1R - 428-68

GENERAL CORRESPONDENCE

YEAR(S):
2007

R. T. HICKS CONSULTANTS, LTD.

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April 13, 2007

Mr. Wayne Price
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: Investigation Characterization Plan: T18S R38E
Jct. E-4
Jct. N-4 Vent 1R428-68
Jct. M-4 Vent
Hobbs Salt Water Disposal System

Dear Mr. Price:

On behalf of Rice Operating Company (ROC), R.T. Hicks Consultants, Ltd. is pleased to submit this Investigation Characterization Plan (ICP) for the three (3) junction box sites referenced above within the Hobbs Salt Water Disposal System. Plate 1 is a map showing the location of these three sites relative to major roads in the area and other relevant sites.

The work elements proposed to characterize these sites sufficiently to develop an appropriate corrective action are presented below.

1. ROC will identify and document the location of all current and historic equipment and pipelines associated with each site.
2. ROC and Hicks Consultants will use a backhoe, with a 12-foot vertical reach to install a series of sampling trenches in order to recover soil samples and delineate the lateral extent (and potentially the vertical extent) of impacted soil.
3. Soil samples employed for delineation will be obtained from regular intervals below ground surface in each trench.
4. Representative soil samples will be sent to a laboratory to allow for verification of the field results.
5. General soil texture descriptions will be provided for each sample trench.
6. The criteria to delineate the extent of impact is 5 point chloride decline vs. depth, or:
   a. 250 ppm chloride using field analyses (see attached ROC Quality Procedure in Appendix A) whichever occurs first,
   b. 100 ppm total hydrocarbon vapors using the headspace method analysis (Appendix A).
   c. Soil boring to ground water depth should neither (a) nor (b) apply,
   d. Monitoring well installation if warranted to assess ground water at the site.

Following the site characterization described above, we will submit the data and analysis with a Corrective Action Plan that outlines the procedures for closure of the site.

Rice Operating Company (ROC) is the service provider (agent) for the Hobbs Saltwater Disposal System and has no ownership of any portion of pipeline, well, or facility. A consortium of oil producers who own the Hobbs System (System Partners); provide all operating capital on a percentage ownership/usage basis. Major projects require System Partner authorization for expenditures (AFE) approval and work begins as funds are received. The Hobbs SWD System has been abandoned.

For all environmental projects, ROC will choose a path forward that:

1. Protects public health.
2. Provides the greatest net environmental benefit.
3. Complies with NMOCD Rules.
4. Is supported by good science.

The last criteria employed when evaluating any proposed remedy or investigative work is confirming that there is a reasonable relationship between the benefits created by the proposed remedy or assessment and the economic and social costs.

Each site shall have three submissions or a combination of:

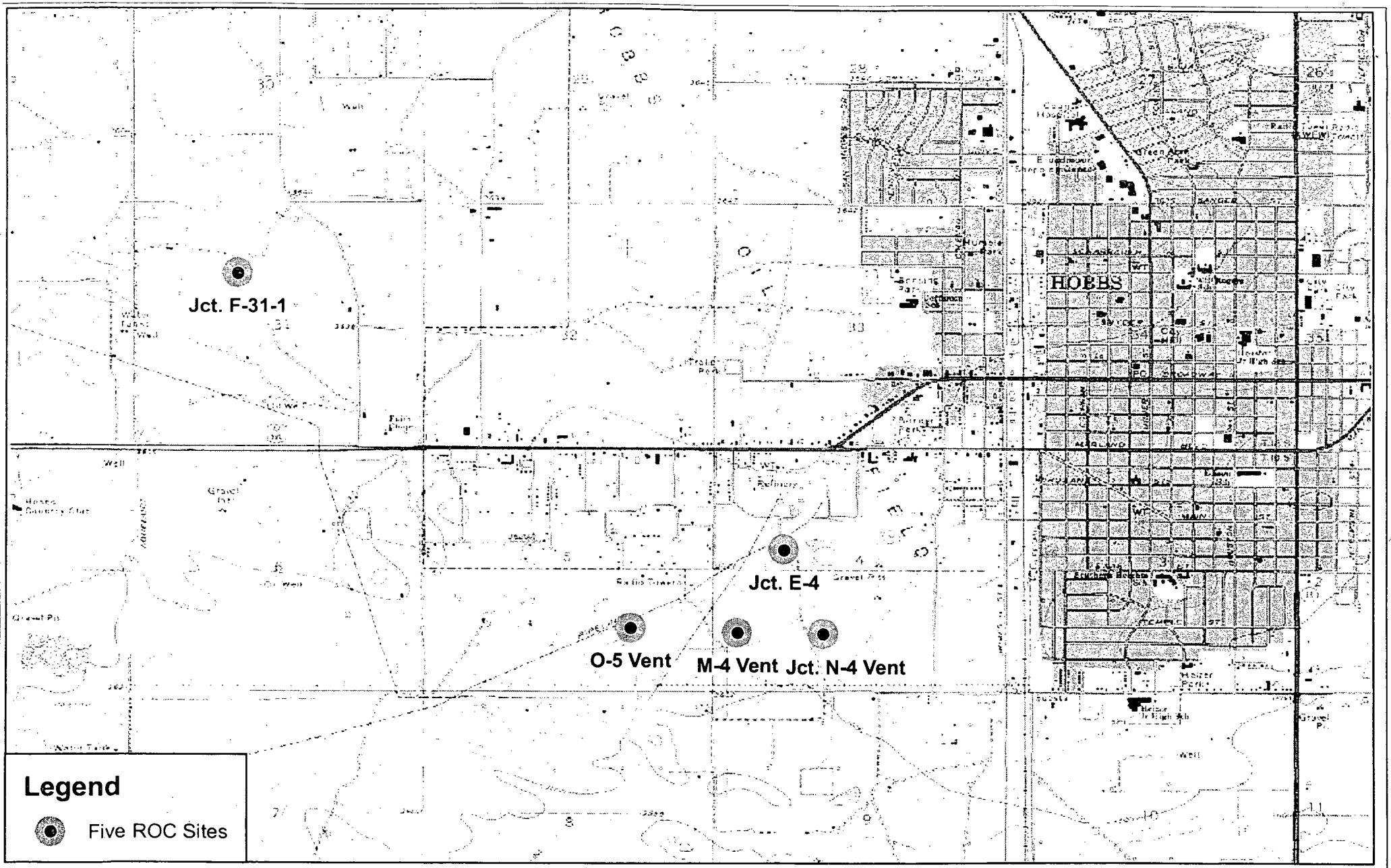
1. This Investigation and Characterization Plan (ICP), which is a proposal for data gathering, and site characterization and assessment (this submission).
2. Upon evaluation of the data and results from the ICP, a recommended remedy will be submitted in a Corrective Action Plan (CAP).
3. Finally, after implementing the remedy, a closure report with final documentation will be submitted.

If you have any questions or comments regarding this ICP, please contact Kristin Pope of Rice Operating Company as she has reviewed and approved this submission.

Sincerely,
R.T. Hicks Consultants, Ltd.

Randall T. Hicks
Principal

Copy: Rice Operating Company



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Five New Sites Relative to Hobbs, New Mexico

Rice Operating Company

Plate 1

April 2007

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Appendix A

Rice Operating Company

QUALITY PROCEDURE - 03
Sampling and Testing Protocol - Chloride Titration Using .282 Normal Silver Nitrate Solution

1.0 Purpose
This procedure is to be used to determine the concentration of chloride in soil.

2.0 Scope
This procedure is to be used as the standard field measurement for soil chloride concentrations.

3.0 Sample Collection and Preparation

3.1 Collect at least 80 grams of soil from the sample collection point. Take care to insure that the sample is representative of the general background to include visible concentrations of hydrocarbons and soil types. If necessary, prepare a composite sample for soils obtained at several points in the sample area. Take care to insure that no loose vegetation, rocks or liquids are included in the sample(s).

3.2 The soil sample(s) shall be immediately inserted into a one-quart or large polyethylene freezer bag. Care should be taken to insure that no cross-contamination occurs between the soil sample and the collection tools or sample processing equipment.

3.3 The sealed sample bag should be massaged to break up any clods.

4.0 Sample Preparation

4.1 Tare a clean glass vial having a minimum 40 ml capacity. Add at least 10 grams of the soil sample and record the weight.

4.2 Add at least 10 grams of reverse osmosis water to the soil sample and shake for 20 seconds.

4.3 Allow the sample to set for a period of 5 minutes or until the separation of soil and water.

4.4 Carefully pour the free liquid extract from the sample through a paper filter into a clean plastic cup if necessary.

5.0 Titration Procedure

5.1 Using a graduated pipette, remove 10 ml extract and dispense into a clean plastic cup.

5.2 Add 2-3 drops potassium chromate (K_2CrO_4) to mixture.

5.3 If the sample contains any sulfides (hydrogen or iron sulfides are common to oilfield soil samples) add 2-3 drops of hydrogen peroxide (H_2O_2) to mixture.

5.4 Using a 10 ml pipette, carefully add 0.282 normal silver nitrate (one drop at a time) to the sample while constantly agitating it. Stop adding silver nitrate when the solution begins to change from yellow to red. Be consistent with endpoint recognition.

5.5 Record the ml of silver nitrate used.

6.0 Calculation
To obtain the chloride concentration, insert measured data into the following formula:

$$\frac{0.282 \times 35{,}450 \times \text{ml } AgNO_3}{\text{ml water extract}} \times \frac{\text{grams of water in mixture}}{\text{grams of soil in mixture}}$$

Using Step 5.0, determine the chloride concentration of the RO water used to mix with the soil sample. Record this concentration and subtract it from the formula results to find the net chloride in the soil sample.

Record all results on the delineation form.

Rice Operating Company

QUALITY PROCEDURE -07
Sampling and Testing Protocol for VOC in Soil

1.0 Purpose
This procedure is to be used to determine the concentrations of Volatile Organic Compounds in soils.

2.0 Scope
This procedure is to be used as the standard field measurement for soil VOC concentrations. It is not to be used as a substitute for full spectrographic speciation of organic compounds.

3.0 Procedure

3.1 Sample Collection and Preparation

3.1.1 Collect at least 500 g. of soil from the sample collection point. Take care to insure that the sample is representative of the general background to include visible concentrations of hydrocarbons and soil types. If necessary, prepare a composite sample of soils obtained at several points in the sample area. Take care to insure that no loose vegetation, rocks or liquids are included in the sample(s).

3.1.2 The soil sample(s) shall be immediately inserted into a one-quart or larger polyethylene freezer bag and sealed. When sealed, the bag should contain a nearly equal space between the soil sample and trapped air. Record the sample name and the time that the sample was collected on the Field Analytical Report Form.

3.1.3 The sealed samples shall be allowed to set for a minimum of five minutes at a temperature of between 10-15 Celsius, (59-77° F). The sample temperatures may be adjusted by cooling the sample in ice, or by heating the sample within a generally controlled environment such as the inside of a vehicle. The samples should not be placed directly on heated surfaces or placed in direct heat sources such as lamps or heater vents.

3.1.4 The sealed sample bag should be massaged to break up any clods, and to provide the soil sample with as much exposed surface area as practically possible.

3.2 Sampling Procedure

3.2.1 The instrument to be used in conducting VOC concentration testing shall be an Environmental Instruments 13471 OVM / Datalogger or a similar pro-type instrument. (Device will be identified on VOC Field Test Report Form.) Prior to use, the instrument shall be zeroed-out in accordance with the appropriate maintenance and calibration procedure

outlined in the instrument operation manual. The PID device will be calibrated each day it's used.

3.2.2 Carefully open one end of the collection bag and insert the probe tip into the bag taking care that the probe tip not touch the soil sample or the sidewalls of the bag.

3.2.3 Set the instrument to retain the highest result reading value. Record the reading onto the Field Test Report Form.

3.2.4 If the instrument provides a reading exceeding 100 ppm, proceed to conduct BTEX Speciation in accordance with QP-O2 and QP-O6. If the reading is 100 ppm or less, NMOCD BTEX guideline has been met and no further testing fur BTEX is necessary. File the Field Test Report Form in the project file.

4.0 Clean-up

After testing, the soil samples shall be returned to the sampling location, and the bags collected for off-site disposal, IN NO CASE SHALL THE SAME BAG BE USED TWICE. EACH SAMPLE CONTAINER MUST BE DISCARDED AFTER EACH USE.