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APPROVALS

YEAR(S):



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

July 22, 2003

Lori Wrotenbery

Director

Oil Conservation Division

CERTIFIED MAIL

RETURN RECEIPT NO. 3929 9888

Carolyn Doran Haynes
Operations Engineer
Rice Operating Company
122 West Taylor
Hobbs, New Mexico 88240

RE: ROC Voluntary Junction Box Upgrade Project OCD 1R0214
Hobbs Salt Water Disposal System
Lea County, New Mexico

Subject: Revised Plan

Dear Ms. Haynes:

The New Mexico Oil Conservation Division (OCD) is in receipt of the Junction Box Upgrade Work Plan Revision dated July 16, 2003 and hereby approves of the plan with the following conditions:

1. All trend line analysis for chlorides shall be developed using a minimum of five data points. If the last data point is greater than 250 ppm, or in OCD's opinion, the trend is not conclusive then OCD may require additional data points for confirmation.
2. Each closure report shall contain the information ROC proposed including dated photos taken before, during (maximum depth and width) and after completion.
3. Records shall be maintained for the disposal of all waste.
4. Special notice as listed in item 4. of the plan shall include any playa lake, dry lakebed or any watercourse.
5. ROC shall implement and maintain institutional and/or tangible controls for each site in order to protect the site in the foreseeable future.

Please be advised that NMOCD approval of this plan does not relieve Rice Operating Company of liability should their operations fail to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD approval does not relieve Rice Operating Company of responsibility for compliance with any OCD, federal, state, or local laws and/or regulations.

If you have any questions please do not hesitate to contact me at 505-476-3487 or E-mail WPRICE@state.nm.us.

Sincerely,

A handwritten signature in cursive script, appearing to read "Wayne Price".

Wayne Price- Engineer

cc: Roger Anderson-Environmental Bureau Chief
OCD Hobbs Office,