

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: <b>Rice Operating</b>	Contact: <b>Tony Grieco</b>
Address: <b>122 W. Taylor St., Hobbs, NM 88240</b>	Telephone No.: <b>(505) 393-9174</b>
Facility Name: <b>BD SWD System</b>	Facility Type: <b>Salt Water Gathering System</b>

Surface Owner: <b>Priscilla Moody</b>	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	33	21S	37E					LEA

Latitude: 32°25.733N Longitude: 103°10.271W

**NATURE OF RELEASE**

Type of Release: <b>Produced water</b>	Volume of Release: <b>10bbls</b>	Volume Recovered: <b>4bbls</b>
Source of Release: <b>Pipeline</b>	Date and Hour of Occurrence: <b>Unknown</b>	Date and Hour of Discovery: <b>8/15/03</b>
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.\* **The ground settled over a 6 in A/C line, causing it to rupture.**

Describe Area Affected and Cleanup Action Taken.\* **1800 sq ft of roadway was affected. The affected roadway has been graded and resurfaced with caliche as part of the junction box upgrade plan. 12 yds of clean soil were imported for backfill. The site has naturally restored.**

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.

**OIL CONSERVATION DIVISION**

Signature:	Approved by District Supervisor: <i>Chris Williams</i>	
Printed Name: <b>Tony Grieco</b>	Approval Date: <i>12/27/07</i>	Expiration Date: <i>12/27/07</i>
Title: <b>Environmental Tech</b>	Conditions of Approval:	
E-mail Address: <b>tgrieco@riceswd.com</b>	Attached <input type="checkbox"/>	
Date: <b>11/13/07</b>	Phone: <b>(505) 393-9174</b>	

Attach Additional Sheets If Necessary

1-1980  
 NM 88210  
 Brazos, Aztec, NM 87410  
 District IV  
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
 2040 South Pacheco  
 Santa Fe, NM 87505  
**OPERATOR'S MONTHLY REPORT**

**Form C-141**  
 Originated 2/13/97  
 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 Rice Operating Company	Contact Joe Gatts
Address 122 West Taylor                      Hobbs, NM 88240	Telephone No. 505-393-9174
Facility Name B-D	Facility Type SWD Disposal Line

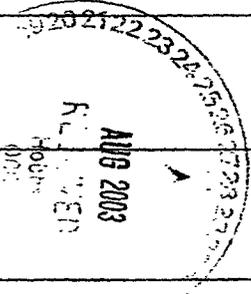
Surface Owner Pirsilla Moody	Mineral Owner	Lease No.
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**LOCATION OF RELEASE**

Unit Letter N	Section 33	Township 21s	Range 37e	Feet from the 480	North/South line SE M-33	Feet from the	East/West Line	County LEA
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**NATURE OF RELEASE**

Type of Release Produced Water	Volume of Release 10 bbls	Volume Recovered 4 bbls
Source of Release Pipeline	Date and Hour of Occurrence unknown	Date and Hour of Discovery 8/15/03
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. (Attach Additional Sheets If Necessary)

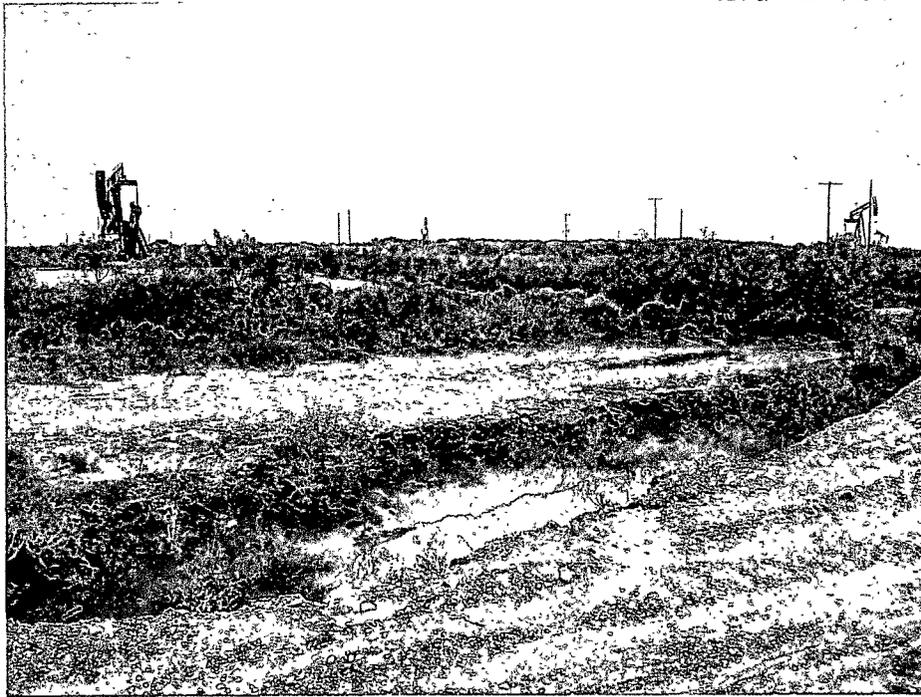
Describe Cause of Problem and Remedial Action Taken. (Attach Additional Sheets If Necessary)  
 Ground settled on 8" A/C line in 2 spots. No immediate remedial action was taken.

Describe Area Affected and Cleanup Action Taken. (Attach Additional Sheets If Necessary)  
 800 square feet affected the roadway.

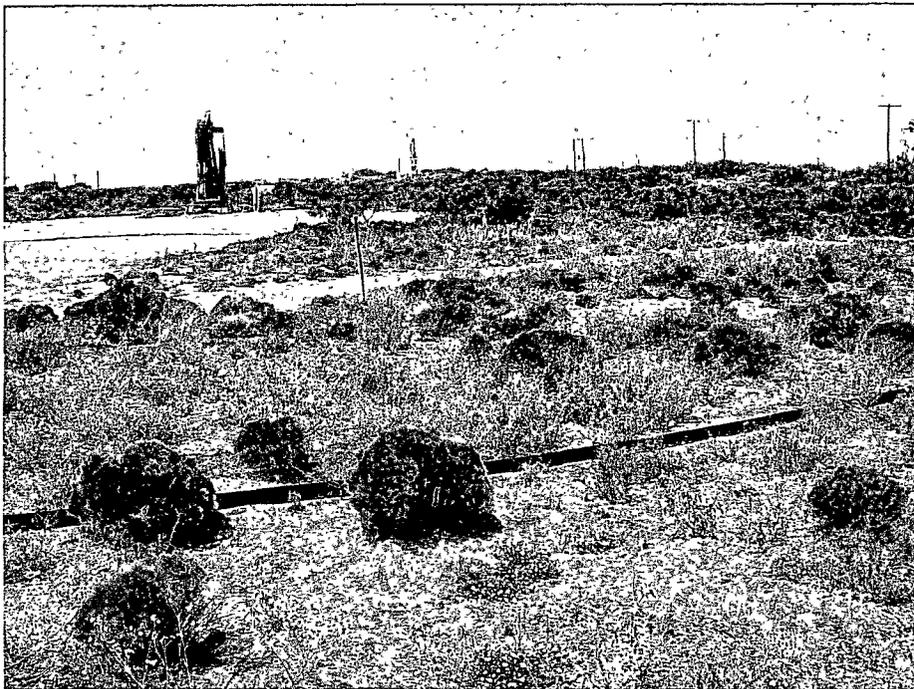
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and /or file certain release notifications and perform corrective actions for releases which may endanger 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, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility compliance with any other federal, state, or local laws and /or regulations.

Signature: <i>Joe Gatts</i>	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Joe Gatts	Approved by District Supervisor: <i>Paul Beatty</i>	
Title: Environmental Technician	Approval Date: 10-10-03	Expiration Date: ENVIRONMENTAL ENGINEER
Date: 08/28/03                      Phone: 505-393-9174	Conditions of Approval:	Attached <input type="checkbox"/>

# BD N-33 LEAK



**LOOKING SOUTHWEST FROM SOURCE 7/28/05**



**SAME VIEW 8/16/07**

# BD N-33 LEAK

UL N SEC 33 T-21-S R-37-E GW 92ft LANDOWNER: PRISCILLA MOODY

GPS: 32°24.314N 103°07.259W

NO SCALE

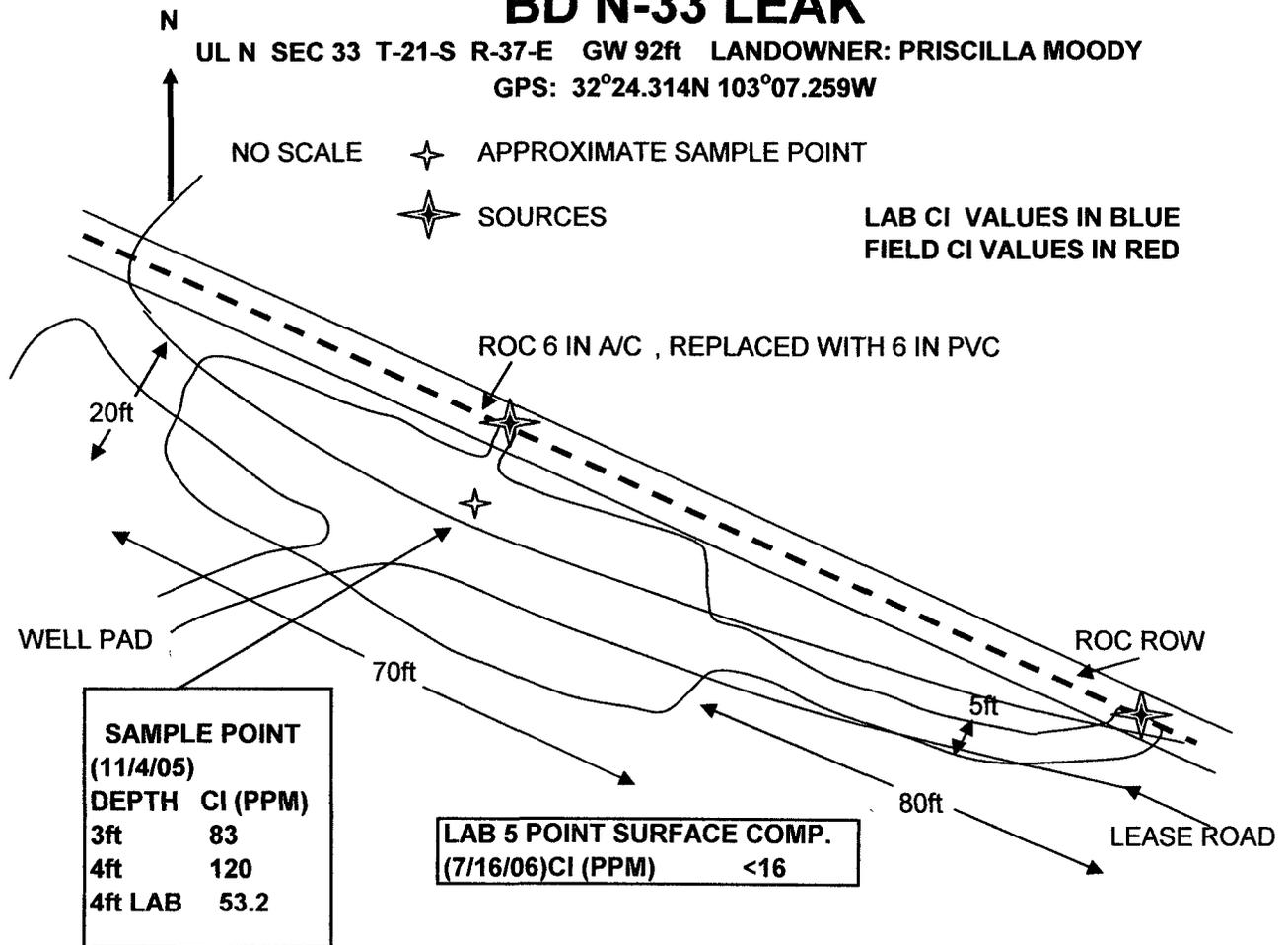


APPROXIMATE SAMPLE POINT



SOURCES

LAB CI VALUES IN BLUE  
FIELD CI VALUES IN RED





**ARDINAL  
LABORATORIES**

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

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

ANALYTICAL RESULTS FOR  
RICE OPERATING CO  
ATTN: KRISTIN FARRIS-POPE  
122 W TAYLOR  
HOBBS, NM 88240  
FAX TO (505) 397-1471

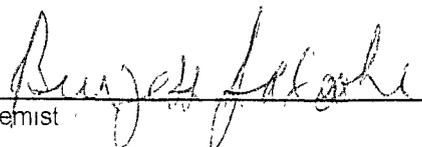
Receiving Date: 07/18/06  
Reporting Date: 07/21/06  
Project Number: NOT GIVEN  
Project Name: BD N-33  
Project Location: NOT GIVEN

Sampling Date: 07/17/06  
Sample Type: SOIL  
Sample Condition: COOL & INTACT  
Sample Received By: BC  
Analyzed By: BC/HM

LAB NUMBER	SAMPLE ID	GRO (C <sub>6</sub> -C <sub>10</sub> ) (mg/Kg)	DRO (>C <sub>10</sub> -C <sub>28</sub> ) (mg/Kg)	CI* (mg/Kg)
ANALYSIS DATE		07/20/06	07/20/06	07/18/06
H11353-1	5 PT SURFACE	<10.0	<10.0	<16
Quality Control		706	807	1010
True Value QC		800	800	1000
% Recovery		95.7	101	101
Relative Percent Difference		3.4	8.9	0.0

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

\*Analysis performed on a 1.4 w/v aqueous extract.

  
Chemist

7/21/06  
Date

H11353

**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 Maryland, Hobbs, NM 88240  
(325) 673-7001 Fax (325) 673-7020 (505) 393-2326 Fax (605) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

BILLY

ANALYSIS REQUEST

Company Name: RUC OPERATING CO.  
Project Manager: Kristee Fariss  
Address: 122 W Taylor  
City: Hobbs State: NM Zip: 88240  
Phone #: 393-9174 Fax #: 393-1471  
Project #: BD N-33 Project Owner:  
Project Location:

Company: P.D. #  
Address: City: State: Zip:  
Phone #: Fax #:

Sampler Name: Jennifer Johnson  
Lab I.D. Sample I.D.  
M1353-1 Sp. Surface

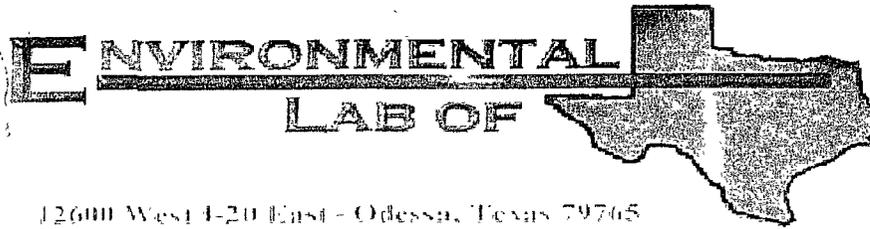
LAB I.D.	Sample I.D.	DATE	TIME	MATRIX		PRESERV.		SAMPLING
				GROUNDWATER	WASTEWATER	ACID/BASE	ICE / COOL	
M1353-1	Sp. Surface	7/17/06	1:04 pm	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

PLEASE NOTE: Liability and coverage: Cardinal's liability and their's technician liability for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for this service. In no event shall Cardinal be liable for consequential or punitive damages, including attorney's fees, loss of time or loss of profits incurred by client. An individual or entity who is not a party to this contract shall not claim the benefit of the above listed release of liability.

Sampler Requisition #: \_\_\_\_\_  
Date: 7/18/06  
Time: 11:42  
Received By: (Lab Staff) Jennifer Johnson  
Sample Condition:  Intact  Damaged  
By: (Initials) J.A.

Delivered By: (Circle One) \_\_\_\_\_  
Sampler - UPS - Bus - Other \_\_\_\_\_  
Phone Result:  Yes  No  
Fax Result:  Yes  No  
REMARKS:

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



12600 West 4-20 East - Odessa, Texas 79765

## Analytical Report

**Prepared for:**

Roy Rascon

Rice Operating Co.

122 W. Taylor

Hobbs, NM 88240

Project: BD N-33 Leak

Project Number: None Given

Location: None Given

Lab Order Number: 5K07001

Report Date: 11/15/05

Ricc Operating Co	Project	BD N-33 Leak	Fax	(505) 397-1471
122 W Taylor	Project Number	None Given	Reported	
Hobbs NM, 88240	Project Manager	Roy Rascon	11/15/05 12:09	

**ANALYTICAL REPORT FOR SAMPLES**

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
4' bgs	5K07001-01	Soil	11/04/05 11:30	11/04/05 17:00

Rice Operating Co  
122 W Taylor  
Hobbs NM, 88240

Project: BD N-33 Leak  
Project Number: None Given  
Project Manager: Roy Rascon

Fax (505) 397-1471

Reported:  
11/15/05 12:09

**General Chemistry Parameters by EPA / Standard Methods**  
**Environmental Lab of Texas**

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
4' bgs (5K07001-01) Soil									
Chloride	53.2	5.00	mg/kg	10	EK51007	11/08/05	11/10/05	EPA 300.0	

Rice Operating Co 122 W Taylor Hobbs NM, 88240	Project BD N-33 Leak Project Number None Given Project Manager: Roy Rascon	Fax (505) 397-1471  Reported: 11/15/05 12:09
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**General Chemistry Parameters by EPA / Standard Methods - Quality Control**  
**Environmental Lab of Texas**

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC Limits	RPD	RPD Limit	Notes
<b>Batch EK51007 - Water Extraction</b>									
<b>Blank (EK51007-BLK1)</b>					Prepared: 11/08/05 Analyzed: 11/10/05				
Chloride	ND	0.500	mg/kg						
<b>LCS (EK51007-BS1)</b>					Prepared: 11/08/05 Analyzed: 11/10/05				
Chloride	9.01		mg/L	10.0	90.1	80-120			
<b>Calibration Check (EK51007-CCV1)</b>					Prepared: 11/08/05 Analyzed: 11/10/05				
Chloride	8.66		mg/L	10.0	86.6	80-120			
<b>Duplicate (EK51007-DUP1)</b>					Source: 5125007-12 Prepared: 11/08/05 Analyzed: 11/10/05				
Chloride	3660	500	mg/kg		3680		0.545	20	

Rice Operating Co 122 W. Taylor Hobbs NM. 88240	Project BD N-33 Leak Project Number None Given Project Manager: Roy Rascon	Fax (505) 397-1471  <b>Reported.</b> 11/15/05 12:09
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**Notes and Definitions**

DET Analyte DETECTED  
 ND Analyte NOT DETECTED at or above the reporting limit  
 NR Not Reported  
 dry Sample results reported on a dry weight basis  
 RPD Relative Percent Difference  
 LCS Laboratory Control Spike  
 MS Matrix Spike  
 Dup Duplicate

Report Approved By Roland K Tuttle Date 11/15/2005

Roland K Tuttle, Lab Manager  
 Celey D. Keene, Lab Director, Org. Tech Director  
 Peggy Allen, QA Officer  
 Jeanne Mc Murrey, Inorg Tech Director  
 La'Tasha Cornish, Chemist  
 Sandra Sanchez, Lab Tech.

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If you have received this material in error, please notify us immediately at 432-563-1800



**Environmental Lab of Texas**  
**Variance / Corrective Action Report – Sample Log-In**

Client: Picc Op.

Date/Time: 11/4/05 17:00

Order #: SK07001

Initials: CK

**Sample Receipt Checklist**

Temperature of container/cooler?	Yes	No	2.5	C
Shipping container/cooler in good condition?	<input checked="" type="checkbox"/>	No		
Custody Seals intact on shipping container/cooler?	<input checked="" type="checkbox"/>	No	Not present	
Custody Seals intact on sample bottles?	<input checked="" type="checkbox"/>	No	Not present	
Chain of custody present?	<input checked="" type="checkbox"/>	No		
Sample Instructions complete on Chain of Custody?	<input checked="" type="checkbox"/>	No		
Chain of Custody signed when relinquished and received?	<input checked="" type="checkbox"/>	No		
Chain of custody agrees with sample label(s)	<input checked="" type="checkbox"/>	No		
Container labels legible and intact?	<input checked="" type="checkbox"/>	No		
Sample Matrix and properties same as on chain of custody?	<input checked="" type="checkbox"/>	No		
Samples in proper container/bottle?	<input checked="" type="checkbox"/>	No		
Samples properly preserved?	<input checked="" type="checkbox"/>	No		
Sample bottles intact?	<input checked="" type="checkbox"/>	No		
Preservations documented on Chain of Custody?	<input checked="" type="checkbox"/>	No		
Containers documented on Chain of Custody?	<input checked="" type="checkbox"/>	No		
Sufficient sample amount for indicated test?	<input checked="" type="checkbox"/>	No		
All samples received within sufficient hold time?	<input checked="" type="checkbox"/>	No		
VOC samples have zero headspace?	<input checked="" type="checkbox"/>	No	Not Applicable	

Other observations:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Variance Documentation:**

Contact Person: - \_\_\_\_\_ Date/Time: \_\_\_\_\_ Contacted by: \_\_\_\_\_  
 Regarding: \_\_\_\_\_

\_\_\_\_\_  
 \_\_\_\_\_

Corrective Action Taken:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

11/4/05