

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	Tony Grieco
Address	122 W. Taylor St., Hobbs, NM 88240	Telephone No.	(505) 393-9175
Facility Name	BD JCT N-9	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	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 4:44 PM		
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 failed. The valve was replaced with a new one as a permanent repair.

Describe Area Affected and Cleanup Action Taken.* A vacuum truck was dispatched at the time the spill was discovered to recover water and haul to an appropriate disposal facility. The entire impacted area was scraped to a depth of 4 inches and the contaminated soil hauled to the Sundance facility. The site was delineated using a hand auger and backhoe. Clean soil was imported and spread, and the site was reseeded with a mixture of grasses requested by the landowner.

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: 	OIL CONSERVATION DIVISION	
Printed Name: Tony Grieco	Approved by District Supervisor: 	
Title: Environmental Tech	Approval Date: 7/17/07	Expiration Date: 7/17/07
E-mail Address: tgrieco@riceswd.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: May 9, 2007	Phone: (505) 631-2532	

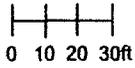
* Attach Additional Sheets If Necessary

BD N-9 LEAK

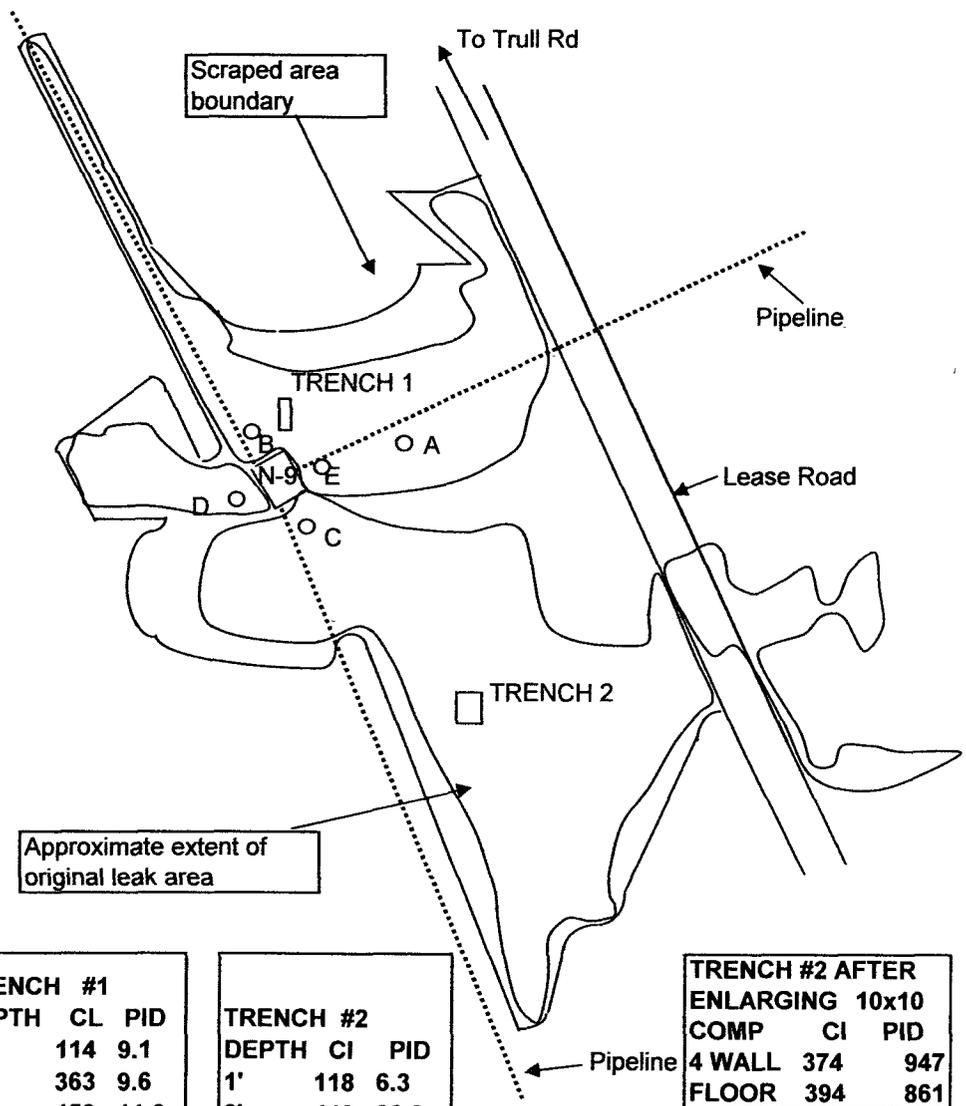
Excavated Area
 U/L N SEC 9 T22S R37E
 32° 24.015 N 103° 10.200 W



HAND AUGER AND VERTICAL CI AND PID ALL MEASUREMENTS IN PPM



GW 70 ft



AUGER A		
DEPTH	CI	PID
S	88	0
1'	122	0
2'	420	0

AUGER B		
DEPTH	CI	PID
1'	165	0.9
2'	111	2.7
3'	116	12.0

AUGER C		
DEPTH	CI	PID
1'	125	1.2
2'	87	2.1
3'	HARD ROCK	

AUGER D		
DEPTH	CI	PID
1'	185	1.0
2'	897	11.3
3'	858	0.7

AUGER E		
DEPTH	CI	PID
1'	144	480
2'	144	29.4
3'	168	5.0

TRENCH #1		
DEPTH	CL	PID
1'	114	9.1
2'	363	9.6
3'	453	11.6
4'	486	6.7
5'	369	58.6
6'	242	1.8
7'	265	2.7
8'	145	20.5
9'	115	1.9

TRENCH #2		
DEPTH	CI	PID
1'	118	6.3
2'	440	32.3
3'	419	671
4'	651	763
5'	307	1866
6'	227	1628
7'	213	1919
8'	149	1609

TRENCH #2 AFTER ENLARGING 10x10		
COMP	CI	PID
4 WALL	374	947
FLOOR	394	861

LAB RESULTS	CI	GRO	DRO
TRENCH #1 9'	64	<10	<10
TRENCH #2 4 WALL	512	158	843
Benzene/Toluene/Ethyl Benzene/Total Xylenes			
<0.005	0.060	0.927	3.96

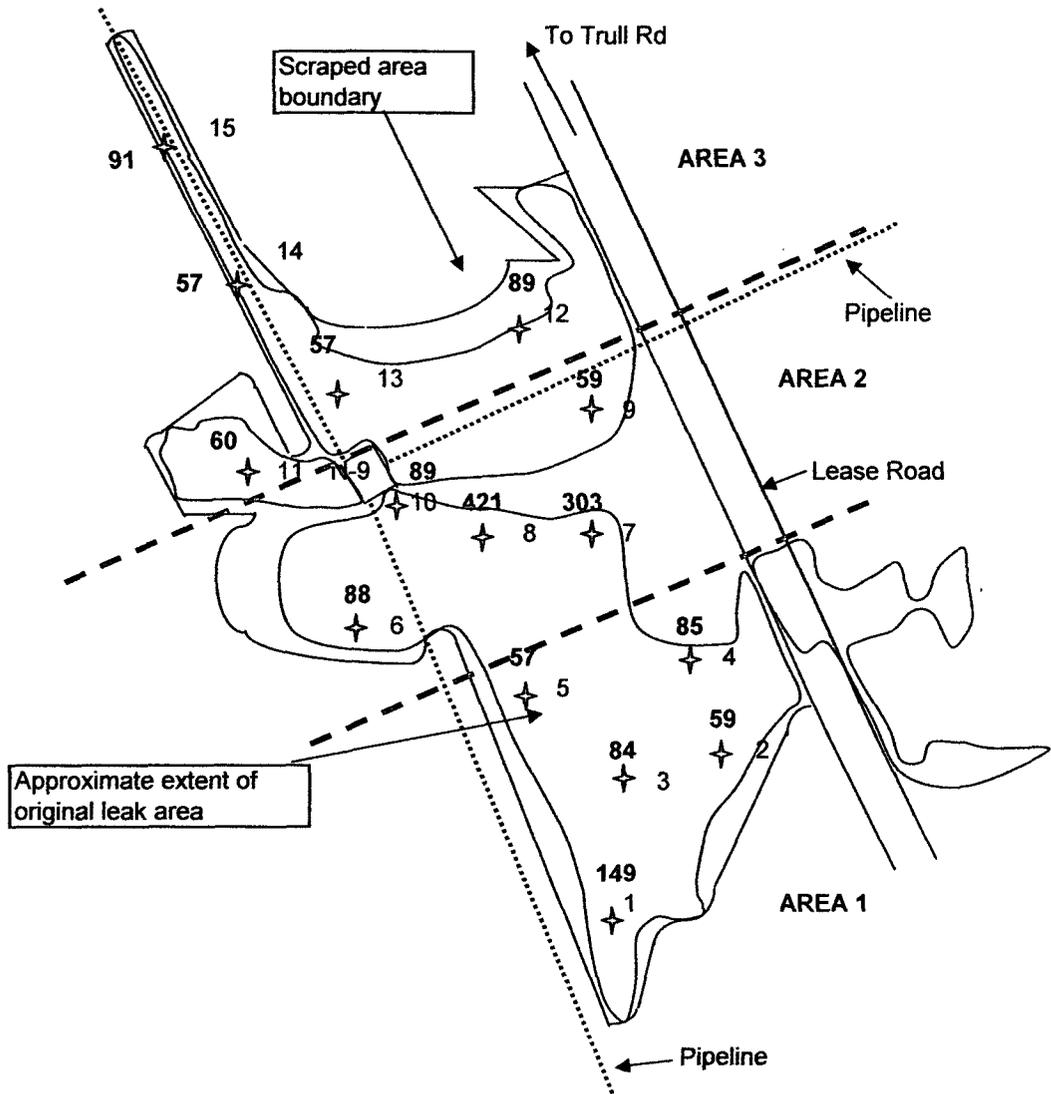
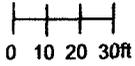
N



BD N-9 LEAK

Excavated Area
U/L N SEC 9 T22S R37E
32° 24.015 N 103° 10.200 W

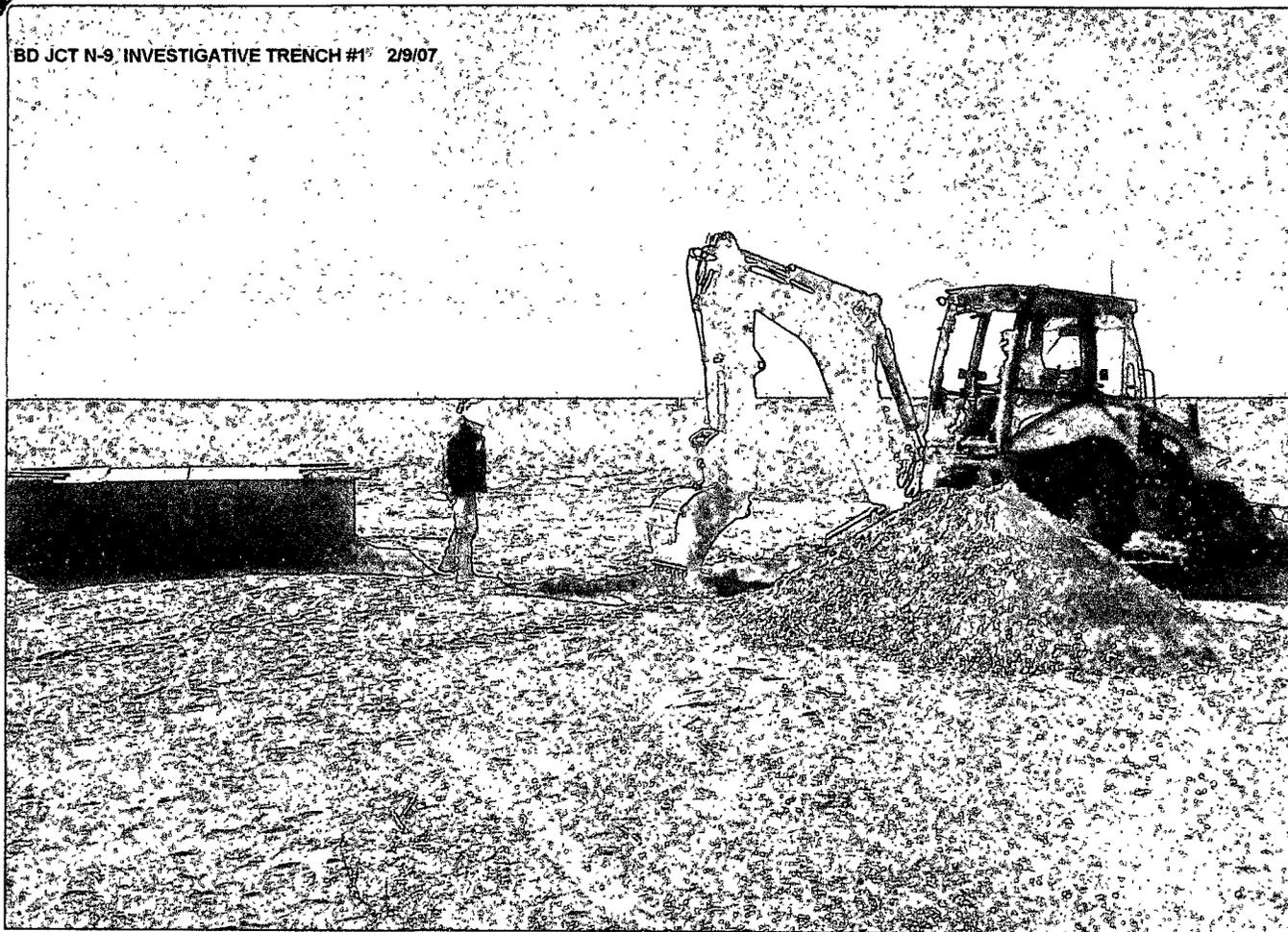
CI SAMPLES FROM SURFACE AFTER SCRAPING, BEFORE IMPORTING SOIL



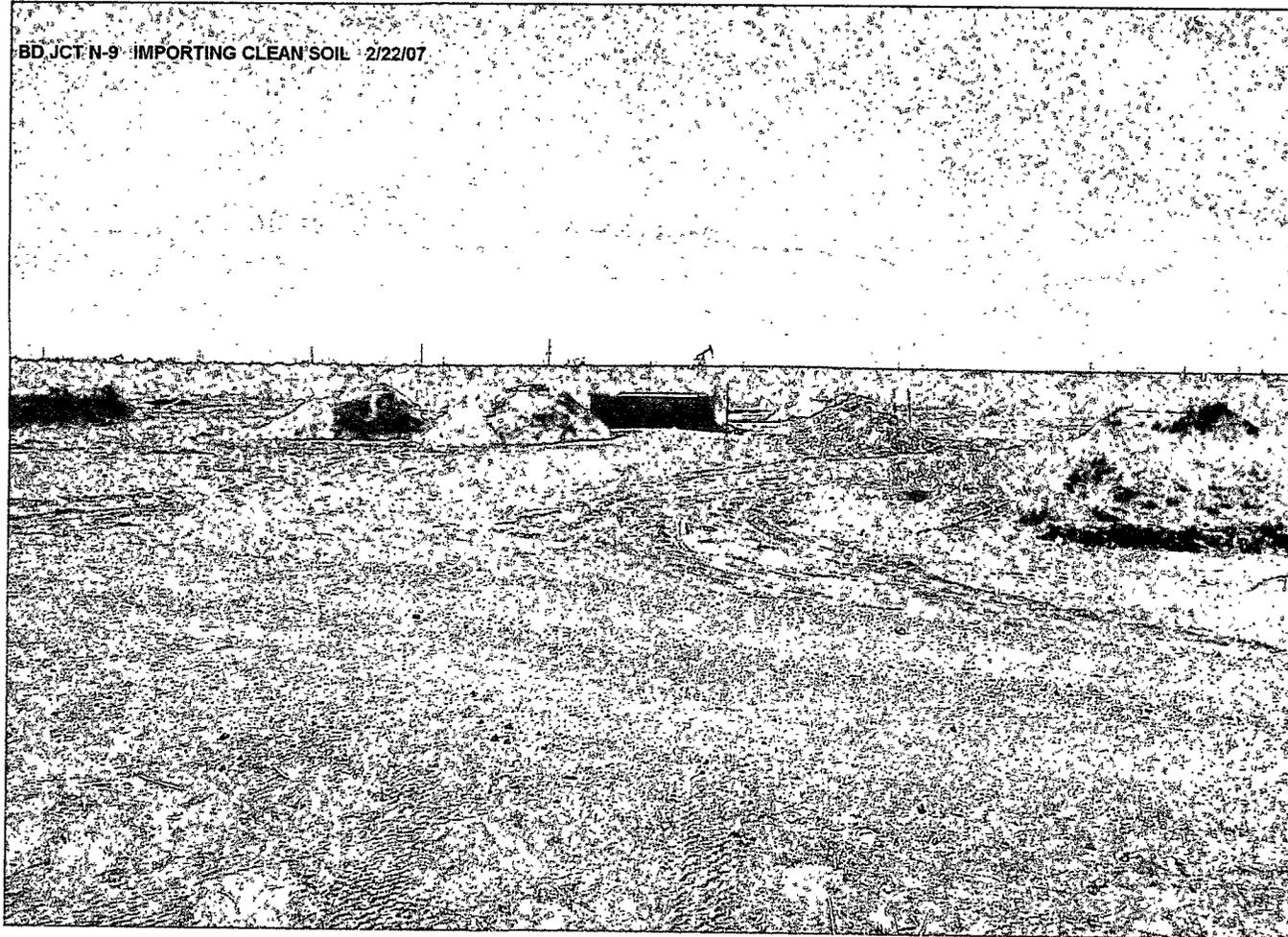
COMPOSITES

	FIELD	CI	PID	LAB	CI	GRO	DRO
AREA 1		89	1		64	<10	18.9
AREA 2		194	0		208	<10	<10
AREA 3		86	0		16	<10	<10

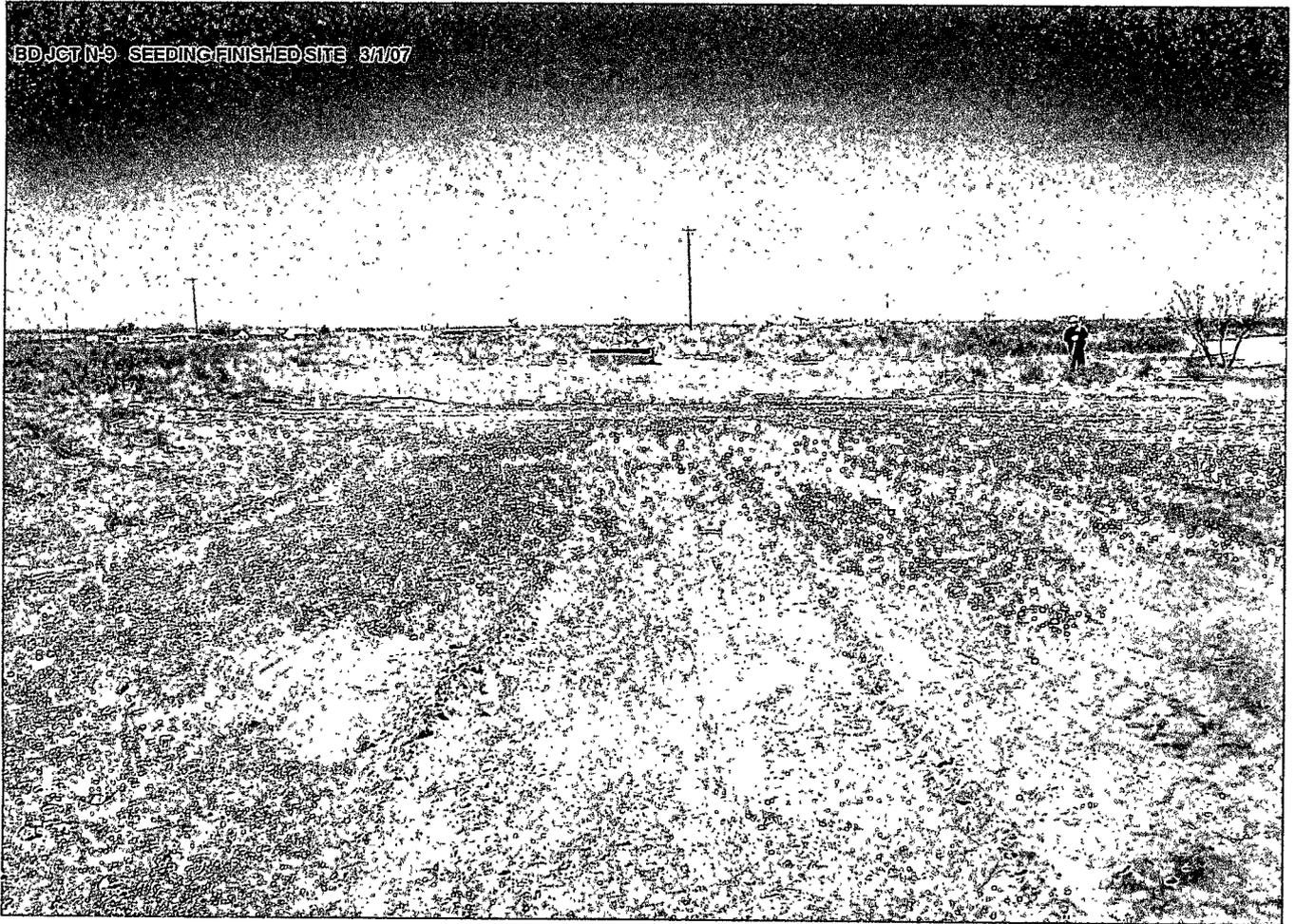
BD JCT N-9 INVESTIGATIVE TRENCH #1 2/9/07



BD JCT N-9 IMPORTING CLEAN SOIL 2/22/07



BD JCT N-9 SEEDING FINISHED SITE 3/1/07



VEGETATION RECOVERING



2007/07/11



**ARDINAL
LABORATORIES**

PHONE (915) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

**ANALYTICAL RESULTS FOR
RICE OPERATING CO.
ATTN: ROY R. RASCON
122 W. TAYLOR
HOBBS, NM 88240
FAX TO: (505) 397-1471**

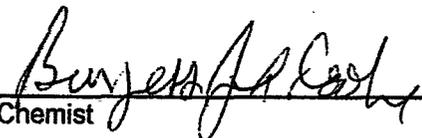
Receiving Date: 02/09/07
Reporting Date: 02/14/07
Project Number: NOT GIVEN
Project Name: BD N-9
Project Location: NOT GIVEN

Sampling Date: 02/08/07
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: NF
Analyzed By: BC/HM

LAB NUMBER	SAMPLE ID	GRO (C ₈ -C ₁₀) (mg/Kg)	DRO (>C ₁₀ -C ₂₈) (mg/Kg)	CI* (mg/Kg)
ANALYSIS DATE		02/13/07	02/13/07	02/09/07
H12180-1	VERTICAL #2 4 WALL COMP.	158	843	512
Quality Control		752	784	500
True Value QC		800	800	500
% Recovery		94.0	97.9	100
Relative Percent Difference		7.0	0.5	1.0

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; CI: Std. Methods 4500-CIB

*Analysis performed on a 1:4 w:v aqueous extract.


Chemist

2/14/07
Date

H12180

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 services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.

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with Rule 116 on back
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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 N-9 (07/06)	Facility Type: Salt Water Gathering System
Surface Owner: Charlie Bettis	Mineral Owner:
Lease No.:	

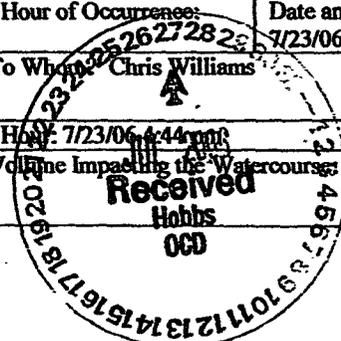
LOCATION OF RELEASE

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 4:44 pm	
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: <i>Chris Williams</i>	
Title: Environmental and Field Technician	Approval Date: <i>7/17/07</i>	Expiration Date: <i>7/17/07</i>
E-mail Address: <i>jjohnson@riceswd.com</i>	Conditions of Approval:	Attached <input type="checkbox"/>
Date: <i>7/27/06</i>	Phone: <i>505-393-9174</i>	

* Attach Additional Sheets If Necessary

RP #972