

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

☐ Initial Report ☒ Final Report

Name of Company Rice Operating	Contact Tony Grieco
Address 122 W. Taylor St., Hobbs, NM 88240	Telephone No. (575) 393-9174
Facility Name: BD Junction N-29	Facility Type: Salt Water Gathering System

Surface Owner: Turner Ranch	Mineral Owner	Lease No.
------------------------------------	---------------	-----------

LOCATION OF RELEASE

Unit Letter N	Section 29	Township 21S	Range 37E	Feet from the	North/South Line	Feet from the	East/West Line	County LEA
-------------------------	----------------------	------------------------	---------------------	---------------	------------------	---------------	----------------	----------------------

Latitude **32° 26.686N** Longitude **103° 11.278W**

NATURE OF RELEASE

Type of Release: Produced water	Volume of Release: 30 bbls	Volume Recovered: 15 bbls
Source of Release: Broken PVC Flange	Date and Hour of Occurrence: 1/31/07 1:45 PM	Date and Hour of Discovery: 1/31/07 1:45 PM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Larry Johnson	
By Whom? Noel Carmona	Date and Hour: 1/31/07 4:38 PM call returned 4:44 PM	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.* **A flange broke inside a junction box, causing it to overflow. The flange was replaced as a permanent repair.**

Describe Area Affected and Cleanup Action Taken.*

Approximately 5,428 sq ft were affected. A vacuum truck was used to pick up standing fluid. Leak area was scraped on 2/1 and 2/2/07 to a depth of 6 in and the impacted soil (a total of 216 yds) was properly disposed at Sundance disposal facility. An initial C-141 was submitted 2/7/07, and a Corrective Action Plan was submitted 2/19/07. Delineation with a backhoe and hand auger was conducted 2/1,2,5/07, and additional delineation with a hand auger was done on 12/11/07. On 1/9,10 /08, 216 yds of clean soil were imported, this soil was spread and contoured, and the site was seeded, on 1/22/08.

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.

		OIL CONSERVATION DIVISION	
Signature:	Approved by District Supervisor: <i>Chris Williams</i>		
Printed Name: Tony Grieco	Approval Date: 2/13/08	Expiration Date: 3/13/08	
Title: Environmental Tech	Conditions of Approval:		Attached <input type="checkbox"/>
E-mail Address: tgrieco@riceswd.com			
Date: 1/24/08	Phone: (575) 393-9174		

* Attach Additional Sheets If Necessary

BD N-29 LEAK



SPILL FROM SOURCE LOOKING EAST



SAME VIEW AFTER BACKFILL, DURING SEEDING

BD N-29 LEAK



NORTH SIDE OF ROAD, LOOKING WEST FROM EAST EDGE OF SPILL AREA

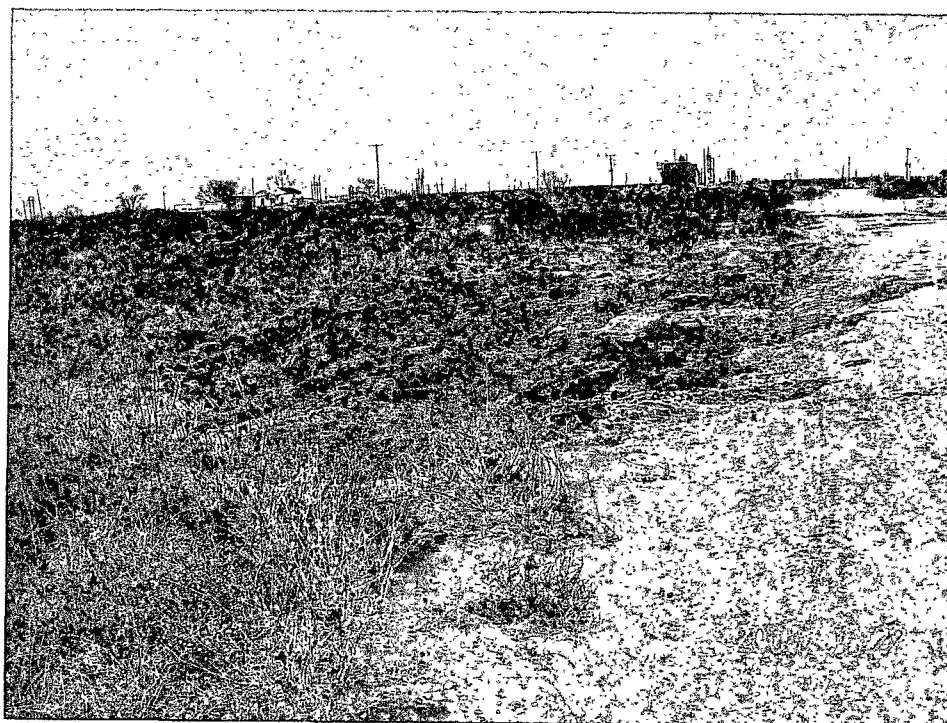


SAME VIEW AFTER BACKFILL AND CONTOURING

BD N-29 LEAK



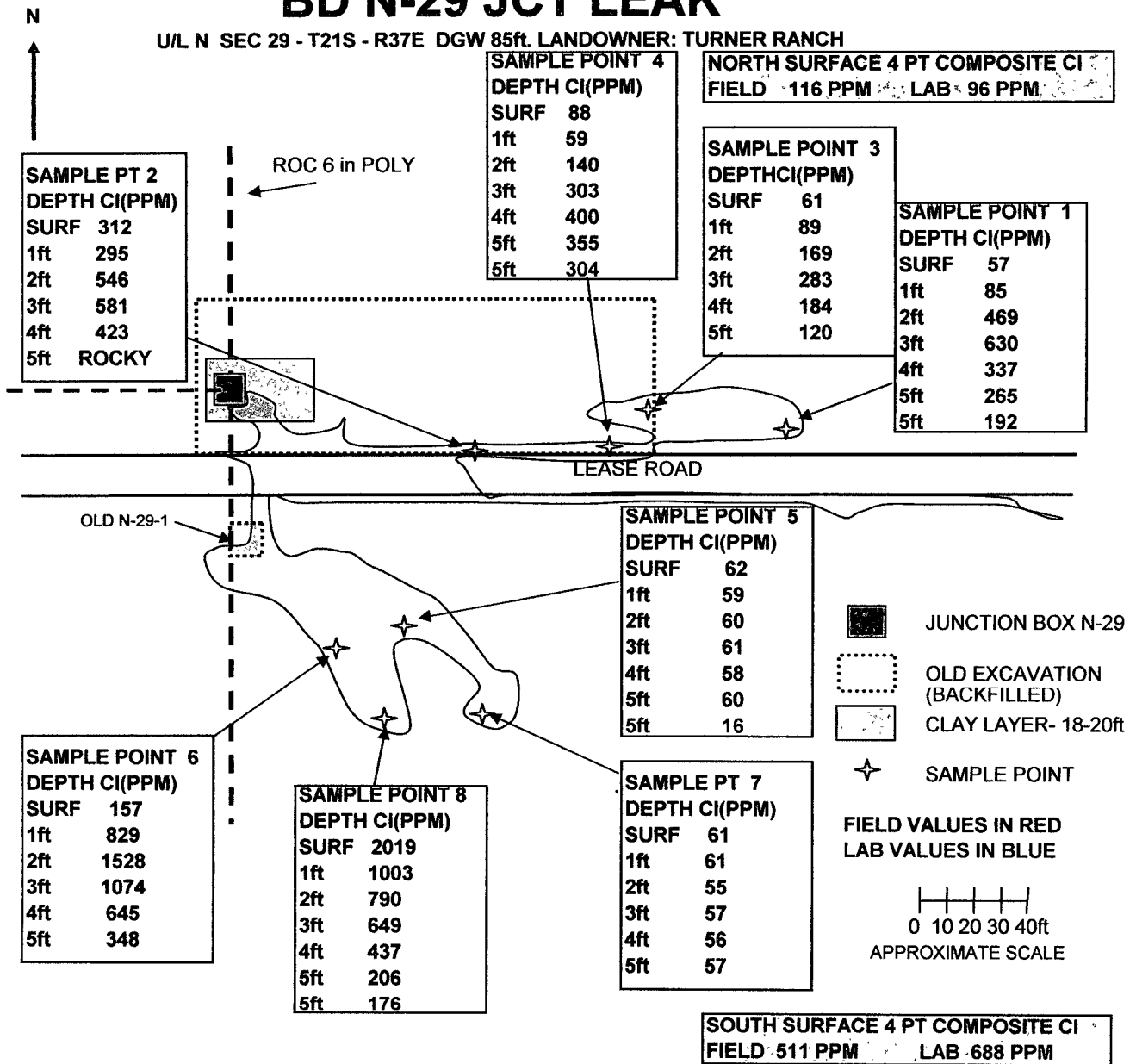
SOUTH SIDE OF ROAD LOOKING WEST FROM EAST EDGE OF SPILL AREA



SAME VIEW AFTER BACKFILL, CONTOURING

BD N-29 JCT LEAK

U/L N SEC 29 - T21S - R37E DGW 85ft. LANDOWNER: TURNER RANCH





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

ANALYTICAL RESULTS FOR
RICE OPERATING COMPANY
ATTN: ROY RASCON
122 WEST TAYLOR
HOBBS, NM 88240
FAX TO: (575) 397-1471

Receiving Date: 12/14/07
Reporting Date: 12/14/07
Project Number: NOT GIVEN
Project Name: BD N-29
Project Location: NOT GIVEN

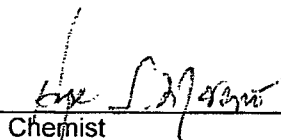
Analysis Date: 12/14/07
Sampling Date: 12/11/07
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: BC
Analyzed By: HM

LAB NO.	SAMPLE ID	Cl ⁻ (mg/kg)
H13914-1	NORTH SURFACE COMP	96
H13914-2	SOUTH SURFACE COMP	688
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

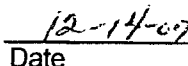
METHOD: Standard Methods

4500-ClB

Note: Analyses performed on 1:4 w:v aqueous extracts.



Chemist



Date

H13914 RICE

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 services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



(915) 673-7001 Fax (915) 673-7020 (505) 393-2326 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page of

† Cardinal cannot accept verbal changes. Please fax written changes to (915) 673-7020.



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

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

Receiving Date: 12/14/07
Reporting Date: 12/17/07
Project Owner: NOT GIVEN
Project Name: BDN-29
Project Location: NOT GIVEN

Analysis Date: 12/14/07
Sampling Date: 12/11/07
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: AB
Analyzed By: HM

LAB NO.	SAMPLE ID	Cl ⁻ (mg/kg)
H13917-1	SAMPLE POINT 1 5 FT.	192
H13917-2	SAMPLE POINT 4 5 FT.	304
H13917-3	SAMPLE POINT 8 5 FT.	176
H13917-4	SAMPLE POINT 5 5 FT.	16
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods	4500-CIB
--------------------------	----------

Note: Analyses performed on 1:4 w:v aqueous extracts.

Ernest Supers
Chemist

12/17/07
Date

H13917 RICE




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 services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



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

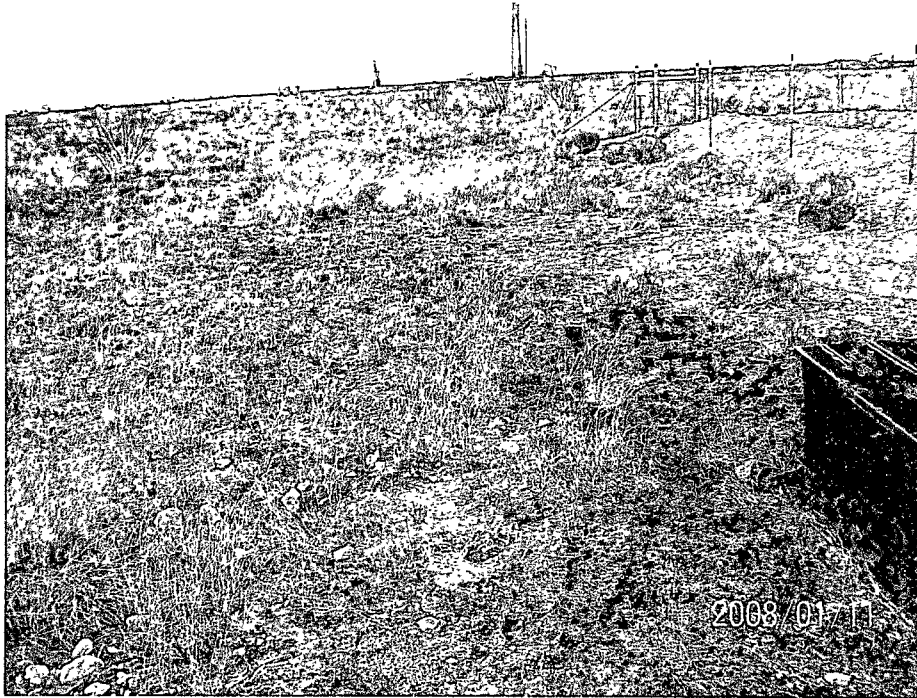
CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

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 the client for the 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 30 days after completion of the applicable analyses. 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 services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

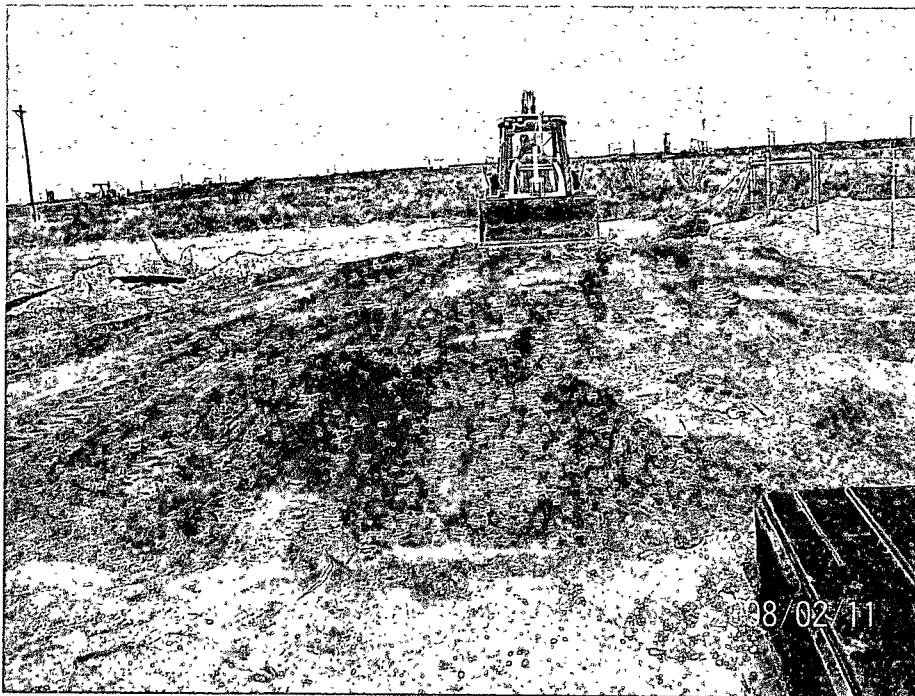
Relinquished By:		Date:	Received By:	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
		Time:		Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
Relinquished By:		Date:	Received By:	REMARKS:	
		12/14/07		Change 4th sample (H13917-4) to "Sample Point 5" per Toney.	
Delivered By: (Circle One)		Time:		12/17/07 11:40am	
Sample - UPS - Bus - Other:			Sample Condition Cool Intact <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No	CHECKED BY: (Initials) 	
				Misty LeBrum	

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

BD N-22 LEAK



SPILL AREA, FACING NORTH.

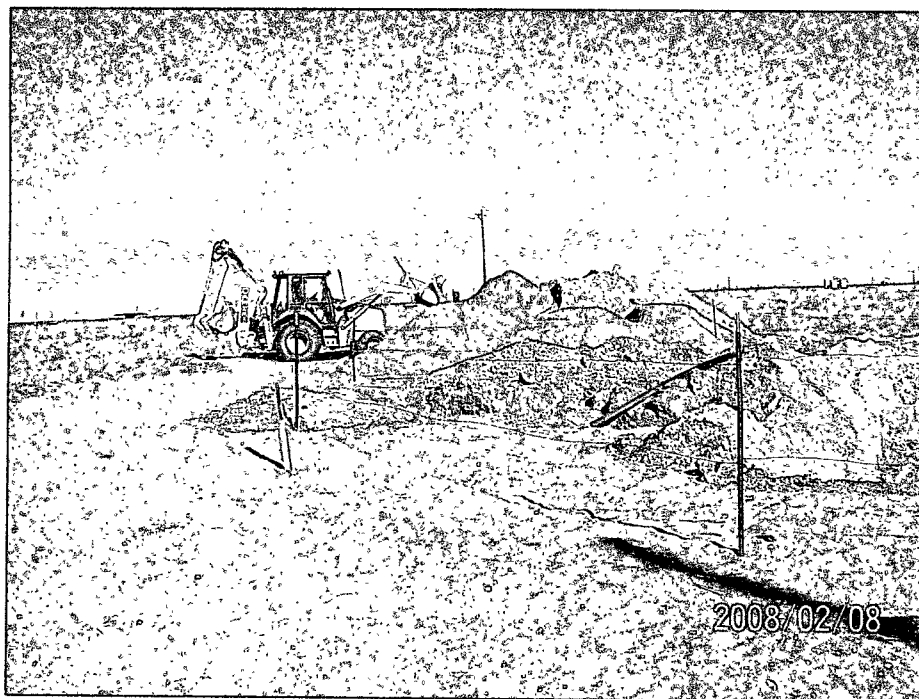


SAME AREA AFTER BACKFILL

BD N-22 LEAK



COMPACTION OF INSTALLED CLAY BEING MEASURED

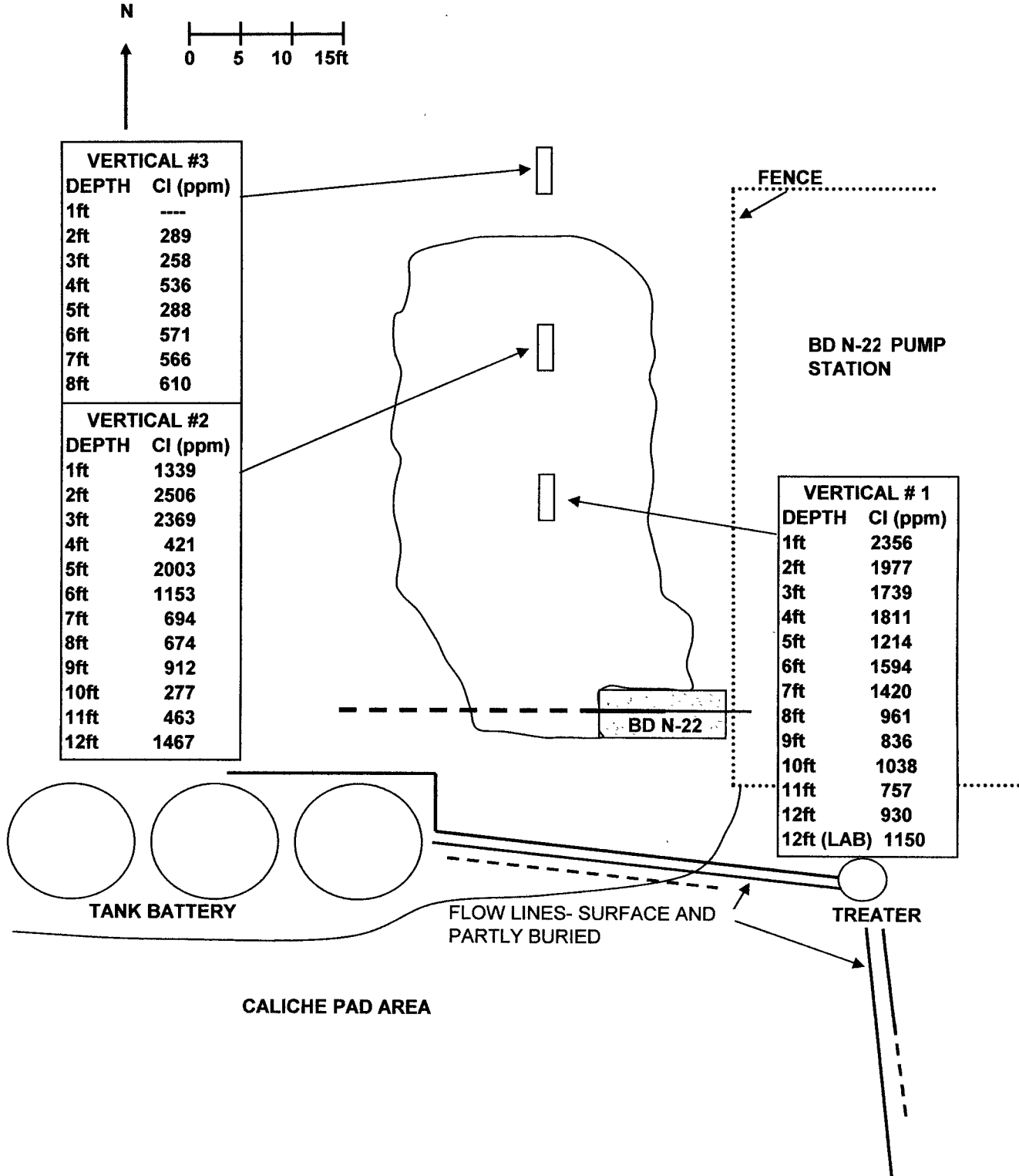


BLENDING BACKFILL

BD N-22 LEAK

UL/N SEC 22 T-22-S R-37-E 12bbbls LOST/8bbbls REC GW 67-74ft LANDOWNER: W.E. JOHNSTON

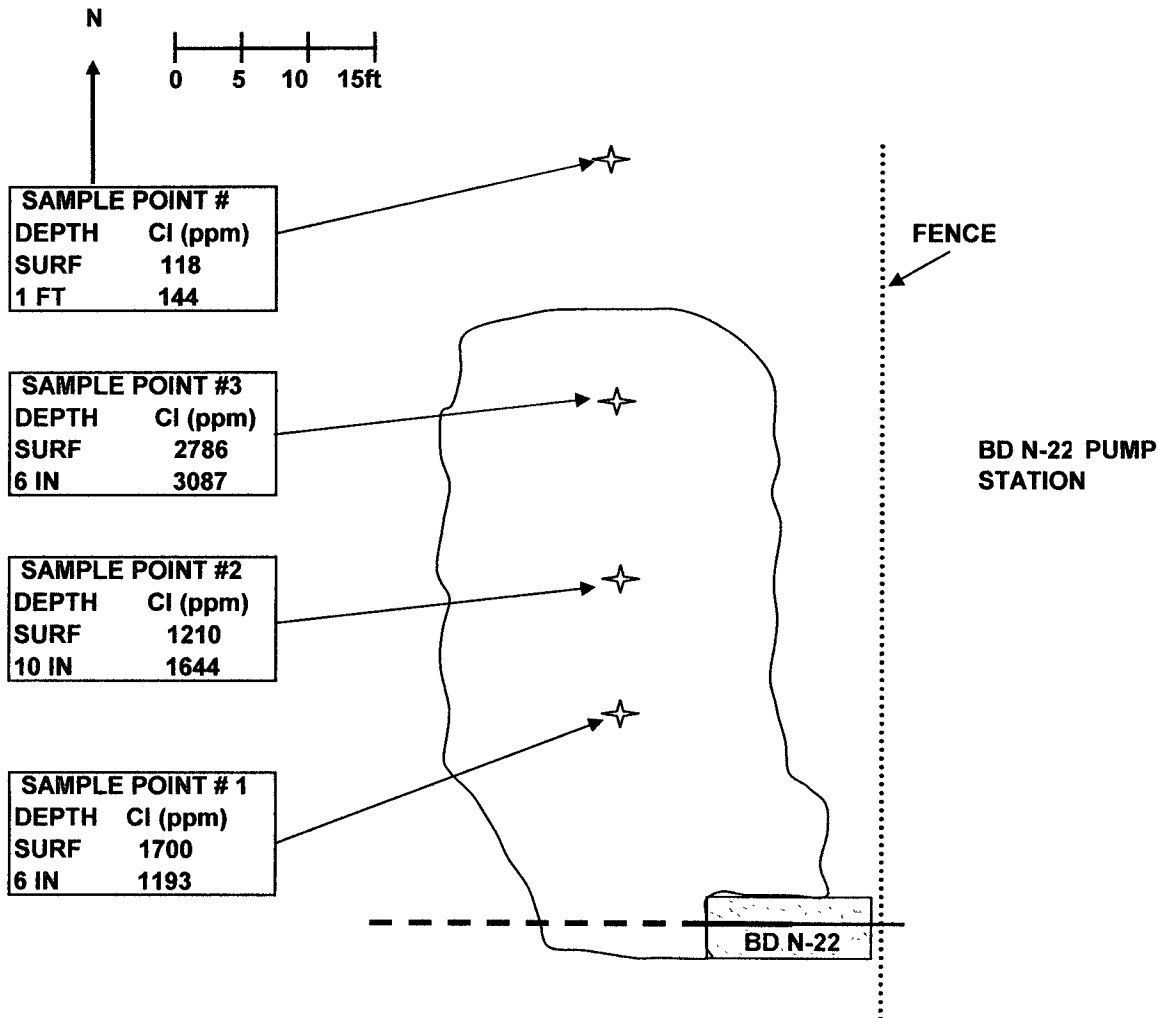
VERTICAL TRENCH DATA AFTER SCRAPE



BD N-22 LEAK

UL/N SEC 22 T-22-S R-37-E 12bbls LOST/8bbls REC GW 67-74 ft LANDOWNER: W.E. JOHNSTON

CHLORIDE VALUES (ppm) AFTER INITIAL SCRAPE

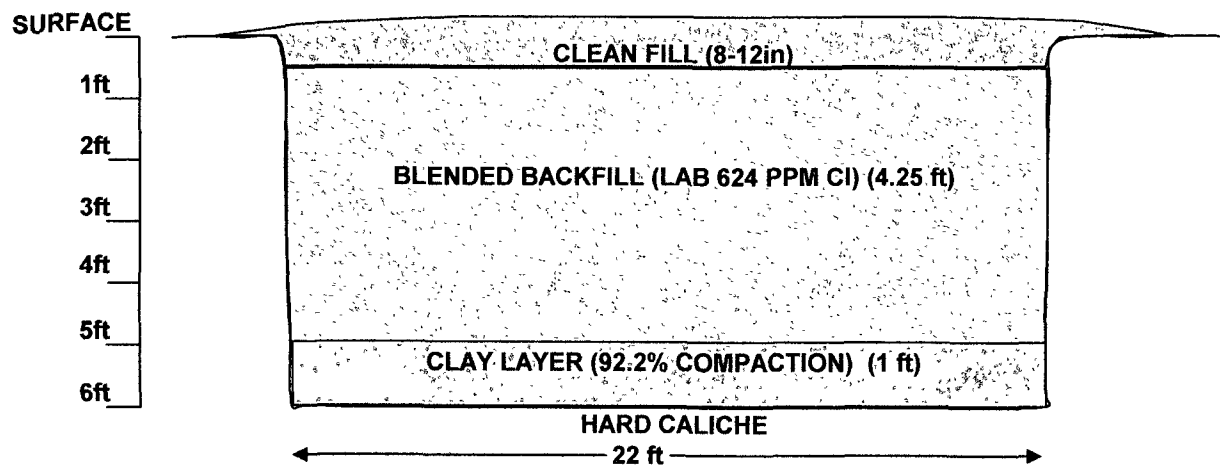


BD N-22 LEAK EXCAVATION PROFILE

UL/N SEC 22 T-22-S R-37-E GW 67-74 ft LANDOWNER: W.E. JOHNSTON

E

W



EXCAVATION 22 ft X 38 ft








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 services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



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

<small>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 the client for the service. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 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 services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.</small>			
Relinquished By: 		Received By: 	
Date: 1/25/08 Time: 3:00am		Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No Add'l Phone #: Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No Add'l Fax #:	
Relinquished By: 		Received By: 	
Date: Time:		REMARKS: Email results to JPurvis@rice.swd.com hcondere@rice.swd.com tgrieco@rice.swd.com	
Delivered By: (Circle One) Sampler - URS - Bus - Other:		Sample Condition Cool Intact <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No	
		CHECKED BY: (Initials) 	

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



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

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

Receiving Date: 02/11/08
Reporting Date: 02/19/08
Project Number: NOT GIVEN
Project Name: BD N-22 LEAK
Project Location: NOT GIVEN

Analysis Date: 02/11/08
Sampling Date: 02/11/08
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: KS

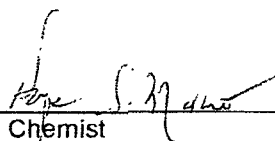
LAB NO.	SAMPLE ID	Cl ⁻ (mg/kg)
H14239-1	BLENDED BACKFILL	624
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		2.0

METHOD: Standard Methods

4500-Cl/B

Note: Analysis performed on a 1:4 w:v aqueous extract.

* Revised report as per client's request.


Chemist

02-19-08
Date

H14239R RICE

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 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.



CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

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