1R - 427-17

GENERAL CORRESPONDENCE

YEAR(S):

2007

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1. Article Addressed to:

Kristin Farris Pope
Rice Operating Company
122 West Taylor
Hobbs, NM 88240

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NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

CERTIFIED MAIL
RETURN RECEIPT NO: 3929 4432

March 26, 2007

Kristin Farris Pope
Rice Operating Company
122 West Taylor
Hobbs, New Mexico 88240

RE: REQUIREMENT TO SUBMIT ABATEMENT PLAN

Dear Ms. Pope:

The New Mexico Oil Conservation Division (OCD) has determined after reviewing your Notification of Groundwater Impact for each of the following six sites:

1) Rice EME Sarah Phillips EOL
Unit K, Section 33, T19S, R37E
Lea County, New Mexico
OCD Case #1R0427-17

2) Rice EME A-2
Unit A, Section 2, T20S, R36E
Lea County, New Mexico
OCD Case #1R0427-62

3) Rice EME Jct. A-2-1
Unit A, Section 2, T20S, R36E
Lea County, New Mexico
OCD Case #1R0427-177

4) Rice BD K-4
Unit K, Section 4, T18S, R38E
Lea County, New Mexico
OCD Case #1R0459

5) Rice EME C-16 (1)
Unit C, Section 16, T20S, R37E
Lea County, New Mexico
OCD Case #1R0476

6) Rice EME C-16 (2)
Unit C, Section 16, T20S, R37E
Lea County, New Mexico
OCD Case #1R0477

that the Rice Operating Company (ROC) must submit for each of the six sites a separate Stage 1 Abatement Plan in accordance with OCD Rule 19 (19.15.1.19 NMAC) to investigate the ground water contamination at each of these sites. The Stage 1 Abatement Plans must be submitted to the OCD Santa Fe Office with a copy provided to the OCD Hobbs District Office and must meet of all the requirements specified in OCD Rule 19 (19.15.1.19 NMAC), including, but not limited to, the public notice and participation requirements specified in Rule 19G. The Stage 1 Abatement Plan is due sixty (60) days from the receipt by ROC of this written notice.

ROC's Stage 1 Abatement Plans must specifically meet all of the requirements specified in OCD Rule 19E.3, including, but not limited to, a site investigation work plan and monitoring program that will enable it to characterize the release using an appropriate number of isoconcentration maps and cross sections that depict the contamination that has been released from the sites and to provide the data necessary to select and design an effective abatement option. ROC may, if it chooses, concurrently submit a Stage 2 Abatement Plan that addresses appropriate proactive abatement options.

ROC should submit one paper copy and an electronic copy on CD for each of the Plans and for all future workplans and/or reports for each of the Plans. Please be sure to include the current corresponding OCD Case # on each of the respective Abatement Plans. An Abatement Plan # will be assigned as each of the Plans are submitted to the OCD. If you have any questions, please contact Edward J. Hansen of my staff at (505) 476-3489 or mailto:edwardj.hansen@state.nm.us.

Sincerely,

Wayne Price
Environmental Bureau Chief

WP:EJH:ejh

cc: Chris Williams, OCD Hobbs District Supervisor
Larry Johnson, OCD Hobbs

RICE Operating Company
122 West Taylor • Hobbs, New Mexico 88240
Phone: (505)393-9174 • Fax: (505) 397-1471

2007 FEB 26 AM 10 04

CERTIFIED MAIL
RETURN RECEIPT NO. 7005 1820 0001 6802 2361

February 12, 2007

Mr. Wayne Price
New Mexico Energy, Minerals, & Natural Resources
Oil Conservation Division, Environmental Bureau
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505

1R0427-17
EME Sarah Phillips EOL

RE: NOTIFICATION OF GROUNDWATER IMPACT
Sarah Phillips EOL
Eunice-Monument-Eumont (EME) SWD System
Unit 'K', Sec. 33, T19S, R37E

Mr. Price:

Rice Operating Company (ROC) notifies the Director of the New Mexico Oil Conservation Division (OCD), Environmental Bureau of groundwater impact at the Sarah Phillips end-of-line junction box (Sarah Phillips EOL) site in accordance with NM Rule 116. The remediation of this site may be subject to NM Rule 19 procedures.

As a result of the Junction Box Upgrade initial delineation conducted by ROC, OCD was notified of the potential for groundwater impact at this site on November 6, 2003. A Junction Box Disclosure Report was submitted to OCD on March 11, 2004.

ROC retained Whole Earth Environmental (Whole Earth) of Katy, Texas to address this site. On March 23, 2005 Whole Earth submitted an Investigation & Characterization Plan to OCD for additional delineation. Additional delineation in 2005 was conducted using a trackhoe excavator under the direction of Whole Earth. On October 6, 2006 a delineation soil boring at the former junction site was converted to a 2-inch monitoring well. Groundwater was encountered at approximately 28 feet below ground surface. After appropriate development, the well was sampled pursuant to OCD guidelines by a third party and Environmental Lab of Texas performed the analyses. Chloride and Total Dissolved Solids (TDS) concentrations exceed New Mexico Water Quality Control Commission standards; ethylbenzene is present within the laboratory's detection limit but below the WQCC Human Health Standards. Upon evaluation of the monitoring well

data, Whole Earth will present a remedy for this site in the submission of a Corrective Action Plan. In 2007, this well will continue to be sampled on a quarterly basis.

ROC is the service provider (agent) for the EME Salt Water Disposal System and has no ownership of any portion of the pipelines, wells, or facilities. The EME System is owned by a consortium of oil producers, System Partners, who provide all operating capital on a percentage ownership/usage basis. Environmental remediation projects of this magnitude require System Partner AFE approval and work begins as funds are received.

Please accept this notification for the above-referenced site. Should you have any questions or concerns regarding this site, please do not hesitate to contact me.

RICE OPERATING COMPANY

Kristin Farris Pope

Kristin Farris Pope
Project Scientist

enclosures: water analysis, well log, survey map

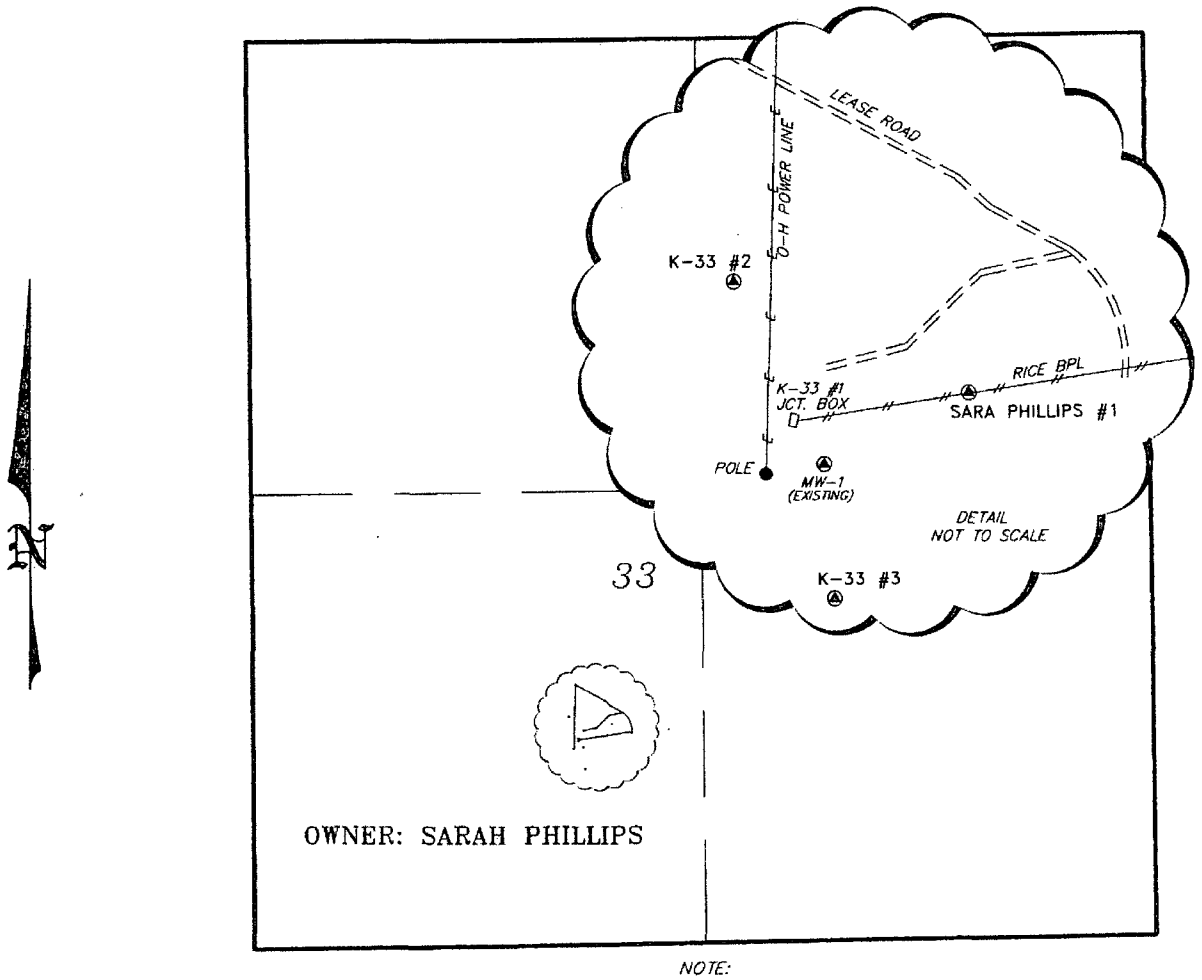
cc: SC, CDH, Whole Earth, file,

Mr. Chris Williams
NMOCD, District 1 Office
1625 N. French Drive
Hobbs, NM 88240

Logger:	Mike Griffin; Mort Bates	**RICE** *Operating Company*	**Well ID:**
Driller:	Atkins Engineering Associates, Inc.		
Drilling Method:	4.25 in. Hollow Stem Auger	**Project Name:**	
Start Date:	10/6/2006 0800	Sarah Phillips EOL	**MW-1**
End Date:	10/6/2006 1130	**Location:**	
Notes:	at former junction box site TD = 42 ft Groundwater = 28.35 ft	EME SWD System unit 'K', Sec. 33, T19S, R37E Monument, NM	

Depth (feet BGS)	chloride (mg/kg) lab analysis	Description	Lithology	4-in. x 4-in. x 5 ft well cover	Well Construction
1		0 - 10 ft ~~ BACKFILL ~~ SILTY CLAY w/CALICHE loose, tan, dry		2-in. sch. 40 PVC casing	2 x 2 ft concrete pad on surface
2					
3					
4					
5					bentonite seal
6					
7					
8					
9					
10					
11		10 - 14 ft SILTY SAND w/CALICHE loose, tan, dry			
12					
13					
14					
15		14 - 17 ft SANDY CLAY loose, tan, dry			
16					
17					
18		17 - 27 ft CALICHE firm, light tan, dry			
19					
20					
21					
22					
23					
24					
25					
26					silica sand pack
27	319				
	EC = 1400				
28		27 - 40 ft SILTY SAND soft, light tan, wet		water level	
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41		40 - 42 ft CLAY stiff, reddish tan, wet			
42					

SECTION 33, TOWNSHIP 19 SOUTH, RANGE 37 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



NEW MEXICO STATE PLANE COORDINATES (NAD83)
TOP CASING

NOTE:
ELEVATIONS ARE ON BLACK MARK
ON NORTH SIDE OF PVC CASING.

WELL	NORTHING	EASTING	LATITUDE	LONGITUDE	TOP CASING	GROUND
SARA PHILLIPS #1	588405.631	872331.319	N 32°36'46.7"	W 103°15'30.2"	3563.07'	3560.80'
K-33 #1	588339.470	872191.720	N 32°36'46.1"	W 103°15'31.8"	3563.86'	3560.50'
K-33 #2	588512.766	872105.535	N 32°36'47.8"	W 103°15'32.8"	3562.84'	3560.15'
K-33 #3	588213.537	872201.136	N 32°36'44.8"	W 103°15'31.7"	3562.87'	3560.75'

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FORMULATED SURVEYS AS SPECIFIED BY THIS STATE.

NEW MEXICO REGISTERED PROFESSIONAL LAND SURVEYOR No. 7977

GARY L. JONES N.M. P.S. No. 7977
TEXAS P.L.S. No. 5074

80 0 80 160 FEET

BASIN SURVEYS P.O. BOX 1786 – HOBBS, NEW MEXICO

RICE OPERATING COMPANY

REF: MONITOR WELLS

MONITOR WELLS LOCATED IN
SECTION 33, TOWNSHIP 19 SOUTH, RANGE 37 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

W.O. Number: 17231	Drawn By: K. GOAD		
Date: 10-18-2006	Disk: KJG – RC17231.DWG	Survey Date: VARIES	Sheet 1 of 1 Sheets

ENVIRONMENTAL LAB OF

12600 West I-20 East - Odessa, Texas 79765

Analytical Report

Prepared for:

Kristin Farris-Pope

Rice Operating Co.

122 W. Taylor

Hobbs, NM 88240

Project: EME Sarah Phillips EOL

Project Number: None Given

Location: T19S-R37E-Sec33K, Lea Co., NM

Lab Order Number: 6J12017

Report Date: 10/24/06

Rice Operating Co.	Project: EME Sarah Phillips EOL	Fax: (505) 397-1471
122 W. Taylor	Project Number: None Given	
Hobbs NM, 88240	Project Manager: Kristin Farris-Pope	

ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
Monitor Well #1	6J12017-01	Water	10/12/06 12:05	10-12-2006 16:00

12600 West I-20 East - Odessa, Texas 79705 - (432) 563-1800 - Fax (432) 563-1713

Rice Operating Co.	Project: EME Sarah Phillips EOL	Fax: (505) 397-1471
122 W. Taylor	Project Number: None Given	
Hobbs NM, 88240	Project Manager: Kristin Farris-Pope	

Organics by GC

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
Monitor Well #1 (6J12017-01) Water									
Benzene	**ND**	0.00100	mg/L	1	EJ61608	10/16/06	10/16/06	EPA 8021B	
Toluene	**J [0.000440]**	0.00100	"	"	"	"	"	"	
Ethylbenzene	**0.00136**	0.00100	"	"	"	"	"	"	
Xylene (p/m)	**ND**	0.00100	"	"	"	"	"	"	
Xylene (o)	ND	0.00100	"	"	"	"	"	"	
Surrogate: a,a,a-Trifluorotoluene		*87.8 %*		*80-120*		"	"	"	"
Surrogate: 4-Bromofluorobenzene		*83.8 %*		*80-120*		"	"	"	"

12600 West I-20 East - Odessa, Texas 79705 - (432) 563-1800 - Fax (432) 563-1713

Rice Operating Co.	Project: EME Sarah Phillips EOL	Fax: (505) 397-1471
122 W. Taylor	Project Number: None Given	
Hobbs NM, 88240	Project Manager: Kristin Farris-Pope	

General Chemistry Parameters by EPA / Standard Methods

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
Monitor Well #1 (6J12017-01) Water									
Total Alkalinity	**420**	2.00	mg/L	1	EJ61311	10/13/06	10/13/06	EPA 310.1M	
Chloride	**767**	12.5	"	25	EJ61403	10/19/06	10/19/06	EPA 300.0	
Total Dissolved Solids	**2600**	10.0	"	1	EJ61404	10/14/06	10/15/06	EPA 160.1	
Sulfate	**144**	12.5	"	25	EJ61403	10/19/06	10/19/06	EPA 300.0	

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Rice Operating Co.	Project: EME Sarah Phillips EOL	Fax: (505) 397-1471
122 W. Taylor	Project Number: None Given	
Hobbs NM, 88240	Project Manager: Kristin Farris-Pope	

Total Metals by EPA / Standard Methods

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
Monitor Well #1 (6J12017-01) Water									
Calcium	**242**	4.05	mg/L	50	EJ61604	10/13/06	10/16/06	EPA 6010B	
Magnesium	**119**	1.80	"	"	"	"	"	"	
Potassium	**9.91**	0.600	"	10	"	"	"	"	
Sodium	**239**	2.15	"	50	"	"	"	"	

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Rice Operating Co.
122 W. Taylor
Hobbs NM, 88240

Project: EME Sarah Phillips EOL
Project Number: None Given
Project Manager: Kristin Farris-Pope

Fax: (505) 397-1471

Organics by GC - Quality Control

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch EJ61608 - EPA 5030C (GC)										
Blank (EJ61608-BLK1)				Prepared: 10/16/06 Analyzed: 10/17/06						
Benzene	ND	0.00100	mg/L							
Toluene	ND	0.00100	"							
Ethylbenzene	ND	0.00100	"							
Xylene (p/m)	ND	0.00100	"							
Xylene (o)	ND	0.00100	"							
Surrogate: a,a,a-Trifluorotoluene	*32.4*		*ug/l*	*40.0*		*81.0*	*80-120*			
Surrogate: 4-Bromofluorobenzene	*33.9*		*"*	*40.0*		*84.8*	*80-120*			
LCS (EJ61608-BS1)				Prepared: 10/16/06 Analyzed: 10/17/06						
Benzene	0.0482	0.00100	mg/L	0.0500		96.4	80-120			
Toluene	0.0428	0.00100	"	0.0500		85.6	80-120			
Ethylbenzene	0.0413	0.00100	"	0.0500		82.6	80-120			
Xylene (p/m)	0.0853	0.00100	"	0.100		85.3	80-120			
Xylene (o)	0.0409	0.00100	"	0.0500		81.8	80-120			
Surrogate: a,a,a-Trifluorotoluene	*36.7*		*ug/l*	*40.0*		*91.8*	*80-120*			
Surrogate: 4-Bromofluorobenzene	*42.8*		*"*	*40.0*		*107*	*80-120*			
Calibration Check (EJ61608-CCV1)				Prepared: 10/16/06 Analyzed: 10/17/06						
Benzene	50.4		ug/l	50.0		101	80-120			
Toluene	43.5		"	50.0		87.0	80-120			
Ethylbenzene	41.4		"	50.0		82.8	80-120			
Xylene (p/m)	81.9		"	100		81.9	80-120			
Xylene (o)	40.3		"	50.0		80.6	80-120			
Surrogate: a,a,a-Trifluorotoluene	*33.7*		*"*	*40.0*		*84.2*	*80-120*			
Surrogate: 4-Bromofluorobenzene	*35.0*		*"*	*40.0*		*87.5*	*80-120*			
Matrix Spike (EJ61608-MS1)	**Source: 6J12016-01**			Prepared: 10/16/06 Analyzed: 10/17/06						
Benzene	0.0518	0.00100	mg/L	0.0500	ND	104	80-120			
Toluene	0.0462	0.00100	"	0.0500	ND	92.4	80-120			
Ethylbenzene	0.0424	0.00100	"	0.0500	ND	84.8	80-120			
Xylene (p/m)	0.0932	0.00100	"	0.100	ND	93.2	80-120			
Xylene (o)	0.0432	0.00100	"	0.0500	ND	86.4	80-120			
Surrogate: a,a,a-Trifluorotoluene	*37.6*		*ug/l*	*40.0*		*94.0*	*80-120*			
Surrogate: 4-Bromofluorobenzene	*39.6*		*"*	*40.0*		*99.0*	*80-120*			

Rice Operating Co.	Project: EME Sarah Phillips EOL	Fax: (505) 397-1471
122 W. Taylor	Project Number: None Given	
Hobbs NM, 88240	Project Manager: Kristin Farris-Pope	

Organics by GC - Quality Control

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch EJ61608 - EPA 5030C (GC)										
Matrix Spike Dup (EJ61608-MSD1)	**Source: 6J12016-01**			Prepared: 10/16/06 Analyzed: 10/17/06						
Benzene	0.0500	0.00100	mg/L	0.0500	ND	100	80-120	3.92	20	
Toluene	0.0424	0.00100	"	0.0500	ND	84.8	80-120	8.58	20	
Ethylbenzene	0.0453	0.00100	"	0.0500	ND	90.6	80-120	6.61	20	
Xylene (p/m)	0.0807	0.00100	"	0.100	ND	80.7	80-120	14.4	20	
Xylene (o)	0.0412	0.00100	"	0.0500	ND	82.4	80-120	4.74	20	
Surrogate: a,a,a-Trifluorotoluene	*33.8*		*ug/l*	*40.0*		*84.5*	*80-120*			
Surrogate: 4-Bromofluorobenzene	*34.7*		"	*40.0*		*86.8*	*80-120*			

12600 West I-20 East - Odessa, Texas 79705 - (432) 563-1800 - Fax (432) 563-1713

Rice Operating Co.
122 W. Taylor
Hobbs NM, 88240

Project: EME Sarah Phillips EOL
Project Number: None Given
Project Manager: Kristin Farris-Pope

Fax: (505) 397-1471

General Chemistry Parameters by EPA / Standard Methods - Quality Control

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch EJ61311 - General Preparation (WetChem)										
Blank (EJ61311-BLK1)				Prepared & Analyzed: 10/13/06						
Total Alkalinity	ND	2.00	mg/L							
Carbonate Alkalinity	ND	0.100	"							
Bicarbonate Alkalinity	ND	2.00	"							
Hydroxide Alkalinity	ND	0.100	"							
LCS (EJ61311-BS1)				Prepared: 10/13/06 Analyzed: 10/20/06						
Bicarbonate Alkalinity	196	2.00	mg/L	200		98.0	85-115			
Duplicate (EJ61311-DUP1)		**Source: 6J12011-01**		Prepared & Analyzed: 10/13/06						
Total Alkalinity	238	2.00	mg/L		242			1.67	20	
Reference (EJ61311-SRM1)				Prepared & Analyzed: 10/13/06						
Total Alkalinity	250		mg/L	250		100	90-110			
Batch EJ61403 - General Preparation (WetChem)										
Blank (EJ61403-BLK1)				Prepared & Analyzed: 10/19/06						
Chloride	ND	0.500	mg/L							
Sulfate	ND	0.500	"							
LCS (EJ61403-BS1)				Prepared & Analyzed: 10/19/06						
Chloride	9.62	0.500	mg/L	10.0		96.2	80-120			
Sulfate	9.55	0.500	"	10.0		95.5	80-120			
Calibration Check (EJ61403-CCV1)				Prepared & Analyzed: 10/19/06						
Chloride	10.5		mg/L	10.0		105	80-120			
Sulfate	10.1		"	10.0		101	80-120			

Rice Operating Co.	Project: EME Sarah Phillips EOL	Fax: (505) 397-1471
122 W. Taylor	Project Number: None Given	
Hobbs NM, 88240	Project Manager: Kristin Farris-Pope	

General Chemistry Parameters by EPA / Standard Methods - Quality Control

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch EJ61403 - General Preparation (WetChem)										
Duplicate (EJ61403-DUP1)		**Source: 6J12011-01**		Prepared & Analyzed: 10/19/06						
Chloride	1430	25.0	mg/L		1430			0.00	20	
Sulfate	291	25.0	"		308			5.68	20	
Duplicate (EJ61403-DUP2)		**Source: 6J12016-02**		Prepared & Analyzed: 10/19/06						
Sulfate	236	12.5	mg/L		237			0.423	20	
Chloride	690	12.5	"		692			0.289	20	
Matrix Spike (EJ61403-MS1)		**Source: 6J12011-01**		Prepared & Analyzed: 10/19/06						
Sulfate	781	25.0	mg/L	500	308	94.6	80-120			
Chloride	2040	25.0	"	500	1430	122	80-120			S-07
Matrix Spike (EJ61403-MS2)		**Source: 6J12016-02**		Prepared & Analyzed: 10/19/06						
Chloride	979	12.5	mg/L	250	692	115	80-120			
Sulfate	476	12.5	"	250	237	95.6	80-120			
Batch EJ61404 - Filtration Preparation										
Blank (EJ61404-BLK1)				Prepared: 10/14/06 Analyzed: 10/15/06						
Total Dissolved Solids	ND	10.0	mg/L							
Duplicate (EJ61404-DUP1)		**Source: 6J12011-01**		Prepared: 10/14/06 Analyzed: 10/15/06						
Total Dissolved Solids	3380	10.0	mg/L		3260			3.61	5	
Duplicate (EJ61404-DUP2)		**Source: 6J12016-02**		Prepared: 10/14/06 Analyzed: 10/15/06						
Total Dissolved Solids	1850	10.0	mg/L		1900			2.67	5	

Rice Operating Co.
122 W. Taylor
Hobbs NM, 88240

Project: EME Sarah Phillips EOL
Project Number: None Given
Project Manager: Kristin Farris-Pope

Fax: (505) 397-1471

Total Metals by EPA / Standard Methods - Quality Control

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch EJ61604 - 6010B/No Digestion										
Blank (EJ61604-BLK1)				Prepared: 10/13/06 Analyzed: 10/16/06						
Calcium	ND	0.0810	mg/L							
Magnesium	ND	0.0360	"							
Potassium	ND	0.0600	"							
Sodium	ND	0.0430	"							
Calibration Check (EJ61604-CCV1)				Prepared: 10/13/06 Analyzed: 10/16/06						
Calcium	1.99		mg/L	2.00		99.5	85-115			
Magnesium	2.20		"	2.00		110	85-115			
Potassium	1.94		"	2.00		97.0	85-115			
Sodium	1.79		"	2.00		89.5	85-115			
Duplicate (EJ61604-DUP1)	**Source: 6J12001-04**			Prepared: 10/13/06 Analyzed: 10/16/06						
Calcium	0.426	0.0810	mg/L		0.427			0.234	20	
Magnesium	0.432	0.0360	"		0.422			2.34	20	
Potassium	0.596	0.0600	"		0.582			2.38	20	
Sodium	0.890	0.0430	"		0.866			2.73	20	

Rice Operating Co.	Project: EME Sarah Phillips EOL	Fax: (505) 397-1471
122 W. Taylor	Project Number: None Given	
Hobbs NM, 88240	Project Manager: Kristin Farris-Pope	

Notes and Definitions

S-07	Recovery outside Laboratory historical or method prescribed limits.
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: Raland K Tuttle Date: 10/24/2006

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

Environmental Lab of Texas

12600 West I-20 East
Odessa, Texas 79765
Phone: 432-563-1800
Fax: 432-563-1713

CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

Project Manager: Kristin Farris Pope kpope@riceswd.com
Company Name: RICE Operating Company
Company Address: 122 W. Taylor Street
City/State/Zip: Hobbs, New Mexico 88240
Telephone No: (505) 393-9174 Fax No: (505) 397-1471
Sampler Signature: Rozanne Johnson (505) 631-9310
Email: rozanne@valornet.com

Project Name: EME Sarah Phillips
Project Number:
Project Loc: T19S-R37E-Sec33K, Lea County NM
PO Number:

LAB # (lab use only)	FIELD CODE	Date Sampled	Time Sampled	No. of Containers	Preservative: Ice	HNO3	HCl (2) 40 ml glass vials	NaOH	H2SO4	None (1) 1 liter HDPE	Other (Specify)	Matrix: Water	Sludge	Soil	Other (specify):	Analyze For: TPH: 418.1 8015M 1005 1005	Cations (Ca, Mg, Na, K)	Anions (Cl, SO4, CO3, HCO3)	SAR / ESP / CEC	Metals: As Ag Ba Cd Cr Pb Hg Se	Volatiles	Semivolatiles	BTEX 8021B/5030	PAH	PLOR M.	Total Dissolved Solids				RUSH TAT (Pre-Schedule)	Standard TAT
																TCLP:							TOTAL:									
01	Monitor Well #1	10/12/2006	12:05	3	X		2			1		X					X	X					X			X					X

Special Instructions:

PLEASE Email RESULTS TO: kpope@riceswd.com; mfranks@riceswd.com
rozanne@valornet.com

Sample Containers intact? Y N
Labels on container? Y N
Custody Seals: Containers / Cooler
Temperature Upon Receipt:

Laboratory Comments:
20

Relinquished by:	Date	Time	Received by:	Date	Time
Rozanne Johnson	10/12/06	4:00			
Relinquished by:	Date	Time	Received by ELOT:	Date	Time
				10/12/06	4:00

Environmental Lab of Texas

Variance/ Corrective Action Report- Sample Log-In

ent: Rice Op.

ite/ Time: 10/12/06 4:00

b ID # : 6512017

tials: CH

Sample Receipt Checklist

					Client Initials
1	Temperature of container/ cooler?	Yes	No	2.0 °C	
2	Shipping container in good condition?	~~Yes~~	No		
3	Custody Seals intact on shipping container/ cooler?	~~Yes~~	No	Not Present	
4	Custody Seals intact on sample bottles/ container?	~~Yes~~	No	Not Present	
5	Chain of Custody present?	~~Yes~~	No		
6	Sample instructions complete of Chain of Custody?	~~Yes~~	No		
7	Chain of Custody signed when relinquished/ received?	~~Yes~~	No		
8	Chain of Custody agrees with sample label(s)?	~~Yes~~	No	ID written on Cont./ Lid	
9	Container label(s) legible and intact?	~~Yes~~	No	Not Applicable	
10	Sample matrix/ properties agree with Chain of Custody?	~~Yes~~	No		
11	Containers supplied by ELOT?	~~Yes~~	No		
12	Samples in proper container/ bottle?	~~Yes~~	No	See Below	
13	Samples properly preserved?	~~Yes~~	No	See Below	
14	Sample bottles intact?	~~Yes~~	No		
15	Preservations documented on Chain of Custody?	~~Yes~~	No		
16	Containers documented on Chain of Custody?	~~Yes~~	No		
17	Sufficient sample amount for indicated test(s)?	~~Yes~~	No	See Below	
18	All samples received within sufficient hold time?	~~Yes~~	No	See Below	
19	VOC samples have zero headspace?	~~Yes~~	No	Not Applicable	

Variance Documentation

Contact: _____ Contacted by: _____ Date/ Time: _____

Regarding: _____

Corrective Action Taken: _____

Check all that Apply:

- ☐ See attached e-mail/ fax
- ☐ Client understands and would like to proceed with analysis
- ☐ Cooling process had begun shortly after sampling event

Hansen, Edward J., EMNRD

IR427

From: Hansen, Edward J., EMNRD
Sent: Wednesday, May 23, 2007 2:48 PM
To: chaynes@riceswd.com
Cc: kpope@riceswd.com; ldeuel@hughes.net; Price, Wayne, EMNRD; 'Mike Griffin'
Subject: RE: Sarah Phillips EOL Remediation Protocol

Dear Ms. Haynes:

The New Mexico Oil Conservation Division (NMOCD) has reviewed your "Remediation Protocol" (submitted by Mike Griffin via email on May 17, 2007, and the revised version on May 23, 2007) for the above referenced site. Since this is an experimental protocol, additional measures may be required to encourage vegetative diversity or density. However, the vegetative diversity and density can be monitored with relative ease. Therefore, the NMOCD hereby approves the protocol with the condition that the proposed corrective action be initiated by June 15, 2007, at the site. Also, Rice Operating Company must submit a quarterly summary report(s) for the site. Upon review of the report(s), the NMOCD will determine if additional measures will be required for the site to encourage additional vegetative diversity or density.

Please be advised that NMOCD approval of these plans does not relieve the owner/operator of responsibility should operations pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD approval does not relieve the owner/operator of responsibility for compliance with any NMOCD, federal, state, or local laws and/or regulations.

If you have any questions regarding this matter, please contact me at 505-476-3489.

Edward J. Hansen
Hydrologist
Environmental Bureau

From: Mike Griffin [mailto:whearth@msn.com]
Sent: Thursday, May 17, 2007 8:06 AM
To: Price, Wayne, EMNRD; Hansen, Edward J., EMNRD
Cc: chaynes@riceswd.com; kpope@riceswd.com; ldeuel@hughes.net
Subject: Sarah Phillips EOL Remediation Protocol

Good Morning, All:

Attached, please find a copy of the Rice Operating remediation protocol discussed last week. It contains some new approaches including the exclusive use of conductivity, sodium adsorption ratios, exchangeable sodium percentages, and cation exchange capacities as the delineation and remediation objectives, the use of bentonite matting as a contaminant migration barrier, and re-vegetation loading calulations developed by our Dr. Lloyd Deuel.

If successful, I believe that each of these new approaches may result in significant savings not only to

our client on this project, but to the industry as a whole.

We do hope to begin the work around the first of June and very much look forward to the opportunity of discussing any questions or comments you may have.

Mike Griffin

Whole Earth Environmental, Inc.
Phone: 281.394.2050
FAX: 281.394.2051

PR-79

Remediation Protocol
Rice Operating Company
Sarah Phillips Project
Lea County, New Mexico

1.0 Purpose

This protocol is to provide a detailed outline of the steps to be employed in the remediation of the Rice Operating (ROC) EME Sarah Phillips EOL (end of line) site situated in Lea County, New Mexico within Unit K, Section 33, T19S, R37E.

2.0 Scope

This protocol is site specific for the Sarah Phillips remediation project.

3.0 Preliminary

Prior to any field operations, Whole Earth Environmental shall conduct the following activities:

3.1 Client Review

3.1.1 Whole Earth shall meet with ROC designees to review this protocol and make any requested modifications or alterations.

3.1.2 Upon preliminary client approval, this protocol will be submitted to the Sante Fe and Hobbs offices of the New Mexico Oil Conservation Division for approval.

3.1.2 Changes to this protocol will be documented and submitted for final review by Rice Operating Company prior to the initiation of actual field work.

4.0 Safety

4.1 Prior to work on the site, Whole Earth shall obtain the location and phone numbers of the nearest emergency medical treatment facility. We will review all safety related issues with the appropriate ROC personnel, sub-contractors and exchange phone numbers.

4.2 A tailgate safety meeting shall be held and documented each day. All sub-contractors must attend and sign the daily log-in sheet.

4.3 Anyone allowed on to location must be wearing sleeved shirts, steel toed boots, and long pants. Each vehicle must be equipped with two way communication capabilities.

5.0 Remediation Procedure

5.1 The area of interest will be investigated by Whole Earth personnel to determine the areal extent of contamination. Soil samples will be collected in accordance with WEQP-77 and analyzed for conductivity and pH in accordance with WEQP-12 and WEQP-13.

5.2 Based upon the survey results, the surface soils will be excavated to a maximum depth of four feet below ground surface with the excavated materials being placed immediately beside the excavated area. The sides of the excavation will be tested for electrical conductivity on a five point composite basis per side. An EC value of <8 mmhos/cm on a 1:1 basis is considered acceptable. If soils within the sidewalls exhibit higher numbers, excavation will continue until the values fall within the <8 mmhos/cm acceptance value.

5.3 The bottom of the excavation will be compacted to remove all sharp protrusions, and provide a smooth surface for applying bentonite matting.

5.4 Sections of .75 lb/sq. ft. Denefix EC bentonite matting will be applied to the bottom of the excavations and watered to fill all voids.

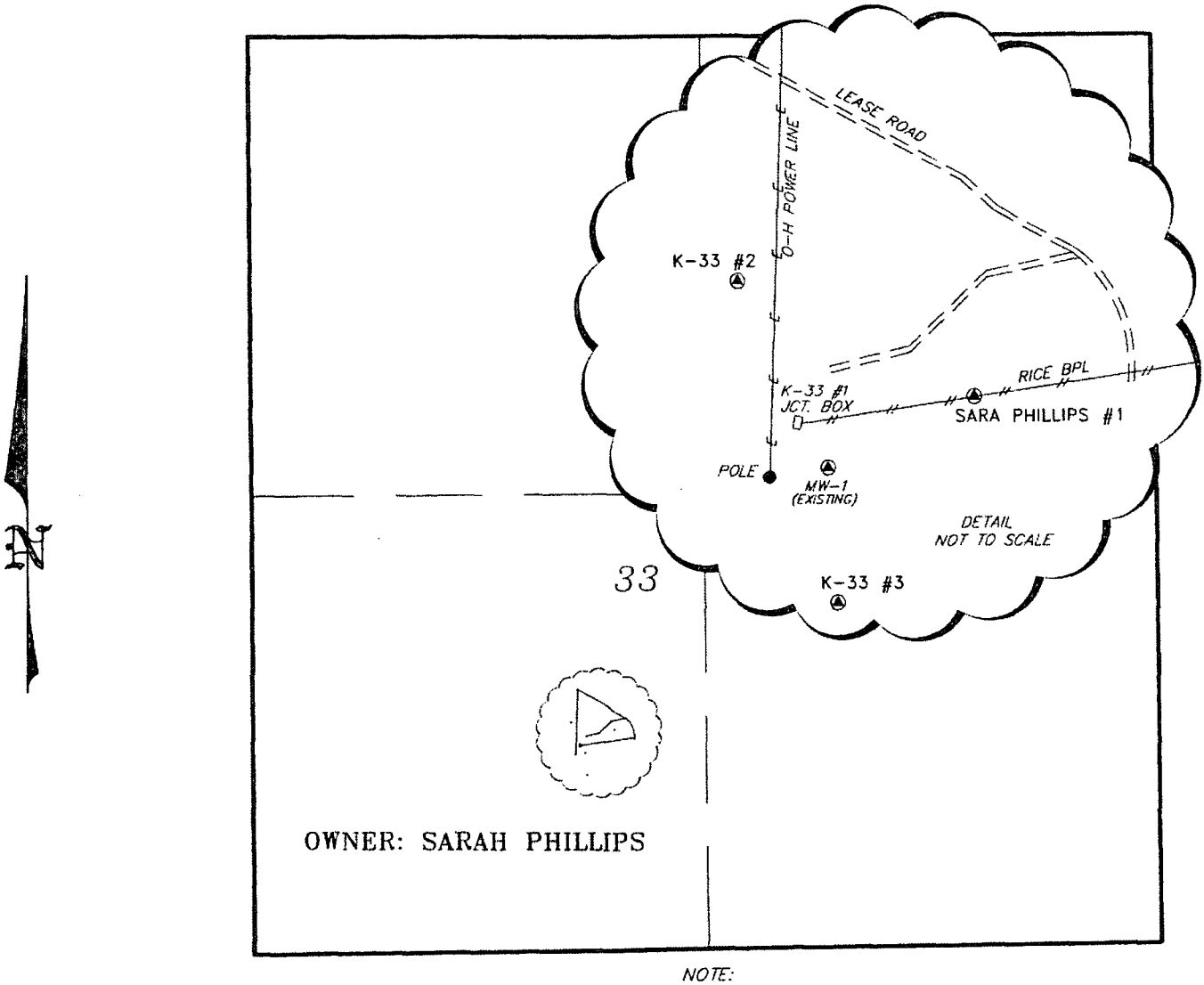
5.5 The excavated soils will be tested for fertility and amended as necessary with nitrogen, potassium, phosphorus and organic matter to provide a fertile matrix. Once mixed, the soils will be placed within the excavations, lightly compacted and seeded with native grasses.

6.0 Closure Report

At the conclusion of the project, Whole Earth shall prepare a closure report which shall contain the following minimum information:

- Photographs of the affected area location prior to excavation
- Plat map showing the detailed dimensions of the affected area and surrounding features
- Colormetric graphs showing the lateral spread of conductive soils
- Photographs of the site at the point of maximum excavation
- Photographs of the site during installation of the bentonite liner
- Photographs of the site after final remediation
- Laboratory analytical fertility results for the backfill materials prior to remediation
- MSDS of all amendments used in the soil remediation

SECTION 33, TOWNSHIP 19 SOUTH, RANGE 37 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



NOTE:
ELEVATIONS ARE ON BLACK MARK ON NORTH SIDE OF PVC CASING.

NEW MEXICO STATE PLANE COORDINATES (NAD83)
TOP CASING

WELL	NORTHING	EASTING	LATITUDE	LONGITUDE	TOP CASING	GROUND
SARA PHILLIPS #1	588405.631	872331.319	N 32°36'46.7"	W 103°15'30.2"	3563.07'	3560.80'
K-33 #1	588339.470	872191.720	N 32°36'46.1"	W 103°15'31.8"	3563.86'	3560.50'
K-33 #2	588512.766	872105.535	N 32°36'47.8"	W 103°15'32.8"	3562.84'	3560.15'
K-33 #3	588213.537	872201.136	N 32°36'44.8"	W 103°15'31.7"	3562.87'	3560.75'

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

GARY L. JONES N.M. P.S. No. 7977
TEXAS P.L.S. No. 5074

GARY L. JONES NEW MEXICO 7977 REGISTERED PROFESSIONAL LAND SURVEYOR

80 0 80 160 FEET

BASIN SURVEYS P.O. BOX 1786 – HOBBS, NEW MEXICO

RICE OPERATING COMPANY

REF: MONITOR WELLS

MONITOR WELLS LOCATED IN
SECTION 33, TOWNSHIP 19 SOUTH, RANGE 37 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

W.O. Number: 17231	Drawn By: K. GOAD		
Date: 10-18-2006	Disk: KJG – RC17231.DWG	Survey Date: VARIES	Sheet 1 of 1 Sheets