

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

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR		<input checked="" type="checkbox"/> Initial Report	<input type="checkbox"/> Final Report
Name of Company: Rice Operating Company	Contact: Roy R. Rascon		
Address: 122 West Taylor	Telephone No.: 505-393-9174		
Facility Name: Justis Jct M-14	Facility Type: Jct Box		
Surface Owner: Becky Doom	Mineral Owner:	Lease No.:	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
M	14	24	37					Lea

Latitude: ^{82'}103° 03.53 W Longitude: 32°12.61 N

NATURE OF RELEASE

Type of Release: Produced Water	Volume of Release: 20 bbls	Volume Recovered: 0 bbls
Source of Release: Expansion of 3" poly pipe cracking 3" pvc	Date and Hour of Occurrence: N/A	Date and Hour of Discovery: 4-6-05 1725
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom? N/A	
By Whom? N/A	Date and Hour: N/A	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse: N/A	
If a Watercourse was Impacted, Describe Fully.*		
Describe Cause of Problem and Remedial Action Taken.* The 3" poly line entering the jct box expanded inside the box, causing a 3" pvc spool to crack and causing the release. The 3" pvc spool was replaced with a 3" poly spool.		
Describe Area Affected and Cleanup Action Taken.* The leak affected a total of 3816 sqft, of which 3432 sqft is pasture, and 384 sqft is lease road. ROC will conduct delineation and remediation according to ROC generic spill and leak remediation work plan.		
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.		
Signature: <i>Roy R. Rascon</i>	OIL CONSERVATION DIVISION	
Printed Name: Roy R. Rascon	Approved by District Supervisor: <i>Carl Knealy</i>	
Title: Environmental Project Leader	Approval Date: 4-17-06	ENVIRONMENTAL ENGINEER
E-mail Address: rroyriceswd@leaco.com	Conditions of Approval:	Expiration Date:
Date: 4-12-05	Phone: 505-393-9174	Attached <input type="checkbox"/>

Attach Additional Sheets If Necessary

facility - FPAC0610832066
incident - NPAC0610832273
application pPAC0610832517

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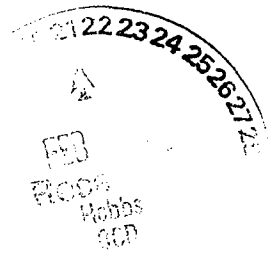
RICE Operating Company

122 West Taylor • Hobbs, New Mexico 88240
Phone: (505) 393-9174 • Fax: (505) 397-1471

February 16, 2006

Paul Sheeley
NMOCD Hobbs Office
1625 N. French Drive

RE: M-14 Leak
Corrective Action Plan
Justis Salt Water Disposal System
UL/M SEC 14 T24S R37E



Dear Mr. Sheeley,

Rice Operating Company (ROC) discovered an accidental discharge at the above mentioned site on April 06, 2005. The release volume was approximately 20 barrels.


Characterization and delineation has been completed. Please find the attached Corrective Action Plan for this site. ROC is looking forward to hearing back from you on this submission and your approval is requested. If you have any questions please call me at (505) 631-2532.

Thank you,

A handwritten signature in cursive script that reads 'Jennifer A. Johnson'.

Jennifer Johnson
Environmental Technician
Rice Operating Company

Enclosed: Lab results, driving directions, site map, Corrective Action Plan

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CORRECTIVE ACTION PLAN

SITE HISTORY

Rice Operating Company (ROC) discovered an accidental discharge at the above mentioned site which occurred on April 06, 2005. A 3-inch PVC line ruptured and was replaced with a 3-inch poly line. The volume of the release was 20 bbls. Groundwater depth is approximately 79 ft. A preliminary work plan submitted by ROC was approved by the District 1 office on June 28, 2005.

DELINEATION RESULTS


Delineation and characterization at this site was conducted according to the NMOCD approved work plan. On April 29, 2005 ROC conducted initial field analyses. On October 31, 2005 ROC used a backhoe to delineate the site further. Soil samples were collected and sent to the Environmental Lab of Texas for confirmation. After evaluating the test results from this site, ROC conducted a soil boring on sample point 'B' (see the enclosed site map) for additional characterization. Chloride concentrations show a conclusive decline with depth.

Upon completion of the site characterization and delineation this proposed remedy is protective of groundwater quality, human health, and the environment. The proposed remedy is the creation of an infiltration barrier through surface restoration and re-vegetation of the site.

PROPOSED CORRECTIVE ACTION

1. ROC will give driving directions to the contact company that will be performing the site restoration to submit a One-Call for pipeline location.
2. Areas highly impacted will be excavated to 3 ft, which is well below the root zone. These soils will be hauled to a NMOCD approved disposal facility.
3. Lower concentrations will be blended on site to concentrations that will support the growth of native vegetation.
4. ROC will haul in clean topsoil.
5. The topsoil will then be tilled and seeded with a blend of native vegetation. Fertilizer and water will be added as needed.
6. ROC will continue to monitor the site in the future for regrowth of vegetation.

ROC is the service provider (operator) for the Justis Salt Water Disposal System and has no ownership of any portion of the pipelines, wells, or facilities. The Justis Salt Water Disposal System is owned by a consortium of oil producers, System Partners, who provide all operating capital on percentage ownership/usage basis. Environmental remediation projects of this magnitude may require System Partner AFE approval and work begins as funds are received.

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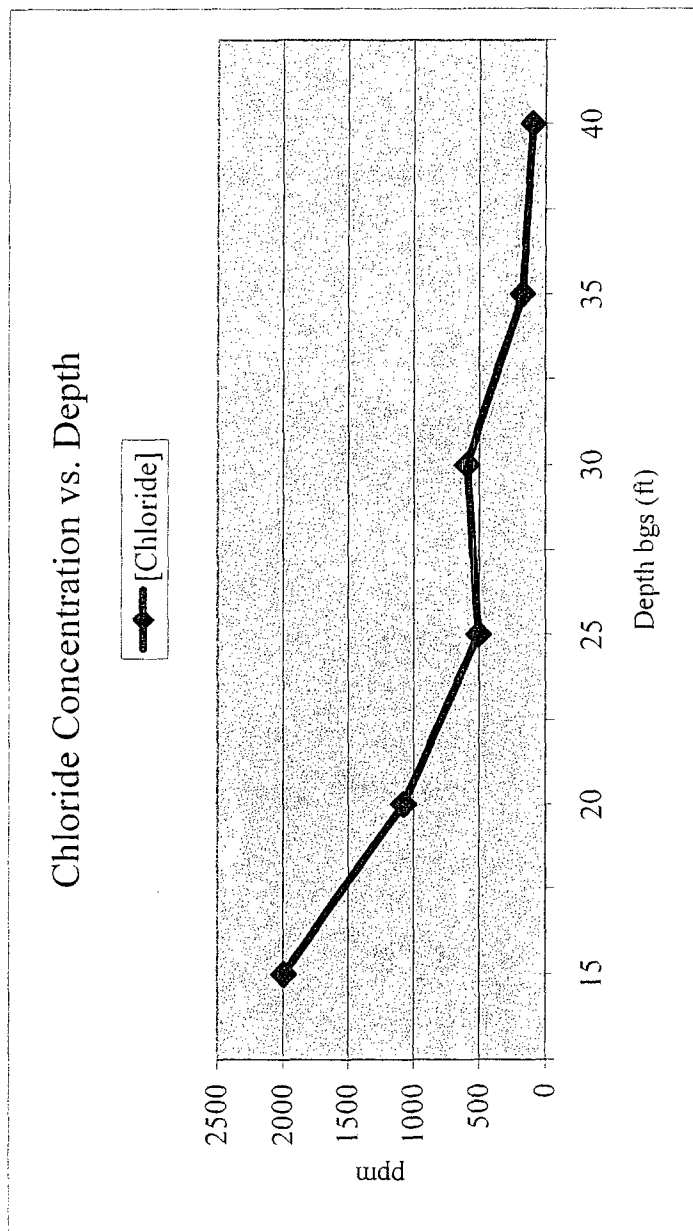
Justis M-14 Release

Unit 'M', Sec, 14, T17S, R35E

Soil Bore Delineation
Field Tests

Depth bgs (ft)	[Cl ⁻] ppm
15	1994
20	1076
25	507
30	595
35	176
40	100

Groundwater = 79 ft

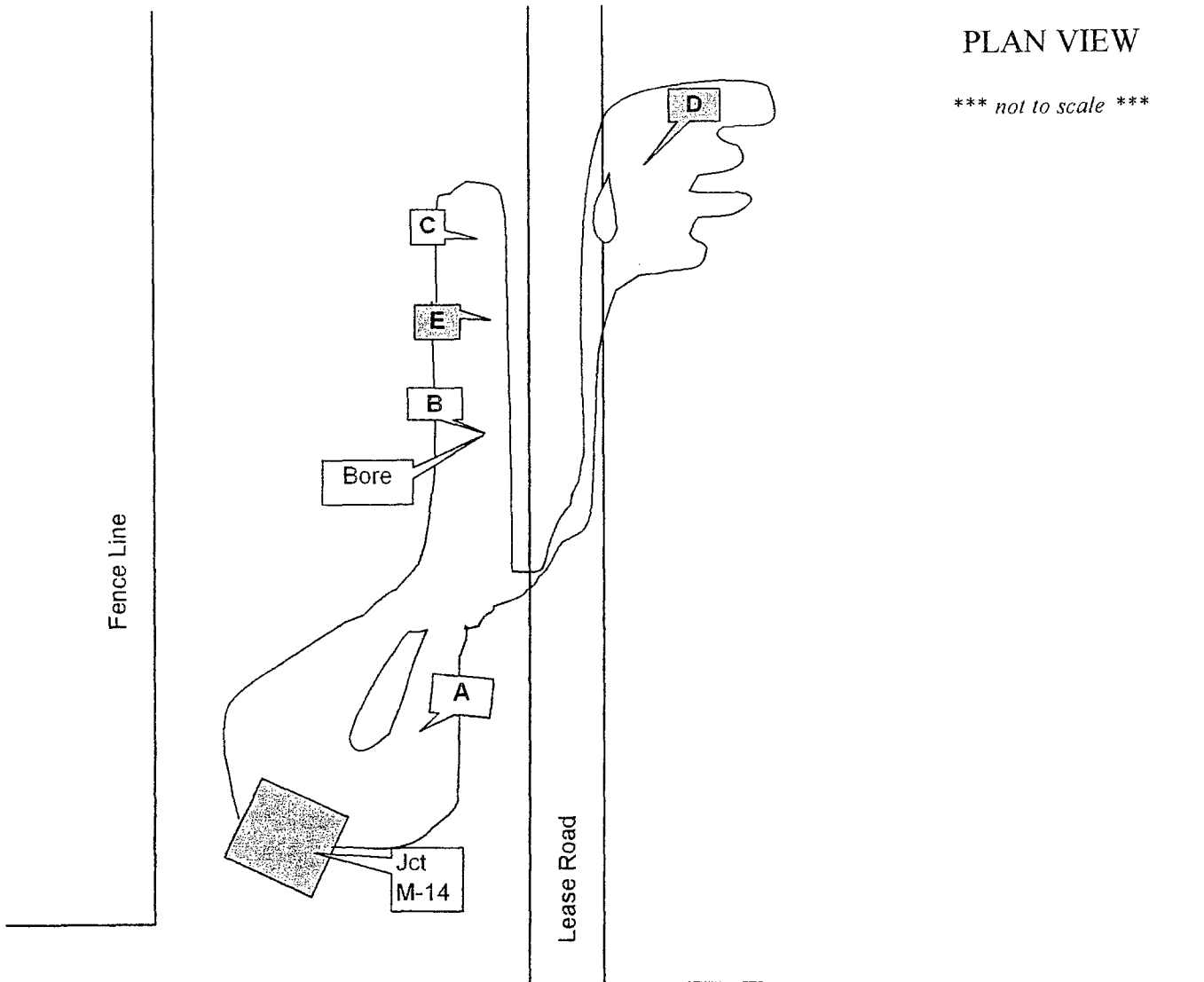


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Justis M-14 Leak Site

PLAN VIEW

*** not to scale ***



CHLORIDE FIELD TESTS

Backhoe Samples 10/31/05									
SP A		SP B		SP C		SP D		SP E	
Depth	ppm	Depth	ppm	Depth	ppm	Depth	ppm	Depth	ppm
1'	379	1'	856	1'	97	1'	730	1'	1046
2'	835	2'	1568	2'	147	2'	609	2'	370
3'	1040	3'	1181	3'	108	3'	1128	3'	754
4'	1336	4'	1061	4'	177	4'	1559	4'	710
5'	3080	5'	937	5'	116	5'	1844	5'	881
6'	2795	6'	1131	6'	124	6'	1698	6'	763
7'	3258	7'	1534	7'	142	7'	2321	7'	878
8'	1815	8'	2464	8'	n/a	8'	2633	8'	373
9'	1409	9'	2217	9'	n/a	9'	2077	9'	647
10'	1623	10'	1718	10'	n/a	10'	1869	10'	402
11'	1686	11'	2074	11'	n/a	11'	1734	11'	671
11.5'	1458	12'	1560	12'	n/a	12'	1179	12'	547

Soil Bore 12/12/05		
Depth	ppm	Lab
10-15'	1994	
15-20'	1076	
20-25'	507	
25-30'	595	
30-35'	176	92
35-40'	100	

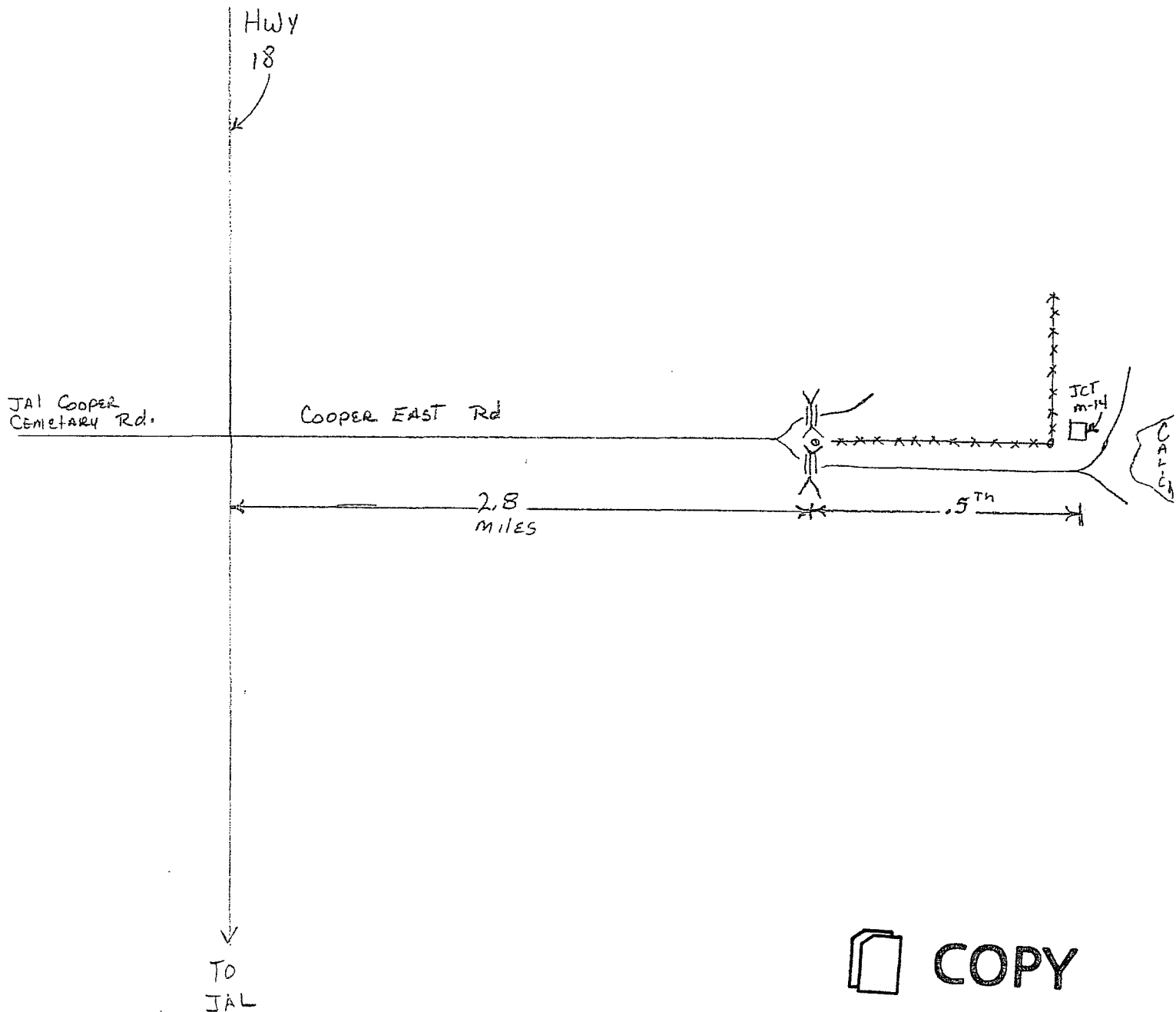
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DRIVING DIRECTIONS:

Justis Jct M-14

UL/M Sec 14 - T24S - R37E

From the intersection HWY 18 and Cooper East Road north of Jal, turn east and go approx. 2.8 miles to double cattle guards, take south (right) cattle guard and go approx. 0.5th of a mile on lease road, at "Y" in the road just prior to caliche pit turn left. Jct box is located east of fence corner.



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