$1R - \frac{426 - 218}{18}$

REPORTS

DATE: 9-20-/3

Rice Environmental Consulting & Safety

P.O. Box 2948, Hobbs, NM 88241 Phone 575.393.2967 RECEIVED OCD

CERTIFIED MAIL RETURN RECEIPT NO. 7007 2560 0000 4569 8425

2010 CO 23 P 1: 34

September 20th, 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: CAP Report and Termination Request Rice Operating Company – BD SWD System BD Jct. P-30 west (1R426-127): UL/P sec. 30 T21S R37E BD P-30 EOL (1R426-218): UL/P sec. 30 T21S R37E

Mr. Hansen:

RICE Operating Company (ROC) has retained Rice Environmental Consulting and Safety (RECS) to address potential environmental concerns at the above-referenced sites in the BD Salt Water Disposal (SWD) system. ROC is the service provider (agent) for the BD 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/usage basis.

The sites are 44 ft apart from each other and are located approximately 2 miles west of Eunice, New Mexico at UL/P sec. 30 T21S R37E as shown on the Site Location Map and Geographical Location Map (Figure 1 and Figure 2). NM OSE records indicate that groundwater will likely be encountered at a depth of approximately 97 +/- feet.

Background and Previous Work - BD Jct. P-30 west

In 2006, ROC initiated work on the former BD P-30 west junction box as part of the system pipeline replacement/upgrade program. The site was delineated using a backhoe to form an excavation 30 ft x 30 ft x 12 feet deep and soil samples from the excavation were screened at regular intervals for both hydrocarbons and chlorides. From the excavation, a 4-wall composite, bottom composite and backfill sample were collected for laboratory verification. Laboratory tests of the site showed negligible gasoline range organics (GRO) while diesel range organics (DRO) measured <10.0 mg/kg in the 4-wall composite, 20.9 mg/kg in the bottom composite, and 473.0 mg/kg in the backfill. However, chlorides concentrations from the excavation did not relent with depth or breadth. The chloride concentrations measured 832 mg/kg in the 4-wall composite, 1,360 mg/kg in the bottom composite, and 592 mg/kg in the backfill. The excavation was backfilled to 6 ft bgs where a 1 ft thick clay barrier was installed. The remaining soil was backfilled into the excavation, and the area was contoured to the surrounding landscape.

The site was seeded, and an identification plate was placed on the surface of the site to mark its location for future environmental considerations. NMOCD was notified of potential groundwater impact on November 17th, 2006 and a junction box disclosure report was submitted to NMOCD with all the 2006 junction box closures and disclosures.

As part of the Investigation and Characterization Plan (ICP) submitted to NMOCD on September 20th, 2010 and approved on September 22nd, 2010, five soil bores were advanced through the former junction box site on November 18th, 2010 and November 22^{nd} , 2010. SB-1 was installed with an air rotary drilling rig and soil bores #2-5 were installed with a Geo-probe to avoid the high line electrical wires. Soil bore #2-5 could not advance below 25 ft bgs because of a hard stratum below 25 ft bgs. RECS personnel field tested the soil for chlorides and screened in the field with a photo-ionization detector (PID) for hydrocarbons. Representative samples from the bore were taken to a commercial laboratory for confirmation of chloride and hydrocarbon field numbers. Laboratory readings of SB-1 showed chloride readings of 1,700 mg/kg at 10 ft bgs, which decreased to 112 mg/kg at 70 ft bgs. Laboratory readings for GRO and DRO showed non-detect. SB-2 returned laboratory chloride readings of 1,800 mg/kg at 20 ft bgs and 2,480 mg/kg at 25 ft bgs. SB-3 returned laboratory chloride readings of 2,800 mg/kg at 10 ft bgs and 2,040 mg/kg at 25 ft bgs. SB-4 returned laboratory chloride readings of 1,660 mg/kg at 15 ft bgs and 1,760 mg/kg at 25 ft bgs. SB-5 returned laboratory chloride readings of 1,310 mg/kg at 20 ft bgs, which decreased to 1,040 mg/kg at 25 ft bgs. In all four bores (SB 2-5), GRO and DRO readings were non-detect.

Background and Previous Work - BD P-30 EOL

In 2008, ROC initiated work on the former BD P-30 EOL junction box, which was eliminated under the pipeline replacement/upgrade program. The site was delineated using a backhoe to form a 30 ft x 30 ft x 12 ft deep excavation. The soil samples were screened at regular intervals for both hydrocarbons and chlorides. From the excavation, a 4-wall composite, bottom composite and backfill composite sample was collected for laboratory verification. Laboratory tests of the site showed negligible gasoline range organics (GRO) in the bottom composite and backfill and 22 mg/kg in the 4-wall composite. Diesel range organics (DRO) measured 389 mg/kg in the 4-wall composite, 19.2 mg/kg in the bottom composite and 470 mg/kg in the backfill. Chloride concentrations from the excavation measured 1,390 mg/kg in the 4-wall composite, 2,530 mg/kg in the bottom composite and 960 mg/kg in the backfill. The excavated soil was blended on site and returned to the excavation up to 6 ft below ground surface (bgs). At 6 ft bgs, a shelf was extended 15 ft out from the east wall and a 1 ft thick clay barrier was installed with a compaction test performed on January 31st, 2008. The remaining soil as backfilled over the clay barrier and was contoured to the surrounding landscape. An identification plate was placed on the surface of the site to mark its location for future environmental considerations. NMOCD was notified of potential groundwater impact on September 4th, 2008 and a junction box disclosure report was submitted to NMOCD with all the 2008 junction box closures and disclosures.

As part of the Investigation and Characterization Plan submitted to NMOCD on September 10^{th} , 2010 and approved on September 15^{th} , 2010, seven soil bores were advanced through the former junction box site on November 19^{th} , 2010 and November 22^{nd} , 2010. Soil bores #1 - 5 were installed with an air rotary drilling rig and soil bores #6 - 7 were installed with a Geo-probe to avoid the high line electrical wires. Soil bores #6 - 7 could not be advanced below 25 ft bgs because of a hard stratum below 25 ft bgs. RECS personnel field tested the soil for chlorides and screened in the field with a photoionization detector (PID) for hydrocarbons. Representative samples from the bores were taken to a commercial laboratory for confirmation of chloride and hydrocarbon field numbers. All the soil bores showed chloride levels that decreased with depth and GRO and DRO readings of non-detect.

To further delineate the site, trenches were installed with a backhoe north, west, and south of the combined sites on February 4th and 7th, 2011. The trenches to the north showed a decrease in chlorides from the 30 ft north trench to the 35 ft north trench. Laboratory confirmation of the 5 ft bgs sample of the 35 ft north trench showed a chloride concentration of 144 mg/kg. The trenches to the west also showed a decrease in chlorides from the 48 ft west trench. Laboratory confirmation of the 48 ft west trench. Laboratory confirmation of the 48 ft west trench. Laboratory confirmation of the 48 ft west trench showed a chloride reading of 64 mg/kg and the 7 ft bgs sample showed a chloride reading of 1,630 mg/kg. The south trench showed a laboratory reading of 848 mg/kg at 5 ft bgs and a chloride reading of 2,840 mg/kg at 10 ft bgs.

On June 20th, 2013, RECS submitted an ICP Report and Corrective Action Plan (CAP) to NMOCD, which was approved July 1st, 2013. Based on a U.S. Environmental Protection Agency Exposure Assessment Multimedia Model (MULTIMED Version 1.5, 2005), the estimated increase in chloride concentrations in groundwater from residual chloride migration through the vadose zone from the site was determined to be below WQCC standards of 250 mg/L. Therefore, no further action was warranted for groundwater at the site.

To address the vadose zone, ROC proposed to excavate the site to the dimensions of 120 ft x 80 ft and properly seat a 20-mil reinforced poly liner at approximately 4-5 ft bgs. The liner would cover the existing clay layers installed at 6.5 ft bgs measuring 30 ft x 30 ft at the BD jct. P-30 west site and 30 ft x 45 ft at the BD P-30 EOL site. The soils placed above the liner would have a laboratory chloride reading no greater than 500 mg/kg and a field PID reading below 100 ppm. Excavated soils would be evaluated for use as backfill and any soils requiring disposal would be properly disposed of at a NMOCD approved facility. Upon completion of backfilling, the site would be seeded with a native vegetative mix and soil amendments will be added as needed. Vegetation above the liner would also provide a natural infiltration barrier for the site since plants capture water through their roots thereby reducing the volume of water moving through the vadose zone to groundwater.

Corrective Action Plan Report

On July 12th, 2013, RECS personnel were on site to begin the Corrective Action Plan work. The site was excavated to 80 ft x 120 ft to a depth of 5 ft bgs (Figure 3). A total of 2,300 yards of excavated soil was disposed of at a NMOCD approved facility. At the base of the excavation, a 20-mil reinforced poly liner was installed and properly seated at a depth of 5 ft bgs. Since the site contained primarily sandy/silty soils without appreciable rock, it was not necessary to pad either the top or bottom of the liner. Approximately 2,256 yards of soil was imported to the site to serve as backfill. A sample of this imported soil was field tested for hydrocarbons and returned a result of 1.7 ppm. The sample was then taken to a commercial laboratory and returned a chloride result of non-detect. The excavation was backfilled with the imported soil and contoured to the surrounding location.

On August 30th, 2013, the site was prepared for seeding. The soil was tilled and amendments were added to the soil. The site was then seeded with a blend of native vegetation. A silt net fence was placed around the site to negate erosion and maintain seed integrity. Documentation for these CAP activities can be found in Appendix A.

Since the CAP actions have been completed, ROC respectfully requests 'remediation termination' or similar site closure status for the site. ROC acknowledges they have met the requirements of 19.15.29 NMAC, and no further action is required.

RECS appreciates the opportunity to work with you on this project. Please call Hack Conder at (575) 393-2967 or me if you have any questions or wish to discuss the site.

Sincerely,

ACW

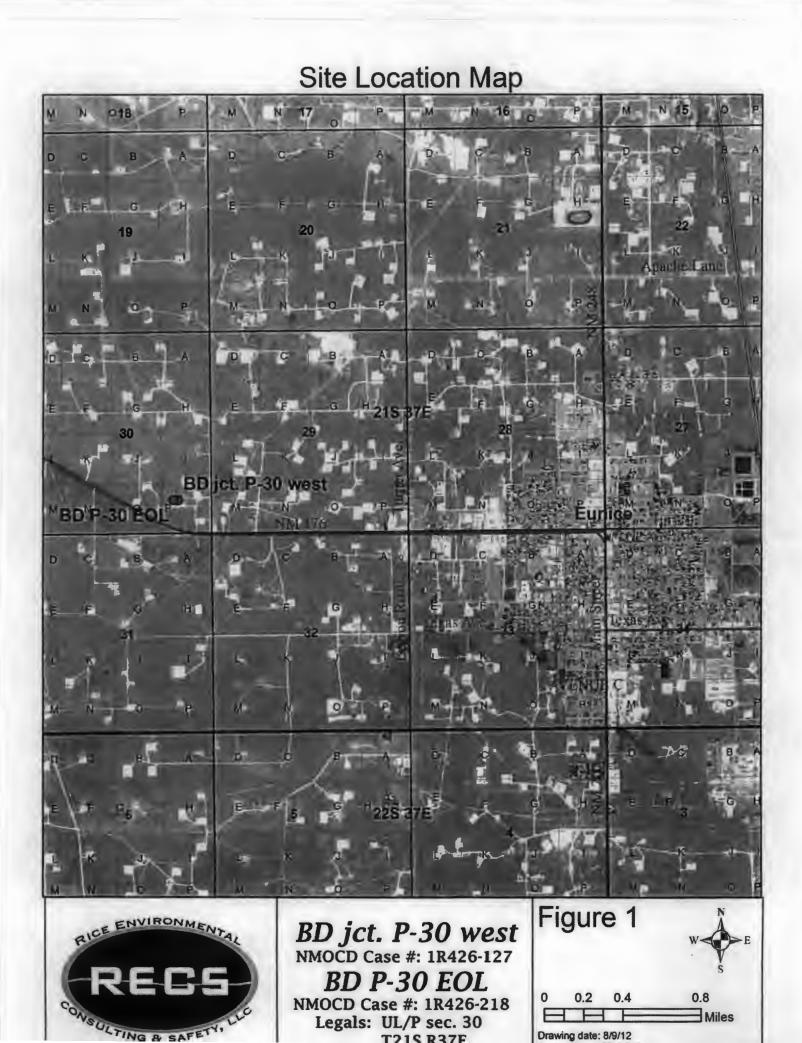
Lara Weinheimer Project Scientist RECS (575) 441-0431

Attachments:

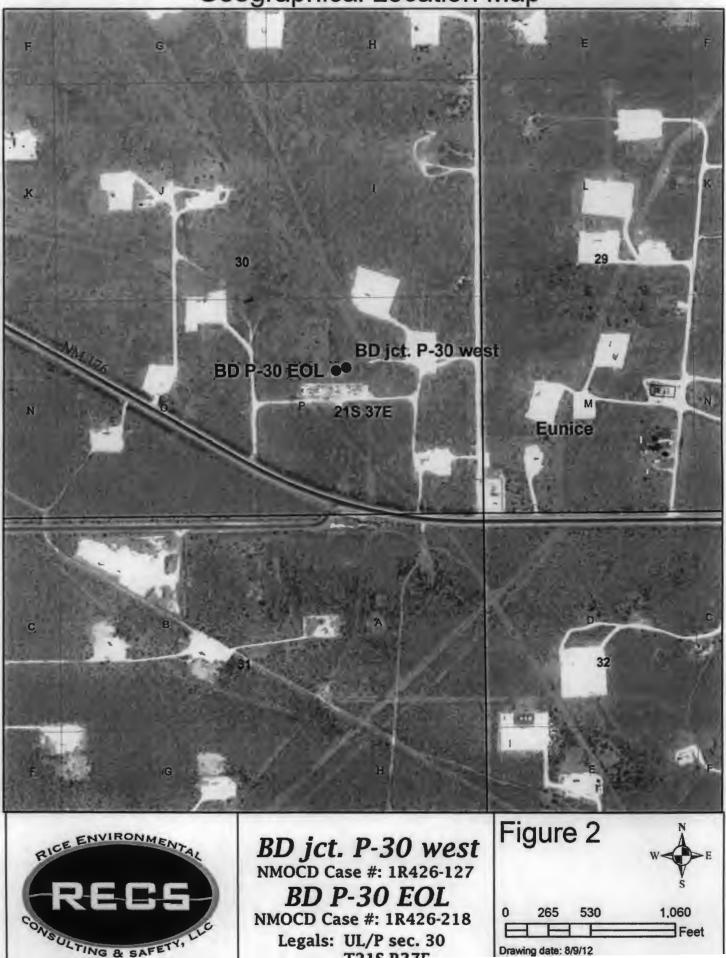
Figure 1 – Site Location Map Figure 2 – Geographical Location Map Figure 3 – NMOCD Approved Liner Appendix A – CAP Activities Documentation

Figures

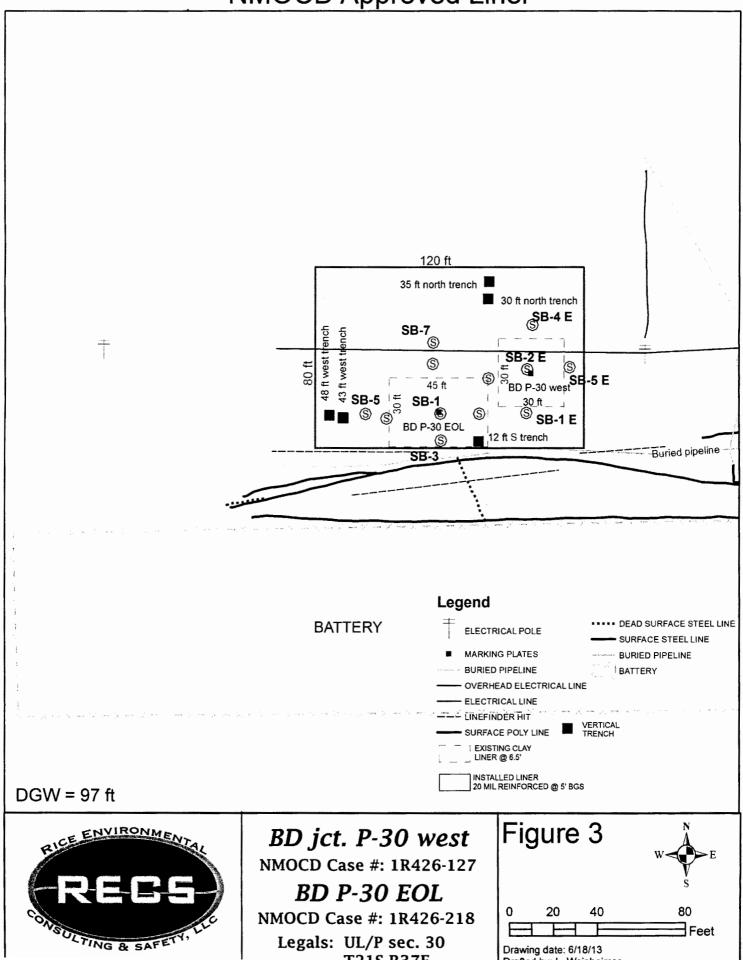
RICE Environmental Consulting and Safety (RECS) P.O. Box 2948, Hobbs, NM 88241 Phone 575.393.2967



Geographical Location Map



NMOCD Approved Liner



Appendix A CAP Activities Documentation

RICE Environmental Consulting and Safety (RECS) P.O. Box 2948 Hobbs, NM 88241 Phone 575.393.2967



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

August 06, 2013

KATIE JONES Rice Operating Company 112 W. Taylor Hobbs, NM 88240

RE: BD JCT P-30 WEST & BD P-30 EOL

Enclosed are the results of analyses for samples received by the laboratory on 07/30/13 16:35.

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/ga/lab accredited certif.html.

Cardinal Laboratories is accreditated 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,

Celeg D. Keine

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:	07/30/2013	Sampling Date:	07/30/2013
Reported:	08/06/2013	Sampling Type:	Soil
Project Name:	BD JCT P-30 WEST & BD P-30 EOL	Sampling Condition:	** (See Notes)
Project Number:	NONE GIVEN	Sample Received By:	Jodi Henson
Project Location:	NOT GIVEN		

Sample ID: IMPORTED SAND (H301798-01)

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	08/01/2013	ND	416	104	400	3.92	

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 bort, 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, buildes of use, or loss of profits nourced by client, its subsidianes, affiliates or success anising 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 Laboratores.

Celey Di Kune

Celey D. Keene, Lab Director/Quality Manager

Page 2 of 4



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

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 SM4500CI-B does not require samples be received at or below $6^{\circ}\mathrm{C}$

Samples reported on an as received basis (wet) unless otherwise noted on report

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 whatboever 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.

Celeg D. Kune

Celey D. Keene, Lab Director/Quality Manager

Page 3 of 4



CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

101 East Marland, Hobbs, NM 88240

Company Name:	Rice Operating		B	ILL TO		ANALYSIS	REQUEST	
Project Manager	Katie Jones		P.O. #:					
Address:			Company:					
City:	State:	Zip:	Attn:					
Phone #:	Fax #:		Address:	· Into Annual relation to execut a state -				
Project #:	Project Owne	r:	City:	- and the second of the second contraction and				
Project Name:	Tet.		j State:	Zip:				
Project Location	BDAF-30 West 4 B	DP-30EOL	74 Phone #:	and the second				
Sampler Name:	Zach Conder		Fax #:					
FOR LAB USE ONLY		a second designed of the second of	ATRIX PRESER	V. SAMPLING				
Lab I.D.	Sample I.D.	> (G)RAB OR (C)OMP # CONTAINERS GROUNDWATER WASTEWATER	OIL OIL OTHER ACIDIBASE ICE / COOL	DATE TIME				
	Imported Sord	GI		7-30-13	$\overline{\mathbf{A}}$			
Caracterization, 10, 2211 - 2 Production State & March 4 - 1 - 201								
	MANNAN	a and a state of the state of t	e Na na seconda de la compansión de la compa			18. (180.) · · · · · · · · · · · · · · · · · · ·		
a constitución e a tra constitución de		5. 		a and a second contraction	-			a second at the second second second
n weeden ook offen in standard offen fast in the standard data of the	na analasa na manga ang sanananan na sanananang na manga na ang ang ang ang ang ang ang ang	2 • • • • • • • • • • • • • • • • • • •			маниция на поста на село на се			
n mana addig ang se ang anting ang se di se se ang se di							······································	
and the state of the second		a anna a suir a comhannaich an	na sala, ay a conjectanje da sa a conjectanje na da sa Prov	ener i agge ann annestening an				1. M. 1997 C. M. 1997 March 1997 C. 1997 March 1997
				· · · · · · · · · · · · · · · · · · ·				
PLEASE NOTE Laterty an anymes Al cares exclusion service in the part shall be device in the part shall be device in the part shall be relinquished By Relinquished By	11:35	Received By:	Henso	the life around pild by the used to a strong 30 area piler complete or of profile recursed by deet is a work the store stated research or of the store stated research or of the Fax Resu REMARK & Pris			ati. 8/6/13.	ch
Delivered By:	(Circle One)	Samp	le Condition CHE		,			
Sampler - UPS		5.82		TH				
† Cardinal (cannot accept verbal changes. Pleas	e fax written cha	nges to (575) 393-23	26				

Page 4 of 4

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	
NO.	
	v

MODEL: PGM 7300 MODEL: PGM 7300 MODEL: PGM 7320 MODEL: PGM 7300 SERIAL NO: 590-000508 SERIAL NO: 590-000504 SERIAL NO: 592-903318 SERIAL NO: 590-001413

GAS COMPOSITION: ISOBUTYLENE 100PPM / AIR: BALANCE

LOT NO : HAL-248-100-1 EXPIRATION DATE: 07/01/2015

METER READING ACCURACY: 100.0 ppm

ACCURACY : +/- 2%

COMPANY RICE Operating

SITEUNITSECTIONTOWN SHIPRANGEBD Jct. P-30 west and
BD P-30 EOLP3021S37E

PID	SAMPLE ID	PID
1.7	· ,	
	· · · · · · · · · · · · · · · · · · ·	
	¢.	
		1.7

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

٩

SIGNATURE:

DATE: 7-30-13



Hobbs, NM 88241 Phone: (575) 393-2967 Fax: (575) 393-0293

VEGETATION FORM

Site name:	BD Jct. P-30 west					
	BD P-30 EOL					
U/L	Section	Township	Range	County	Latitude	Longitude
Р	30	T215	R37E	LEA	32°26'42.017" N	103°11'47.486" W
Contact Name:	Kyle Norman				32°26'42.018"N	103"11'47.94" W
Ema	il: knorman@rice-ecs.com					
Site siz	e: 132'X140'		square feet: 19,00	00		

2. Soils	 Do not rip caliche subsoils; caliche rocks brought to the surface by ripping shall be removed. 						
Salvaged from site	Bioremediated	Imported	X Blended	Depth (in)			
Fexture:	Sandy	Describe soil & s	ubsoil: Red Sand				
Soil prep methods:	Rip	Depth (in)	Disc X	Depth (in) 3"	Rollerpack		
Date completed: 8/3	0/2013						

3. Bioremediation

Fertilizer	Hay	Other	x
Type:		Describe: 78 BAGS OF BIONHANCE, 39 BAGS OF	
Lbs/acre:		GARDEN SOIL, 3 BAGS OF MANURE	

4. Seeding	*Attach seed bag tags	to this form.	Seed bag tags sha	ll contain the site name and S-T-R.	
Custom Seed Mix	X Prescribed Mix		Seed Mix Name:	15 LBS OF BLUE GRAMA, 15 LBS SIDE OATS,	Date: 8/30/2013
Broadcast ME	CHANICAL SEEDER		15 LBS OF SUM	MER GRASS	
Soil conditions during	g seed: Dry	X Dam	p 🥵 Wet	Method: USED THE DEW DROP DRILL SE	EDER.
Observations: The seed was tilled into the soil.					

5. Certification I hereby certify that the information in this form and attachments is true and complete to the best of my knowledge and belief.

Name: Edwardo Garcia, / /	Title: Field Technician	Date: 8/30/2013
Signature: Sound Maria		

BD Jct. P-30 west (1R426-127) and BD P-30 EOL (1R426-218) Unit Letter P, Section 30, T21S, R37E



Site prior to excavation, facing west 7/16/2013



Exporting soil, facing east

7/16/2013



Liner complete, facing southwest

7/30/2013



Excavating, facing west

7/16/2013



Excavation final, facing northeast



Importing, facing east

7/30/2013

BD Jct. P-30 west (1R426-127) and BD P-30 EOL (1R426-218) Unit Letter P, Section 30, T21S, R37E



Backfilling above the liner, facing northeast 7/31/2013



Silt net fence complete, facing west 8/28/2013



Spreading seed, facing south

8/30/2013



Backfilling excavation, facing southwest 8/1/2013



Spreading amendments, facing north 8/30/2013



Site complete with vegetation, facing west 9/3/2013