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WORKPLANS

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3-30-12

Texerra LLC

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2012 APR -9 A 11: 09

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March 30th, 2012

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: 2011 Annual Report & Request for Additional Investigation
Rice Operating Company
Vacuum N-6-1 Jct, UL N, Sec 6, T18S, R35E
OCD Case Number 1R0479

Sent via E-mail and U.S. Certified Mail: No. 7011 0110 0001 5863 4851

Mr. Hansen:

This letter summarizes progress made over the past calendar year pursuant to the NMOCD approved Corrective Action Plan for this site, which is operated by Rice Operating Company (ROC). We also propose additional site investigative work as described below.

Location and site schematic maps are given in Figures 1 and 2, respectively. In brief:

- Approximately 6,046 barrels of chloride affected groundwater were been removed during 2011 from a near-source recovery well (RW-1, Figures 2 and 3). This water was subsequently used for Rice SWD line and well maintenance purposes.
- Groundwater chloride concentrations continued their decline over the 2011 calendar year from approximately 9,800 to 6,900 mg/l in the near-source monitor well (MW-1) and from approximately 4,800 to 2,800 mg/l in the groundwater recovery well (RW-1, Figure 3).

We plan to continue the quarterly sampling of groundwater through 2012. We also plan to conduct additional soil sampling and analysis in order to better characterize the lateral and vertical extent of soil chloride impacts. We respectfully request OCD's approval ahead of our conducting this additional work.

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

Vacuum N-6-1 2011 Annual Report

Please contact either myself or Rice Operating Company if you have any questions or need additional information.

Sincerely,

A handwritten signature in black ink, appearing to be 'L. Peter Galusky, Jr.', written in a cursive style.

L. Peter Galusky, Jr. Ph.D.

Copy: Rice Operating Company



Figure 1 – Vacuum N-6-1 location.

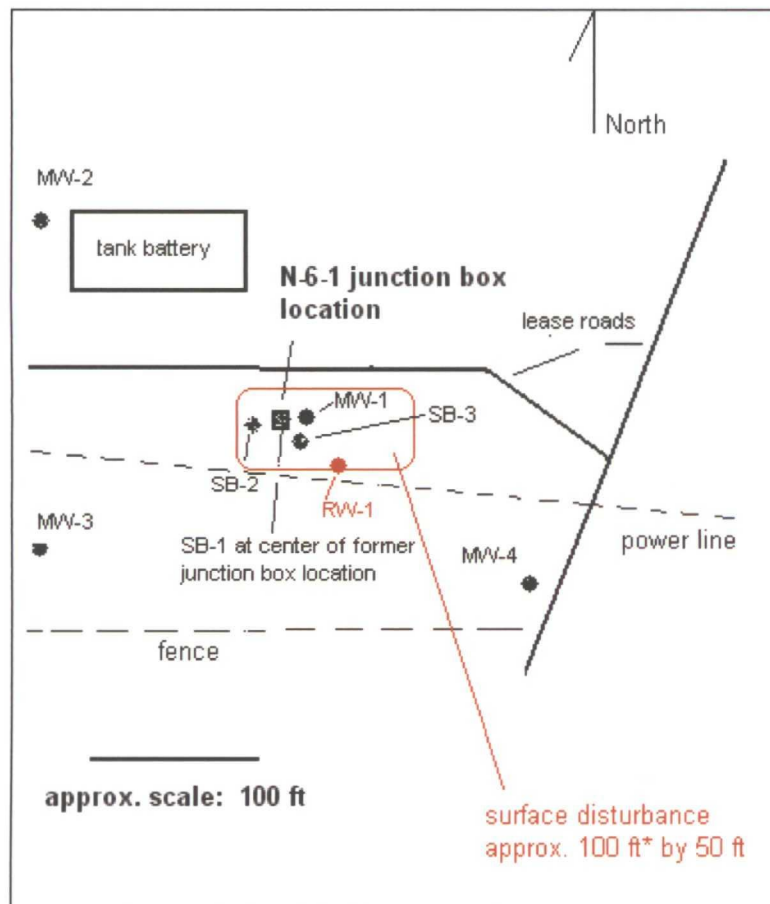


Figure 2 – Vacuum N-6-1 approximate monitor/recovery well locations.

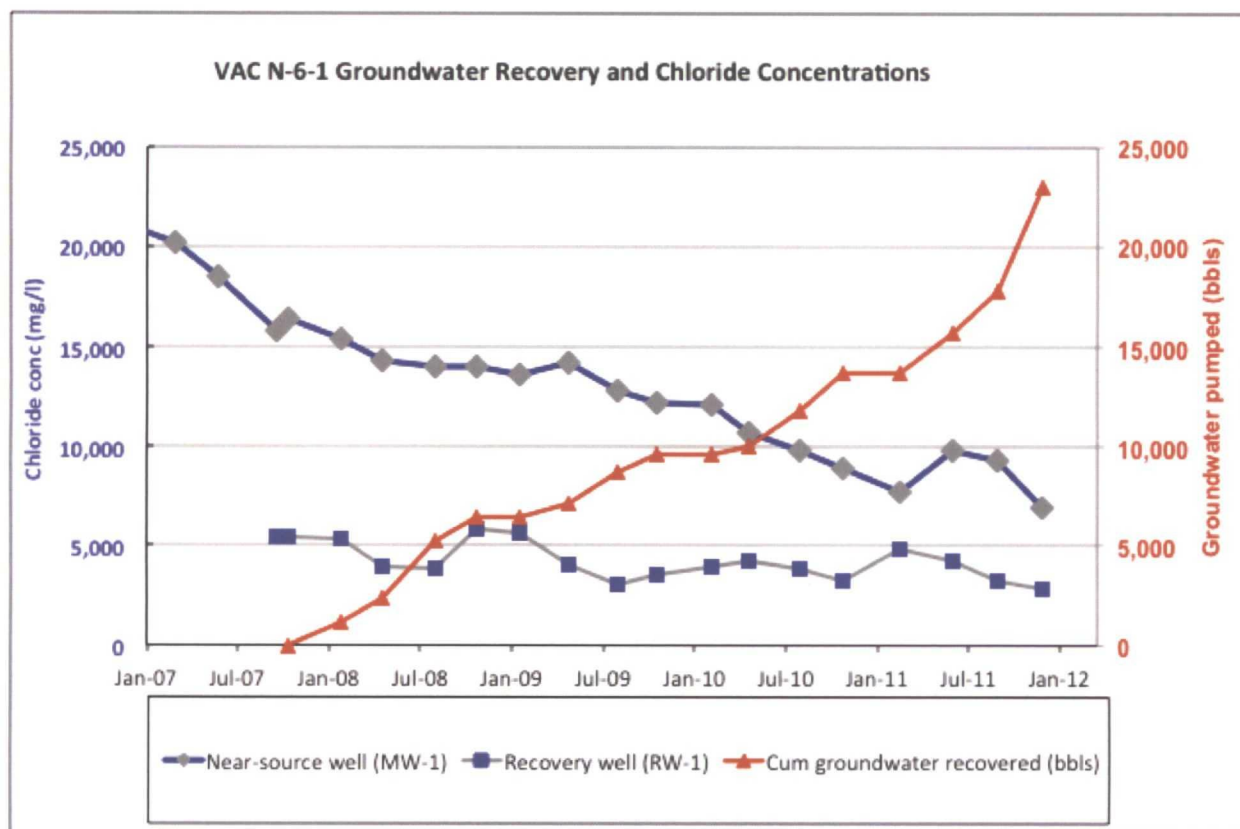


Figure 3– Cumulative groundwater withdrawal (right axis) and groundwater chloride concentrations at Vacuum N-6-1.