

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

Form C-141
Revised October 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

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	Contact Tony Grieco
Address 122 W. Taylor St.	Telephone No. (505) 393-9174
Facility Name Justis Teague #2 EOL	Facility Type Salt Water Gathering System

Surface Owner State of New Mexico	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
D	2	24S	37E					Lea

Latitude 32° 15.131 N Longitude 103°08.429 W

NATURE OF RELEASE

Type of Release Produced water w/ oil	Volume of Release 12 BBLS	Volume Recovered 5 BBLS
Source of Release Blown Gasket at pig launching flange point	Date and Hour of Occurrence Unknown	Date and Hour of Discovery 12/ 11/ 06 10: 07 AM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
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.* Blown gasket at pig launching flange point. Gasket was replaced, repair permanent.

Describe Area Affected and Cleanup Action Taken.*

Area consists of pasture and pipeline right of way. A water truck was called to the location and removed approximately 5 BBLS of standing water. Groundwater is approximately 88 ft. The affected area was initially scraped to a depth of 4 inches (144 yds of material were removed and disposed), and assessment samples taken on the surface, with a hand auger and backhoe. The impacted area was later excavated to 2-3 ft bgs (an additional 180 yds removed), and the impacted soil was hauled to the Sundance disposal facility. Clean soil (336 yds) was imported to replace the excavated material, and the site was seeded with a blend of native vegetation.

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: 9/14/07	Expiration Date: 9/14/07
E-mail Address: tgrieco@riceswd.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 7/31/07	Phone: (505) 393-9174	

* Attach Additional Sheets If Necessary

RP# 1562

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Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company Rice Operating	Contact Tony Grieco
Address 122 W. Taylor St.	Telephone No. (505) 631-2532
Facility Name Justis Teague #2 EOL	Facility Type Salt Water Gathering System
Surface Owner State / lease to Bill Grobe	Mineral Owner ^{AP} Lease No.

LOCATION OF RELEASE

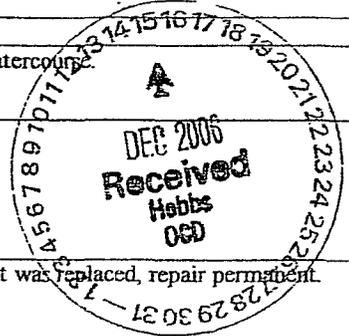
Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
D	2	24S	37E					Lea

Latitude 32° 15.131 N Longitude 103° 08.429 W

IRP# 1148

NATURE OF RELEASE

Type of Release Produced water w/ oil	Volume of Release 12 BBLS	Volume Recovered 5 BBLS
Source of Release Blown Gasket at pig launching flange point	Date and Hour of Occurrence Unknown	Date and Hour of Discovery 12/ 11/ 06 10: 07 AM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
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.* Blown gasket at pig launching flange point. Gasket was replaced, repair permanent.		



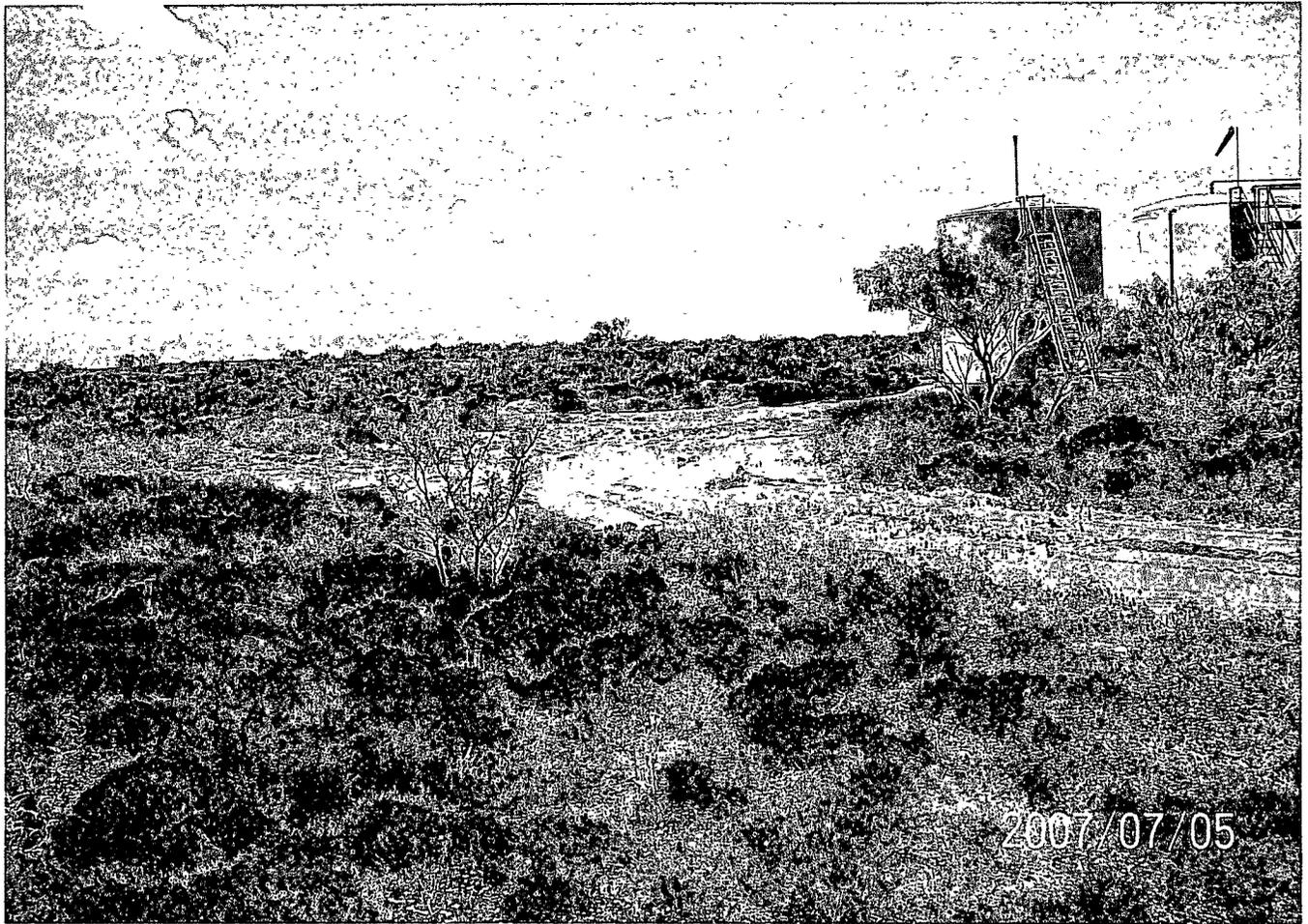
Describe Area Affected and Cleanup Action Taken.*
Area consists of pasture and pipeline right of way. A water truck was called to the location and removed approximately 5 BBLS of standing water. Delineation results and work plan to follow. Groundwater is approximately 88 ft.

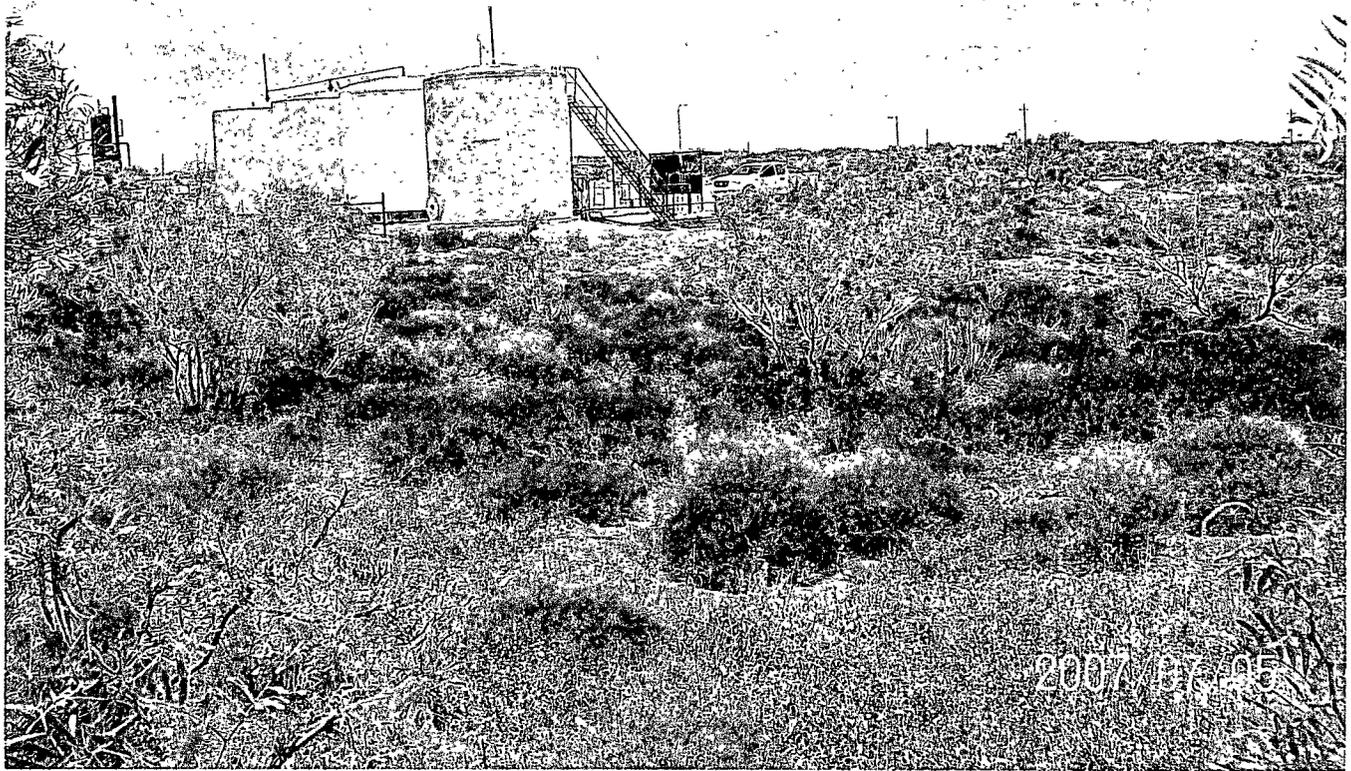
2667 sq ft -

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Signature: <i>Tony Grieco</i>	OIL CONSERVATION DIVISION	
Printed Name: Tony Grieco	Approved by District Supervisor <i>[Signature]</i>	
Title: Environmental Tech	Approval Date: 12-15-06	Expiration Date: 3-15-06
E-mail Address: tgrieco@riceswd.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 11/ 12/ 06	Phone: (505) 631-2532	

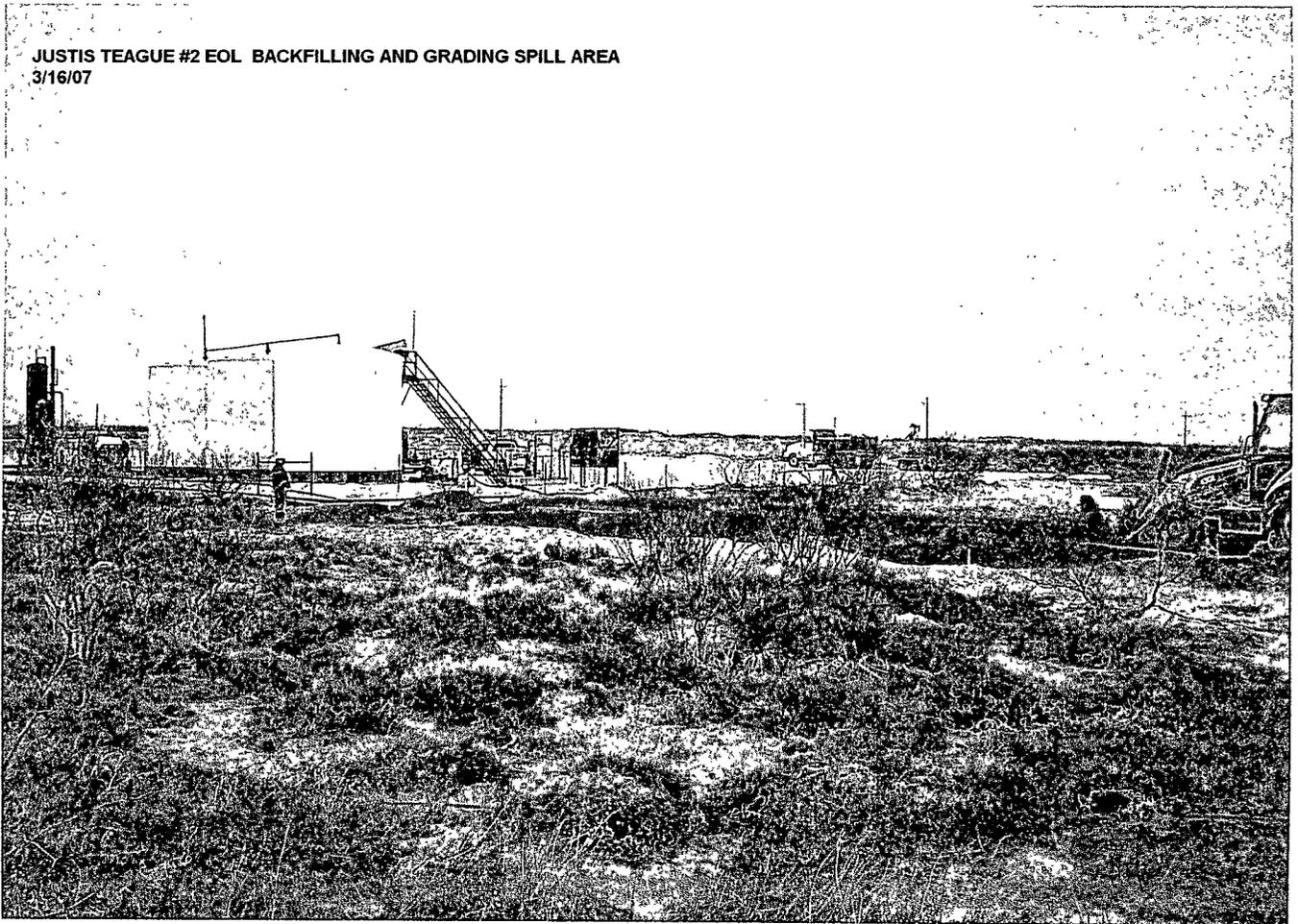
* Attach Additional Sheets If Necessary





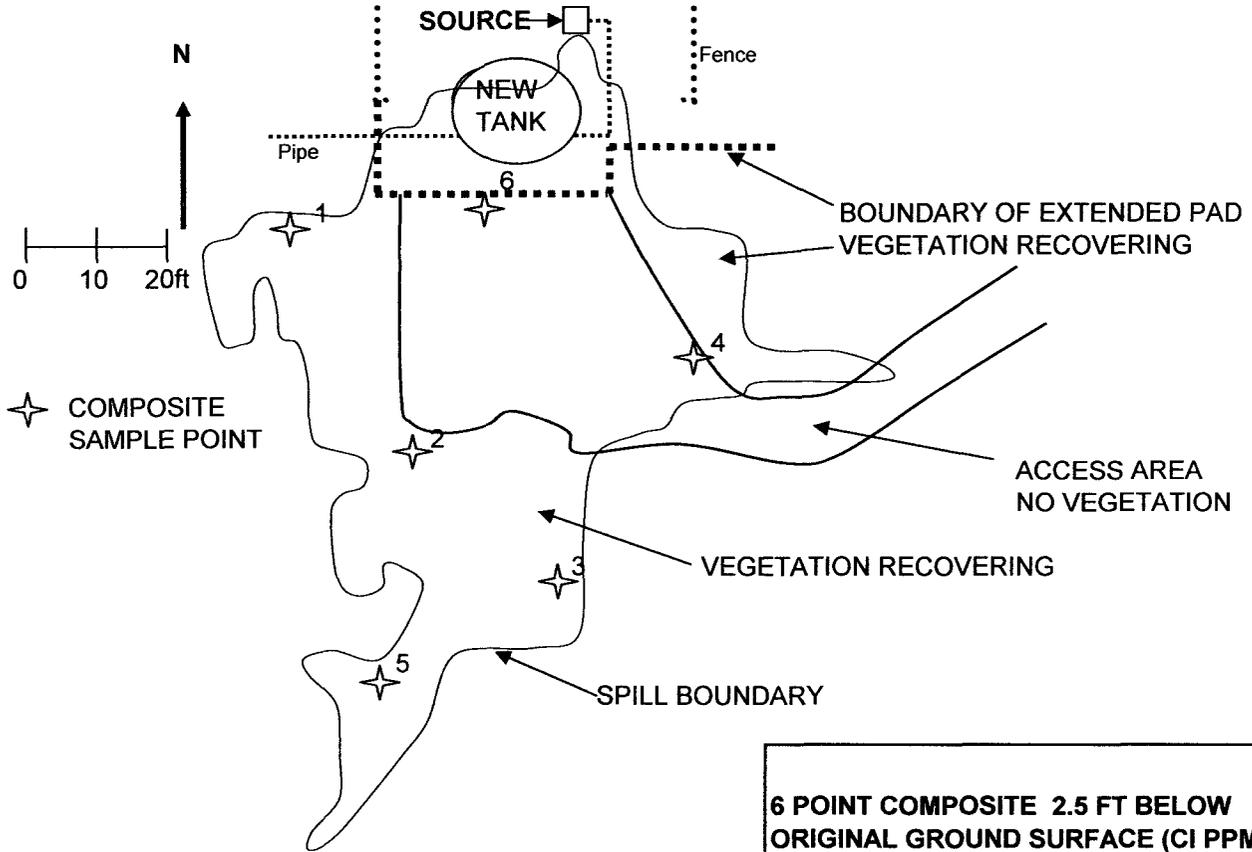
2007/07/05

JUSTIS TEAGUE #2 EOL BACKFILLING AND GRADING SPILL AREA
3/16/07



Justis Teague #2 EOL Leak

UL D Sec 2 T 24 S R 37 E GW 88ft



BACKGROUND 200ft SOUTH OF SOURCE @ 6 IN 117 PPM



**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: HACK CONDER
122 W. TAYLOR
HOBBS, NM 88240
FAX TO: (505) 397-1471

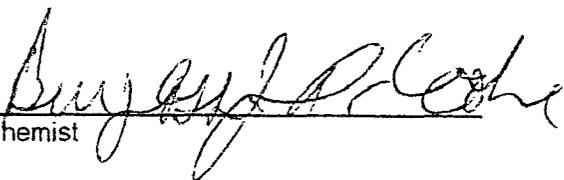
Receiving Date: 07/16/07
Reporting Date: 07/18/07
Project Number: NOT GIVEN
Project Name: JUSTIS TEAGUE #2 EOL
Project Location: NOT GIVEN

Sampling Date: 07/16/07
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: AB
Analyzed By: BC/HM

LAB NUMBER	SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/Kg)	DRO (>C ₁₀ -C ₂₈) (mg/Kg)	Cl* (mg/Kg)
ANALYSIS DATE		07/17/07	07/17/07	07/16/07
H12906-1	EXCAVATED 2 1/2 FT COMPOSITE	<10.0	<10.0	208
Quality Control		748	735	510
True Value QC		800	800	500
% Recovery		91.9	93.4	102
Relative Percent Difference		1.4	2.4	2.0

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

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


Chemist

7/18/07
Date

H12906 RICE

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.



CARDINAL LABORATORIES, INC.

2111 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240
(325) 673-7001 Fax (325) 673-7020 (505) 393-2326 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page ... of ...

Company Name: RICE OPERATING		P.O. #:		ANALYSIS REQUEST											
Project Manager: HACK CONDER		Company:													
Address: 122 W. TAYLOR		Attn:													
City: HOBBS State: NM Zip: 88240		Address:													
Phone #: 393-9174 Fax #: 397-1471		City:													
Project #: _____ Project Owner: _____		State: _____ Zip: _____													
Project Name: JUSTIS TEAGUE #2 EOL		Phone #:													
Project Location: _____		Fax #:													
Sampler Name: TONY GRIECO															
FOR LAB USE ONLY															
Lab I.D.	Sample I.D.	IS LAB OR COMP.	# CONTAINERS	MATRIX						PRESERV.		SAMPLING		CALOR IDEJ	TPH BOISM
				GROUNDWATER	WASTEWATER	SOL.	OIL	SLUDGE	OTHER:	ACID/BASE	ICE / COOL	OTHER:	DATE		
H12906-1	EXCAVATED 2 1/2 FT COMPOSITE	C	1			<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		7/16/07	1:00 PM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

USE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy, for a claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analysis. Claims based on negligence and any other cause whatsoever shall be asserted within twelve months and received by Cardinal within 90 days after completion of the applicable analysis. Claims shall be subject to the terms and conditions of the applicable contract. Cardinal shall not be liable for indirect or consequential damages, including lost profits, business interruption, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates, or any other party. Claims shall be limited to the performance of services performed by Cardinal regardless of whether such claims are based upon any of the above stated reasons or otherwise.

Terms and Conditions: Interest will be charged on all accounts more than 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collections, including attorney's fees.

Sampler Relinquished:	Date: 7/16/07	Received By:	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No
	Time: 4:30		Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No
Relinquished By:	Date: 7/16/07	Received By: (Lab Staff)	REMARKS: email results to hconder@riceswd.com jpurvis@riceswd.com tgrieco@riceswd.com
Delivered By: (Circle One)	Time: 4:30pm	Sample Condition Intact?	Checked By: (Initials) AB
Circle - IFS Bus - Other:		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Cardinal cannot accept verbal changes. Please fax written changes to (325) 673-7020.