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## Quarterly REPORTS

DATE: 12-8-08

## Hansen, Edward J., EMNRD

From:	L. Peter Galusky, Jr. [lpg@texerra.com]
Sent:	Monday, December 08, 2008 3:21 PM
То:	Hansen, Edward J., EMNRD
Cc:	Hack Conder; Lara Weinheimer
Subject:	Rice Operating Company - Quarterly Report for NMOCD # 1RO479
Attachments:	VAC N-6-1 3rd qtr 2008 graphic1.pdf

Edward,

Given below is a quarterly update (through 3rd quarter, 2008) for the above-referenced Rice Operating Company Project, VAC N-6-1.

We have been recovering groundwater at the above referenced site since July of 2007 per the respective Corrective Action Plan. To date we have recovered approximately 6,500 bbls of water from the central well at this location and used this water for SWD line maintenance. We have recently shut this system in due to the impossibility of keeping from freezing and damaging the equipment over the winter months.

The attached graph illustrates the cumulative amount of groundwater removed over time as well as the (field measured) groundwater chloride concentrations. It appears that groundwater chlorides have slightly but steadily diminished over this time. However, we are removing a great deal of groundwater to affect chloride concentrations by only a small amount. It may be that we are reaching a point of diminishing returns where the potential affects of residual chlorides on downgradient groundwater may not warrant the depletion of the aquifer. We will thus re-evaluate the efficacy of continuing to withdraw chloride affected groundwater and provide our recommendations in the annual report for this site in early 2009.

Please call me if you have any questions or wish to discuss.

Thank you.

Sincerely,

Pete G.

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