

1R - 426-153

REPORTS

DATE:

9-10-13

RICE *Operating Company*

122 West Taylor • Hobbs, New Mexico 88240

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

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CERTIFIED MAIL

RETURN RECEIPT NO. 7007 2560 0003 0320 5433

September 10, 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: Groundwater Remediation Report
BD N-32 vent (1R426-153): Unit Letter N, Section 32, T21S, R37E
RICE Operating Company – Blinbry Drinkard (BD) SWD System

Mr. Hansen:

Rice Operating Company (ROC) is the service provider (agent) for the BD 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.

Groundwater recovery began in September 2012, being removed from MW-3. Since then, 2,456 bbls have been removed from that well. With a chloride concentration of 2,130 mg/L in MW-3, this equates to approximately 831 kg of chloride. To enhance groundwater recovery efforts, MW-1 was plugged and replaced with a well designed to be a recovery well (MW-1R). This work was completed on May 19, 2013. Groundwater recovery from MW-1R began on June 4, 2013. So far, 1,365 bbls of groundwater has been removed. With a chloride concentration of 4,350 mg/L in MW-1R, this equates to approximately 944 kg of chloride. A total of 1,775 kg of chloride have been removed. According to the NMOCD approved CAP, ROC will continue with groundwater recovery efforts and remove a chloride mass of 1,980 kg.

ROC completed the vadose zone remedy by installing a 20-mil reinforced liner with approximate dimensions of 75x90-ft at a depth of 25 ft below ground surface (bgs). A report detailing this work was submitted and NMOCD granted 'soil closure' for this site on September 13, 2012.

Once groundwater recovery efforts are complete, a Termination Request will be submitted to the NMOCD.

Please contact me at (575)631-6432 if you have any questions or wish to discuss this site.
Thank you for your time and consideration.

Sincerely,
RICE Operating Company

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

Hack Conder
Environmental Manager