

1R - 428-76

**Annual GW
Mon. Report**

Year:
2011

Rice Environmental Consulting & Safety

P.O. Box 5630 Hobbs, NM 88241
Phone 575.393.4411 Fax 575.393.0293

RECEIVED OCD

CERTIFIED MAIL
RETURN RECEIPT NO. 7008 1140 0001 3070 6167

2012 APR -3 A 11: 27

March 30th, 2012

Mr. Edward Hansen

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

**RE: 2011 Annual Groundwater Monitoring Report
Rice Operating Company – Hobbs SWD System
Hobbs M-4 vent (1R428-76): UL/M sec. 4 T19S R38E**

Mr. Hansen:

RICE Operating Company (ROC) has retained Rice Environmental Consulting and Safety (RECS) to address potential environmental concerns at the above-referenced site in the abandoned Hobbs Salt Water Disposal (SWD) system. ROC is the service provider (agent) for the Hobbs 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.

This 2011 Annual Groundwater Monitoring Report contains:

1. A table presenting all laboratory results with the depths to groundwater for the well at the site.
2. Graphs showing the concentrations of chloride and TDS in groundwater over time.
3. A map showing the well location.
4. The laboratory analytical results for the most recent sampling event.

Quarterly groundwater sampling will continue in 2012.

RECS appreciates the opportunity to work with you on this project. Please call Hack Conder at (575) 393-9174 or me if you have any questions or wish to discuss the site.

Sincerely,



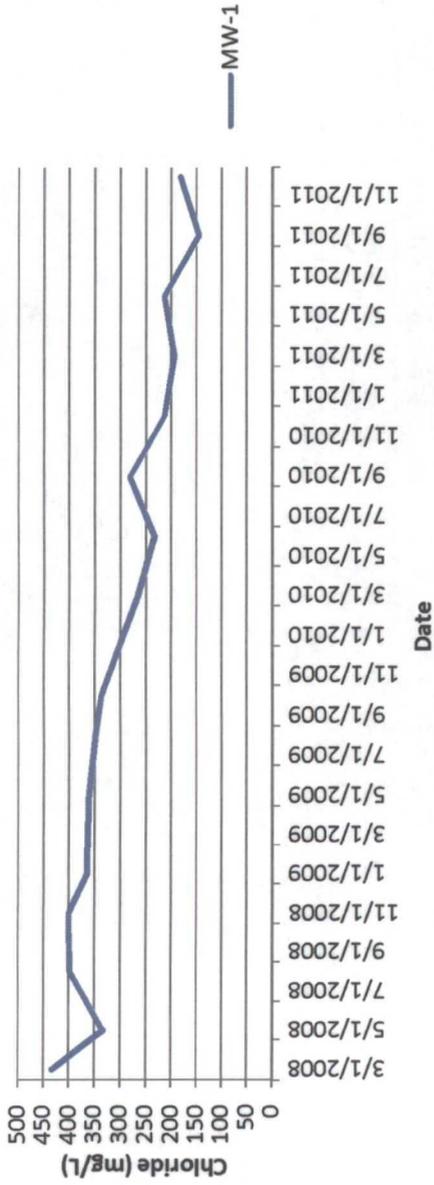
Lara Weinheimer
Project Scientist
RECS
(575) 441-0431

Hobbs M-4 vent (1R428-76)

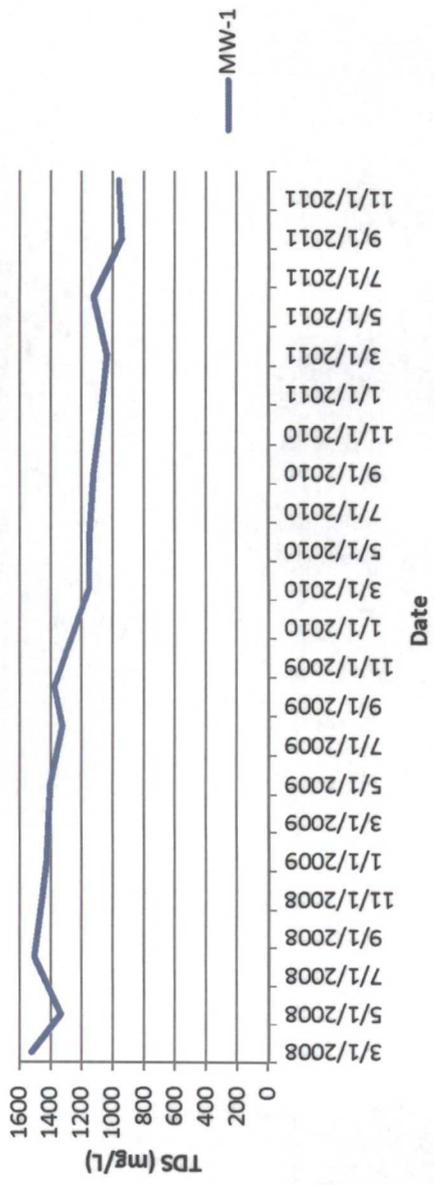
MW	Depth to Water	Sample Date	Cl	TDS	(mg/L)					Total Xylenes	Sulfate
					Benzene	Toluene	Ethyl Benzene	Xylenes	Sulfate		
1	27.02	5/2/2008	332	1330	<0.002	<0.002	<0.002	<0.006	240		
1	26.78	3/7/2008	432	1520	<0.001	<0.001	<0.001	<0.003	262		
1	27.64	8/8/2008	396	1500	<0.001	<0.001	<0.001	<0.003	286		
1	27.83	11/12/2008	400	1450	<0.001	<0.001	<0.001	<0.003	297		
1	28.01	1/30/2009	364	1420	XXX	XXX	XXX	XXX	264		
1	28.39	5/5/2009	360	1400	XXX	XXX	XXX	XXX	258		
1	28.85	8/12/2009	348	1320	XXX	XXX	XXX	XXX	240		
1	28.92	10/28/2009	336	1370	XXX	XXX	XXX	XXX	242		
1	29.33	3/16/2010	264	1150	XXX	XXX	XXX	XXX	288		
1	29.53	6/11/2010	232	1140	XXX	XXX	XXX	XXX	238		
1	28.85	9/7/2010	280	1120	XXX	XXX	XXX	XXX	196		
1	28.79	12/7/2010	212	1070	XXX	XXX	XXX	XXX	266		
1	29.4	3/14/2011	192	1030	XXX	XXX	XXX	XXX	235		
1	29.85	6/24/2011	212	1120	XXX	XXX	XXX	XXX	248		
1	30.28	9/23/2011	144	935	XXX	XXX	XXX	XXX	251		
1	30.74	12/14/2011	180	955	XXX	XXX	XXX	XXX	266		

XXX: Not Analyzed with NMOCD Permission

Hobbs M-4 vent, Chloride in Groundwater



Hobbs M-4 vent, TDS in Groundwater



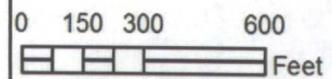
Monitor Well Location



Hobbs M-4 vent

LEGALS: UL/M sec. 4
T-19-S R-38-E

NMOCD CASE#: 1R428-76



Drawing date: 12/29/11
Drafted by: L. Weinheimer

December 22, 2011

Hack Conder
Rice Operating Company
112 W. Taylor
Hobbs, NM 88240

RE: HOBBS M-4 VENT

Enclosed are the results of analyses for samples received by the laboratory on 12/16/11 13:50.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. 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,



Celey D. Keene
Lab Director/Quality Manager

Analytical Results For:

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

 Received: 12/16/2011
 Reported: 12/22/2011
 Project Name: HOBBS M-4 VENT
 Project Number: NONE GIVEN
 Project Location: T19S-R38E-SEC4 M-LEA CTY., NM

 Sampling Date: 12/14/2011
 Sampling Type: Water
 Sampling Condition: Cool & Intact
 Sample Received By: Jodi Henson

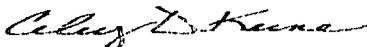
Sample ID: MONITOR WELL #1 (H102714-01)

Chloride, SM4500Cl-B		mg/L		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride*	180	4.00	12/21/2011	ND	108	108	100	3.77		
Sulfate 375.4		mg/L		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Sulfate*	266	10.0	12/20/2011	ND	21.2	106	20.0	5.93		
TDS 160.1		mg/L		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
TDS*	955	5.00	12/19/2011	ND	223	92.9	240	0.837		

Cardinal Laboratories

*=Accredited Analyte

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Celest D. Keene, Lab Director/Quality Manager

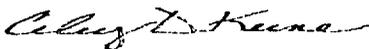
Notes and Definitions

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

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celestine D. Keene, Lab Director/Quality Manager

Cardinal Laboratories, Inc.

101 East Mainland - Hobbs, New Mexico 88240
 Tel (575) 393-2336
 Fax (575) 393-2476

Company Name: RICE Operating Company

Project Manager: Hack Conder

Address: 122 W Taylor Street ~ Hobbs, New Mexico 88240

Phone #: (575) 393-9174

Fax #: (575) 397-1471

Project Name: Hobbs M-4 Vent

Project Location: T19S-R38E-Sec4 M ~ Lea County - New Mexico

Sampler Signature: *Rozanne Johnson*

Address: 122 W Taylor Street ~ Hobbs, New Mexico 88240

Phone #: (575) 393-9174

Fax #: (575) 397-1471

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CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

LAB Order ID # _____

ANALYSIS REQUEST

(Circle or Specify Method No.)

Turn Around Time ~ 24 Hours	
Chlorides	X
Total Dissolved Solids	X
Sulfates	X
Anions (Cl, SO4, CO3, HCO3)	
Cations (Ca, Mg, Na, K)	
Moisture/Content	
BOD, TSS, pH	
Pesticides, 8081A/608	
PCBs 8082/608	
GC/MS Semi. Vol. 8270C/625	
GC/MS Vol. 8260B/624	
RCI	
TCLP Pesticides	
TCLP Semi-Volatiles	
TCLP Volatiles	
TCLP Metals Ag As Ba Cd Cr Pb Se Hg	
Total Metals Ag As Ba Cd Cr Pb Se Hg 6010B/200.7	
PAH 8270C	
TPH 418 /TX1005 / TX1005 Extended (C35)	
BTEX 8021B/602	
MTBE 8021B/602	

Phone Results: Yes No

Fax Results: Yes No

Additional Fax Number: _____

REMARKS:

Email Results: hconder@riceswd.com

valnet@rice-ecs.com

kjones@riceswd.com

rozanne@valnet.com

Received by: *Rozanne Johnson* Date: 12/16/11 Time: 13:50

Received by: _____ Date: _____ Time: _____

Sample Condition: Yes No

Cool: Yes No

Infect: Yes No

Checked By: *[Signature]*

Delivered By: _____ (Circle One)

(Sampler) UPS - Bus - Other:

#26