AP - <u>84</u>

STAGE 2 REPORT

12-8-2008

Hansen, Edward J., EMNRD

From: Sent:	L. Peter Galusky, Jr. [lpg@texerra.com] Monday, December 08, 2008 3:23 PM
To:	Hansen, Edward J., EMNRD
Cc:	Hack Conder; Lara Weinheimer
Subject:	Re: Rice Operating Company - Quarterly report for NMOCD 1R0476 & 1R0477
Attachments:	EME C16 (1&2) 3rd qtr 2008 graphic 1.pdf

Edward,

The graph referenced in my previous e-mail submittal is attached, here.

Thank you.

Pete G.

--- On Mon, 12/8/08, L. Peter Galusky, Jr. <lpg@texerra.com > wrote:

From: L. Peter Galusky, Jr. <lpg@texerra.com> Subject: Rice Operating Company - Quarterly report for NMOCD 1R0476 & 1R0477 To: "Edward J. Hansen" <edwardj.hansen@state.nm.us> Cc: "Hack Conder" <hconder@riceswd.com>, "Lara Weinheimer" <lweinheimer@riceswd.com> Date: Monday, December 8, 2008, 3:56 PM

Edward,

Given below is a quarterly update (through 3rd quarter, 2008) for the above-referenced Rice Operating Company Projects, EME C16(1) and EME C16(2), respectively.

We have been recovering groundwater at the above referenced sites since July of 2008 per the respective Corrective Action Plans. To date we have recovered and treated (using reverse osmosis) approximately 83 bbls of water collectively from the central wells at both locations (see attached graph). This water has been used to irrigate the affected pipeline right of way to facilitate ecological restoration.

We plan to shut this system in over the winter due to the impossibility of keeping from freezing and damaging the equipment, and we anticipate restarting during the 1st quarter or early 2nd quarter of next year when the likelihood of severe frost has passed.

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

Thank you.

Sincerely,

Pete G.

L. Peter Galusky, Jr. Ph.D. Principal Texerra Energy Square 505 N. Big Spring, Suite 404

