

1E-4.1 412

EME E-21 EOL

2013

CLOSURE

RICE *Operating Company*

122 West Taylor • Hobbs, New Mexico 88240

Phone: (575) 393-9174 • Fax: (575) 397-1471

April 1, 2014

Mr. Leonard Lowe

New Mexico Energy, Minerals, & Natural Resources

Oil Conservation Division, Environmental Bureau

1220 S. St. Francis Drive

Santa Fe, New Mexico 87505

RE: Termination Request

EME E-21 EOL: UL/E, Sec. 21, T20S, R37E

RICE Operating Company – Eunice Monument Eumont SWD System

Mr. Lowe:

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

Background

In 2013, ROC initiated work on the former E-21 EOL. The site is located in UL/E, Sec. 21, T20S, R37E. NM OSE records indicate that groundwater would likely be encountered at a depth of approximately 26 +/- feet. The site was delineated using a backhoe to collect soil samples at regular intervals, creating a 5x7x7-ft deep excavation. Each sample was field titrated for chlorides and field screened using a PID for hydrocarbons, resulting in concentrations similar to background. The 7-ft sample was sent to a commercial laboratory for analysis of chloride and TPH, resulting in a chloride concentration and a gasoline range organics (GRO) concentration below detectable limits, and a diesel range organics (DRO) concentration of 59.9 mg/kg. The excavation was backfilled with clean, imported blowsand and contoured to the surrounding area. A sample of the blowsand was submitted to a commercial laboratory for analysis of chloride, resulting in a concentration below detectable limits. The sample was also field tested for hydrocarbons using a PID, resulting in a reading of 3.8 ppm. On 1/8/2014, the site was seeded with a blend of native vegetation and is expected to return to a productive capacity at a normal rate. The junction box site map, area map, final report, photo documentation, laboratory analysis, PID sheet, chloride graph, and revegetation form are attached.

Recommendations

Site investigation demonstrates that residual chloride and hydrocarbons in the vadose zone will not with reasonable probability contaminate groundwater in excess of NMOCD standards. This site meets the requirements of the NMOCD-approved Revised Junction Box Upgrade Work Plan (July 16, 2003). As such, ROC request termination of the regulatory file, or similar closure status.

Please contact me at (575)393-2967 if you have any questions or wish to discuss this site. Thank you for your time and consideration.

Sincerely,
RICE Operating Company

A handwritten signature in black ink, appearing to read 'H. Conder', with a long horizontal flourish extending to the right.

Hack Conder
Environmental Manager

enclosures

**RICE OPERATING COMPANY
JUNCTION BOX FINAL REPORT**

BOX LOCATION

| SWD SYSTEM | JUNCTION | UNIT | SECTION | TOWNSHIP | RANGE | COUNTY | BOX DIMENSIONS - FEET | | |
|---------------------------------|----------|------|---------|----------|-------|--------|-----------------------|-------|-------|
| Eunice Monument Eumont (EME) | E-21 EOL | E | 21 | 20S | 37E | Lea | Length | Width | Depth |
| | | | | | | | Eliminated | | |

LAND TYPE: BLM _____ STATE _____ FEE LANDOWNER Millard Deck Estate OTHER _____

Depth to Groundwater 26 feet NMOCD SITE ASSESSMENT RANKING SCORE: 20

Date Started 12/9/2013 Date Completed 1/8/2014 OCD Witness No

Soil Excavated 9.1 cubic yards Excavation Length 5 Width 7 Depth 7 feet

Soil Disposed 48 cubic yards Offsite Facility Sundance Location Eunice, NM

FINAL ANALYTICAL RESULTS: Sample Date 12/9/2013, 12/18/2013 Sample Depth 7'

TPH and Chloride laboratory test results completed by using an approved lab and testing procedures pursuant to NMOCD guidelines.

| Sample Location | PID (field) ppm | GRO mg/kg | DRO mg/kg | Chloride mg/kg |
|-----------------|-----------------|-----------|-----------|----------------|
| SOURCE 7' GRAB | 0.0 | <50.0 | 59.9 | <16.0 |
| BLOWSAND | 3.8 | | | <16.0 |

| CHLORIDE FIELD TESTS | | |
|--|-------|-------|
| LOCATION | DEPTH | mg/kg |
| background | 6" | 117 |
| vertical delineation trench at the junction (source) | 4' | 58 |
| | 5' | 149 |
| | 6' | 86 |
| | 7' | 87 |

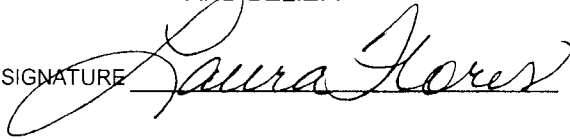
General Description of Remedial Action: This junction and line were eliminated during the pipeline replacement/upgrade program. After the former junction box was

removed, an investigation was conducted, using a backhoe to collect soil samples at regular intervals, creating a 5x7x7 ft deep excavation. Chloride field test performed on each sample yielded low concentrations of chloride.

Organic vapors were measured using a PID which also yielded low concentrations. The deepest sample, 7 ft. below ground surface (BGS) was sent to a commercial laboratory for analysis of chloride and TPH, which confirmed low concentrations of each. The site was backfilled with clean, imported soil to ground surface and contoured to the surrounding area. A sample of the imported soil was sent to a commercial laboratory for analysis of chloride, resulting in a low concentration. On 1/8/2014, the site was seeded with a blend of native vegetation and is expected to return to a productive capacity at a normal rate.

enclosures: site map, area map, photos, lab results, PID (field) screenings, chloride graph, revegetation form

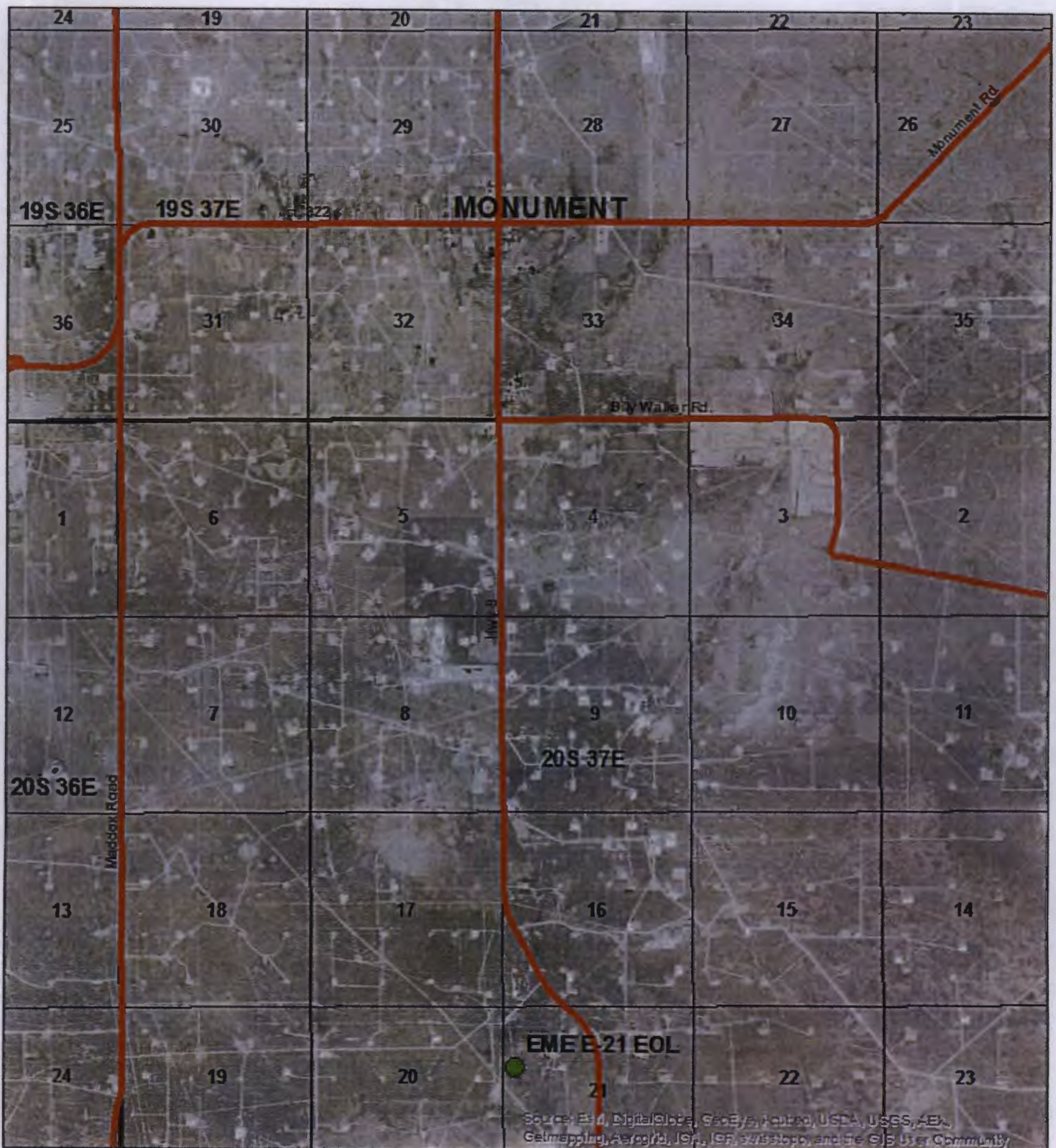
I HEREBY CERTIFY THAT THE INFORMATION ABOVE IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REPORT
ASSEMBLED BY Laura Flores SIGNATURE  COMPANY Rice Environmental Consulting & Safety

SITE SUPERVISOR Dyllan Yarbrough SIGNATURE Not available COMPANY Rice Environmental Consulting & Safety

PROJECT LEADER Kyle Norman SIGNATURE  DATE 2-28-14

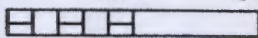
Site Map



EME E-21 EOL

Unit Letter E, Section 21,
T20S, R37E
Lea County, NM



0 2,500 5,000
 Feet

Drawing date: 2/19/14 LF

Area Map



EME E-21 EOL

Unit Letter E, Section 21,
T20S, R37E
Lea County, NM



0 620 1,240
Feet

Drawing date: 2/19/14 LF

EME E-21 EOL

UL/E Sec.21 (T20S-R37E)



Excavating site, facing west

12/09/2013



Collecting sample, facing northeast

12/09/2013



Backfilling excavation, facing northwest

12/20/2013



Seeding site, facing south

1/08/2014



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

December 10, 2013

KYLE NORMAN

Rice Operating Company

112 W. Taylor

Hobbs, NM 88240

RE: EME E-21 EOL

Enclosed are the results of analyses for samples received by the laboratory on 12/09/13 16:35.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-13-5. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab/accred/certif.html.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

| | |
|------------------|------------------------------|
| Method EPA 552.2 | Haloacetic Acids (HAA-5) |
| Method EPA 524.2 | Total Trihalomethanes (TTHM) |
| Method EPA 524.4 | Regulated VOCs (V1, V2, V3) |

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

Caley D. Keene

Lab Director/Quality Manager

Analytical Results For:

 Rice Operating Company
 KYLE NORMAN
 112 W. Taylor
 Hobbs NM, 88240
 Fax To: (575) 397-1471

| | | | |
|-------------------|--------------|---------------------|---------------|
| Received: | 12/09/2013 | Sampling Date: | 12/09/2013 |
| Reported: | 12/10/2013 | Sampling Type: | Soil |
| Project Name: | EME E-21 EOL | Sampling Condition: | Cool & Intact |
| Project Number: | NONE GIVEN | Sample Received By: | Jodi Henson |
| Project Location: | NOT GIVEN | | |

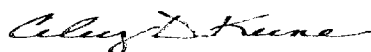
Sample ID: VERTICAL @ SOURCE @ 7' (H302968-01)

| Chloride, SM4500Cl-B | | | mg/kg | | | | | | | Analyzed By: AP |
|-------------------------------|-------------|-----------------|------------|--------------|-----|------------|---------------|------|-----------|-----------------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | <16.0 | 16.0 | 12/10/2013 | ND | 416 | 104 | 400 | 3.92 | | |
| TPH 8015M | | | mg/kg | | | | | | | Analyzed By: ck |
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| GRO C6-C10 | <50.0 | 50.0 | 12/10/2013 | ND | 198 | 99.0 | 200 | 3.86 | | |
| DRO >C10-C28 | 59.9 | 50.0 | 12/10/2013 | ND | 207 | 103 | 200 | 3.24 | | |
| <hr/> | | | | | | | | | | |
| Surrogate: 1-Chlorooctane | 104 % | 65.2-140 | | | | | | | | |
| Surrogate: 1-Chlorooctadecane | 111 % | 63.6-154 | | | | | | | | |

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

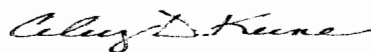
Notes and Definitions

| | |
|-----|--|
| ND | Analyte NOT DETECTED at or above the reporting limit |
| RPD | Relative Percent Difference |
| ** | Samples not received at proper temperature of 6°C or below. |
| *** | Insufficient time to reach temperature. |
| - | Chloride by SM4500Cl-B does not require samples be received at or below 6°C Samples reported on an as received basis (wet) unless otherwise noted on report |

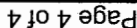
Cardinal Laboratories

* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager



**101 East Marland, Hobbs, NM 88240
(575) 393-2326 FAX (575) 393-2476**

[illegible]

+ Cardinal cannot accept verbal changes. Please fax written changes to (575) 393-3326

RICE ENVIRONMENTAL CONSULTING & SAFETY

122 West Taylor Hobbs, NM 88240
 PHONE: (505) 393-9174 FAX: (505) 397-1471
 PID METER CALIBRATION & FIELD REPORT FORM

| | | | |
|-------|-------------------------------------|-----------------|-----------------------|
| CK. | <input type="checkbox"/> | MODEL: PGM 7300 | SERIAL NO: 590-000508 |
| MODEL | <input type="checkbox"/> | MODEL: PGM 7300 | SERIAL NO: 590-000504 |
| NO. | <input checked="" type="checkbox"/> | MODEL: PGM 7320 | SERIAL NO: 592-903318 |
| | <input type="checkbox"/> | MODEL: PGM 7300 | SERIAL NO: 590-000183 |

GAS COMPOSITION: ISOBUTYLENE 100PPM / AIR: BALANCE

| | |
|-----------------------------|---------------------------|
| LOT NO: HAL-248-100-1 | EXPIRATION DATE: 7/1/2015 |
| METER READING ACCURACY: 100 | |

ACCURACY : +/- 2%

| |
|----------------|
| COMPANY |
| RICE OPERATING |

| SYSTEM | JUNCTION | UNIT | SECTION | TOWN SHIP | RANGE |
|--------|----------|------|---------|-----------|-------|
| EME | E-21 EOL | E | 21 | 20S | 37E |

| SAMPLE ID | PID | SAMPLE ID | PID |
|-----------------|-----|-----------|-----|
| Background @ 6" | 0.8 | | |
| | | | |
| | | | |
| Source @ 3' | 1.2 | | |
| Source @ 4' | 0.2 | | |
| Source @ 5' | 0.3 | | |
| Source @ 6' | 0.5 | | |
| Source @ 7' | 1.1 | | |
| Source @ 8' | 0 | | |
| Source @ 9' | 0 | | |
| Source @ 10' | 0 | | |
| Source @ 11' | 0 | | |
| Source @ 12' | 0 | | |

I verify that I have calibrated the above instrument in accordance to the manufacture operation manual.

SIGNATURE: _____ Not available _____ DATE: 12/9/2013



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

December 26, 2013

KYLE NORMAN

Rice Operating Company

112 W. Taylor

Hobbs, NM 88240

RE: EME E-21 EOL

Enclosed are the results of analyses for samples received by the laboratory on 12/18/13 16:00.

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| | |
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| Method EPA 552.2 | Haloacetic Acids (HAA-5) |
| Method EPA 524.2 | Total Trihalomethanes (TTHM) |
| Method EPA 524.4 | Regulated VOCs (V1, V2, V3) |

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

Rice Operating Company
KYLE NORMAN
112 W. Taylor
Hobbs NM, 88240
Fax To: (575) 397-1471

| | | | |
|-------------------|--------------|---------------------|----------------|
| Received: | 12/18/2013 | Sampling Date: | 12/18/2013 |
| Reported: | 12/26/2013 | Sampling Type: | Soil |
| Project Name: | EME E-21 EOL | Sampling Condition: | ** (See Notes) |
| Project Number: | NONE GIVEN | Sample Received By: | Kathy Perez |
| Project Location: | NOT GIVEN | | |

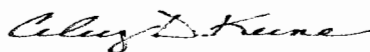
Sample ID: BLOW SAND (H303072-01)

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: CK | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | <16.0 | 16.0 | 12/26/2013 | ND | 432 | 108 | 400 | 3.77 | |

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*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

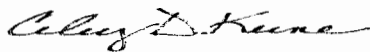
Notes and Definitions

| | |
|-----|--|
| ND | Analyte NOT DETECTED at or above the reporting limit |
| RPD | Relative Percent Difference |
| ** | Samples not received at proper temperature of 6°C or below. |
| *** | Insufficient time to reach temperature. |
| - | Chloride by SM4500Cl-B does not require samples be received at or below 6°C Samples reported on an as received basis (wet) unless otherwise noted on report |

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*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

ARDINAL LABORATORIES

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

| Company Name: RICE Operating | | | | BILL TO | | | | | | | | | | | | ANALYSIS REQUEST | | | | | | | | | | | | | | | | | | | |
|------------------------------|--|--|--|------------------------------|--|--|--|------------------|--|--|--|--------------------------|--|--|--|----------------------------|--|--|--|-------------------|--|--|--|--------------------------------|--|--|--|-------------------------|--|--|--|------------|--|--|--|
| Project Manager: Kyle Norman | | | | P.O. #: | | | | Company: | | | | Chlorides | | | | TPH 8015 M | | | | BTX | | | | Texas TPH | | | | Complete Cations/Anions | | | | TDS | | | |
| Address: 112 W. Taylor | | | | City: Hobbs | | | | State: NM | | | | Zip: 88240 | | | | Attn: | | | | Address: | | | | City: | | | | State: | | | | Zip: | | | |
| Phone #: | | | | Fax #: | | | | Project Owner: | | | | Project #: | | | | Project Name: EME E-21 EOL | | | | Project Location: | | | | Project Name: Dyllan Yarbrough | | | | Sample Name: | | | | | | | |
| Lab I.D. H30307B | | | | Sample I.D. | | | | # CONTAINERS | | | | MATRIX | | | | PRESERV | | | | SAMPLING | | | | DATE | | | | TIME | | | | | | | |
| GROUNDWATER | | | | WASTEWATER | | | | SOIL | | | | OIL | | | | SLUDGE | | | | OTHER | | | | ACID/BASE | | | | ICE / COOL | | | | OTHER | | | |
| (G) RAB OR (COMP. | | | | 6 | | | | 12/15/16 | | | | 2:55 | | | | | | | | | | | | | | | | | | | | | | | |
| Relinquished By: [Signature] | | | | Date: 12/15/16 | | | | Time: 4:00 | | | | Received By: [Signature] | | | | Date: 12/15/16 | | | | Time: 4:00 | | | | Received By: [Signature] | | | | Date: 12/15/16 | | | | Time: 4:00 | | | |
| Relinquished By: [Signature] | | | | Date: 12/15/16 | | | | Time: 4:00 | | | | Received By: [Signature] | | | | Date: 12/15/16 | | | | Time: 4:00 | | | | Received By: [Signature] | | | | Date: 12/15/16 | | | | Time: 4:00 | | | |
| Delivered By: (Circle One) | | | | Sampler - UPS - Bus - Other: | | | | Sample Condition | | | | Cool | | | | Intact | | | | Yes | | | | No | | | | Yes | | | | No | | | |
| Relinquished By: [Signature] | | | | Date: 12/15/16 | | | | Time: 4:00 | | | | Received By: [Signature] | | | | Date: 12/15/16 | | | | Time: 4:00 | | | | Received By: [Signature] | | | | Date: 12/15/16 | | | | Time: 4:00 | | | |
| Relinquished By: [Signature] | | | | Date: 12/15/16 | | | | Time: 4:00 | | | | Received By: [Signature] | | | | Date: 12/15/16 | | | | Time: 4:00 | | | | Received By: [Signature] | | | | Date: 12/15/16 | | | | Time: 4:00 | | | |
| Relinquished By: [Signature] | | | | Date: 12/15/16 | | | | Time: 4:00 | | | | Received By: [Signature] | | | | Date: 12/15/16 | | | | Time: 4:00 | | | | Received By: [Signature] | | | | Date: 12/15/16 | | | | Time: 4:00 | | | |
| Relinquished By: [Signature] | | | | Date: 12/15/16 | | | | Time: 4:00 | | | | Received By: [Signature] | | | | Date: 12/15/16 | | | | Time: 4:00 | | | | Received By: [Signature] | | | | Date: 12/15/16 | | | | Time: 4:00 | | | |
| Relinquished By: [Signature] | | | | Date: 12/15/16 | | | | Time: 4:00 | | | | Received By: [Signature] | | | | Date: 12/15/16 | | | | Time: 4:00 | | | | Received By: [Signature] | | | | Date: 12/15/16 | | | | Time: 4:00 | | | |
| Relinquished By: [Signature] | | | | Date: 12/15/16 | | | | Time: 4:00 | | | | Received By: [Signature] | | | | Date: 12/15/16 | | | | Time: 4:00 | | | | Received By: [Signature] | | | | Date: 12/15/16 | | | | Time: 4:00 | | | |
| Relinquished By: [Signature] | | | | Date: 12/15/16 | | | | Time: 4:00 | | | | Received By: [Signature] | | | | Date: 12/15/16 | | | | Time: 4:00 | | | | Received By: [Signature] | | | | Date: 12/15/16 | | | | Time: 4:00 | | | |
| Relinquished By: [Signature] | | | | Date: 12/15/16 | | | | Time: 4:00 | | | | Received By: [Signature] | | | | Date: 12/15/16 | | | | Time: 4:00 | | | | Received By: [Signature] | | | | Date: 12/15/16 | | | | Time: 4:00 | | | |
| Relinquished By: [Signature] | | | | Date: 12/15/16 | | | | Time: 4:00 | | | | Received By: [Signature] | | | | Date: 12/15/16 | | | | Time: 4:00 | | | | Received By: [Signature] | | | | Date: 12/15/16 | | | | Time: 4:00 | | | |
| Relinquished By: [Signature] | | | | Date: 12/15/16 | | | | Time: 4:00 | | | | Received By: [Signature] | | | | Date: 12/15/16 | | | | Time: 4:00 | | | | | | | | | | | | | | | |

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

RICE ENVIRONMENTAL CONSULTING & SAFETY

122 West Taylor Hobbs, NM 88240
PHONE: (505) 393-9174 FAX: (505) 397-1471
PID METER CALIBRATION & FIELD REPORT FORM

| | | | |
|-------|---|-----------------|-----------------------|
| CK. | | MODEL: PGM 7300 | SERIAL NO: 590-000508 |
| MODEL | | MODEL: PGM 7300 | SERIAL NO: 590-000504 |
| NO. | X | MODEL: PGM 7320 | SERIAL NO: 592-903318 |
| | | MODEL: PGM 7300 | SERIAL NO: 590-000183 |

GAS COMPOSITION: ISOBUTYLENE 100PPM / AIR: BALANCE

| | |
|-----------------------------|---------------------------|
| LOT NO: HAL-248-100-1 | EXPIRATION DATE: 7/1/2015 |
| METER READING ACCURACY: 100 | |

ACCURACY : +/- 2%

| |
|----------------|
| COMPANY |
| RICE OPERATING |

| SYSTEM | JUNCTION | UNIT | SECTION | TOWN SHIP | RANGE |
|--------|----------|------|---------|-----------|-------|
| EME | E-21 EOL | E | 21 | 20S | 37E |

| SAMPLE ID | PID | SAMPLE ID | PID |
|-----------|-----|-----------|-----|
| BLOWSAND | 3.8 | | |
| | | | |
| | | | |
| | | | |
| | | | |
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| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

I verify that I have calibrated the above instrument in accordance to the manufacture operation manual.

SIGNATURE: _____ Not Available _____ DATE: 12/18/2013

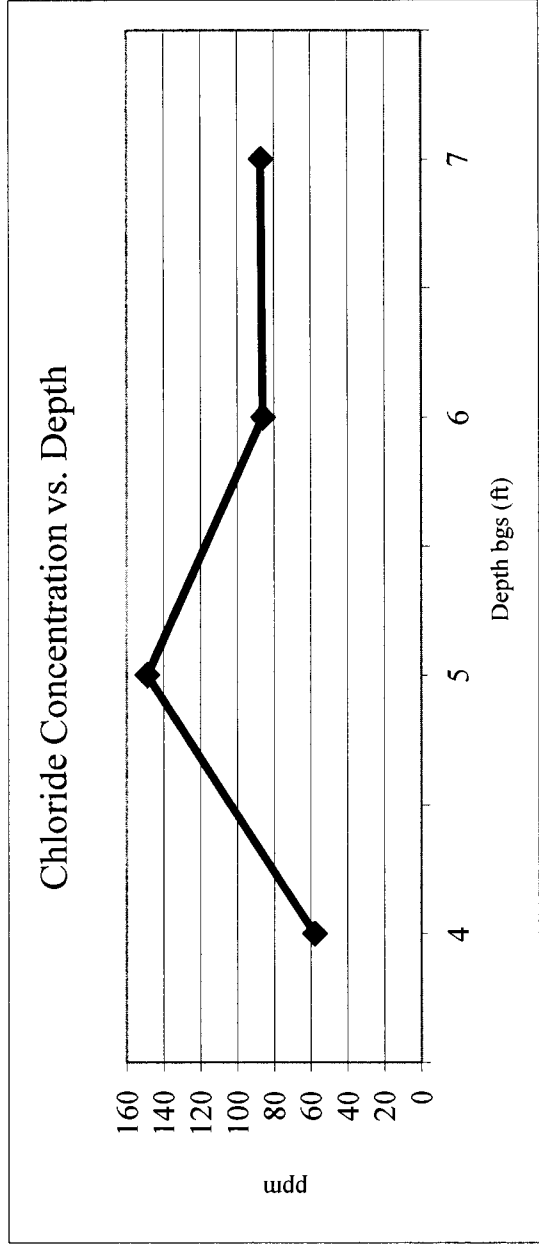
EME E-21 EOL

Unit 'E', Sec. 21, T20S, R37E

Backhoe samples at junction (source)

| Depth bgs (ft) | [Cl ⁻] ppm |
|----------------|------------------------|
| 4 | 58 |
| 5 | 149 |
| 6 | 86 |
| 7 | 87 |

Groundwater = 26 ft





PO Box 5630
Hobbs, NM 88241
Phone: (575) 393-4411
Fax: (575) 393-0293

VEGETATION FORM

1. General Information

| | | | | | | |
|---|---------------|----------------|-------------|---------------|-------------------------|---------------------------|
| Site name: EME E-21 EOL | | | | | | |
| U/L E | Section 21 | Township 20 | Range 37 | County Lea | Latitude 32 33.730'N | Longitude 103 15.646'W |
| Contact Name: Hack Conder | | | | | | |
| Email: hack@rice-recs.com | | | | | | |
| Site size: | | | | | | |

2. Soils

**Do not rip caliche subsoils; caliche rocks brought to the surface by ripping shall be removed.*

| | | | | | | |
|--------------------|---------------|-------------------------------------|----------|-------------------------------------|-----------------------|------------|
| Salvaged from site | Bioremediated | <input checked="" type="checkbox"/> | Imported | Blended | Depth (in) | |
| Texture: | Top Soil | Describe soil & subsoil: | | | Light brown fine sand | |
| Soil prep methods: | Rip | Depth (in) | Disc | <input checked="" type="checkbox"/> | Depth (in) | Rollerpack |
| Date completed: | | | | | | |

3. Bioremediation

| | | |
|------------|--------------------------------------|-------|
| Fertilizer | Hay | Other |
| Type: | Describe: | |
| Lbs/acre: | 5 bags BioNhance, 6 bags Potting mix | |

4. Seeding

**Attach seed bag tags to this form. Seed bag tags shall contain the site name and S-T-R.*

| | | | | | | |
|---|-------------------------------------|-------------------------------------|----------------|--|-------|----------|
| Custom Seed Mix | <input checked="" type="checkbox"/> | Prescribed Mix | Seed Mix Name: | 6 lbs. of Blue Gramma, 6 lbs. Side Oats, & 6 lbs of Winter Wheat | Date: | 1/8/2014 |
| Broadcast | Method: | | | Portable seeder | | |
| Soil conditions during seed: | Dry | <input checked="" type="checkbox"/> | Damp | <input type="checkbox"/> | Wet | |
| Observations: The amendments and seed were raked into the soil. | | | | | | |

5. Certification

I hereby certify that the information in this form and attachments is true and complete to the best of my knowledge and belief.

| | | | |
|-------------------------------|---------------------------|-------|----------|
| Name: Jose Flores | Title: Environmental Tech | Date: | 1/8/2014 |
| Signature: <i>Jose Flores</i> | | | |

RICE *Operating Company*

122 West Taylor • Hobbs, New Mexico 88240
Phone: (575) 393-9174 • Fax: (575) 397-1471

RECEIVED OGD

2014 MAR 32 A 10: 12

April 1, 2014

Mr. Leonard Lowe
New Mexico Energy, Minerals, & Natural Resources
Oil Conservation Division, Environmental Bureau
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505

RE: JUNCTION BOX UPGRADE REPORT for 2013
EME SWD SYSTEM
Lea County, New Mexico

Mr. Lowe:

Rice Operating Company (ROC) takes this opportunity to submit the Junction Box Upgrade results for the year 2013. Enclosed is a list of the completed junction boxes and their respective closure/disclosure dates. These boxes are located in the Eunice-Monument-Eumont (EME) Salt Water Disposal (SWD) System located in the vicinity of Eunice, New Mexico.

ROC completed 11 junction boxes in 2013.

Enclosed are the 2008 results (17 sites evaluated with 22 sampling locations) from the PID/BTEX study described in the NMOCD-approved Revised Junction Box Upgrade Work Plan (July 16, 2003). A third-party analysis, conducted by Peter Galusky, Jr. Ph.D. of Texerra, concluded from the data collected thus far that field-composited values tend to produce slightly higher BTEX numbers above the point at which BTEX concentrations become significant. This is likely due to the fact that BTEX is volatile and quickly biodegradable. This analysis was submitted to NMOCD on March 12, 2009. An appropriate number of sample sites could not be obtained to conduct a 2013 BTEX comparison analysis. Peter Galusky, Jr. Ph.D. of Texerra also compared ROC's 2013 chloride field tests to chloride laboratory analyses; the analysis is also enclosed. The study of this data continues to validate the accuracy of the chloride field tests employed by ROC.

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

Replacement/closure projects of this magnitude require System Party AFE approval and work begins as funds are received.

Thank you for your consideration of this Junction Box Upgrade Report for 2013.

RICE OPERATING COMPANY

A handwritten signature in black ink, appearing to read 'H. Conder', with a long horizontal flourish extending to the right.

Hack Conder
Environmental Manager

enclosures as stated

cc: SC, file, Mr. Geoffrey Leking
NMOCD, District I Office
1625 N. French Drive
Hobbs, NM 88240

Rice Operating Company
EME SWD System Junction Box Upgrade Project
2013 Completed Boxes

| | | Legal Description | | | | | | | |
|----|--------------|-------------------|-----|-----|-----|-----------------|----------------------|---------------|-------------|
| | Jct Box Name | Unit | Sec | T | R | Completion Date | OCD Assessment Score | Report Status | Case Number |
| 1 | B-19 EOL | B | 19 | 19S | 37E | 6/28/2013 | 20 | Closure | |
| 2 | E-21 EOL | E | 21 | 20S | 37E | 1/8/2014 | 20 | Closure | |
| 3 | JCT. D-19 | D | 19 | 19S | 37E | 5/10/2013 | 20 | Closure | |
| 4 | JCT. D-20 | D | 20 | 19S | 37E | 6/10/2013 | 20 | Closure | |
| 5 | JCT. F-26 | F | 26 | 20S | 36E | 11/7/2012 | 0 | Closure | |
| 6 | JCT. H-4 | H | 4 | 20S | 36E | 6/7/2013 | 20 | Closure | |
| 7 | JCT. I-9 | I | 9 | 20S | 36E | 6/7/2013 | 20 | Closure | |
| 8 | JCT. K-19 | K | 19 | 19S | 37E | 6/11/2013 | 20 | Closure | |
| 9 | M-9 EOL | M | 9 | 21S | 36E | 6/24/2013 | 0 | Closure | |
| 10 | O-28 EOL | O | 28 | 20S | 36E | n/a | 0 | Closure | |
| 11 | P-5 EOL | P | 5 | 21S | 36E | 6/24/2013 | 0 | Closure | |

L. Peter Galusky, Jr. Ph.D., P.G.

Texerra

505 N Big Spring, Suite 404 Midland, Texas 79701

Tel: 432-634-9257 E-mail: lpg@texerra.com

March 10th, 2009

Mr. Brad Jones
New Mexico Energy, Minerals, & Natural Resources
Oil Conservation Division, Environmental Bureau
1220 S. St. Francis Drive
Santa Fe, New Mexico 87504

Re: Comparison of Field versus Lab Compositing of BTEX soil samples
Rice Operating Company, Junction Box Upgrade Work Plan

Sent via Certified Mail w/ Return Receipt No. 7006 0100 0001 2438 3944

Dear Mr. Jones:

On behalf of Rice Operating Company (ROC) I am submitting the attached comparison and analysis of field versus laboratory soil compositing for soil BTEX samples. This is to address the question of whether it is better to mix multiple samples in the field or to do so in the laboratory in order to produce a composite, representative sample for analysis. This work was undertaken in support of ROC's Junction Box Upgrade Work Plan to ensure the quality of their field analysis program.

In brief, this work indicates that field compositing of soil samples generally gives rise to *slightly* higher BTEX values than does laboratory compositing of multiple samples. This is presumably due to the likelihood that field compositing and packaging of soil samples better preserves sample integrity. It would therefore appear that field compositing would represent the better method of procuring soil samples for subsequent analysis of BTEX.

Please call me if you have any questions or wish to discuss any of the details of this study.

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

Sincerely,



L. Peter Galusky, Jr. Ph.D.
Principal

Copy: Rice Operating Company,
Edward Hansen (NMOCD) sent certified mail w/ return receipt
No. 7006 0100 0001 2438 3937
Attachment: As noted, above.

Rice Operating Company

Comparison of Field Compositing versus Laboratory Compositing of Soil BTEX Samples¹

The careful mixing of multiple soil samples is critical in order to produce a representative, composite sample from a respective study area (such as an excavation face or bottom). Field technicians typically take four or five “grab” samples from excavation walls and/or bottom and send each of these to a laboratory for analysis of the composite, or mixed, sample. It would be far simpler, however, to composite such samples in the field. This study was undertaken to determine if field compositing produced results substantially different than laboratory compositing for the analysis of BTEX. Data were provided by Rice Operating Company encompassing 22 sampling locations over the period of 2004 through 2008.

A comparison of lab-composited soil samples versus field-composited soil samples revealed a close correspondence for total BTEX between the two methods (Figure 1).

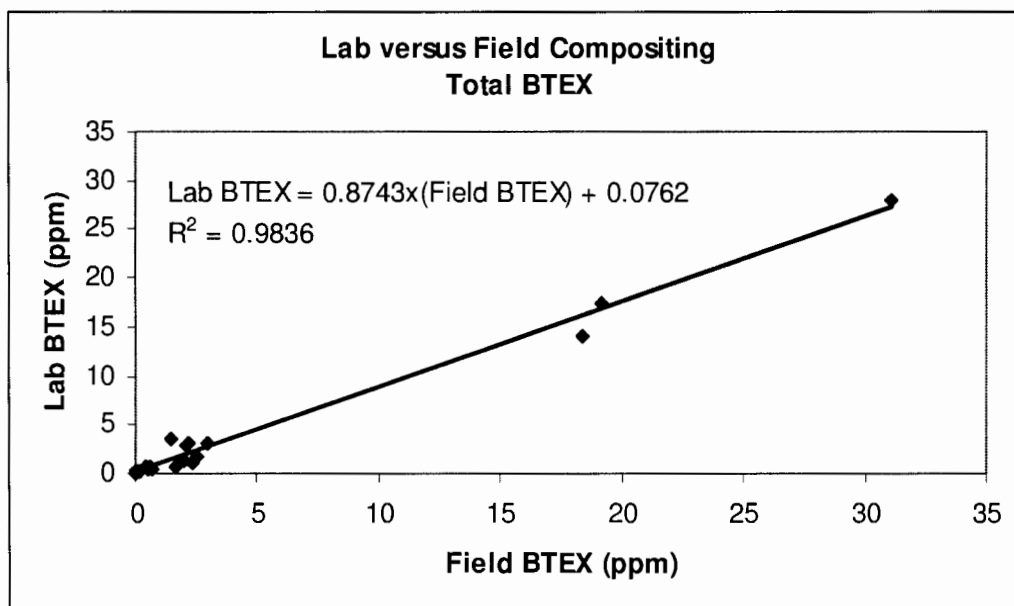


Figure 1 - Laboratory versus field-composited soil samples analyzed for BTEX.

The high R^2 value (0.9836) of the best-fit statistical regression line indicates a high degree of reliability in using the field-compositing method over the range of values observed. Below a “field-composited BTEX” value of 0.61 ppm the “lab-composited BTEX” values are slightly lower. However, above a field-composited BTEX value of 0.61 the lab-composited values run slightly lower. In other words, the field-composited values tended to produce slightly higher BTEX numbers above the point at which BTEX concentrations become significant.

There is a reason for this. BTEX is volatile and quickly biodegradable. The compositing and “packaging” of soil samples in the field minimize the handling and aeration that occur in the laboratory. Thus, field-composited soil samples lose less BTEX to evaporation and/or biodegradation prior to laboratory analysis. In other words, the field compositing and packaging of soil samples better preserves sample integrity, and for this reasons would appear to represent the better method of procuring soil samples for subsequent analysis of BTEX.

¹ Prepared 03-12-09 by L. Peter Galusky, Jr. of Texerra.

L. Peter Galusky, Jr. Ph.D., P.G.

Texerra LLC

**20055 Laredo Lane Monument, CO 80132
Tel: 719-339-6791 E-mail: lpg@texerra.com**

March 25th, 2014

Mr. Leonard Lowe
New Mexico Energy, Minerals, & Natural Resources
Oil Conservation Division, Environmental Bureau
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505

Re: Comparison of 2013 Laboratory versus Field Measured Soil Chloride Values
Rice Operating Company, Junction Box Upgrade Work Plan

Mr. Lowe:

The attached comparison and analysis of 2013 laboratory versus field measured soil chloride values is submitted in support of Rice Operating Company's (ROC's) Junction Box Upgrade Work Plan to ensure the quality of their field analysis program.

In brief, this work indicates that Rice's 2013 field chloride measurement efforts provided a reasonable qualitative approximation of the laboratory-measured (and presumed true) values.

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

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

Sincerely,



L. Peter Galusky, Jr. Ph.D.
Principal

Copy: Glenn VonGonten, NMOCD; Rice Operating Company
Attachment: As noted, above.

Rice Operating Company
Comparison of Laboratory to Field Measured Soil Chloride Concentrations
Based upon 2013 Field Data

A representative sample of 29 pairs of laboratory versus field measured soil chloride values was compared to determine how well field measurements matched laboratory measurements. It is assumed that laboratory measurements better represent the “true” values due to the controlled environment that a laboratory provides. A simple plot of the laboratory versus field measured soil chloride values is given below (Figure 1).

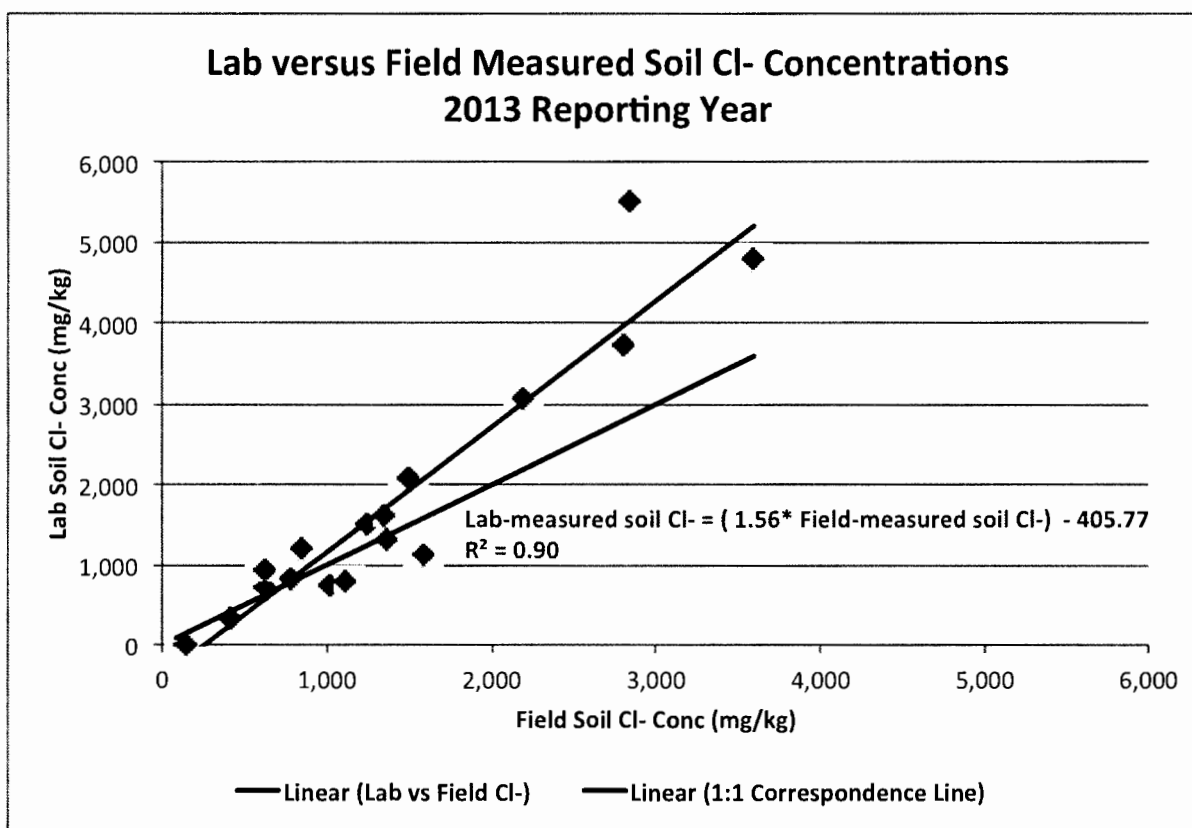


Figure 1 – Laboratory versus field measured soil chloride measurements (n = 29 paired sets).

A straight line fit to the data confirms a general linear trend over a wide range of soil chloride concentrations, and the R^2 value (0.90) indicates that field measurements provide a reliable approximation of laboratory-measured values. Based on the best-fit line of lab vs field measured values, field measured values overestimate lab measure values below a field measured value of 723 mg/kg and above this underestimate the lab-measured values. This is indicated in the graph where the (blue) best-fit line of lab vs field measured chlorides crosses the (black) line which would indicate a 1:1 correspondence.

Junction Box Upgrade Program Closure/Disclosure Submissions for 2013

Updated 3/27/12

| BD | | | | | | | | | | Closures | Disclosures |
|--------------|-----------|--|--|--|--|--|--|--|--|-----------------|--------------------|
| Closure | 4 | | | | | | | | | 4 | |
| Disclosure | 8 | | | | | | | | | | 8 |
| EME | | | | | | | | | | | |
| Closure | 11 | | | | | | | | | 11 | |
| Disclosure | 0 | | | | | | | | | | 0 |
| Total | 23 | | | | | | | | | 15 | 8 |