1R - 427-15

REPORTS

DATE:

505 N Big Spring, Suite 404 Midland, Texas 79701
Tel: 432-634-9257 E-mail: lpg@texerra.com

ess

nation Request

June 10th, 2010

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: Corrective Action Plan Report & Termination Request NMOCD Case No. 1R427-15 EME State H EOL Rice Operating Company – EME SWD System

Sent via E-mail & U.S. Certified Mail w/ Return Receipt 7007 0710 0003 0305 3859

Mr. Hansen,

Rice Operating Company (ROC) has removed 1,023 lbs of chloride from a recovery well at the EME L-6 location per the NMOCD approved Corrective Action Plan (CAP) for the EME State H EOL site, which is located within a regionally impacted area (Figure 1). This value was estimated per the following calculations:

- 290 bbls of groundwater were removed from 5.24.10 through 5.26.10.
- The chloride concentration was measured at 11,200 ppm (Figure 2).
- The mass of groundwater removed was 290 bbls * 42 gal/bbl * 7.5 lbs/gal = 91,350 lbs.
- The mass of chlorides removed was 91,350 lbs water * (11,200 lbs Cl-/10^6 lbs water) = 1,023 lbs Cl-.
- The removed groundwater was subsequently used for SWD line maintenance purposes.

The removal of this mass of chlorides from groundwater at L-6 location was intended to compensate for the potential groundwater impact of residual chlorides at the EME State H EOL site. This was a conservative measure since the State H EOL site is underlain by an installed clay barrier (Figure 3). Additionally, the subsequent restoration of vegetation at the ground surface will enhance evapotranspiration and further limit the downward migration of residual chlorides (Figure 4).

As this is slightly in excess of the 898 lbs of chloride that we were required to remove we submit that we have satisfied the requirements of the CAP and respectfully request termination of remedial requirements for this project.

Rice Operating Company – EME State H EOL

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

We greatly appreciate your consideration of this request.

Sincerely,

L. Peter (Pete) Galusky, Jr. Ph.D., P.G.

Principal

copy: Rice Operating Company

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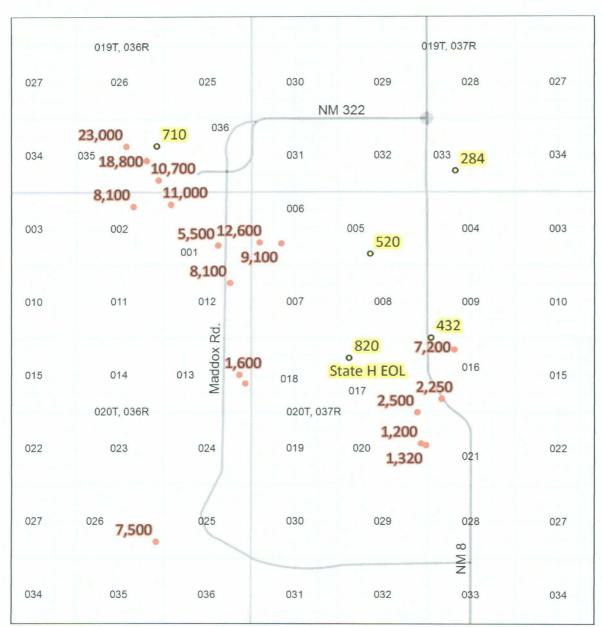


Figure 1 — Regional groundwater chloride concentrations (in ppm) within the EME field from "upgradient" monitor wells for various open NMOCD projects. Red font indicates groundwater chloride concentrations greater than 1,000 ppm. The EME State H EOL site is located near the center of the map in Section 017.

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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: 05/03/10 Reporting Date: 05/05/10 Project Number: NOT GIVEN

Project Name: EME L-6
Project Location: NOT GIVEN

Sampling Date: 05/03/10 Sample Type: WATER

Sample Condition: COOL & INTACT

Sample Received By: JH Analyzed By: HM

LAB NO. SAMPLE ID CI TDS (mg/L) (mg/L)

Analysis Date:	05/04/10	05/04/10
H19801-1 RW-1	11,200	25,000
H19801-2 RW-2	11,400	25,100
National Conference and Conference a		
Quality Control	500	NR
True Value QC	500	NR
% Recovery	100	NR
Relative Percent Difference	< 0.1	3,1
TOIRING FORCER DIRECTORES		3.1

METHOD: Standard Methods, EPA 4500-Cl'B 160.1

CHEMIST & MUM

Date

H19801 RICE

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Figure 2 – Lab analysis of groundwater from EME L-6 recovery well. Please note that the lower chloride value (11,200 ppm) was used in determining chloride mass removal.

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Figure 3 – Installation of a clay infiltration barrier following removal of the junction box at EMS State H EOL.



Figure 4 – Recent photograph (June 2010) of ground surface at EME State H EOL.