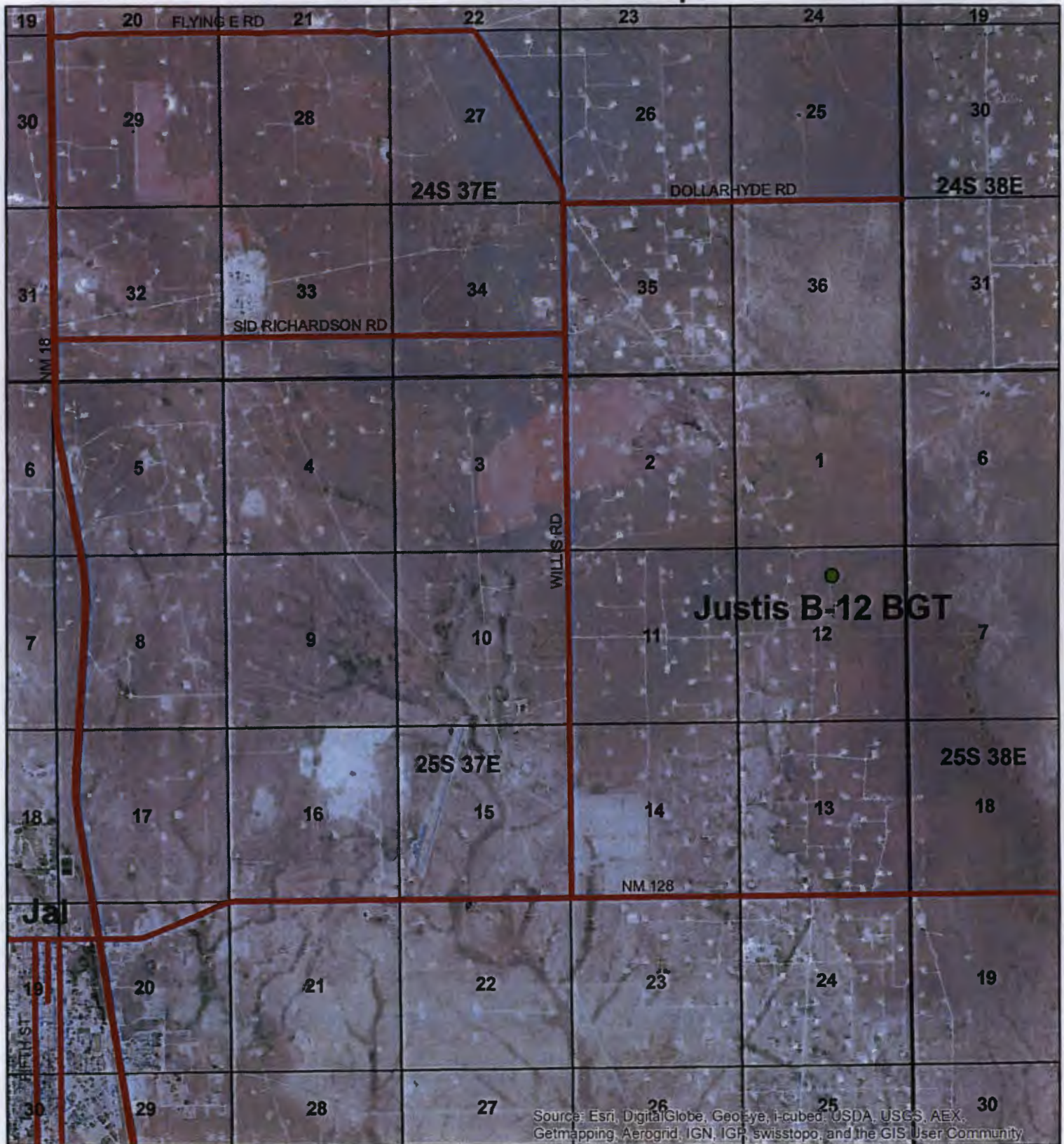
A handwritten signature in black ink, appearing to read 'H. Conder', with a long horizontal flourish extending to the right.

Hack Conder
Environmental Manager

Copy: Pete Galusky (Texerra)
 Katie Jones (ROC)
 File

Attachments: Figure 1 – Site Location Map
 Figure 2 – Soil Sampling
 Figure 3 – New Facility Diagram
 NMOCD Approval (e-mail letter) of November 16, 2009
 C-144 Modifications to the Closure Plans November 10, 2009

Site Location Map



JUSTIS B-12 BGT

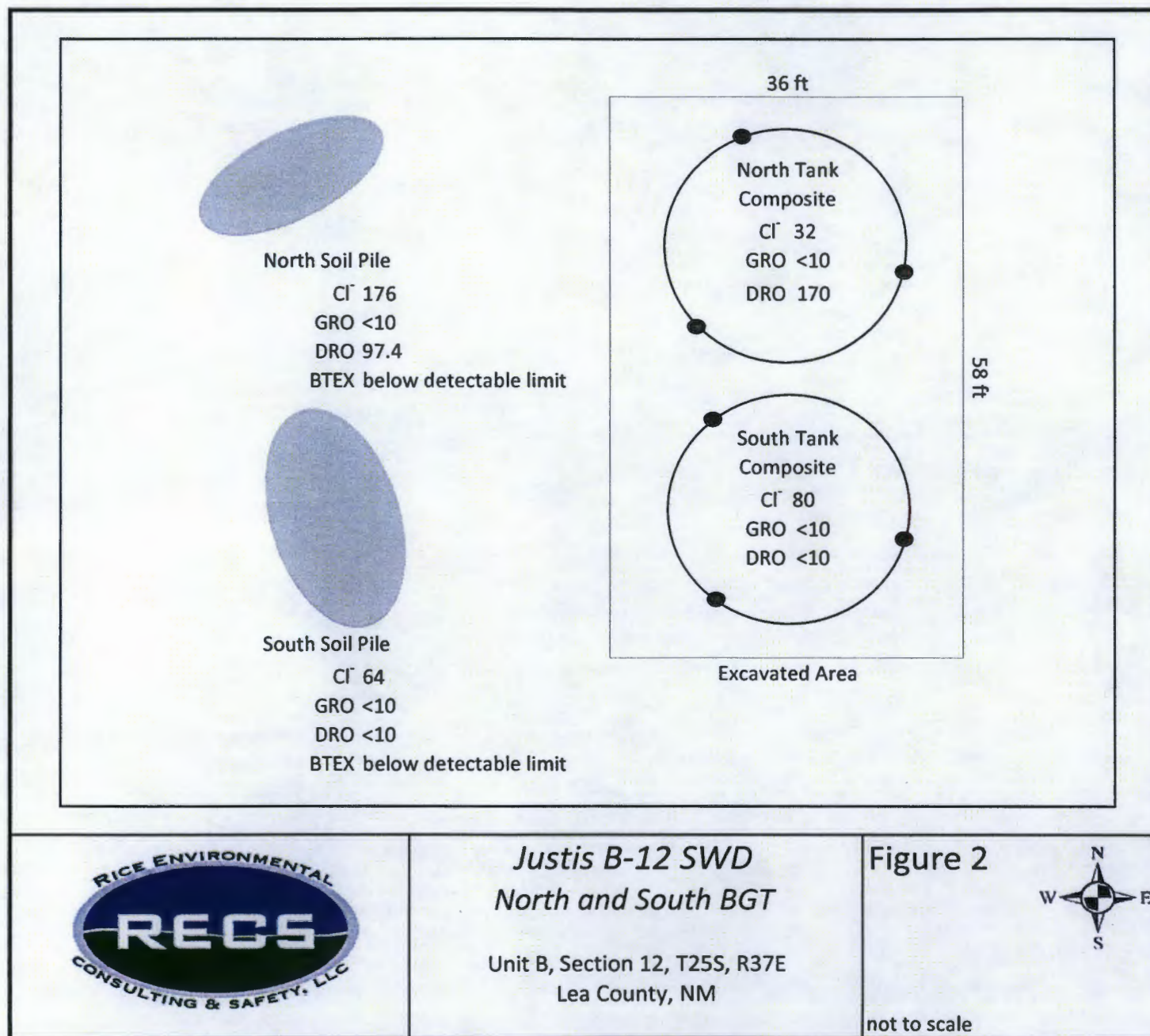
LEGALS: UL/B sec. 12
T-25-S R-37-E
LEA COUNTY, NM

Figure 1



0 0.5 1
Miles

Drawing date: 9/25/13
Drafted by: L. Weinheimer



*Justis B-12 SWD
North and South BGT*

Unit B, Section 12, T25S, R37E
Lea County, NM

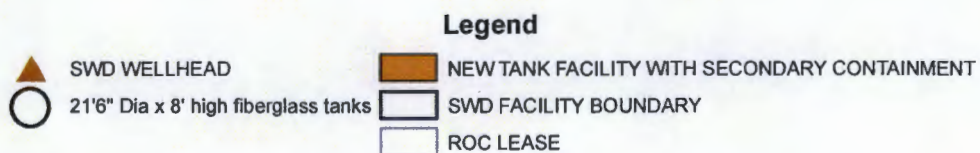
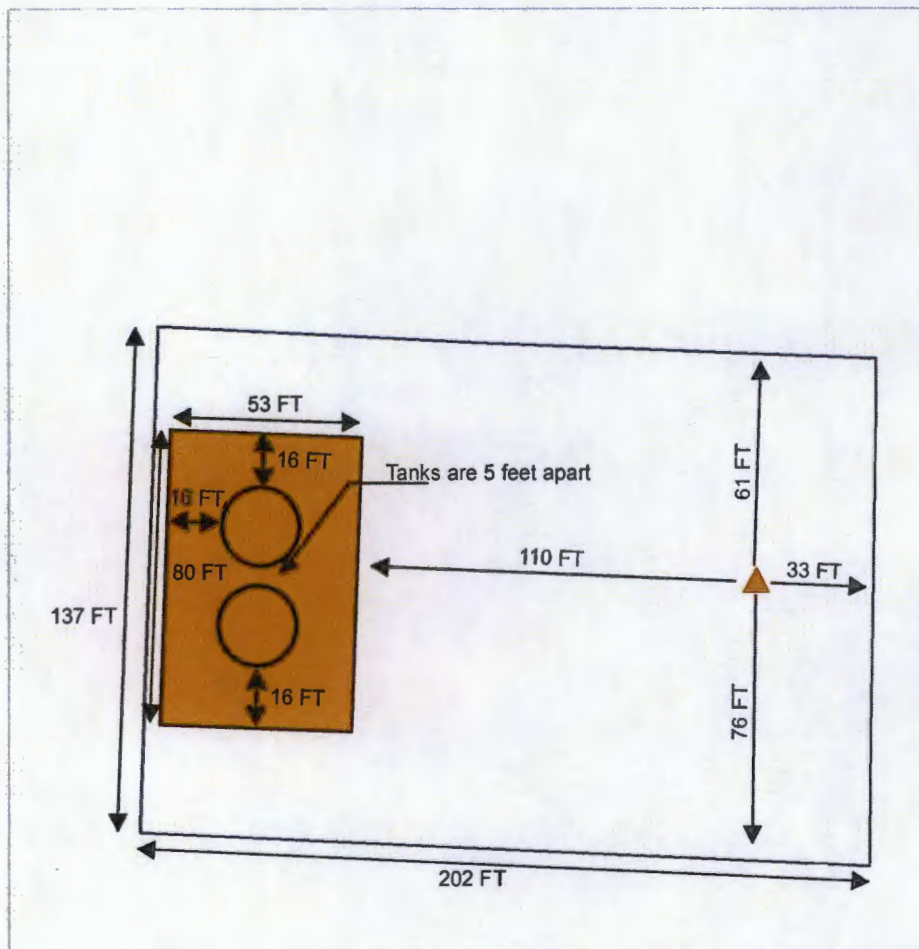
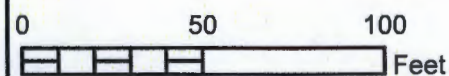
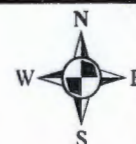


Figure 3



GPS date: 9/26/13 TG
 Drawing date: 9/26/13
 Drafted by: T. Grieco



JUSTIS B-12 SWD

UL B SECTION 12
 T-25-S R-37-E
 LEA COUNTY, NM

From: Katie Jones
To: kjones@riceswd.com;
Subject: Below-Grade Tank Closure Plan Modification Approvals
Date: Wednesday, November 18, 2009 7:13:08 AM

From: Hansen, Edward J., EMNRD [mailto:edwardj.hansen@state.nm.us]
Sent: Monday, November 16, 2009 5:28 PM
To: Hack Conder
Cc: Leking, Geoffrey R, EMNRD; Marvin Burrows; Scott Curtis; lpg@texerra.com
Subject: Below-Grade Tank Closure Plan Modification Approvals

**RE: Below-Grade Tank Closure Plan Modification Approvals
for the Rice Operating Company's
BD SWD N-18 Site (East Tank and West Tank)
Unit Letter B, Section 18, T22S, R37E, NMPM, Lea County, New
Mexico
EME SWD G-8 Site (East Tank and West Tank)
Unit Letter G, Section 8, T20S, R37E, NMPM, Lea County, New
Mexico
Justis SWD B-12 Site (North Tank and South Tank)
Unit Letter B, Section 12, T25S, R37E, NMPM, Lea County, New
Mexico**

Dear Mr. Conder:

The New Mexico Oil Conservation Division (OCD) has received the Modifications to the Closure Plans for the BD SWD N-18 Site (East Tank and West Tank), the EME SWD G-8 Site (East Tank and West Tank) and the Justis SWD B-12 Site (North Tank and South Tank), dated November 10, 2009, and has conducted a review of the Modifications. The Modifications, submitted for the above-referenced sites, indicates that Rice Operating Company (ROC) has substantially met the requirements of 19.15.17 NMAC (Part 17) for closure plans. Therefore, the OCD hereby conditionally approves the Modifications to the Closure Plans for above-referenced below-grade tanks in accordance with 19.15.17 NMAC:

ROC shall close the above-referenced below-grade tanks in accordance with the respective schedules as specified in the Modifications to the Closure

Plans:

BD SWD N-18 Site East Tank and West Tank will be closed by December 31, 2010

EME SWD G-8 Site East Tank and West Tank will be closed by December 31, 2011

Justis SWD B-12 Site North Tank and South Tank will be closed by December 31, 2012

Please be advised that OCD approval of these Modifications does not relieve the owner/operator of responsibility should operations pose a threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve the owner/operator of responsibility for compliance with any OCD, federal, state, or local laws and/or regulations.

If you have any questions regarding this matter, please contact me at 505-476-3489.

Edward J. Hansen
Hydrologist
Environmental Bureau

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RICE Operating Company

122 West Taylor • Hobbs, New Mexico 88240
Phone: (575) 393-9174 • Fax: (575) 397-1471

November 10th, 2009

Mr. Edward Hansen

New Mexico Energy, Minerals, & Natural Resources
Oil Conservation Division, Environmental Bureau
1220 S. St. Francis Drive
Santa Fe, New Mexico 87504

**RE: Modifications to the Closure Plans
Rice Operating Company – Justis SWD System
Justis B-12 SWD – North and South Tanks
UL-B, Sec 12, T25S, R37E**

Mr. Hansen:

This letter and accompanying documentation are to serve as a modification to the C-144 forms and Closure Plans for the two below-grade tanks at the Justis B-12 SWD facility.

ROC is the service provider (agent) for the Justis SWD System and has no ownership of any portion of the pipeline, well, or facility. The System is owned by a consortium of oil producers, System Parties, who provide all operating capital on a percentage ownership/usage basis. Environmental projects of this magnitude require System Party AFE approval, and work begins as funds are received. In general, project funding is not forthcoming until NMOCD approves the work plan. Therefore, your timely review of this submission would be greatly appreciated.

Over the course of this past summer, Rice Operating Company conducted an evaluation of the Justis B-12 SWD facility to determine if past or continued operation of the below-grade tanks have or would pose a threat to groundwater quality. This work entailed a tank integrity evaluation conducted by Palmer of Texas, followed by a soil evaluation directed and overseen by Texerra. The results of these efforts are given as an attachment. In brief, it was found that the tanks have integrity and that the soils underneath and surrounding them were not significantly affected from either residual chloride or petroleum hydrocarbons.

In light of the demonstrated integrity of this facility, and of the fact that there is presently no threat to groundwater quality from past or present operations, Rice Operating Company (ROC) proposes the following modifications to the Closure Plans for both tanks (north and south) at this facility:

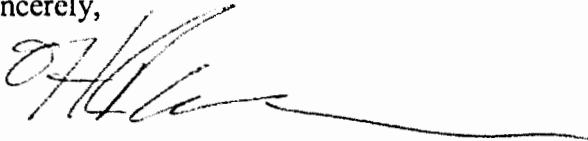
1. ROC will continue to operate these tanks where they are presently located and as they are presently configured through calendar year 2011.

2. The bottoms of both tanks will remain exposed (as shown in Photograph C of the attached report) to facilitate regular visual inspection of their integrity.
 - a. The existing tank excavations will be diked appropriately to prevent run-off water from entering the excavation.
 - b. Spoil piles from the current excavation will be stored on site with a facility dike surrounding. The spoil piles will be blended to a chloride concentration of 250 mg/kg or less and utilized for backfill of the existing excavation.
3. ROC will conduct a visual inspection of both tanks and their appurtenances on a weekly basis. Any leakage or spillage will be immediately addressed and promptly reported to NMOCD.
4. ROC will keep logs of these weekly inspections and provide to NMOCD a brief facility status report on an annual basis (by April 1st of each year).
5. ROC will provide NMOCD with a plan for the replacement of the existing below-grade tanks with above-grade tanks by December 31st of 2010.
6. ROC will replace the existing below-grade tanks with above-grade tanks by December 31st of 2012. These tanks will be installed near the existing tanks on the existing caliche pad or on clean, compacted backfill in the same general location of the existing tanks.
7. ROC will continue to use this location as an active SWD facility until its eventual closure at some future date. Ecological restoration of the ground surface will not occur until the facility is ultimately closed.

We submit this information for your review and consideration.

Thank you.

Sincerely,



Hack Conder
Environmental Manager

Copy: Pete Galusky (Texerra)
Katie Jones (ROC)
file

Attachments: Report of tank integrity and soil testing.
C-144 forms.
Tank Closure Plans.

Rice Operating Company
Justis B-12 SWD
Results of Tank Integrity and Soil Testing
10/30/09

Background and Scope

In follow-up to a June 8th, 2009 meeting with Brad Jones and Edward Hansen of NMOCD, Rice Operating Company (ROC) completed integrity test of the two below-grade tanks at the Justis B-12 SWD system and subsequently completed a preliminary soils investigation. The purpose of this work was to determine if the past or continued operation of the below-grade tanks at this SWD facility poses a threat to groundwater quality.

The site is located approximately 4.25 miles east northeast of Jal, New Mexico (Figure 1). The depth to groundwater is believed to be greater than 50 ft.

Results

Palmer of Texas conducted a tank integrity test of the Justis B-12 facilities in July of 2009 and found no evidence of leakage (Figure 2).

Rice Operating Company personnel subsequently took soil samples from beneath the tanks and from the soils excavated from around the tanks, analyzing them for chlorides and petroleum hydrocarbons. A soil sample was also collected from an apparently unaffected adjacent area to provide a natural "background" soil chloride measurement. Soil samples were taken from depths of approximately 2 to 3 ft using a hand-auger at an approximate angle of 45 degrees, boring below the lip of the tank at the approximate locations shown in Figure 3. Soil samples were composited to provide representative sample areas. This work was supervised by L. Peter Galusky, Jr. of Texerra¹ on October 6th, 2009.

The natural background soil chloride concentration, as measured from a sample taken in a grassy area adjacent to the facility was 244 ppm (as measured by field titration). The composite chloride concentration taken from multiple, representative points from the excavated soil material was 416 ppm. The composite soil chloride concentration taken from the north tank was 32 ppm and that from the south tank was 80 ppm. Soil hydrocarbon concentrations for gasoline range organics (GRO) were below laboratory detection limits (< 10 ppm) for both tank composite samples. Diesel range organics (DRO) measured 170 ppm below the north tank and below detection under the south tank. The excavated spoil pile measured below detection for GRO and 350 ppm for DRO. These values are shown in Figure 3 and given in Figures 4 & 5. Recent photographs of the site are given in the Appendix.

The facts that the tanks have integrity, that soil chlorides were low below both tanks and that only moderately elevated levels of hydrocarbons were found in the excavated soil and under one of the tanks indicates the Justis B-12 SWD location has been only minimally affected by SWD operations and that it does not pose a threat to groundwater quality.

¹ Contact: L. Peter Galusky, Jr. E-mail: lpg@texerra.com, Cell: 432-634-9257. Web: www.texerra.com.

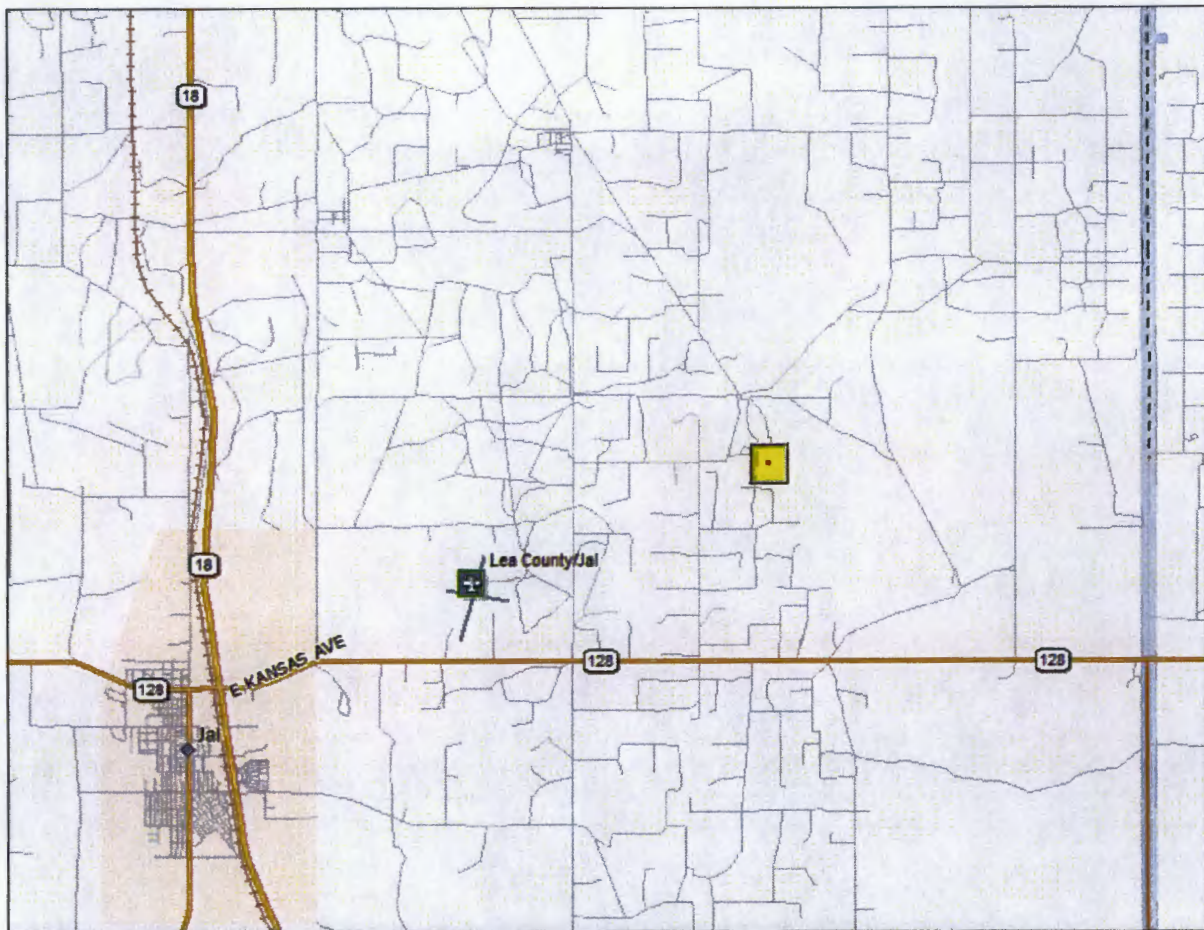


Figure 1 – Justis B-12 SWD location (denoted by yellow box). Map is not to scale.



RECEIVED

BY 20/009

7-16-09

LINE OPERATING
PRESS LN

Hack Conder
Line Operating
122 W. Taylor
Hobbs, NM 88240

Re: Tank inspections

Hack, we have inspected 500 bbl, 20' dia x 8' tall fiberglass tanks as they sit at the following locations finding no water leaks on the top and sidewalls and no evidence of leaks on the bottom:

ENS SWD #G-6
Justis SWD #B-12
Blindbury Drinkasa Unit #N-18

Please let me know if you have further questions.

Thank you,


Renny Scudder

PALMER OF TEXAS - P.O. Box 1069 - Andrews, Texas 79714 - 1-800-367-4550

Figure 2 – Results of tank-integrity inspection at Justis B-12.

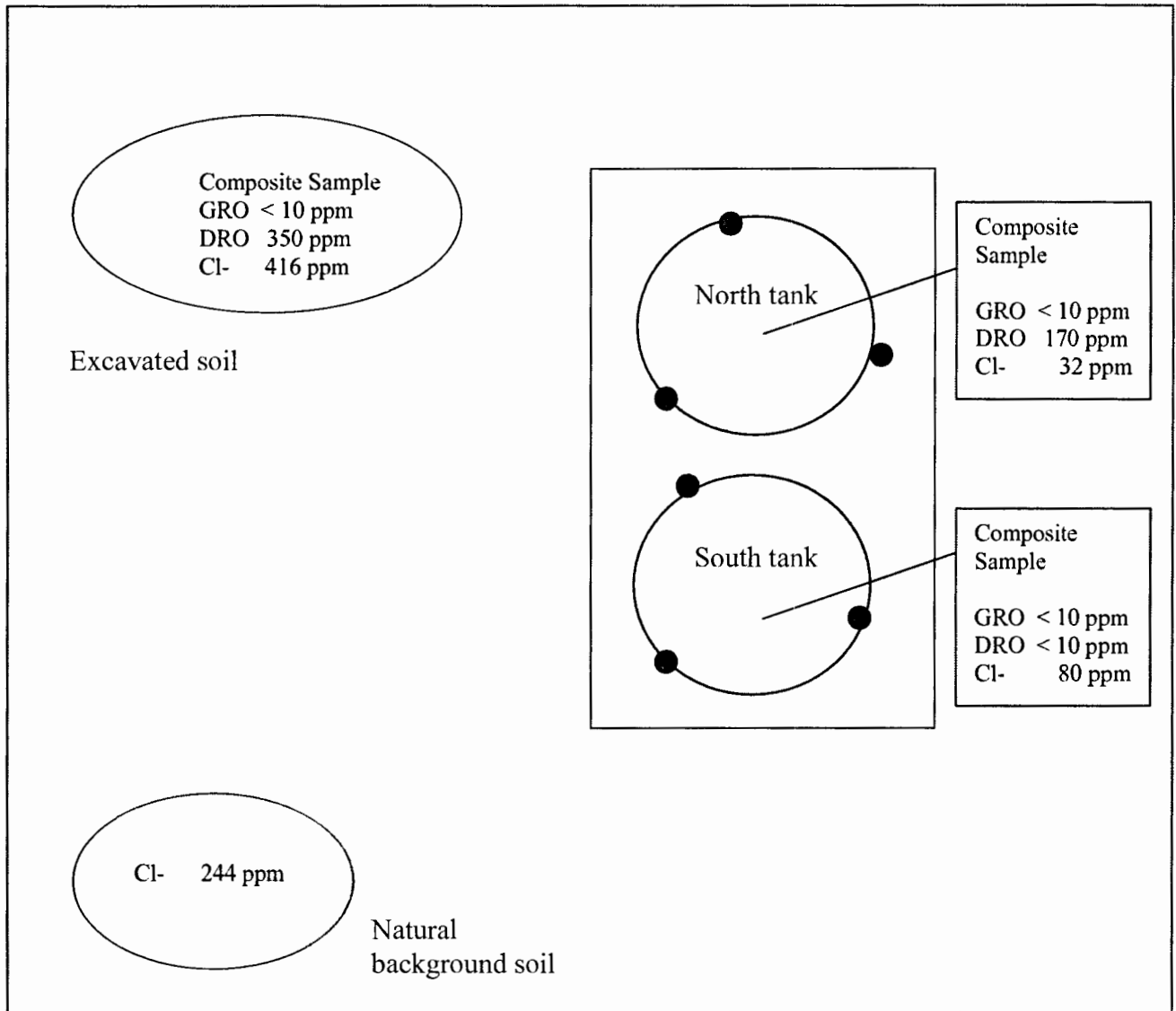


Figure 3 – Justis B-12 approximate soil sampling locations and laboratory results. Map is not to scale. Drawing is not to scale.



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
RICE OPERATING COMPANY
ATTN: HACK CONDER
122 W. TAYLOR
HOBBS, NM 88240
FAX TO: (575) 397-1471

Receiving Date: 10/09/09
Reporting Date: 10/12/09
Project Owner: NOT GIVEN
Project Name: NORTH TANK JUSTIS B-12 WELL
Project Location: JUSTIS B-12 WELL

Sampling Date: 10/09/09
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: AB/HM

LAB NUMBER	SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/kg)	DRO (C ₁₀ -C ₂₉) (mg/kg)	Cl* (mg/kg)
------------	-----------	--	---	----------------

ANALYSIS DATE	10/12/09	10/12/09	10/09/09
H18460-1 NORTH TANK 3FT. BOTTOM COMPOSITE @ 3FT.	<10.0	170	32
H18427-4 SPOIL PILE 8 PT. COMPOSITE	<10.0	350	416
Quality Control	506	543	500
True Value QC	500	500	500
% Recovery	101	109	100
Relative Percent Difference	8.7	1.9	<0.1

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Cl: Std. Methods 4500-ClB

*Analysis performed on a 1:4 w:v aqueous extract. Reported on wet weight.

**GRO/DRO analyzed on 10/08/09 and Chloride on 10/07/09.

Chemist

Date

H18460 TCL RICE

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Figure 4 –North tank and spoil pile composite soil lab test results.



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
RICE OPERATING COMPANY
ATTN: HACK CONDER
122 W. TAYLOR
HOBBS, NM 88240
FAX TO: (575) 397-1471

Receiving Date: 10/09/09
Reporting Date: 10/12/09
Project Owner: NOT GIVEN
Project Name: SOUTH TANK JUSTIS B 12 WELL
Project Location: JUSTIS B-12-WELL

Sampling Date: 10/09/09
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: AB/HM

LAB NUMBER	SAMPLE ID	GRO (C_6-C_{10}) (mg/kg)	DRO ($>C_{10}-C_{28}$) (mg/kg)	Cl* (mg/kg)
		10/12/09	10/12/09	10/09/09
H18459-1	SOUTH TANK 3FT. BOTTOM COMPOSITE @ 3FT.	<10.0	<10.0	80
H18427-4**	SPOIL PILE 8 PT. COMPOSITE	<10.0	350	416
Quality Control		506	543	500
True Value QC		500	500	500
% Recovery		101	109	100
Relative Percent Difference		6.7	1.9	<0.1

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Cl: Std. Methods 4500-ClB

*Analysis performed on a 1:4 w:v aqueous extract. Reported on wet weight.

**GRO/DRO analyzed on 10/08/09 and Chloride on 10/07/09.

Chemist

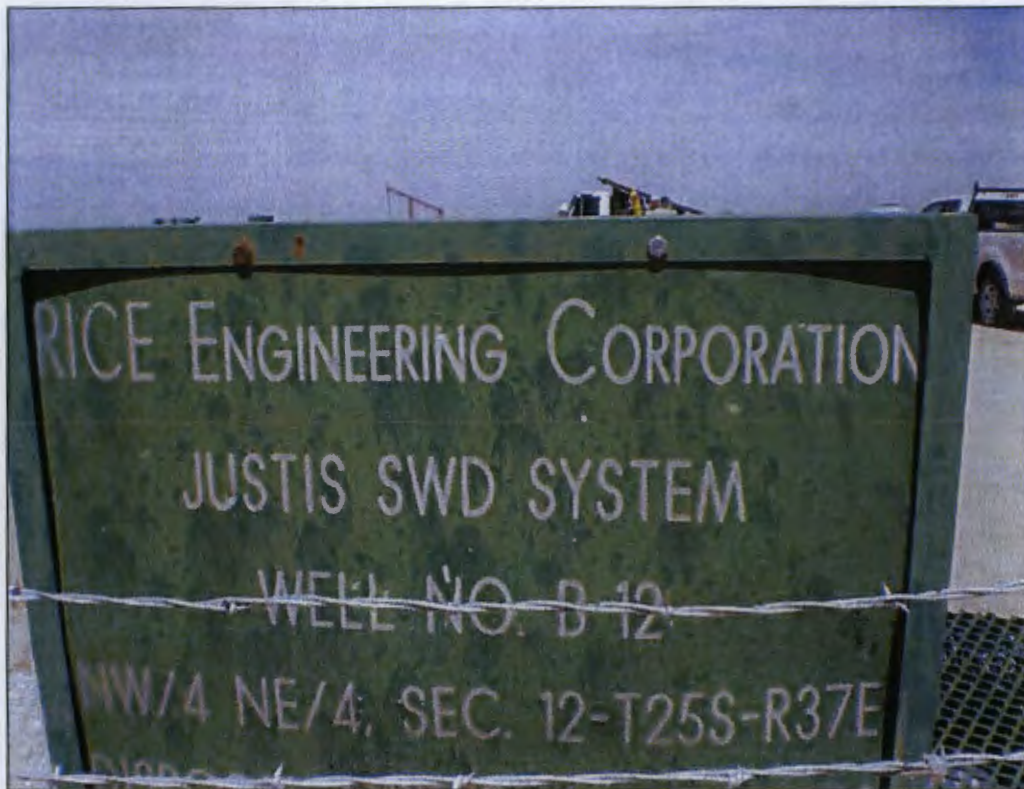
Date

H18459 TCL RICE

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Figure 5 –South tank and spoil pile composite soil lab test results.

APPENDIX – Photographs



Photograph A – View of Justis B-12 SWD near entrance to site.



Photograph B– View across Justis B-12 SWD below-grade tanks looking north northwest.



Photograph C– View of soil augering under south tank.



Photograph D – View of north (left) and south (right) below-grade tanks and appurtenances.



Photograph E – View of “natural background” soil sampling area. View looking northeast toward SWD location.



Photograph F – View of excavated soil (beyond truck) from edge of tank area.

From: Hack Conder
To: Katie Jones;
Subject: FW: ROC Below-Grade Tank Closure Plan Approvals
Date: Thursday, February 19, 2009 2:07:39 PM

Hack Conder
Environmental Manager
Rice Operating Company
575-393-9174
fax 575-397-1471

From: Hansen, Edward J., EMNRD [mailto:edwardj.hansen@state.nm.us]
Sent: Tuesday, January 13, 2009 3:16 PM
To: Hack Conder
Cc: Price, Wayne, EMNRD; Johnson, Larry, EMNRD; Katie Lee
Subject: ROC Below-Grade Tank Closure Plan Approvals

**RE: Below-Grade Tank Closure Plan Approvals
for the Rice Operating Company's
BD SWD N-18 Site (East Tank and West Tank)
Unit Letter B, Section 18, T22S, R37E, Lea County, New Mexico
EME SWD G-8 Site (East Tank and West Tank)
Unit Letter G, Section 8, T20S, R37E, Lea County, New Mexico
Justis SWD B-12 Site (North Tank and South Tank)
Unit Letter B, Section 12, T25S, R37E, Lea County, New Mexico**

Dear Mr. Conder:

The New Mexico Oil Conservation Division (OCD) has received the revised Closure Plans for the BD SWD N-18 Site (East Tank and West Tank), the EME SWD G-8 Site (East Tank and West Tank) and the Justis SWD B-12 Site (North Tank and South Tank), dated December 16, 2008, and has conducted a review of the Plans. The Plans, submitted for the above-referenced sites, indicates that Rice Operating Company (ROC) has substantially met the requirements of OCD Part 17 for closure plans. However, due to the integrity issues with the fiberglass tanks used by ROC, the OCD has concerns regarding the safety of public health and the environment. Therefore, the OCD hereby conditionally approves the

Closure Plans for above-referenced below-grade tanks in accordance with 19.15.17 NMAC:

ROC shall close the above-referenced below-grade tanks within one year in accordance with Subsection A of 19.15.17.13 NMAC.

ROC shall not retrofit the above-referenced below-grade tanks in accordance with Paragraph (6) Subsection I of 19.15.17.11 NMAC nor pursue a permit or permit modification in accordance with Subsection D of 19.15.17.17 NMAC.

ROC shall use EPA method 418.1 to determine TPH concentrations (not EPA method 300.1 as specified in the item 5.c of the Closure Plans) in accordance with Subsection E of 19.15.17.13 NMAC.

ROC shall construct the soil cover to the sites' existing grade in accordance with Subsection H of 19.15.17.13 NMAC.

Since ROC is not requesting any Administrative Approvals under 19.15.17 NMAC (contrary to the "Administrative Approval(s)" box that is checked on each of the Form C-144s), no Administrative Approvals are being granted by the OCD for these Closure Plans.

Please be advised that OCD approval of these Plans does not relieve the owner/operator of responsibility should operations pose a threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve the owner/operator of responsibility for compliance with any OCD, federal, state, or local laws and/or regulations.

If you have any questions regarding this matter, please contact me at 505-476-3489.

Edward J. Hansen
Hydrologist
Environmental Bureau

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R. T. HICKS CONSULTANTS, LTD.

901 Rio Grande Blvd NW ▲ Suite F-142 ▲ Albuquerque, NM 87104 ▲ 505.266.5004 ▲ Fax: 505.266-0745

December 15, 2008

Edward J. Hansen
NMOCD Environmental Bureau
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
Via E-mail

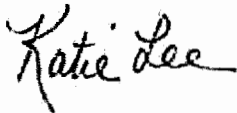
RE: **Closure Plan for two Below Grade Tanks at Justis B-12,**
Unit B, Section 12, T 25S, R 37E

Dear Mr. Hansen:

On behalf of Rice Operating Company, R.T. Hicks Consultants, Ltd. is pleased to submit the attached Closure Plan for ROC Below-Grade Tanks in response to your November 25th, 2008 letter requesting additional information and modifications. Attached here, please find a revised Closure Plan and separate C-144 forms for each of the two tanks at this site.

These below-grade tanks will be replaced with above grade tanks in keeping with industry practice.

Sincerely,
R.T. Hicks Consultants, Ltd.



Katie Lee
Project Scientist

Copy: Rice Operating Company

R. T. HICKS CONSULTANTS, LTD.

901 Rio Grande Blvd NW ▲ Suite F-142 ▲ Albuquerque, NM 87104 ▲ 505.266.5004 ▲ Fax: 505.266-0745

Closure Plan for ROC Below-Grade Tanks

Pursuant to Closure Requirements: NMAC Subsection E, 19.15.17.13

This is ROC's standard procedure for all below-grade tanks. A separate plan will be submitted for any below-grade tank that does not conform to this plan.

Schedule

- ROC shall close below-grade tanks within the time periods provided in 19.15.17.13 NMAC, or by an earlier date that the division requires because of imminent danger to fresh water, public health or the environment.
- ROC shall close either of these below-grade tanks if they do not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC within five years after June 16, 2008, if not retrofitted to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC.
- ROC shall close these tanks by June 16, 2013 and within 60 days of cessation of the below-grade tanks' operation, or as required by the transitional provisions of Subsection B of 19.15.17.17 NMAC in accordance with a closure plan that the appropriate division district office approves along with a filed C-144 form.

Closure Method

1. ROC shall obtain prior approval from OCD to dispose, recycle, reuse, or reclaim the below-grade tanks and provide documentation of the final disposition of the below-grade tank in the closure report.
 2. ROC shall remove liquids and sludge from the tanks prior to implementing the closure and shall dispose of the liquids and sludge in a NMOCD-approved facility (Sundance Services, Facility number: NM-01-0003).
 3. ROC shall remove the below-grade tanks and recycle, reuse, or reclaim them if possible.
 4. ROC shall remove any on-site equipment associated with the below grade tanks, unless the equipment is required for some other purpose.
 5. ROC shall test the soils beneath the below-grade tanks to determine whether a release has occurred. ROC will collect a five point, composite sample and individual grab samples for any area that is wet, discolored, or showing other evidence of a release and analyze for: BTEX, TPH and chlorides to determine if samples meet NMOCD requirements, as determined by approved methods, specifically:
 - a. Benzene does not exceed 0.2 mg/kg, as determined by EPA SW-846 methods 8021B or 8260B
 - b. Total BTEX does not exceed 50 mg/kg, as determined by EPA SW-846 methods 8021B or 8260B
 - c. TPH concentration does not exceed 100 mg/kg, as determined by EPA method 300.1
 - d. Chloride concentration does not exceed 250 mg/kg, as determined by EPA method 300.1, or the background concentration, whichever is greater.
- ROC will notify NMOCD of results on form C-141.

6. If ROC determines that a release has occurred, ROC shall comply with 19.15.3.116 NMAC and 19.15.1.19 NMAC as appropriate.
7. If the sampling program demonstrates that a release has not occurred or that any release does not exceed the concentrations specified in Paragraph (4) of Subsection E of 19.15.17.13 NMAC, then ROC shall backfill the excavation with compacted, non-waste containing, earthen material. If the site will not be used for future service and operations, ROC will construct a division-prescribed soil cover; re-contour and re-vegetate the site.
8. The soil cover, re-contouring and re-vegetation shall comply with Subsections G, H, and I of 19.15.17.13 NMAC as described below. However, currently ROC does plan to continue to use the site for operations.
 - a. Site Reclamation –ROC will, upon closure of the below-grade tanks, reclaim the below-grade tank locations and all areas associated with them. Soil placed over the site shall be re-contoured to a contour that approximates the original contour and blends with surrounding topography.
 - b. Soil cover design – the soil cover for closure, after the below-grade tanks are removed, shall consist of the background thickness of topsoil or one foot of suitable material to establish vegetation at the site, whichever is greater. The soil cover shall be graded to prevent ponding of water and erosion of the cover material.
 - c. ROC will seed the disturbed areas in the first growing season after closing the below-grade tank areas. ROC shall accomplish seeding by drilling on the contour whenever practical or by other division-approved methods and shall obtain vegetative cover that equals 70% of the native perennial vegetative cover consisting of at least three native plant species, including at least one grass and not including noxious weeds, and maintain that cover through two successive growing seasons. During the two growing seasons that prove viability, there shall be no artificial irrigation of the vegetation. ROC shall repeat seeding until it successfully achieves the required vegetative cover and shall notify NMOCD when successful re-vegetation is achieved.

Notice

Notice of Closure operations will be given to the Hobbs Division District I office verbally or by other means at least 72 hours, but not more than one week prior to any closure operation. The notice shall include:

- Operator's name,
- Location to be closed by unit letter, section, township and range,
- Well name and API number, if closure is associated with a particular well

The surface owner shall be notified by certified mail, return receipt requested, of plans to close the below-grade tank. Evidence of mailing of the notice to the address of the surface owner shown in the county tax records will be retained to demonstrate, if need be, compliance with this requirement.

Reporting

Within 60 days of closure completion, ROC shall submit a closure report on form C-144 and certify that all information in the report and attachments is correct and that ROC has complied with all applicable closure requirements and conditions specified in the approved closure plan, with necessary attachments to document all closure activities including:

- Sampling results,
- Information required by 19.15.17 NMAC such as, where applicable:
 - Proof of closure notice to division and surface owner,
 - Disposal facility name and permit number,
 - Inspection reports,
 - Re-vegetation application rates and seeding techniques,
 - Photo documentation of the site reclamation,
- A plot plan
- Details on backfilling, capping and covering where applicable

RICE *Operating Company*

112 West Taylor • Hobbs, New Mexico 88240

Phone: (575) 393-9174 • Fax: (575) 397-1471

CERTIFIED MAIL

RETURN RECEIPT NO. 7007 2560 0000 4569 9002

RECEIVED

November 12, 2013

NOV 14 2013

Mr. Edward Hansen
New Mexico Energy, Minerals, & Natural Resources
Oil Conservation Division, Environmental Bureau
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

RE: Below Grade Tank (BGT) - Closure
Justis B-12 South BGT (API 30-025-24761):
Unit B, Sec. 12, T25S, R37E
RICE Operating Company – Justis SWD System

Mr. Hansen:

Rice Operating Company (ROC) is the service provider (agent) for the Justis Saltwater Disposal (SWD) System and has no ownership of any portion of the pipeline, well, or facility. The System is owned by a consortium of oil producers, System Parties, who provide all operating capital on a percentage ownership/usage basis.

Based on the October 7, 2013, Finalization of Below Grade Tank Closure Plan, the north and south below grade tanks were removed from the site on October 22, 2013 and were properly disposed. On November 4, 2013, a composite sample was collected from the area beneath the former south tank. Laboratory analysis of the South Tank 5 Pt. Comp resulted in chloride, TPH, and BTEX concentrations below detectable limits.

On October 4, 2013, the landowner was notified of ROC's intent to conduct on-site closure activities at this site. The landowner also gave approval for the site to be backfilled with caliche and not seeded.

To further protect groundwater, a 56x30-ft, 20-mil reinforced liner was installed at approximately 4 ft below ground surface (bgs). The top and the bottom of the liner was then padded with 6 inches of imported soil. Laboratory analysis of the imported soil resulted in a chloride concentration below detectable limit and a PID (field) reading of 0.0. The remaining excavation was backfilled with the remaining caliche stockpiled on

site. Lab analysis of the north soil pile resulted in a chloride concentration of 176 mg/kg, a DRO concentration of 97.4 mg/kg, and GRO and BTEX concentrations below detectable limits. Lab analysis of the south soil pile resulted in a chloride concentration of 64 mg/kg and a DRO, GRO, and BTEX concentration below detectable limits. Laboratory analyses, PID sheet, and photo documentation is attached.

ROC acknowledges they have met the requirements of 19.15.17 NMAC, and respectfully request termination or similar closure status for the east and west below grade tank formerly located at this site. If you require any additional information or have any questions or comments, please contact me at (575)393-9174. Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'H. Conder', with a stylized, flowing script.

Hack Conder
Environmental Manager
RICE Operating Company

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
July 21, 2008

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office.
For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

**Pit, Closed-Loop System, Below-Grade Tank, or
Proposed Alternative Method Permit or Closure Plan Application**

Type of action: ☐ Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method
☒ Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method
☐ Modification to an existing permit
☐ Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method

Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: Rice Operating Company OGRID #: _____
Address: 122 West Taylor, Hobbs NM 88240
Facility or well name: Justis B-12 SOUTH TANK
API Number: none- 30-025-24761 OCD Permit Number: none
U/L or Qtr/Qtr B Section 12 Township 25S Range 37E County: Lea
Center of Proposed Design: Latitude 32° 08' 956" Longitude 103° 06' 920" NAD: ☒ 1927 ☐ 1983
Surface Owner: ☐ Federal ☐ State ☒ Private ☐ Tribal Trust or Indian Allotment

2.
☐ **Pit:** Subsection F or G of 19.15.17.11 NMAC
Temporary: ☐ Drilling ☐ Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A
☐ Lined ☐ Unlined Liner type: Thickness _____ mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
☐ String-Reinforced
Liner Seams: ☐ Welded ☐ Factory ☐ Other _____ Volume: _____ bbl Dimensions: L _____ x W _____ x D _____

3.
☐ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC
Type of Operation: ☐ P&A ☐ Drilling a new well ☐ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)
☐ Drying Pad ☐ Above Ground Steel Tanks ☐ Haul-off Bins ☐ Other _____
☐ Lined ☐ Unlined Liner type: Thickness _____ mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
Liner Seams: ☐ Welded ☐ Factory ☐ Other _____

4.
☒ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC
Volume: two-250 bbl tanks Type of fluid: Produced Water
Tank Construction material: Fiberglass
☐ Secondary containment with leak detection ☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner ☐ Visible sidewalls only ☒ Other Buried 4 feet below grade
Liner type: Thickness none mil ☐ HDPE ☐ PVC ☐ Other _____

5.
☐ **Alternative Method:**
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

6.
Fencing: Subsection D of 19.15.17.11 NMAC (*Applies to permanent pits, temporary pits, and below-grade tanks*)

- ☐ Chain link, six feet in height, two strands of barbed wire at top (*Required if located within 1000 feet of a permanent residence, school, hospital, institution or church*)
- ☒ Four foot height, four strands of barbed wire evenly spaced between one and four feet
- ☐ Alternate. Please specify _____

7.
Netting: Subsection E of 19.15.17.11 NMAC (*Applies to permanent pits and permanent open top tanks*)

- ☐ Screen ☐ Netting ☐ Other _____
- ☐ Monthly inspections (If netting or screening is not physically feasible)

8.
Signs: Subsection C of 19.15.17.11 NMAC

- ☒ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
- ☐ Signed in compliance with 19.15.3.103 NMAC

9.
Administrative Approvals and Exceptions:

Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.

Please check a box if one or more of the following is requested, if not leave blank:

- ☒ Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau office for consideration of approval.
- ☐ Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

10.
Siting Criteria (regarding permitting): 19.15.17.10 NMAC

Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above-grade tanks associated with a closed-loop system.

Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to temporary, emergency, or cavitation pits and below-grade tanks) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to permanent pits) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within a 100-year floodplain. - FEMA map	<input type="checkbox"/> Yes <input type="checkbox"/> No

11.

Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
☐ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC
☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☒ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
☐ Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

12.

Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC

Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9
☐ Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC
☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
☐ Previously Approved Design (attach copy of design) API Number: _____
☐ Previously Approved Operating and Maintenance Plan API Number: _____ (Applies only to closed-loop system that use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

13.

Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC

Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC
☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
☐ Climatological Factors Assessment
☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Quality Control/Quality Assurance Construction and Installation Plan
☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Nuisance or Hazardous Odors, including H₂S, Prevention Plan
☐ Emergency Response Plan
☐ Oil Field Waste Stream Characterization
☐ Monitoring and Inspection Plan
☐ Erosion Control Plan
☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

14.

Proposed Closure: 19.15.17.13 NMAC

Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.

- Type: ☐ Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ P&A ☐ Permanent Pit ☒ Below-grade Tank ☐ Closed-loop System
☐ Alternative
 Proposed Closure Method: ☒ Waste Excavation and Removal
☐ Waste Removal (Closed-loop systems only)
☐ On-site Closure Method (Only for temporary pits and closed-loop systems)
☐ In-place Burial ☐ On-site Trench Burial
☐ Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)

15.

Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) **Instructions:** Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.

- ☒ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
☒ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
☒ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)
☒ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☒ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
☒ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

16.

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)

Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.

Disposal Facility Name: Sundance SeivicesDisposal Facility Permit Number: NM-01-0003

Disposal Facility Name: _____

Disposal Facility Permit Number: _____

Will any of the proposed closed-loop system operations and associated activities occur on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please provide the information below) ☐ No

Required for impacted areas which will not be used for future service and operations:

- ☒ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☒ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
☒ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

17.

Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC

Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 50 feet below the bottom of the buried waste.

- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☐ Yes ☐ No
☐ NA

Ground water is between 50 and 100 feet below the bottom of the buried waste

- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☐ Yes ☐ No
☐ NA

Ground water is more than 100 feet below the bottom of the buried waste.

- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☐ Yes ☐ No
☐ NA

Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).

- Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.

- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image

☐ Yes ☐ No

Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application.

- NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended.

- Written confirmation or verification from the municipality; Written approval obtained from the municipality

☐ Yes ☐ No

Within 500 feet of a wetland.

- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Within the area overlying a subsurface mine.

- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division

☐ Yes ☐ No

Within an unstable area.

- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map

☐ Yes ☐ No

Within a 100-year floodplain.

- FEMA map

☐ Yes ☐ No

18.

On-Site Closure Plan Checklist: (19.15.17.13 NMAC) **Instructions:** Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
☐ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
☐ Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
☐ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

19.

Operator Application Certification:

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): Hack Conder Title: Environmental Manager

Signature: [Signature] Date: 12/12/08

e-mail address: hconder@riceswd.com Telephone: 575-393-3174

20.

OCD Approval: ☐ Permit Application (including closure plan) ☒ Closure Plan (only) ☐ OCD Conditions (see attachment)

OCD Representative Signature: Edward J. Hansen Approval Date: January 13, 2009

Title: Hydrologist OCD Permit Number:

21.

Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☐ Closure Completion Date:

22.

Closure Method:

☐ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative Closure Method ☐ Waste Removal (Closed-loop systems only)
☐ If different from approved plan, please explain.

23.

Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:

Instructions: Please indentify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name: Disposal Facility Permit Number:

Disposal Facility Name: Disposal Facility Permit Number:

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please demonstrate compliance to the items below) ☐ No

Required for impacted areas which will not be used for future service and operations:

- ☐ Site Reclamation (Photo Documentation)
☐ Soil Backfilling and Cover Installation
☐ Re-vegetation Application Rates and Seeding Technique

24.

Closure Report Attachment Checklist: *Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.*

- ☒ Proof of Closure Notice (surface owner and division)
☐ Proof of Deed Notice (required for on-site closure)
☐ Plot Plan (for on-site closures and temporary pits)
☒ Confirmation Sampling Analytical Results (if applicable)
☐ Waste Material Sampling Analytical Results (required for on-site closure)
☐ Disposal Facility Name and Permit Number
☒ Soil Backfilling and Cover Installation
☒ Re-vegetation Application Rates and Seeding Technique
☒ Site Reclamation (Photo Documentation)

On-site Closure Location: Latitude Longitude NAD: ☐ 1927 ☐ 1983

25.

Operator Closure Certification:

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): Hack Conder Title: Environmental Manager

Signature: [Signature] Date: 11-12-13

e-mail address: hconder@riceswd.com Telephone: 575-631-6432

RICE *Operating Company*

112 West Taylor • Hobbs, New Mexico 88240

Phone: (575) 393-9174 • Fax: (575) 397-1471

CERTIFIED MAIL

RETURN RECEIPT NO. 7007 2560 0000 4569 8951

October 4, 2013

Mr. D W Blocker
PO Box 5769
Monument, New Mexico 88265

RE: Justis B-12 BGT (API # 30-025-24761): UL/B, Sec. 12, T25S, R37E
RICE Operating Company – Justis SWD System

Mr. Blocker:

Rice Operating Company (ROC) is the service provider (agent) for the Justis Saltwater Disposal (SWD) System and has no ownership of any portion of the pipeline, well, or facility. The System is owned by a consortium of oil producers, System Parties, who provide all operating capital on a percentage ownership/usage basis.

In accordance with Subsection F of 19.15.17.13 NMAC, ROC provides this notification that on-site closure activities of the former below grade tanks located at Justis B-12 will be conducted from October through December 2013. The former below grade tanks will be removed from the site beginning October 2013. Soil samples collected from beneath the former tanks were analyzed and found to meet the 'clean closure' criteria. As a preventative measure, a 20-mil reinforced liner, measuring approximately 36 x 58 ft. will be installed at approximately 5 ft below ground surface (bgs). A liner installed below the subsurface will prevent the migration of any residual constituents and of any constituents contributed in the future. The liner will be padded with blow sand and the site will be backfilled with caliche to the ground surface. The site is located on an active caliche lease pad, so revegetation is not required. Attached is the Finalization of Below Grade Tank Closure Plan submitted to NMOCD on October 7, 2013.

Please see the attached letter designating the lease pad will not need to be seeded. After review, sign and send back to ROC in the self-addressed, stamped envelope contained within this packet.

Thank you for your time and please contact me at (575)393-9174 if you have any questions.

Sincerely,
RICE Operating Company

A handwritten signature in black ink, appearing to read 'H. Conder', with a stylized, flowing script.

Hack Conder
Environmental Manager

RICE *Operating Company*

112 West Taylor • Hobbs, New Mexico 88240

Phone: (575) 393-9174 • Fax: (575) 397-1471

Sent via E-mail and U.S. Certified Mail with Return Receipt No.
7007 2560 0000 4569 8968

October 7, 2013

Mr. Edward Hansen

New Mexico Energy, Minerals, & Natural Resources
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

**RE: Finalization of Below Grade Tank Closure Plan
Rice Operating Company – Justis SWD System
Justis B-12 BGT (SWD) – North and South Tanks
UL B, Sec 12, T25S, R37E**

Mr. Hansen:

This letter is presented to update and finalize the OCD approved “C-144 Modifications to the Closure Plans” of November 10th, 2009, for two below-grade tanks at the Rice Operating Company (ROC) Justis B-12 BGT (SWD) facility (attached as an appendix to this letter).

The Justis B-12 BGT facility is located approximately 5 miles northeast of Jal, New Mexico (Figure 1). Since the submittal of the C-144 Modifications in 2009, ROC has conducted additional soil sampling of the excavated soil, removed from around the below grade tanks (Figure 2). An 8 point composite sample was collected from the north soil pile and the south soil pile and sent to Cardinal Laboratory for analysis. The composite sample collected from the north soil pile resulted in a chloride concentration of 176 mg/kg, a DRO concentration of 97.4 mg/kg, and GRO and BTEX concentrations below detectable limit. The composite sample collected from the south soil pile resulted in a chloride concentration of 64 mg/kg and a DRO, GRO, and BTEX concentration below detectable limit. These low concentrations are consistent with the tank integrity test and soil sampling and analyses presented in the 2009 C-144 Modifications, and indicate that this facility has not impacted soils or threatened groundwater quality.

Justis B-12 BGT

ROC therefore proposes the following work items to affect and finalize the Closure Plan for this facility:

1. A new salt water disposal (SWD) terminal facility will be installed adjacent to and used in place of the existing below-grade tanks (BGT), Figure 3. The existing BGTs will be removed from service. The new facility will have one fiberglass receiving tanks and one fiberglass overflow tank with the necessary plumbing and fittings. The tanks will be installed within a lined secondary containment. The gathering system pipeline will be connected to the new facility and placed into operation prior to removal of the BGTs on site.
2. The existing (north and south) below-grade tanks will be removed and properly disposed at an off-site location. Due care will be given to empty the tanks of their contents and to secure the lines so that no fluid loss will occur.
3. In 2009, composite samples were collected from beneath the edge of the north tank and the south tank, resulting in low chloride concentrations. A concentration of 32 mg/kg was observed under the north tank, and 80 mg/kg were observed under the south tank. Upon removal of the below-grade tanks, the soil will be visually inspected for any possible impact. If the visual inspection shows no sign of impact, a synthetic liner will be properly seated in the bottom of the excavation at approximately 5 feet below ground surface (bgs), Figure 2. The synthetic liner will be padded with approximately 6 inches of blow sand beneath and above and will cover an area of approximately 36x58 ft. The excavation will then be backfilled with clean caliche (testing less than 250 mg/kg for chlorides) and compacted to the natural ground surface of the lease pad. Since the site is located on an active lease pad, seeding is not required. If visual inspection of the soil beneath the former BGTS shows sign of impact, a composite sample will be collected and analyzed for chloride. If residual soil chloride levels test below 250 mg/kg, ROC will proceed with the synthetic liner installation. A synthetic liner installed beneath a site will inhibit the downward migration of water through the subsurface, slowing movement of any residual constituents toward groundwater.
4. A report with photographic chronology will be provided to OCD, which summarizes the course and completion of this work.

The remediation (if warranted) of soils found to exceed 250 mg/kg chlorides and the placement of a synthetic liner will serve to protect groundwater quality. Further, the replacement of below-grade tanks with above-ground tanks will facilitate early detection of any future leaks or spillage that may occur so that timely and effective response may be made.

ROC is the service provider (agent) for the Justis SWD System and has no ownership of any portion of the pipeline, well, or facility. The System is owned by a consortium of oil producers, System Parties, who provide all operating capital on a percentage ownership/usage basis. Environmental projects of this magnitude require System Party AFE approval, and work begins as funds are received. In general, project funding is not

Justis B-12 BGT

forthcoming until NMOCD approves the work plan. Therefore, your timely review of this submission would be greatly appreciated.

Thank you.

Sincerely,

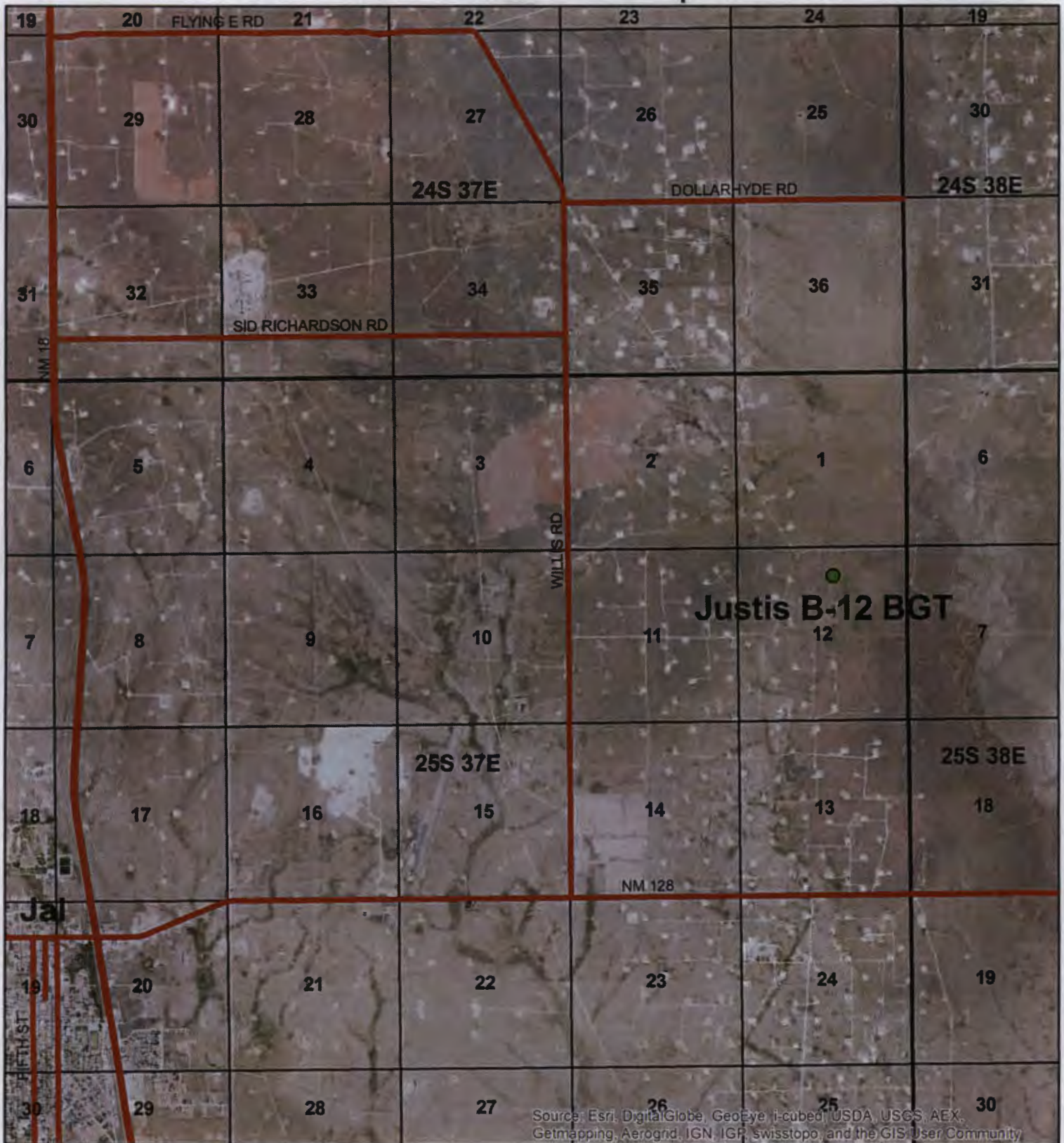
A handwritten signature in black ink, appearing to read 'H. Conder', with a long horizontal flourish extending to the right.

Hack Conder
Environmental Manager

Copy: Pete Galusky (Texerra)
 Katie Jones (ROC)
 File

Attachments: Figure 1 – Site Location Map
 Figure 2 – Soil Sampling
 Figure 3 – New Facility Diagram
 NMOCD Approval (e-mail letter) of November 16, 2009
 C-144 Modifications to the Closure Plans November 10, 2009

Site Location Map



JUSTIS B-12 BGT

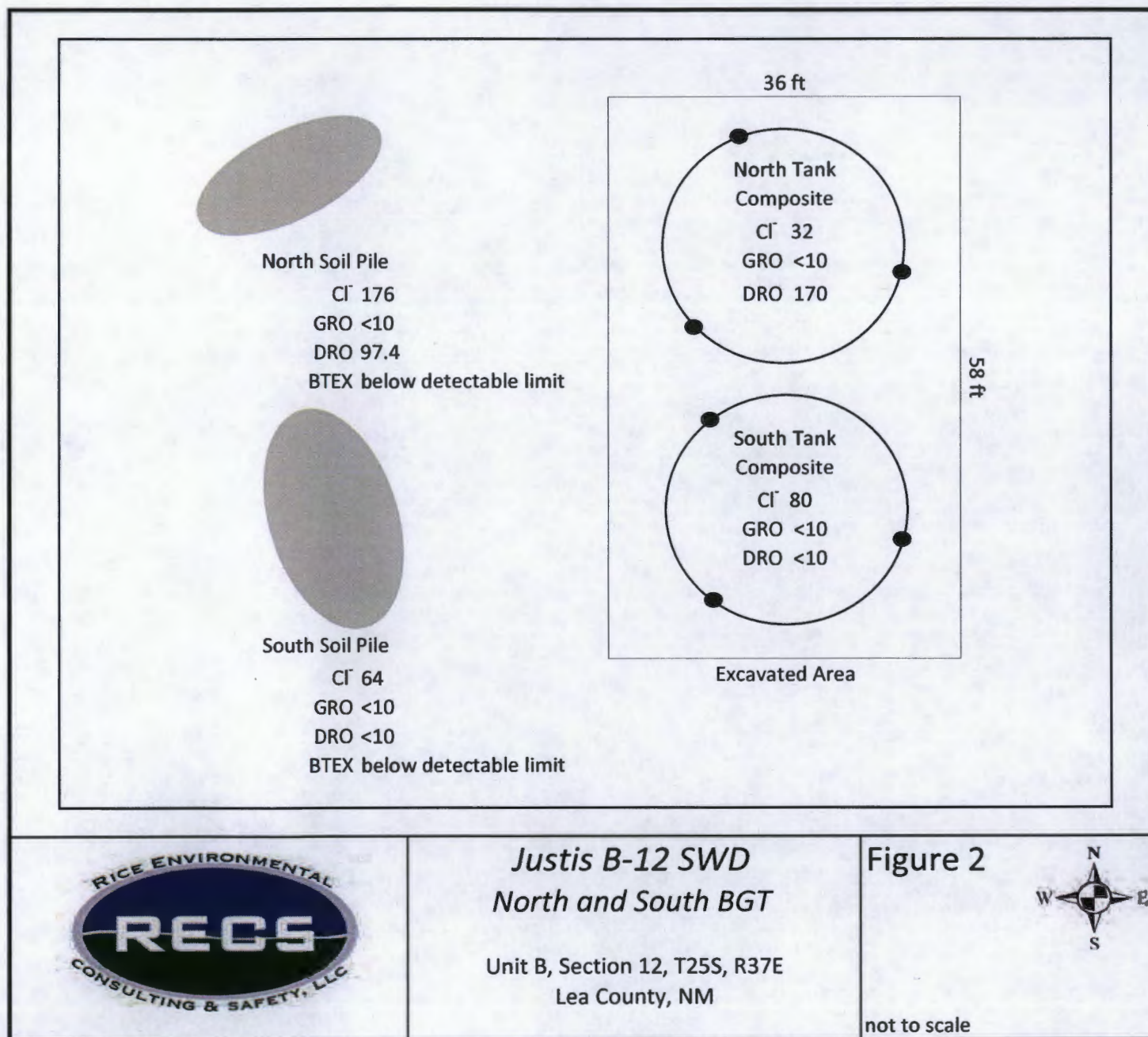
LEGALS: UL/B sec. 12
T-25-S R-37-E
LEA COUNTY, NM

Figure 1



0 0.5 1
Miles

Drawing date: 9/25/13
Drafted by: L. Weinheimer



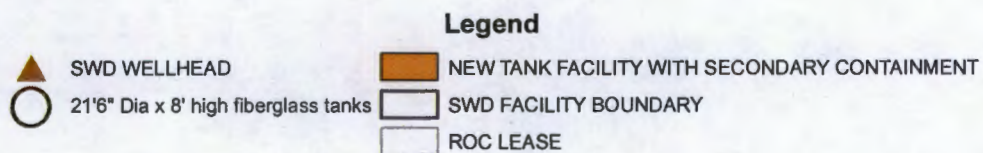
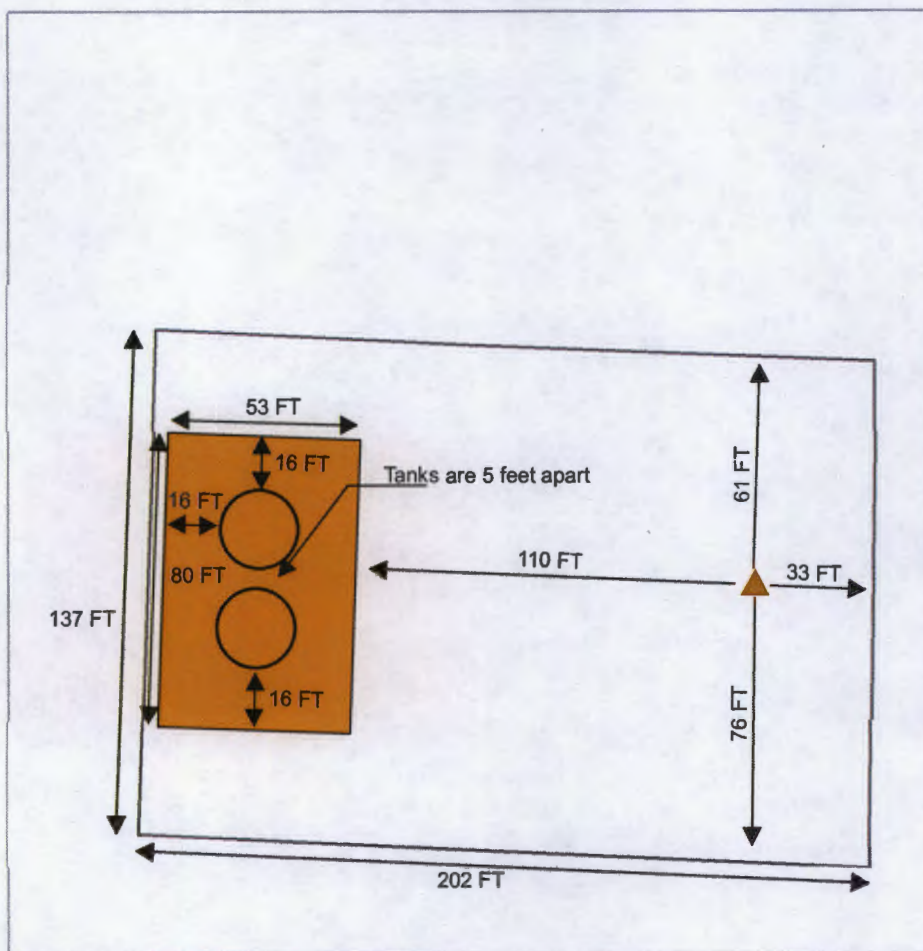
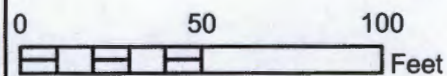


Figure 3



GPS date: 9/26/13 TG
 Drawing date: 9/26/13
 Drafted by: T. Grieco



JUSTIS B-12 SWD

UL B SECTION 12
 T-25-S R-37-E
 LEA COUNTY, NM

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

DW Blocker
PO Box 5769
Abilene, TX 79608

2. Article Number

(Transfer from service label)

7007 2560 0000 4569 8951

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

DW Blocker

☐ Agent☐ Addressee

B. Received by (Printed Name)

DW Blocker

C. Date of Delivery

OCT 10 2013

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☒ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

From: Katie Jones
To: "Edward J. Hansen, EMNRD"; "Leonard.Lowe@state.nm.us"; "GeoffreyR.Leking@state.nm.us";
"daniel.sanchez@state.nm.us"; "wsonnamaker@slo.state.nm.us"
Cc: Hack Conder; Laura Pena
Subject: ROC - Work Schedule 10/21/13
Date: Friday, October 18, 2013 3:55:00 PM
Attachments: [ROC - Work Schedule 10.21.13.xlsx](#)

Please find the attached work schedule for this week. As field conditions may be unpredictable, please call ROC for verification of a more specific time frame for any particular site.

Thank you,

Katie Jones
Environmental Project Manager
RICE Operating Company

Operating Company

Updated Work Schedule for Week of 10/21/2013

Day	System	Location	UL	Sec	T	R	GW	Driving Directions	Work Scheduled
10/21/2013	BD	O-30 vent	O	30	22S	38E	77'	From the intersection of NM-18 & Drinkard Rd, Go east, then south on Drinkard for 3.6 miles. Turn left, heading east, then south for 2.7 miles. Turn right, heading west, for 0.4 miles. Turn right down "2-track" road, heading north for 250 ft to location.	Junction Box Delineation
10/21/2013	BD	G-31	G	31	22S	38E	62'	From the intersection of Hwy 8 and Hwy 176 east of Eunice. Go south on Highway 8 0.84 miles to Drinkard Road. Turn left, heading east then south, and go 3.7 miles to Vivian Lane. Turn left, heading east, and go 2 miles. Turn right, heading south, and go 1 mile to a 'Y' intersection. Take the right, heading southwest, fork and go 0.2 miles. Turn right, heading west, and go 0.3 miles. Turn right, heading south, and go 0.56 miles. Turn left, heading east, and go .03 miles to the site located north of the Chevron Scarborough battery at the south edge of the lease road.	Junction Box Delineation
10/21/2013	BD	J-30 EOL	J	30	22S	38E	77'	From the intersection of NM-18 & Drinkard Rd, Go east, then south on Drinkard for 3.6 miles. Turn left, heading east, then south for 2.7 miles. Turn right, heading west, for 0.4 miles. Turn right down "2-track" road, heading north for 250 ft to location.	Junction Box Delineation
10/21/2013	BD	Jct. M-29	M	29	22S	38E	77'	From N-18 and Drinkard Rd, Go east then south on Drinkard for 3.6 miles. Turn left, heading east, then south for 2.5 miles. Turn left, heading east, for 0.2 miles. Turn right, heading south for 0.1 miles to location.	Junction Box Delineation
10/21/2013	BD	G-29 EOL	G	29	22S	38E	77'	From N-18 and Drinkard Rd, go east then south on Drinkard for 3.6 miles. Turn left, heading east then south for 2.5 miles. Go left, heading east for 0.5 miles. Turn left, heading north, 0.5 miles. Turn right, heading east for 200 ft to locaiton.	Junction Box Delineation
10/21/2013	BD	Jct. M-28	M	28	22S	38E	105'	Turn left at the intersection of Hwy 18 and Drinkard Rd. Traveling East then South drive 3.6 miles. Turn left, heading East then South on Vivian Rd. (15 mph Rd.), for 2.5 mi. Turn left through the cattle guard, heading East for 0.2 mi. At the four way intersection, turn left and travel 0.4 mi North. The road will curve right, heading East, go 0.8 miles. The road will turn again to the right, heading South, drive 0.7 mi. Turn right (West), drive past the tan pumpjack to the junction box located on the west side of the pad	Junction Box Delineation

10/21/2013	BD	N-18 BGT	N	18	22S	37E	101'	From Eunice, go south on Main Street to Delaware Basin Rd. Turn right on Delaware Basin Rd and go west 2.4 miles. Turn left through the cattle guard and go south 0.6 miles. Turn right and go west 0.3 miles. Turn left and go south 0.1 miles. Turn left and continue to site.	Monitoring well plugging per the Termination Request approved by the NMOCD on October 7, 2013
10/21/2013	BD	J-26	J	26	21S	37E	41'	From the intersection of Hwy 18 & NM-176 east of Eunice, go north on Hwy 18 0.6 miles. Go west less than 0.1 miles. Go northwest 0.3 miles. Turn southwest to pump station.	Monitoring well plugging per the Termination Request approved by the NMOCD on October 8, 2013
10/21/2013	EME	Amerada WE F EOL	N	1	21S	35E	175'	From Monument at the intersection of Hwy 8 and Hwy 322. Go South on Hwy 8 for 6.2 miles to Maddox Rd. Turn right, heading west, for 2.8 miles to Tuffy Cooper Rd. Turn left, heading west, and go 2 miles. Turn left, heading south, and go 2.2 miles. Turn left, heading east, and go 0.55 miles to the Apache State WE 'F' Battery. The location is south of the lease road, 32 ft west of existing box.	Hydrovac site for soil bore installation
10/21/2013	EME	I-12	I	12	21S	35E	133'	From the intersection of Hwy 8 and Hwy 176. Go west on Hwy 176 for 3.2 miles. Turn right, heading north, on the lease road. Go 1 mile to a pump jack. On the east side of the pump jack, the road forks. Take the left, heading northeast, fork. Go 0.2 miles to the location (marking plate), which is just south of the current box.	Hydrovac site for soil bore installation
10/21/2013	EME	B-13 boot	B	13	21S	35E	170'	From the intersection of Hwy 8 and Hwy 176. Go west on Hwy 176 for 3.2 miles. Turn right, heading north, on the lease road. Go 0.8 miles to a 'Y.' Take the northwest fork at the 'Y' and go 0.1 miles. Turn left, heading west, and go 0.1 mile to the site (marking plate) located northeast of the existing box.	Hydrovac site for soil bore installation
10/21/2013	EME	E-30	E	30	21S	36E	230'	On Hwy 176 travel approx 2 miles WEST from Hwy 8. Turn left onto Weaver Road [21]. Drive approx 1.1 miles south to service road on the right. Turn right onto service road. Drive .08 miles west to the end of service road. Turn left and drive .1 miles to site slightly to the left.	Hydrovac site for soil bore installation
10/21/2013	EME	B-30 EOL	M	30	21S	36E	231'	From the intersection of Hwy 8 and Hwy 176. Go west on Hwy 176 for 2 miles. Turn left, heading south, onto Weaver Road (paved- not marked) and go 1.1 miles. Turn right, heading west, and go 0.8 miles. Turn left, heading south, and go 0.2 miles to a 'T.' Turn right, heading west, and follow the road as it turns south for 0.4 miles to a battery. The site is on the east side of the battery.	Hydrovac site for soil bore installation

10/21/2013	EME	LH B-31 EOL	J	31	21S	36E	200'	From the intersection of Hwy 8 and Hwy 176. Go WEST on Hwy 176 for 2 miles. Turn left, heading south, onto Weaver Road (paved- not marked) and go 3 miles. Turn right, heading west, and go 0.4 miles. Turn right, heading north, and go 0.3 miles. Turn right, heading northeast, and go <0.1 mile to the battery. Location is north of the battery on the east end.	Hydrovac site for soil bore installation
10/21/2013	EME	Conoco C-20 EOL boot	K	20	21S	36E	230'	From the intersection of Hwy 8 and Hwy 176. Go west on Hwy 176 for 1.6 miles. Turn left, heading south, then immediately west, on main lease road and go 0.3 miles. Turn left, heading south, and go 0.5 miles to a battery. The location is south of the existing box between the current box and the battery fence	Hydrovac site for soil bore installation
10/21/2013	EME	D-28	D	28	21S	36E	175'	On Hwy 176 travel approx 1 mile west from Hwy 8. Turn left onto service road. Drive south approx 1.1 mile to service road 4 way. Turn right onto service road. Drive approx 1.2 miles to service road veering slightly to left. Veer left and follow service road approx 0.1 miles to site. Site is approx 0.3 miles north.	Hydrovac site for soil bore installation
10/21/2013	EME	Jet. C-6	C	6	21S	36E	135'	From the intersection of Hwy 8 and Hwy 175. Go west on Hwy 175 for 1.5 miles to Gulf Rd. Turn left, heading south, on Gulf Road and go 0.4 miles. Turn right, heading west, and go 0.5 miles to a 'T.' Turn right, heading north, and go 0.1 miles to a '+.' Turn left, heading west, at first, curves north halfway along) and go 1.5 miles to the ROC ROW. Turn right, heading northeast, along the ROW (2 track road) and go 0.1 miles to the site.	Hydrovac site for soil bore installation
10/21/2013	EME	T-5	T	5	21S	36E	200'	From the intersection of Hwy 8 and Hwy 175. Go west on Hwy 175 for 1.5 miles to Gulf Rd. Turn left, heading south, and go 0.3 miles. Turn right, heading west, and go 0.3 miles. Turn left, heading south, and go 0.1 miles to a pad. From the southwest corner of the pad, go southwest < 0.1 mile. The location is just east of the lease road.	Hydrovac site for soil bore installation
10/21/2013	EME	State 'A' EOL	A	8	21S	36E	200'	From the intersection of Hwy 8 and Hwy 175. Go south on Hwy 8 for 0.9 miles. Turn right, heading west, and go 1.3 miles to a pad. Turn right, heading north, at the pad and go 0.1 miles. Turn right, heading east, and go 0.2 miles to a pad with two pump jacks and a two tank battery. The site is just north of the tanks.	Hydrovac site for soil bore installation

10/21/2013	EME	G-4 boot	G	4	21S	36E	190'	From the intersection of Hwy 8 and Hwy 175 south of Oil Center. Go west on Hwy 175 for 0.4 miles. Turn right, heading north, and travel 0.5 miles to the Conoco Phillips Myer B-4 Battery. The current box is 160 ft north of the battery, the old box is 270 southwest of the new box.	Hydrovac site for soil bore installation
10/21/2013	EME	I-9	I	9	21S	36E	200'	From the intersection of Hwy 8 and Hwy 175. Go south on Hwy 8 for 0.9 miles. Turn right, heading west, and go 0.15 miles. Turn left, heading south, and go 0.2 miles to the ROC ROW. Turn right, heading southeast, up the ROW for <0.1 miles to the site.	Hydrovac site for soil bore installation
10/21/2013	EME	F-1 EOL	U	1	21S	36E	98'	From the intersection of Hwy 8 and Hwy 175. Go south on Hwy 8 for 0.25 miles to Curry Road. Turn left, heading east, and go 2.3 miles. Turn right, heading north, and go <0.1 miles to a 'Y.' Take the left, heading northwest, fork and go 0.1 miles to a 'T.' Turn left, heading southwest, and go <0.1 mile to a battery. The site is south of the treaters next to the compressor.	Hydrovac site for soil bore installation
10/21/2013	EME	Jct. I-19	I	19	20S	37E	35'	From the intersection of Hwy 8 and Billy Walker Road. Go south on Hwy 8 for 2.9 miles. Turn right, heading southwest, and go 0.4 miles. Turn left, heading southwest, and go 0.93 miles. Turn left, heading south, and go 0.23 miles to a 'Y' intersection. Take the right, heading southwest, fork and go 0.29 miles. Turn left, heading south, 120 ft to the current junction box. The former box was located 20 ft SW of the edge of the present box.	Hydrovac site for soil bore installation
10/21/2013	EME	E-4	E	4	21S	36E	190'	Travel north on Hwy 8 approx 2.4 miles. Turn left on Hwy 175. Travel 0.8 miles west to 5th service road on right. Turn right onto service road. Travel north approx 0.4 miles to small service road on right. Turn very slight right onto diagonal road just passed road on hard right. Site is approx 0.2 miles ahead.	Hydrovac site for soil bore installation
10/21/2013	EME	State B EOL	D	7	22S	37E	157'	From the intersection of Hwy 8 and Hwy 176. Go west on Hwy 176 for 2 mile. Turn left, heading south, on the paved road and go 4.1 miles. Turn right, heading west, and go 0.8 miles to the battery.	Hydrovac site for soil bore installation
10/21/2013	EME	L-25	L	25	19S	36E	14'	In Monument, at the intersection of Hwy 8 and Hwy 322, go west 1.8 miles on Hwy 322 to Hess Lane. Continue west on Hess Lane for 0.6 miles. Turn right and go north for 0.3 miles. Turn left and go west for 0.4 miles to the site.	Excavation and liner installation per the CAP submitted to the NMOCD on September 20, 2013
10/21/2013	Hobbs	O-29 EOL	O	29	18S	38E	70'	From the intersection of Sanger Street and French Drive in Hobbs, go west on Sanger Street for 0.35 miles. Turn right and go north 0.1 miles. Turn right and go east 0.1 miles. The site is east of the tank battery.	Liner installation per the CAP, approved by the NMOCD on September 3, 2013

10/21/2013	Hobbs	M-4	M	4	19S	38E	29'	From the intersection of Stanolind Road and Grimes, travel west 0.6 miles. Turn right and go 0.3 miles north-west, then turn left and travel past the cattle-guard and locked gate. Turn right and travel north-west 0.1 miles. Turn west and travel 0.1 miles, then turn left and travel 0.25 miles south-east to the South Hobbs Production Heater #5. Site is to the north-west.	Liner installation per the CAP, approved by the NMOCD on August 29, 2013.
10/21/2013	Justis	B-12 BGT	B	12	25S	37E	81'	Go north of Jal on Hwy 18 between MM 13 and MM 12. Turn east on C-13 and go 3 miles. Turn right and go 1.8 miles south. Turn left and go 1.2 miles east. Turn right through cattle guard and go 2/10 mile. Turn left for 1/10 mile. Turn right through cattle guard and go 1/10 mile. Turn left and go 2/10 mile north to location.	Tank removal and liner installation per the Finalization of BGT Closure Plan sent to the NMOCD on October 7, 2013
10/21/2013	Justis	E-26	E	26	24S	37E	68'	From the intersection of Hwy 18 and the Flying E Road, go east on Flying E Road for 3.3 miles. Turn left through the cattle guard and go 0.2 miles until you come to a T intersection. Turn left and go north to a tank battery. The site is on the east side of the tank battery.	Monitoring well plugging per the CAP Report and Termination Request approved by the NMOCD on October 9, 2013
10/21/2013	Vacuum	F-35	F	35	17S	35E	54'	From the intersection of Buckeye Road and Hwy 238, go south on Hwy 238 for 0.4 miles. Turn right and go west for 0.6 miles. The location is on the left side of the road.	Surface Restoration (seeding)
10/21/2013	Vacuum	D-31-2	J	31	17S	35E	100'	In Buckeye and the intersection of the Buckeye Road and Hwy 238, go south on Hwy 238 for 0.3 miles. Turn left and go east 0.2 miles. The site is in the pasture 180 ft north of the lease road.	Liner installation (seeding) per the CAP, approved by the NMOCD on May 31, 2012

November 05, 2013

KATIE JONES

Rice Operating Company

112 W. Taylor

Hobbs, NM 88240

RE: JUSTIS B-12

Enclosed are the results of analyses for samples received by the laboratory on 11/04/13 13:11.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

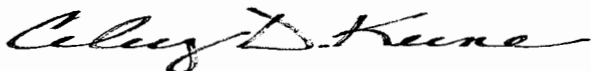
Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,



Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

Rice Operating Company
KATIE JONES
112 W. Taylor
Hobbs NM, 88240
Fax To: (575) 397-1471

Received: 11/04/2013
Reported: 11/05/2013
Project Name: JUSTIS B-12
Project Number: NOT GIVEN
Project Location: 25-S / 37-E

Sampling Date: 11/04/2013
Sampling Type: Soil
Sampling Condition: Cool & Intact
Sample Received By: Jodi Henson

Sample ID: NORTH TANK 5 PT. COMP (H302683-01)

BTEX 8021B			mg/kg		Analyzed By: MS				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	11/05/2013	ND	1.90	94.9	2.00	2.12	
Toluene*	<0.050	0.050	11/05/2013	ND	1.89	94.7	2.00	2.22	
Ethylbenzene*	<0.050	0.050	11/05/2013	ND	1.90	95.2	2.00	2.41	
Total Xylenes*	<0.150	0.150	11/05/2013	ND	5.57	92.9	6.00	2.39	
Total BTEX	<0.300	0.300	11/05/2013	ND					

Surrogate: 4-Bromofluorobenzene (PIE) 107 % 89.4-126

Chloride, SM4500Cl-B			mg/kg		Analyzed By: AP				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	<16.0	16.0	11/04/2013	ND	400	100	400	3.92	

TPH 8015M			mg/kg		Analyzed By: MS				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	11/05/2013	ND	200	100	200	0.0305	
DRO >C10-C28	<10.0	10.0	11/05/2013	ND	205	102	200	0.511	

Surrogate: 1-Chlorooctane 90.4 % 65.2-140

Surrogate: 1-Chlorooctadecane 95.9 % 63.6-154

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

Rice Operating Company
KATIE JONES
112 W. Taylor
Hobbs NM, 88240
Fax To: (575) 397-1471

Received: 11/04/2013
Reported: 11/05/2013
Project Name: JUSTIS B-12
Project Number: NOT GIVEN
Project Location: 25-S / 37-E

Sampling Date: 11/04/2013
Sampling Type: Soil
Sampling Condition: Cool & Intact
Sample Received By: Jodi Henson

Sample ID: SOUTH TANK 5 PT. COMP (H302683-02)

BTX 8021B		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	11/05/2013	ND	1.90	94.9	2.00	2.12	
Toluene*	<0.050	0.050	11/05/2013	ND	1.89	94.7	2.00	2.22	
Ethylbenzene*	<0.050	0.050	11/05/2013	ND	1.90	95.2	2.00	2.41	
Total Xylenes*	<0.150	0.150	11/05/2013	ND	5.57	92.9	6.00	2.39	
Total BTX	<0.300	0.300	11/05/2013	ND					

Surrogate: 4-Bromofluorobenzene (PIL) 106 % 89.4-126

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	<16.0	16.0	11/04/2013	ND	400	100	400	3.92	

TPH 8015M		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	11/05/2013	ND	200	100	200	0.0305	
DRO >C10-C28	<10.0	10.0	11/05/2013	ND	205	102	200	0.511	

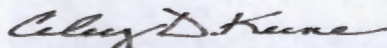
Surrogate: 1-Chlorooctane 80.3 % 65.2-140

Surrogate: 1-Chlorooctadecane 80.8 % 63.6-154

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Celey D. Keene, Lab Director/Quality Manager

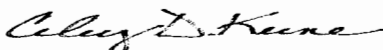
Notes and Definitions

ND	Analyte NOT DETECTED at or above the reporting limit
RPD	Relative Percent Difference
**	Samples not received at proper temperature of 6°C or below.
***	Insufficient time to reach temperature.
-	Chloride by SM4500Cl-B does not require samples be received at or below 6°C Samples reported on an as received basis (wet) unless otherwise noted on report

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Celey D. Keene, Lab Director/Quality Manager



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CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

[illegible]

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476

November 07, 2013

KATIE JONES

Rice Operating Company

112 W. Taylor

Hobbs, NM 88240

RE: JUSTIS B-12

Enclosed are the results of analyses for samples received by the laboratory on 11/06/13 15:35.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

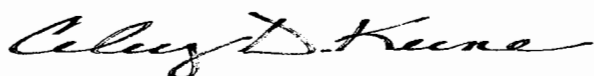
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Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,



Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

Rice Operating Company
KATIE JONES
112 W. Taylor
Hobbs NM, 88240
Fax To: (575) 397-1471

Received: 11/06/2013
Reported: 11/07/2013
Project Name: JUSTIS B-12
Project Number: NOT GIVEN
Project Location: 25-S / 37-E

Sampling Date: 11/06/2013
Sampling Type: Soil
Sampling Condition: ** (See Notes)
Sample Received By: Jodi Henson

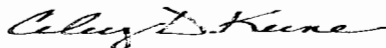
Sample ID: IMPORTED SOIL (H302707-01)**Chloride, SM4500Cl-B****mg/kg****Analyzed By: AP**

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	<16.0	16.0	11/07/2013	ND	432	108	400	4.01	

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* = Accredited Analyte

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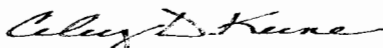
Celey D. Keene, Lab Director/Quality Manager

Notes and Definitions

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Celey D. Keene, Lab Director/Quality Manager



(505) 393-2326 FAX (505) 393-2476 (325) 673-7001 FAX (325) 673-7020

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Relinquished By: 		Date: 11-6-13	Received By: Jodi Henson	Phone Result: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Add'l Phone #:
Relinquished By:		Time: 3:35	Received By:	Fax Result: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Add'l Fax #:
Delivered By: (Circle One)		Time:	Sample Condition	REMARKS:	
Sampler - UPS - Bus - Other:			Cool Intact <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/> No	email results Robert Egens, Kyle Norman, Lara Weinheimer, Zach Condon	
			CHECKED BY: 		

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476

54

RICE ENVIRONMENTAL CONSULTING & SAFETY

122 West Taylor Hobbs, NM 88240
PHONE: (505) 393-9174 FAX: (505) 397-1471
PID METER CALIBRATION & FIELD REPORT FORM

CK.		MODEL: PGM 7300	SERIAL NO: 590-000508
MODEL		MODEL: PGM 7300	SERIAL NO: 590-000504
NO.	X	MODEL: PGM 7320	SERIAL NO: 590-902431
		MODEL: PGM 7300	SERIAL NO: 590-000183

GAS COMPOSITION: ISOBUTYLENE 100PPM / AIR: BALANCE

LOT NO : THAN-248-100-3

EXPIRATION DATE: 07/12/2017

METER READING ACCURACY: 100.0 ppm

ACCURACY : +/- 2%

COMPANY

Rice Operating Company

SITE	UNIT	SECTION	TOWN SHIP	RANGE
Justis B-12 BGT (SWD)	B	12	25S	37E

SAMPLE ID	PID	SAMPLE ID	PID
Imported Soil	0		

I verify that I have calibrated the above instrument in accordance to the manufacture operation manual.

SIGNATURE:



DATE: 11-6-13



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

September 11, 2013

Hack Conder

Rice Operating Company

112 W. Taylor

Hobbs, NM 88240

RE: JUSTIS B-2

Enclosed are the results of analyses for samples received by the laboratory on 09/06/13 15:08.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Celey D. Keene". The signature is fluid and cursive, with the first name "Celey" being more prominent.

Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

Rice Operating Company
Hack Conder
112 W. Taylor
Hobbs NM, 88240
Fax To: (575) 397-1471

Received: 09/06/2013
Reported: 09/11/2013
Project Name: JUSTIS B-2
Project Number: NONE GIVEN
Project Location: NOT GIVEN

Sampling Date: 09/06/2013
Sampling Type: Soil
Sampling Condition: ** (See Notes)
Sample Received By: Amanda Ponce

Sample ID: N 8 PT COMP (H302162-01)

BTEX 8021B			mg/kg		Analyzed By: MS				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	09/10/2013	ND	1.85	92.6	2.00	6.48	
Toluene*	<0.050	0.050	09/10/2013	ND	1.87	93.3	2.00	7.38	
Ethylbenzene*	<0.050	0.050	09/10/2013	ND	1.93	96.4	2.00	7.53	
Total Xylenes*	<0.150	0.150	09/10/2013	ND	5.78	96.3	6.00	8.29	
Total BTEX	<0.300	0.300	09/10/2013	ND					

Surrogate: 4-Bromofluorobenzene (PIL) 102 % 89.4-126

Chloride, SM4500Cl-B			mg/kg		Analyzed By: AP				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	176	16.0	09/10/2013	ND	400	100	400	3.92	

TPH 8015M			mg/kg		Analyzed By: MS				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	09/09/2013	ND	208	104	200	0.475	
DRO >C10-C28	97.4	10.0	09/09/2013	ND	192	96.1	200	3.54	

Surrogate: 1-Chlorooctane 76.9 % 65.2-140

Surrogate: 1-Chlorooctadecane 94.2 % 63.6-154

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

Rice Operating Company
Hack Conder
112 W. Taylor
Hobbs NM, 88240
Fax To: (575) 397-1471

Received: 09/06/2013
Reported: 09/11/2013
Project Name: JUSTIS B-2
Project Number: NONE GIVEN
Project Location: NOT GIVEN

Sampling Date: 09/06/2013
Sampling Type: Soil
Sampling Condition: ** (See Notes)
Sample Received By: Amanda Ponce

Sample ID: S 8 PT COMP (H302162-02)

BTEX 8021B			mg/kg		Analyzed By: MS				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	09/10/2013	ND	1.85	92.6	2.00	6.48	
Toluene*	<0.050	0.050	09/10/2013	ND	1.87	93.3	2.00	7.38	
Ethylbenzene*	<0.050	0.050	09/10/2013	ND	1.93	96.4	2.00	7.53	
Total Xylenes*	<0.150	0.150	09/10/2013	ND	5.78	96.3	6.00	8.29	
Total BTEX	<0.300	0.300	09/10/2013	ND					

Surrogate: 4-Bromofluorobenzene (PII) 102 % 89.4-126

Chloride, SM4500CI-B			mg/kg		Analyzed By: AP				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	64.0	16.0	09/10/2013	ND	400	100	400	3.92	

TPH 8015M			mg/kg		Analyzed By: MS				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	09/09/2013	ND	208	104	200	0.475	
DRO >C10-C28	<10.0	10.0	09/09/2013	ND	192	96.1	200	3.54	

Surrogate: 1-Chlorooctane 76.1 % 65.2-140

Surrogate: 1-Chlorooctadecane 82.1 % 63.6-154

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Notes and Definitions

ND	Analyte NOT DETECTED at or above the reporting limit
RPD	Relative Percent Difference
**	Samples not received at proper temperature of 6°C or below.
***	Insufficient time to reach temperature.
-	Chloride by SM4500Cl-B does not require samples be received at or below 6°C Samples reported on an as received basis (wet) unless otherwise noted on report

Cardinal Laboratories***=Accredited Analyte**

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Celey D. Keene, Lab Director/Quality Manager



CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page 5 of 5

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Relinquished By:	Date: 7/6/13	Received By:	Phone Result: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Add'l Phone #:
	Time: 3:08pm		Fax Result: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Add'l Fax #:
Relinquished By:	Date:	Received By:	REMARKS:	
	Time:		email results: zconder@rice-ecs.com	
Delivered By: (Circle One)			Knorman@rice-ecs.com; lpena@riceswd.com	
Sampler - UPS - Bus - Other:	Sample Condition	CHECKED BY:	Kjones@riceswd.com; Bbaker@rice-ecs.com;	
	Cool <input checked="" type="checkbox"/> Intact <input checked="" type="checkbox"/>	(Initials)	hconder@rice-ecs.com; Lweinheimer@rice-ecs.com	
	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			

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D W Blocker
PO Box 5769
Abilene, TX 79608

October 7, 2013

Hack Conder
Environmental Project Manager
Rice Operating Company
112 West Taylor
Hobbs, NM 88240

Dear Mr. Conder:

This letter is in regards to work that will be performed at Justis B-12 BGT (API 30-025-24761) located at UL/B, Sec. 12, T25S, R37E. The site is located inside of an active facility. Therefore, I am authorizing that it is permissible for the site to be backfilled with clean caliche and seeding will not be required.

Sincerely,

A handwritten signature in black ink, appearing to read "D W Blocker", written in a cursive style.

D W Blocker

**Justis B-12 North and South BGT
Unit Letter B, Section 12, T25S, R37E**



former below grade tanks 10/22/2013



removing the below grade tanks 10/22/2013



below grade tanks removed with new facility
being built in the background, facing southwest
10/22/2013



sampling beneath the former north BGT,
facing southwest 11/4/2013



sampling beneath the former south BGT,
facing southwest 11/4/2013



excavation padded with 6 inches of blow sand,
facing southwest 11/7/2013



20-mil reinforced liner installed at 4 ft bgs,
facing southwest 11/8/2013



padding the liner with 6 inches of blow sand,
facing southwest 11/8/2013



backfilling the excavation with caliche,
facing southwest 11/8/2013



compacting the caliche, facing west 11/8/2013



site complete, facing northwest 11/9/2013

RICE Operating Company

112 West Taylor • Hobbs, New Mexico 88240
Phone: (575) 393-9174 • Fax: (575) 397-1471

RECEIVED OCD

2013 OCT -9 P 1: 33

Sent via E-mail and U.S. Certified Mail with Return Receipt No.
7007 2560 0000 4569 8968

October 7, 2013

Mr. Edward Hansen

New Mexico Energy, Minerals, & Natural Resources
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

**RE: Finalization of Below Grade Tank Closure Plan
Rice Operating Company – Justis SWD System
Justis B-12 BGT (SWD) – North and South Tanks
UL B, Sec 12, T25S, R37E**

Mr. Hansen:

This letter is presented to update and finalize the OCD approved “C-144 Modifications to the Closure Plans” of November 10th, 2009, for two below-grade tanks at the Rice Operating Company (ROC) Justis B-12 BGT (SWD) facility (attached as an appendix to this letter).

The Justis B-12 BGT facility is located approximately 5 miles northeast of Jal, New Mexico (Figure 1). Since the submittal of the C-144 Modifications in 2009, ROC has conducted additional soil sampling of the excavated soil, removed from around the below grade tanks (Figure 2). An 8 point composite sample was collected from the north soil pile and the south soil pile and sent to Cardinal Laboratory for analysis. The composite sample collected from the north soil pile resulted in a chloride concentration of 176 mg/kg, a DRO concentration of 97.4 mg/kg, and GRO and BTEX concentrations below detectable limit. The composite sample collected from the south soil pile resulted in a chloride concentration of 64 mg/kg and a DRO, GRO, and BTEX concentration below detectable limit. These low concentrations are consistent with the tank integrity test and soil sampling and analyses presented in the 2009 C-144 Modifications, and indicate that this facility has not impacted soils or threatened groundwater quality.

Justis B-12 BGT

ROC therefore proposes the following work items to affect and finalize the Closure Plan for this facility:

1. A new salt water disposal (SWD) terminal facility will be installed adjacent to and used in place of the existing below-grade tanks (BGT), Figure 3. The existing BGTs will be removed from service. The new facility will have one fiberglass receiving tanks and one fiberglass overflow tank with the necessary plumbing and fittings. The tanks will be installed within a lined secondary containment. The gathering system pipeline will be connected to the new facility and placed into operation prior to removal of the BGTs on site.
2. The existing (north and south) below-grade tanks will be removed and properly disposed at an off-site location. Due care will be given to empty the tanks of their contents and to secure the lines so that no fluid loss will occur.
3. In 2009, composite samples were collected from beneath the edge of the north tank and the south tank, resulting in low chloride concentrations. A concentration of 32 mg/kg was observed under the north tank, and 80 mg/kg were observed under the south tank. Upon removal of the below-grade tanks, the soil will be visually inspected for any possible impact. If the visual inspection shows no sign of impact, a synthetic liner will be properly seated in the bottom of the excavation at approximately 5 feet below ground surface (bgs), Figure 2. The synthetic liner will be padded with approximately 6 inches of blow sand beneath and above and will cover an area of approximately 36x58 ft. The excavation will then be backfilled with clean caliche (testing less than 250 mg/kg for chlorides) and compacted to the natural ground surface of the lease pad. Since the site is located on an active lease pad, seeding is not required. If visual inspection of the soil beneath the former BGTS shows sign of impact, a composite sample will be collected and analyzed for chloride. If residual soil chloride levels test below 250 mg/kg, ROC will proceed with the synthetic liner installation. A synthetic liner installed beneath a site will inhibit the downward migration of water through the subsurface, slowing movement of any residual constituents toward groundwater.
4. A report with photographic chronology will be provided to OCD, which summarizes the course and completion of this work.

The remediation (if warranted) of soils found to exceed 250 mg/kg chlorides and the placement of a synthetic liner will serve to protect groundwater quality. Further, the replacement of below-grade tanks with above-ground tanks will facilitate early detection of any future leaks or spillage that may occur so that timely and effective response may be made.

ROC is the service provider (agent) for the Justis SWD System and has no ownership of any portion of the pipeline, well, or facility. The System is owned by a consortium of oil producers, System Parties, who provide all operating capital on a percentage ownership/usage basis. Environmental projects of this magnitude require System Party AFE approval, and work begins as funds are received. In general, project funding is not

Justis B-12 BGT

forthcoming until NMOCD approves the work plan. Therefore, your timely review of this submission would be greatly appreciated.

Thank you.

Sincerely,

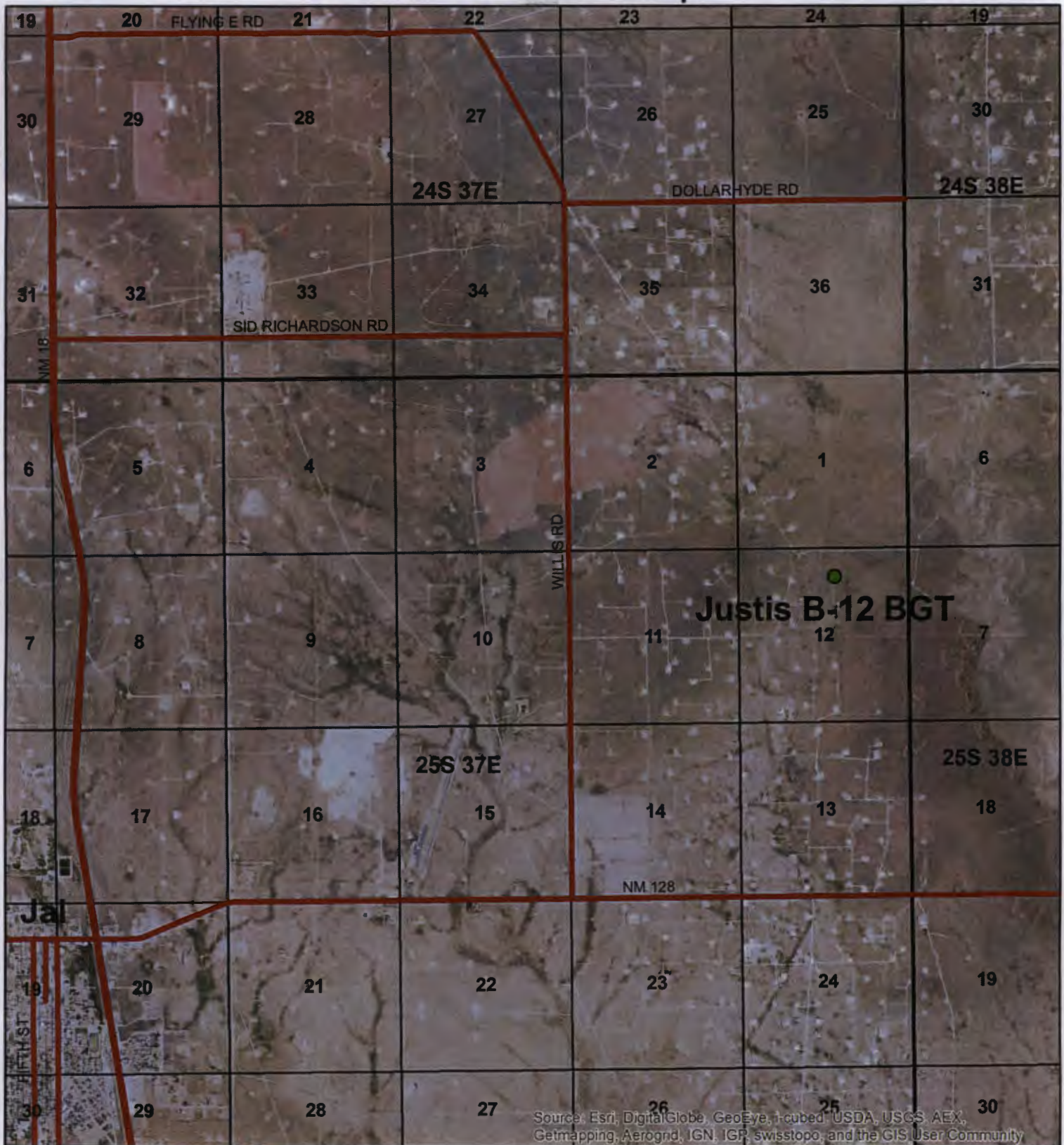
A handwritten signature in black ink, appearing to read 'H. Conder', with a long horizontal flourish extending to the right.

Hack Conder
Environmental Manager

Copy: Pete Galusky (Texerra)
 Katie Jones (ROC)
 File

Attachments: Figure 1 – Site Location Map
 Figure 2 – Soil Sampling
 Figure 3 – New Facility Diagram
 NMOCD Approval (e-mail letter) of November 16, 2009
 C-144 Modifications to the Closure Plans November 10, 2009

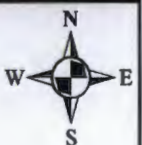
Site Location Map



JUSTIS B-12 BGT

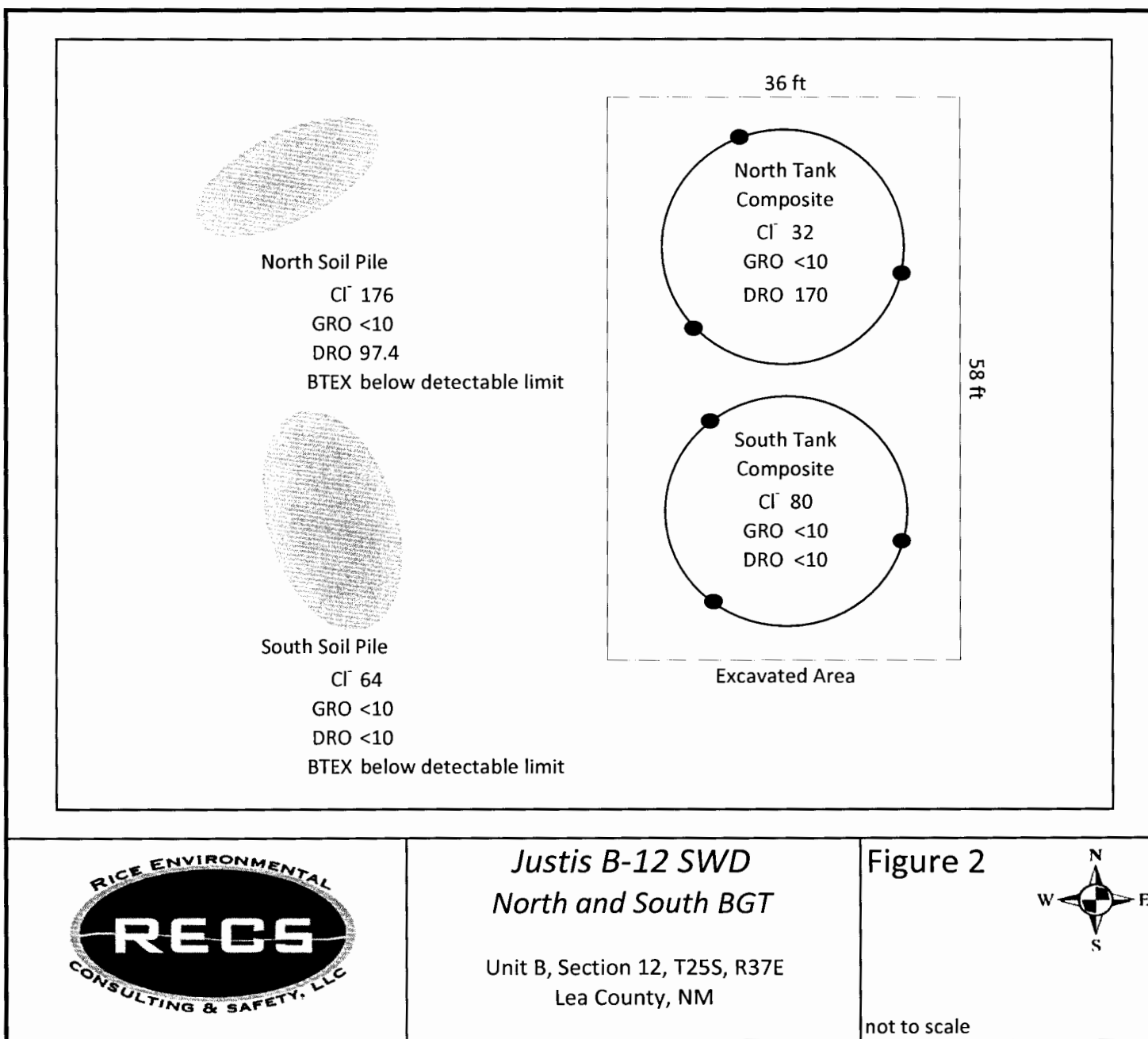
LEGALS: UL/B sec. 12
T-25-S R-37-E
LEA COUNTY, NM

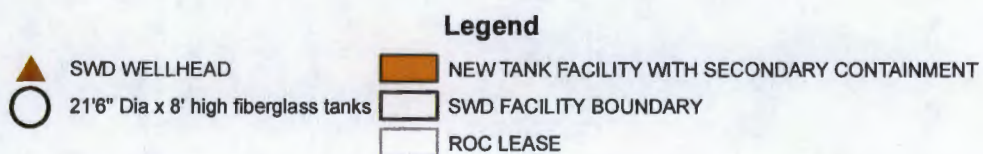
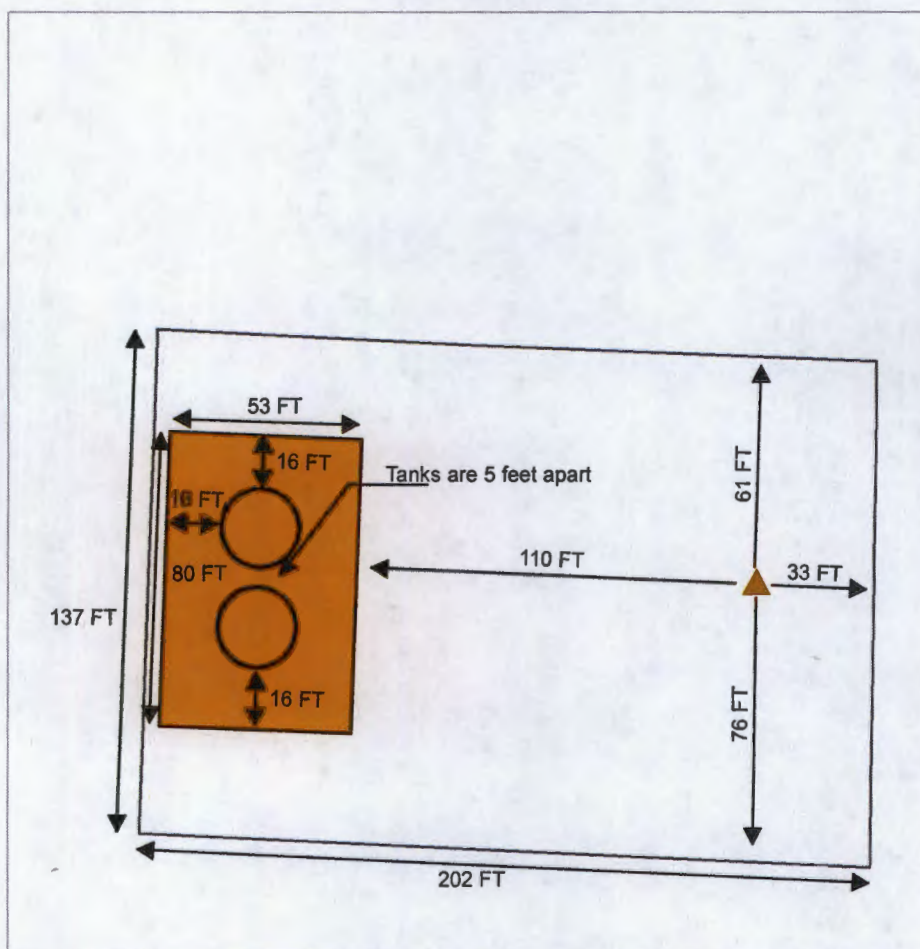
Figure 1



0 0.5 1
Miles

Drawing date: 9/25/13
Drafted by: L. Weinheimer

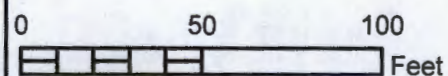




JUSTIS B-12 SWD

UL B SECTION 12
T-25-S R-37-E
LEA COUNTY, NM

Figure 3



GPS date: 9/26/13 TG
Drawing date: 9/26/13
Drafted by: T. Grieco

From: Katie Jones
To: kjones@riceswd.com;
Subject: Below-Grade Tank Closure Plan Modification Approvals
Date: Wednesday, November 18, 2009 7:13:08 AM

From: Hansen, Edward J., EMNRD [mailto:edwardj.hansen@state.nm.us]
Sent: Monday, November 16, 2009 5:28 PM
To: Hack Conder
Cc: Leking, Geoffrey R, EMNRD; Marvin Burrows; Scott Curtis; lpg@texerra.com
Subject: Below-Grade Tank Closure Plan Modification Approvals

**RE: Below-Grade Tank Closure Plan Modification Approvals
for the Rice Operating Company's
BD SWD N-18 Site (East Tank and West Tank)
Unit Letter B, Section 18, T22S, R37E, NMPM, Lea County, New
Mexico
EME SWD G-8 Site (East Tank and West Tank)
Unit Letter G, Section 8, T20S, R37E, NMPM, Lea County, New
Mexico
Justis SWD B-12 Site (North Tank and South Tank)
Unit Letter B, Section 12, T25S, R37E, NMPM, Lea County, New
Mexico**

Dear Mr. Conder:

The New Mexico Oil Conservation Division (OCD) has received the Modifications to the Closure Plans for the BD SWD N-18 Site (East Tank and West Tank), the EME SWD G-8 Site (East Tank and West Tank) and the Justis SWD B-12 Site (North Tank and South Tank), dated November 10, 2009, and has conducted a review of the Modifications. The Modifications, submitted for the above-referenced sites, indicates that Rice Operating Company (ROC) has substantially met the requirements of 19.15.17 NMAC (Part 17) for closure plans. Therefore, the OCD hereby conditionally approves the Modifications to the Closure Plans for above-referenced below-grade tanks in accordance with 19.15.17 NMAC:

ROC shall close the above-referenced below-grade tanks in accordance with the respective schedules as specified in the Modifications to the Closure

Plans:

BD SWD N-18 Site East Tank and West Tank will be closed by December 31, 2010

EME SWD G-8 Site East Tank and West Tank will be closed by December 31, 2011

Justis SWD B-12 Site North Tank and South Tank will be closed by December 31, 2012

Please be advised that OCD approval of these Modifications does not relieve the owner/operator of responsibility should operations pose a threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve the owner/operator of responsibility for compliance with any OCD, federal, state, or local laws and/or regulations.

If you have any questions regarding this matter, please contact me at 505-476-3489.

Edward J. Hansen
Hydrologist
Environmental Bureau

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RICE Operating Company

122 West Taylor • Hobbs, New Mexico 88240
Phone: (575) 393-9174 • Fax: (575) 397-1471

November 10th, 2009

Mr. Edward Hansen

New Mexico Energy, Minerals, & Natural Resources
Oil Conservation Division, Environmental Bureau
1220 S. St. Francis Drive
Santa Fe, New Mexico 87504

**RE: Modifications to the Closure Plans
Rice Operating Company – Justis SWD System
Justis B-12 SWD – North and South Tanks
UL-B, Sec 12, T25S, R37E**

Mr. Hansen:

This letter and accompanying documentation are to serve as a modification to the C-144 forms and Closure Plans for the two below-grade tanks at the Justis B-12 SWD facility.

ROC is the service provider (agent) for the Justis SWD System and has no ownership of any portion of the pipeline, well, or facility. The System is owned by a consortium of oil producers, System Parties, who provide all operating capital on a percentage ownership/usage basis. Environmental projects of this magnitude require System Party AFE approval, and work begins as funds are received. In general, project funding is not forthcoming until NMOCD approves the work plan. Therefore, your timely review of this submission would be greatly appreciated.

Over the course of this past summer, Rice Operating Company conducted an evaluation of the Justis B-12 SWD facility to determine if past or continued operation of the below-grade tanks have or would pose a threat to groundwater quality. This work entailed a tank integrity evaluation conducted by Palmer of Texas, followed by a soil evaluation directed and overseen by Texerra. The results of these efforts are given as an attachment. In brief, it was found that the tanks have integrity and that the soils underneath and surrounding them were not significantly affected from either residual chloride or petroleum hydrocarbons.

In light of the demonstrated integrity of this facility, and of the fact that there is presently no threat to groundwater quality from past or present operations, Rice Operating Company (ROC) proposes the following modifications to the Closure Plans for both tanks (north and south) at this facility:

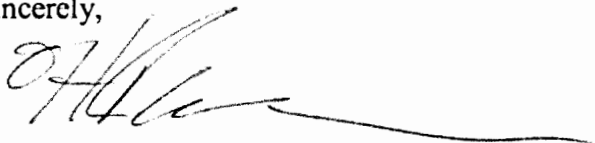
1. ROC will continue to operate these tanks where they are presently located and as they are presently configured through calendar year 2011.

2. The bottoms of both tanks will remain exposed (as shown in Photograph C of the attached report) to facilitate regular visual inspection of their integrity.
 - a. The existing tank excavations will be diked appropriately to prevent run-off water from entering the excavation.
 - b. Spoil piles from the current excavation will be stored on site with a facility dike surrounding. The spoil piles will be blended to a chloride concentration of 250 mg/kg or less and utilized for backfill of the existing excavation.
3. ROC will conduct a visual inspection of both tanks and their appurtenances on a weekly basis. Any leakage or spillage will be immediately addressed and promptly reported to NMOCD.
4. ROC will keep logs of these weekly inspections and provide to NMOCD a brief facility status report on an annual basis (by April 1st of each year).
5. ROC will provide NMOCD with a plan for the replacement of the existing below-grade tanks with above-grade tanks by December 31st of 2010.
6. ROC will replace the existing below-grade tanks with above-grade tanks by December 31st of 2012. These tanks will be installed near the existing tanks on the existing caliche pad or on clean, compacted backfill in the same general location of the existing tanks.
7. ROC will continue to use this location as an active SWD facility until its eventual closure at some future date. Ecological restoration of the ground surface will not occur until the facility is ultimately closed.

We submit this information for your review and consideration.

Thank you.

Sincerely,



Hack Conder
Environmental Manager

Copy: Pete Galusky (Texerra)
Katie Jones (ROC)
file

Attachments: Report of tank integrity and soil testing.
C-144 forms.
Tank Closure Plans.

Rice Operating Company
Justis B-12 SWD
Results of Tank Integrity and Soil Testing
10/30/09

Background and Scope

In follow-up to a June 8th, 2009 meeting with Brad Jones and Edward Hansen of NMOCD, Rice Operating Company (ROC) completed integrity test of the two below-grade tanks at the Justis B-12 SWD system and subsequently completed a preliminary soils investigation. The purpose of this work was to determine if the past or continued operation of the below-grade tanks at this SWD facility poses a threat to groundwater quality.

The site is located approximately 4.25 miles east northeast of Jal, New Mexico (Figure 1). The depth to groundwater is believed to be greater than 50 ft.

Results

Palmer of Texas conducted a tank integrity test of the Justis B-12 facilities in July of 2009 and found no evidence of leakage (Figure 2).

Rice Operating Company personnel subsequently took soil samples from beneath the tanks and from the soils excavated from around the tanks, analyzing them for chlorides and petroleum hydrocarbons. A soil sample was also collected from an apparently unaffected adjacent area to provide a natural “background” soil chloride measurement. Soil samples were taken from depths of approximately 2 to 3 ft using a hand-auger at an approximate angle of 45 degrees, boring below the lip of the tank at the approximate locations shown in Figure 3. Soil samples were composited to provide representative sample areas. This work was supervised by L. Peter Galusky, Jr. of Texerra¹ on October 6th, 2009.

The natural background soil chloride concentration, as measured from a sample taken in a grassy area adjacent to the facility was 244 ppm (as measured by field titration). The composite chloride concentration taken from multiple, representative points from the excavated soil material was 416 ppm. The composite soil chloride concentration taken from the north tank was 32 ppm and that from the south tank was 80 ppm. Soil hydrocarbon concentrations for gasoline range organics (GRO) were below laboratory detection limits (< 10 ppm) for both tank composite samples. Diesel range organics (DRO) measured 170 ppm below the north tank and below detection under the south tank. The excavated spoil pile measured below detection for GRO and 350 ppm for DRO. These values are shown in Figure 3 and given in Figures 4 & 5. Recent photographs of the site are given in the Appendix.

The facts that the tanks have integrity, that soil chlorides were low below both tanks and that only moderately elevated levels of hydrocarbons were found in the excavated soil and under one of the tanks indicates the Justis B-12 SWD location has been only minimally affected by SWD operations and that it does not pose a threat to groundwater quality.

¹ Contact: L. Peter Galusky, Jr. E-mail: lpg@texerra.com, Cell: 432-634-9257. Web: www.texerra.com.

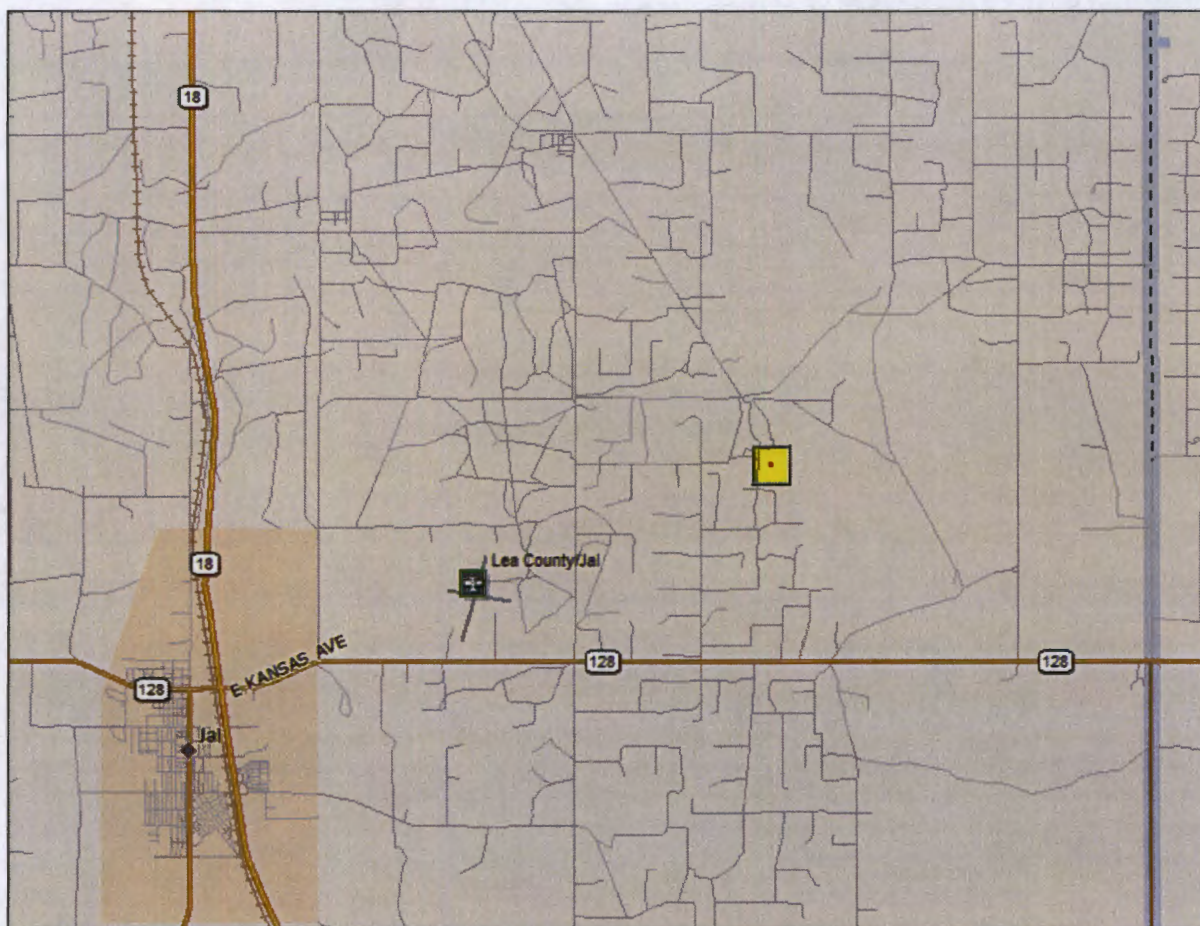


Figure 1 – Justis B-12 SWD location (denoted by yellow box). Map is not to scale.



RECEIVED

08/20/2009

7-16-09

ICE OPERATING
HOBBS, NM

Hack Conder
Ice Operating
122 W. Taylor
Hobbs, NM 88240

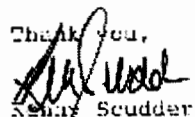
Re: Tank inspections

Hack, we have inspected 500 bbl, 20' dia x 8' tall fiberglass tanks as they sit at the following locations finding no water leaks on the top and sidewalls and no evidence of leaks on the bottom:

EMS SWD #G-6
Justis SWD #B-12
Blindberry Drinkara Unit #N-18

Please let me know if you have further questions.

Thank you,


Kenny Scudder

PALMER OF TEXAS - P.O. Box 1069 - Andrews, Texas 79714 - 1-800-367-4550

Figure 2 – Results of tank-integrity inspection at Justis B-12.

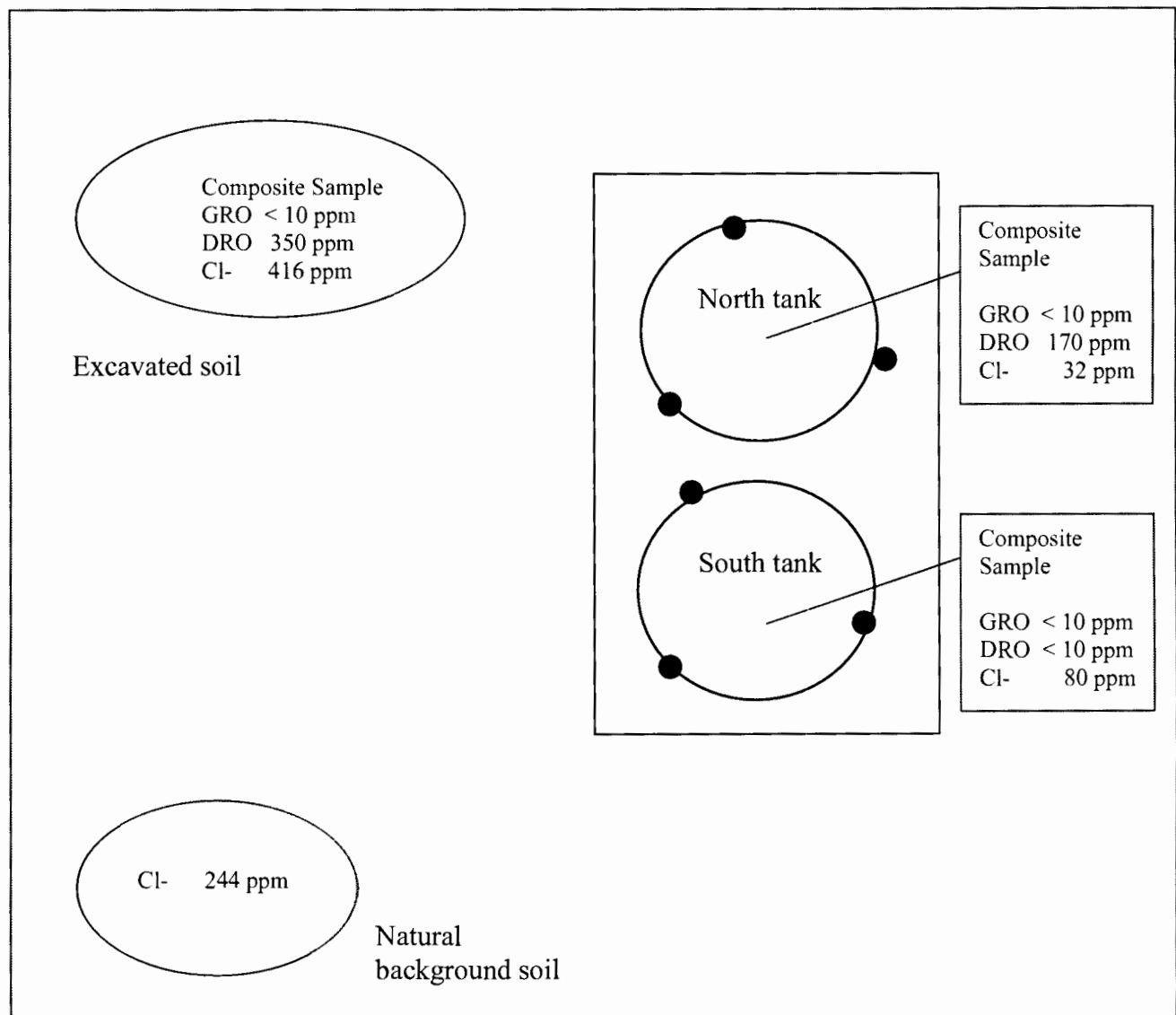


Figure 3 – Justis B-12 approximate soil sampling locations and laboratory results. Map is not to scale. Drawing is not to scale.



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
RICE OPERATING COMPANY
ATTN: HACK CONDER
122 W. TAYLOR
HOBBS, NM 88240
FAX TO: (575) 397-1471

Receiving Date: 10/09/09
Reporting Date: 10/12/09
Project Owner: NOT GIVEN
Project Name: NORTH TANK JUSTIS B-12 WELL
Project Location: JUSTIS B-12 WELL

Sampling Date: 10/09/09
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: AB/HM

LAB NUMBER	SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/kg)	DRO (C ₁₀ -C ₂₈) (mg/kg)	Cl* (mg/kg)
ANALYSIS DATE		10/12/09	10/12/09	10/09/09
H18460-1	NORTH TANK 3FT. BOTTOM COMPOSITE @ 3FT.	<10.0	170	32
H18427-4	SPOIL PILE 8 FT. COMPOSITE	<10.0	350	416
Quality Control		506	543	500
True Value QC		500	500	500
% Recovery		101	109	100
Relative Percent Difference		8.7	1.9	<0.1

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Cl: Std. Methods 4500-ClB

*Analysis performed on a 1:4 w:v aqueous extract. Reported on wet weight.

**GRO/DRO analyzed on 10/08/09 and Chloride on 10/07/09.

Chemist

Date

H18460 TCL RICE

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Figure 4 –North tank and spoil pile composite soil lab test results.



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ANALYTICAL RESULTS FOR
RICE OPERATING COMPANY
ATTN: HACK CONDER
122 W. TAYLOR
HOBBS, NM 88240
FAX TO: (575) 397-1471

Receiving Date: 10/09/09
Reporting Date: 10/12/09
Project Owner: NOT GIVEN
Project Name: SOUTH TANK JUSTIS B 12 WELL
Project Location: JUSTIS B-12-WELL

Sampling Date: 10/09/09
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: AB/HM

LAB NUMBER	SAMPLE ID	GRO	DRO	CI*
		(C ₆ -C ₁₀) (mg/kg)	(>C ₁₀ -C ₂₈) (mg/kg)	(mg/kg)

ANALYSIS DATE	10/12/09	10/12/09	10/09/09
H18459-1 SOUTH TANK 3FT. BOTTOM COMPOSITE @ 3FT.	<10.0	<10.0	80
H18427-4** SPOIL PILE 8 PT. COMPOSITE	<10.0	350	416
Quality Control	506	543	500
True Value QC	500	500	500
% Recovery	101	109	100
Relative Percent Difference	8.7	1.9	<0.1

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; CI: Std. Methods 4500-ClB

*Analysis performed on a 1:4 w:v aqueous extract. Reported on wet weight.

**GRO/DRO analyzed on 10/08/09 and Chloride on 10/07/09.

Chemist

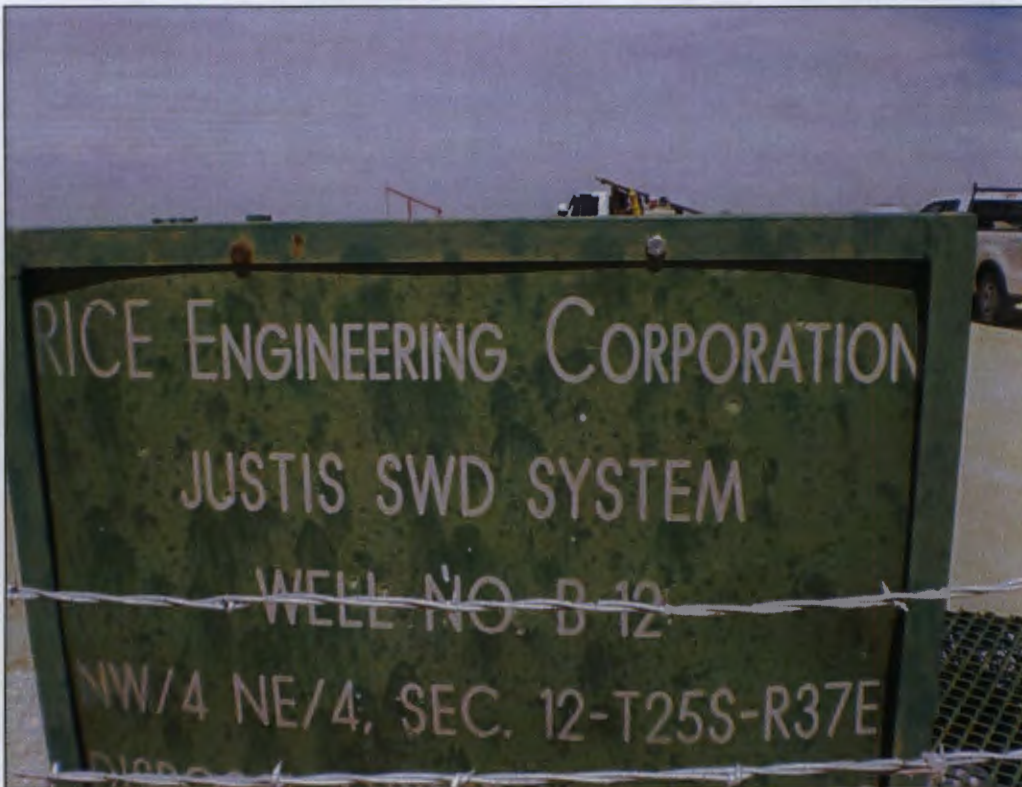
Date

H18459 TCL RICE

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Figure 5 –South tank and spoil pile composite soil lab test results.

APPENDIX – Photographs



Photograph A – View of Justis B-12 SWD near entrance to site.



Photograph B– View across Justis B-12 SWD below-grade tanks looking north northwest.



Photograph C– View of soil augering under south tank.



Photograph D – View of north (left) and south (right) below-grade tanks and appurtenances.



Photograph E – View of “natural background” soil sampling area. View looking northeast toward SWD location.



Photograph F – View of excavated soil (beyond truck) from edge of tank area.

From: Hack Conder
To: Katie Jones;
Subject: FW: ROC Below-Grade Tank Closure Plan Approvals
Date: Thursday, February 19, 2009 2:07:39 PM

Hack Conder
Enviromental Manager
Rice Operating Company
575-393-9174
fax 575-397-1471

From: Hansen, Edward J., EMNRD [mailto:edwardj.hansen@state.nm.us]
Sent: Tuesday, January 13, 2009 3:16 PM
To: Hack Conder
Cc: Price, Wayne, EMNRD; Johnson, Larry, EMNRD; Katie Lee
Subject: ROC Below-Grade Tank Closure Plan Approvals

RE: Below-Grade Tank Closure Plan Approvals

for the Rice Operating Company's

BD SWD N-18 Site (East Tank and West Tank)

Unit Letter B, Section 18, T22S, R37E, Lea County, New Mexico
EME SWD G-8 Site (East Tank and West Tank)

Unit Letter G, Section 8, T20S, R37E, Lea County, New Mexico
Justis SWD B-12 Site (North Tank and South Tank)

Unit Letter B, Section 12, T25S, R37E, Lea County, New Mexico

Dear Mr. Conder:

The New Mexico Oil Conservation Division (OCD) has received the revised Closure Plans for the BD SWD N-18 Site (East Tank and West Tank), the EME SWD G-8 Site (East Tank and West Tank) and the Justis SWD B-12 Site (North Tank and South Tank), dated December 16, 2008, and has conducted a review of the Plans. The Plans, submitted for the above-referenced sites, indicates that Rice Operating Company (ROC) has substantially met the requirements of OCD Part 17 for closure plans. However, due to the integrity issues with the fiberglass tanks used by ROC, the OCD has concerns regarding the safety of public health and the environment. Therefore, the OCD hereby conditionally approves the

Closure Plans for above-referenced below-grade tanks in accordance with 19.15.17 NMAC:

ROC shall close the above-referenced below-grade tanks within one year in accordance with Subsection A of 19.15.17.13 NMAC.

ROC shall not retrofit the above-referenced below-grade tanks in accordance with Paragraph (6) Subsection I of 19.15.17.11 NMAC nor pursue a permit or permit modification in accordance with Subsection D of 19.15.17.17 NMAC.

ROC shall use EPA method 418.1 to determine TPH concentrations (not EPA method 300.1 as specified in the item 5.c of the Closure Plans) in accordance with Subsection E of 19.15.17.13 NMAC.

ROC shall construct the soil cover to the sites' existing grade in accordance with Subsection H of 19.15.17.13 NMAC.

Since ROC is not requesting any Administrative Approvals under 19.15.17 NMAC (contrary to the "Administrative Approval(s)" box that is checked on each of the Form C-144s), no Administrative Approvals are being granted by the OCD for these Closure Plans.

Please be advised that OCD approval of these Plans does not relieve the owner/operator of responsibility should operations pose a threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve the owner/operator of responsibility for compliance with any OCD, federal, state, or local laws and/or regulations.

If you have any questions regarding this matter, please contact me at 505-476-3489.

Edward J. Hansen
Hydrologist
Environmental Bureau

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R. T. HICKS CONSULTANTS, LTD.

901 Rio Grande Blvd NW ▲ Suite F-142 ▲ Albuquerque, NM 87104 ▲ 505.266.5004 ▲ Fax: 505.266-0745

December 15, 2008

Edward J. Hansen
NMOCD Environmental Bureau
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
Via E-mail

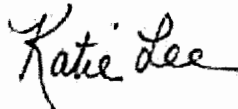
RE: **Closure Plan for two Below Grade Tanks at Justis B-12,**
Unit B, Section 12, T 25S, R 37E

Dear Mr. Hansen:

On behalf of Rice Operating Company, R.T. Hicks Consultants, Ltd. is pleased to submit the attached Closure Plan for ROC Below-Grade Tanks in response to your November 25th, 2008 letter requesting additional information and modifications. Attached here, please find a revised Closure Plan and separate C-144 forms for each of the two tanks at this site.

These below-grade tanks will be replaced with above grade tanks in keeping with industry practice.

Sincerely,
R.T. Hicks Consultants, Ltd.



Katie Lee
Project Scientist

Copy: Rice Operating Company

R. T. HICKS CONSULTANTS, LTD.

901 Rio Grande Blvd NW ▲ Suite F-142 ▲ Albuquerque, NM 87104 ▲ 505.266.5004 ▲ Fax: 505.266-0745

Closure Plan for ROC Below-Grade Tanks

Pursuant to Closure Requirements: NMAC Subsection E, 19.15.17.13

This is ROC's standard procedure for all below-grade tanks. A separate plan will be submitted for any below-grade tank that does not conform to this plan.

Schedule

- ROC shall close below-grade tanks within the time periods provided in 19.15.17.13 NMAC, or by an earlier date that the division requires because of imminent danger to fresh water, public health or the environment.
- ROC shall close either of these below-grade tanks if they do not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC within five years after June 16, 2008, if not retrofitted to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC.
- ROC shall close these tanks by June 16, 2013 and within 60 days of cessation of the below-grade tanks' operation, or as required by the transitional provisions of Subsection B of 19.15.17.17 NMAC in accordance with a closure plan that the appropriate division district office approves along with a filed C-144 form.

Closure Method

1. ROC shall obtain prior approval from OCD to dispose, recycle, reuse, or reclaim the below-grade tanks and provide documentation of the final disposition of the below-grade tank in the closure report.
2. ROC shall remove liquids and sludge from the tanks prior to implementing the closure and shall dispose of the liquids and sludge in a NMOCD-approved facility (Sundance Services, Facility number: NM-01-0003).
3. ROC shall remove the below-grade tanks and recycle, reuse, or reclaim them if possible.
4. ROC shall remove any on-site equipment associated with the below grade tanks, unless the equipment is required for some other purpose.
5. ROC shall test the soils beneath the below-grade tanks to determine whether a release has occurred. ROC will collect a five point, composite sample and individual grab samples for any area that is wet, discolored, or showing other evidence of a release and analyze for: BTEX, TPH and chlorides to determine if samples meet NMOCD requirements, as determined by approved methods, specifically:
 - a. Benzene does not exceed 0.2 mg/kg, as determined by EPA SW-846 methods 8021B or 8260B
 - b. Total BTEX does not exceed 50 mg/kg, as determined by EPA SW-846 methods 8021B or 8260B
 - c. TPH concentration does not exceed 100 mg/kg, as determined by EPA method 300.1
 - d. Chloride concentration does not exceed 250 mg/kg, as determined by EPA method 300.1, or the background concentration, whichever is greater.ROC will notify NMOCD of results on form C-141.

6. If ROC determines that a release has occurred, ROC shall comply with 19.15.3.116 NMAC and 19.15.1.19 NMAC as appropriate.
7. If the sampling program demonstrates that a release has not occurred or that any release does not exceed the concentrations specified in Paragraph (4) of Subsection E of 19.15.17.13 NMAC, then ROC shall backfill the excavation with compacted, non-waste containing, earthen material. If the site will not be used for future service and operations, ROC will construct a division-prescribed soil cover; re-contour and re-vegetate the site.
8. The soil cover, re-contouring and re-vegetation shall comply with Subsections G, H, and I of 19.15.17.13 NMAC as described below. However, currently ROC does plan to continue to use the site for operations.
 - a. Site Reclamation –ROC will, upon closure of the below-grade tanks, reclaim the below-grade tank locations and all areas associated with them. Soil placed over the site shall be re-contoured to a contour that approximates the original contour and blends with surrounding topography.
 - b. Soil cover design – the soil cover for closure, after the below-grade tanks are removed, shall consist of the background thickness of topsoil or one foot of suitable material to establish vegetation at the site, whichever is greater. The soil cover shall be graded to prevent ponding of water and erosion of the cover material.
 - c. ROC will seed the disturbed areas in the first growing season after closing the below-grade tank areas. ROC shall accomplish seeding by drilling on the contour whenever practical or by other division-approved methods and shall obtain vegetative cover that equals 70% of the native perennial vegetative cover consisting of at least three native plant species, including at least one grass and not including noxious weeds, and maintain that cover through two successive growing seasons. During the two growing seasons that prove viability, there shall be no artificial irrigation of the vegetation. ROC shall repeat seeding until it successfully achieves the required vegetative cover and shall notify NMOCD when successful re-vegetation is achieved.

Notice

Notice of Closure operations will be given to the Hobbs Division District I office verbally or by other means at least 72 hours, but not more than one week prior to any closure operation. The notice shall include:

- Operator's name,
- Location to be closed by unit letter, section, township and range,
- Well name and API number, if closure is associated with a particular well

The surface owner shall be notified by certified mail, return receipt requested, of plans to close the below-grade tank. Evidence of mailing of the notice to the address of the surface owner shown in the county tax records will be retained to demonstrate, if need be, compliance with this requirement.

Reporting

Within 60 days of closure completion, ROC shall submit a closure report on form C-144 and certify that all information in the report and attachments is correct and that ROC has complied with all applicable closure requirements and conditions specified in the approved closure plan, with necessary attachments to document all closure activities including:

- Sampling results,
- Information required by 19.15.17 NMAC such as, where applicable:
 - Proof of closure notice to division and surface owner,
 - Disposal facility name and permit number,
 - Inspection reports,
 - Re-vegetation application rates and seeding techniques,
 - Photo documentation of the site reclamation,
- A plot plan
- Details on backfilling, capping and covering where applicable