

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company: Rice Operating Company	Contact: Jennifer Johnson
Address: 122 West Taylor	Telephone No.: 505-393-9174
Facility Name: BD <i>N-9 Leak</i>	Facility Type: Salt Water Gathering System

Surface Owner: Charlie Bettis	Mineral Owner:	Lease No.:
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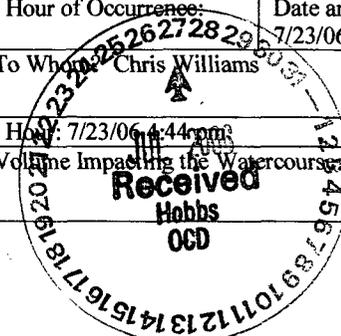
LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
N	9	22S	37E					Lea

Latitude: 32*24.015N Longitude: 103*10.200W

NATURE OF RELEASE

Type of Release: Produced Water with Oil	Volume of Release: 945 barrels	Volume Recovered: 670 barrels
Source of Release: Poly SWD pipeline	Date and Hour of Occurrence: N/A	Date and Hour of Discovery: 7/23/06 11:35 am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Chris Williams	
By Whom? Melanie Franks	Date and Hour: 7/23/06 4:44pm	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse:	
If a Watercourse was Impacted, Describe Fully.*		



Describe Cause of Problem and Remedial Action Taken.* A valve busted. The valve was replaced with a new one.

Describe Area Affected and Cleanup Action Taken.* Approximately 1/4 of an acre was affected. A vacuum truck was used to pick up standing fluid. Investigation and Characterization Plan to follow.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: <i>Jennifer Johnson</i>		OIL CONSERVATION DIVISION	
Printed Name: Jennifer Johnson		Approved by District Supervisor:	
Title: Environmental and Field Technician		Approval Date:	Expiration Date:
E-mail Address: jjohnson@riceswd.com		Conditions of Approval:	
Date: 7/27/06 Phone: 505-393-9174		Attached <input type="checkbox"/>	

* Attach Additional Sheets If Necessary

*RP# 972.
incident - NPAC 0620833408
application - pPAC 0620833563*

**BD N-9 LEAK DRIVING DIRECTIONS
UL/N SEC 9 T22S R37E**

**GPS
NAD27
32*24.015N
103*10.200W**

From the intersection of Highway 8 and Legion Road in Eunice, go south on Legion road 2.7 miles. Turn east on Trull Road go through cattle guard continuing for 0.2 miles. Turn north and go 0.1miles site is on the west side of the lease road.