1R - 426-106

GENERAL CORRESPONDENCE

YEAR(S):
2007

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

CERTIFIED MAIL
RETURN RECEIPT NO. 7005 1820 0001 6804 4936

February 25, 2008

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

RE: NOTIFICATION OF GROUNDWATER IMPACT
BD P-26-1 vent, #1R0426-106
Unit P, Sec. 26, T21S, 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 above-referenced site in accordance with NM Rule 116. The remediation of this site may be subject to NM Rule 19 procedures.

The following work was performed in accordance with the OCD-approved (verbal 7/18/2007) Investigation and Characterization Plan (ICP) submitted by the consulting company, Trident Environmental (Trident), to investigate potential groundwater concerns at this junction box site near Eunice. A soil boring for vertical delineation of chloride and a 2-inch monitoring well were installed on October 29, 2007 under the supervision of Gilbert Van Deventer of Trident. Groundwater was encountered at approximately 47 feet. The well was developed and sampled pursuant to OCD guidelines by Arc Environmental (Arc) of Lovington. Laboratory analyses of two sampling events confirm the Water Quality Control Commission standards for chloride and Total Dissolved Solids are exceeded at the monitoring well. Arc will continue to sample the well on a quarterly basis. Trident will be evaluating this groundwater data for the submission of a Corrective Action Plan.

ROC is the service provider (agent) for the BD Salt Water Disposal System and has no ownership of any portion of the pipelines, wells, or facilities. The BD 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: 2 water analyses, soil boring log, well log, 2 maps

cc: SC, Trident, file, Mr. Chris Williams
NMOCD, District 1 Office
1625 N. French Drive
Hobbs, NM 88240

SOIL BORING LITHOLOGIC LOG

BOREHOLE NO.: B-1
SITE ID: BD Jct. P-26-1 Vent
CONTRACTOR: Harrison & Cooper, Inc.
DRILLING METHOD: Air Rotary
START DATE: 10/29/07
COMPLETION DATE: 10/29/07
COMMENTS: Boring located 14 feet west-southwest of former junction box (plate marker)
Photo at left shows drilling of B-1 (facing west). Orange pin flagging identifies active brine water lines.

TOTAL DEPTH: 45 Feet
CLIENT: RICE Operating Company
COUNTY: Lea
STATE: New Mexico
LOCATION: T21S-R37E-Sec 26-Unit P
FIELD REP.: G. Van Deventer

Sample Depth	Sample Time	Sample Type	Chloride (ppm)	PID (ppm)	USCS	LITHOLOGIC DESCRIPTION: LITHOLOGY, COLOR, GRAIN SIZE, SORTING, ROUNDING, CONSOLIDATION, DISTINGUISHING FEATURES
		Surface			BF	Compacted backfill material consisting of fine-grained sand, moderate orange pink (5YR 8/4) with some very pale orange (10YR 8/2) calcium carbonate in matrix.
5						
					CL	Compacted clay layer, grayish red (5R 4/2).
					BF	Compacted backfill material consisting of fine-grained sand, moderate orange pink (5YR 8/4) with some very pale orange (10YR 8/2) calcium carbonate in matrix.
10						
	1450	Split Spoon	1001		SM/CAL	Very fine-grained sand, olive gray (5Y 4/1), with calcium carbonate in matrix, loose, unconsolidated, dry, slight hydrocarbon odor.
15						
	1455	Split Spoon	2801			Fine-grained sand, moderate orange pink (5YR 8/4) with some very pale orange (10YR 8/2) calcium carbonate in matrix. Sand grains are moderately well-sorted, subrounded, unconsolidated, dry. Sample submitted for laboratory analysis with results as follows: Chloride = 866 mg/kg.
20						
	1500	Split Spoon	2611			Very fine-grained sand with calcium carbonate in matrix, very pale orange (10YR 8/2), moderately hard (indurated caliche). Sand grains are moderately sorted, subrounded, unconsolidated, dry.
25						
	1510	Split Spoon	2122		SW	Fine-grained sand, light brown (5YR 6/4), moderately hard, moderate sorting of subrounded sand grains, unconsolidated, dry.
30						
	1520	Split Spoon	2481		SM/CAL	Very fine- and fine-grained sand with calcium carbonate in matrix, very pale orange (10YR 8/2), moderately hard (indurated caliche). Sand grains are medium sorted, subrounded, dry.
35						
	1530	Split Spoon	1623			Very fine-grained sand, very pale orange (10YR 8/2), hard (indurated caliche). Sand grains are medium sorted, subrounded, dry.
40						
	1542	Split Spoon	1704			Very fine-grained sand, very pale orange (10YR 8/2), hard (indurated caliche). Sand grains are medium sorted, subrounded, dry.
45	1556	Cuttings	1570			Very fine-grained sand, very pale orange (10YR 8/2), hard (indurated caliche). Sand grains are medium sorted, subrounded, unconsolidated, dry.
						Bottom of boring at 45 ft below ground surface.
50						

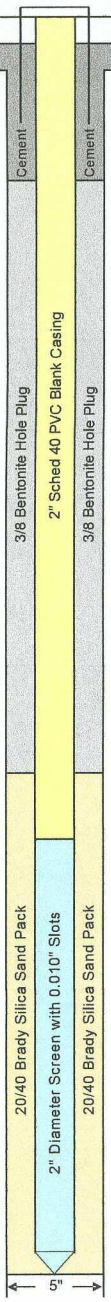
3/8 Bentonite Hole Plug

← 5" →

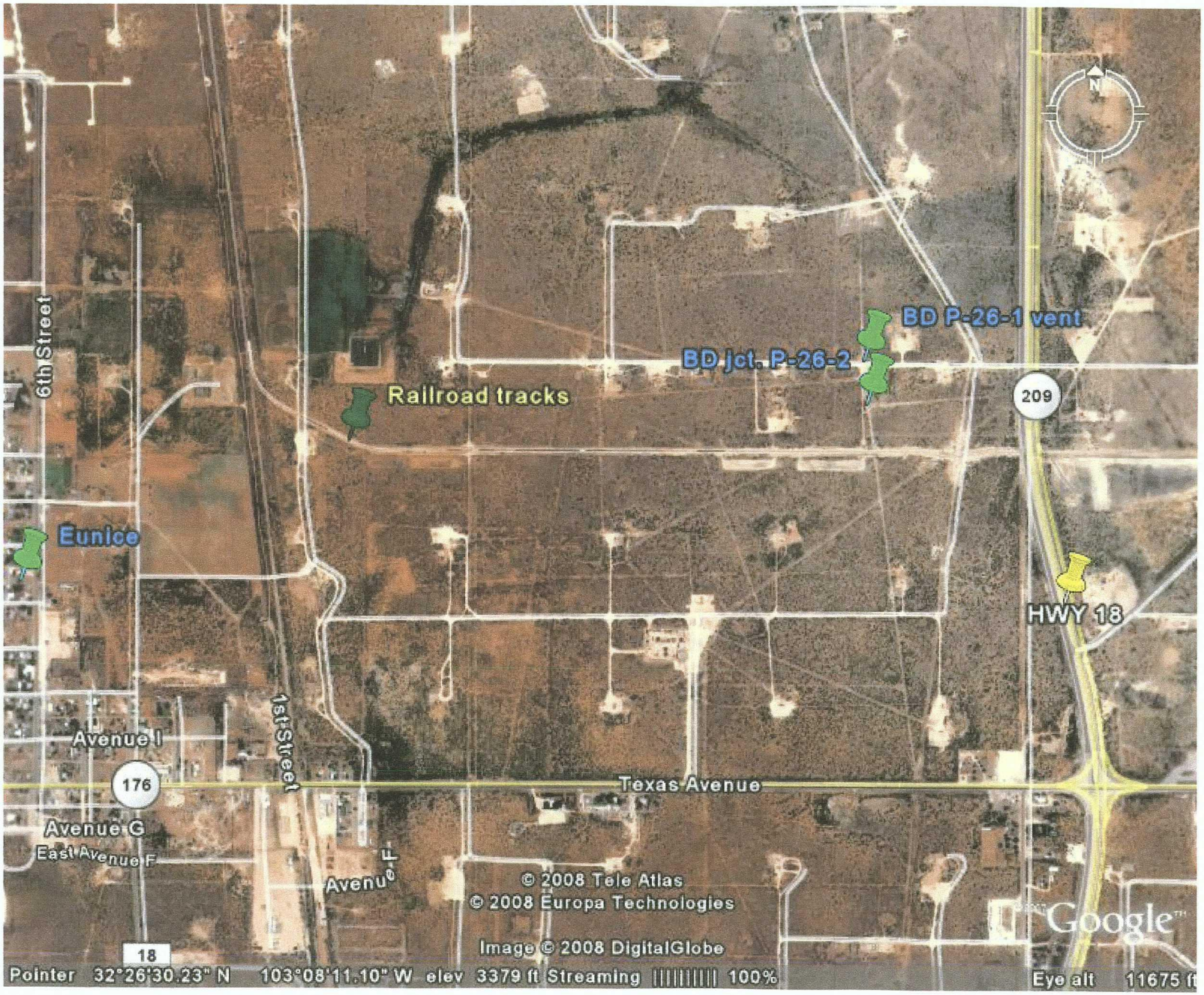
LITHOLOGIC LOG AND MONITORING WELL CONSTRUCTION DIAGRAM

MONITORING WELL NO.: MW-1
SITE NAME: BD Jct. P-26-1 Vent Site
CONTRACTOR: Harrison & Cooper, Inc.
DRILLING METHOD: Air Rotary
START DATE: 10/29/07
COMPLETION DATE: 10/29/07
COMMENTS: Located approximately 12 feet southeast of former junction box (plate marker). Photo at left shows completed MW-1 (facing northwest) and new junction box (right-center).

TOTAL DEPTH: 55 Feet
CLIENT: RICE Operating Company
COUNTY: Lea
STATE: New Mexico
LOCATION: T21S-R37E-Sec 26 - Unit P
FIELD REP.: G. Van Deventer



Depth	Time	Sample Type	Chloride (ppm)	PID (ppm)	USCS	LITHOLOGIC DESCRIPTION: LITHOLOGY, COLOR, GRAIN SIZE, SORTING, ROUNDING, CONSOLIDATION, DISTINGUISHING FEATURES
		Surface			SM/CAL	Fine-grained sand, grayish orange (5YR 7/4) with some very pale orange (10YR 8/2) calcium carbonate in matrix. Sand grains are medium-sorted, subrounded, unconsolidated, dry.
5						
	1620	Split Spoon	1242			Fine-grained sand, grayish orange (5YR 7/4) with some very pale orange (10YR 8/2) calcium carbonate in matrix. Sand grains are medium-sorted, subrounded, unconsolidated, dry.
10						
	1625	Split Spoon	623			Fine-grained sand, pale yellowish brown (10YR 6/2) with some very pale orange (10YR 8/2) calcium carbonate in matrix. Sand grains are medium-sorted, subrounded, unconsolidated, dry.
15						
	1628	Split Spoon	692			Very fine and fine-grained sand with calcium carbonate in matrix, very pale orange (10YR 8/2). Sand grains are medium-sorted, subrounded, unconsolidated, dry.
20						
	1630	Split Spoon	1877			Very fine and fine-grained sand with calcium carbonate in matrix, very pale orange (10YR 8/2). Sand grains are medium-sorted, subrounded, unconsolidated, dry.
25	1634	Cuttings	1105			Very fine and fine-grained sand with calcium carbonate in matrix, very pale orange (10YR 8/2), hard (indurated caliche). Sand grains are medium-sorted, subrounded, dry.
30	1636	Cuttings	2506			Very fine and fine-grained sand with calcium carbonate in matrix, very pale orange (10YR 8/2), hard (indurated caliche). Sand grains are medium-sorted, subrounded, dry. Sample submitted for laboratory analysis with results as follows: Chloride = 903 mg/kg.
35	1638	Cuttings	1554			Very fine and fine-grained sand with calcium carbonate in matrix, very pale orange (10YR 8/2), hard (indurated caliche). Sand grains are medium-sorted, subrounded, dry.
40	1640	Cuttings	1445			Very fine and fine-grained sand with calcium carbonate in matrix, very pale orange (10YR 8/2), hard (indurated caliche). Sand grains are medium-sorted, subrounded, dry.
45	1642	Cuttings	1464			Very fine and fine-grained sand, grayish orange (5YR 7/4) with some very pale orange (10YR 8/2) calcium carbonate in matrix, hard (indurated caliche). Sand grains are medium-sorted, subrounded, dry.
50	1645	Cuttings	543		SW	Fine and medium-grained sand, light brown (5YR 5/6), moderately well sorted, subrounded, slightly
55	1650	Cuttings	537			Fine and medium-grained sand, light brown (5YR 5/6), moderately well sorted, subrounded, slightly
60						Bottom of boring at 55 ft below ground surface.
65						


BD P-26-1 vent
BD jct. P-26-2
Railroad tracks
209
6th Street
Eunice
HWY 18
1st Street
Avenue I
176
Texas Avenue
Avenue G
East Avenue F
Avenue F
18
© 2008 Tele Atlas
© 2008 Europa Technologies
Image © 2008 DigitalGlobe
Google
Pointer 32°26'30.23" N 103°08'11.10" W elev 3379 ft Streaming 100%
Eye alt 11675 ft


Jet P-28-1 Vent
B-1
MW-1
Jet P-28-2
B-1
MW-1
© 2007 Tele Atlas
Image © 2007 DigitalGlobe
200 ft
Google
Pointer lat 32.444185° lon -103.178555°
Streaming 100%
Eye alt 690 ft

CARDINAL LABORATORIES

PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
RICE OPERATING COMPANY
ATTN: KRISTIN FARRIS-POPE
122 W. TAYLOR STREET
HOBBS, NM 88240
FAX TO: (575) 397-1471

Receiving Date: 11/15/07
Reporting Date: 11/26/07
Project Number: NOT GIVEN
Project Name: BD P-26-1 VENT
Project Location: T22S R37E SEC26 P~LEA COUNTY, NM

Sampling Date: 11/12/07
Sample Type: WATER
Sample Condition: COOL & INTACT
Sample Received By: SB
Analyzed By: HM/KS

LAB NUMBER SAMPLE ID	Na (mg/L)	Ca (mg/L)	Mg (mg/L)	K (mg/L)	Conductivity (μS/cm)	T-Alkalinity ($mgCaCO_3/L$)
ANALYSIS DATE:	11/21/07	11/21/07	11/21/07	11/21/07	11/20/07	11/20/07
H13717-1 MONITOR WELL #1	1,881	499	323	21.3	13,120	204
Quality Control	NR	51.5	50.8	2.89	1,409	NR
True Value QC	NR	50.0	50.0	3.00	1,413	NR
% Recovery	NR	103	102	96.3	99.7	NR
Relative Percent Difference	NR	4.6	1.6	2.1	0.4	NR
METHODS:		SM3500-Ca-D	3500-Mg E	8049	120.1	310.1

	Cl^- (mg/L)	SO_4 (mg/L)	CO_3 (mg/L)	HCO_3 (mg/L)	pH (s.u.)	TDS (mg/L)
ANALYSIS DATE:	11/20/07	11/21/07	11/20/07	11/20/07	11/20/07	11/19/07
H13717-1 MONITOR WELL #1	4,350	347	0	249	7.19	8,396
Quality Control	500	22.8	NR	988	7.06	NR
True Value QC	500	25.0	NR	1000	7.00	NR
% Recovery	100	91.1	NR	98.8	101	NR
Relative Percent Difference	< 0.1	6.3	NR	1.2	0.1	NR
METHODS:	SM4500-Cl-B	375.4	310.1	310.1	150.1	160.1

Kristin Farris-Pope
Chemist

11/26/07
Date

H13717 RICE

101 East Marland - Hobbs, New Mexico 88240
Tel (505) 393-2326
Fax (505) 393-2476

Cardinal Laboratories, Inc.

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

LAB Order ID # _____

Company Name: RICE Operating Company	BILL TO Company: RICE Operating Company PO#
Project Manager: Kristin Farris-Pope, Project Scientist	Address: (Street, City, Zip) 122 W Taylor Street ~ Hobbs, New Mexico 88240
Address: (Street, City, Zip) 122 W Taylor Street ~ Hobbs, New Mexico 88240	Phone#: (505) 393-9174 Fax#: (505)397-1471
Phone #: (505) 393-9174	Fax #: (505) 397-1471
Project #:	Project Name: BD P-26-1 Vent
Project Location: T22S R37E Sec26 P ~ Lea County New Mexico	Sampler Signature: Rozanne Johnson (505)631-9310 rozanne@valornet.com

LAB # (LAB USE ONLY)	FIELD CODE	(G)rab or (C)omp	# CONTAINERS	MATRIX: WATER	SOIL	AIR	SLUDGE	PRESERVATIVE METHOD: HCL (2 40ml VOA)	HNO_3	$NaHSO_4$	H_2SO_4	ICE (1-1Liter HDPE)	NONE	SAMPLING: DATE (2007)	TIME
413717-1	Monitor Well #1	G	3	X				2				1		11-12	14:10

MTBE 8021B/602	BTEX 8021B/602	TPH 418.1/TX1005 / TX1005 Extended (C35)	PAH 8270C	Total Metals Ag As Ba Cd Cr Pb Se Hg 6010B/200.7	TCLP Metals Ag As Ba Cd Cr Pb Se Hg	TCLP Volatiles	TCLP Semi Volatiles	TCLP Pesticides	RCI	GC/MS Vol. 8260B/624	GC/MS Semi. Vol. 8270C/625	PCB's 8082/608	Pesticides 8081A/608	BOD, TSS, pH	Moisture Content	Cations (Ca, Mg, Na, K)	Anions (Cl, SO4, CO3, HCO3)	Total Dissolved Solids	Chlorides	Turn Around Time ~ 24 Hours
	X															X	X	X		

ANALYSIS REQUEST
(Circle or Specify Method No.)

Relinquished by: Rozanne Johnson	Date: 11-5-07	Time: 10:35	Received by:
Relinquished by:	Date:	Time:	Received By: (Laboratory Staff) Sue Barnes 11/15/07 10:35
Delivered By: (Circle One) Sampler - UPS - Bus - Other:	Sample Condition: Cool Yes / Intact Yes	CHECKED BY: (Initials) SB	

Phone Results		Yes		No
Fax Results		Yes		No Additional Fax Number:

REMARKS:

Email Results to: kpope@riceswd.com
lweinheimer@riceswd.com
rozanne@valornet.com

CARDINAL LABORATORIES

PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
RICE OPERATING COMPANY
ATTN: KRISTIN FARRIS-POPE
122 W. TAYLOR STREET
HOBBS, NM 88240
FAX TO: (575) 397-1471

Receiving Date: 01/15/08
Reporting Date: 01/22/08
Project Number: NOT GIVEN
Project Name: BD P-26-1 VENT
Project Location: T21S R37E SEC26 P~LEA COUNTY, NM

Sampling Date: 01/14/08
Sample Type: WATER
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: HM/KS

LAB NUMBER SAMPLE ID	Na (mg/L)	Ca (mg/L)	Mg (mg/L)	K (mg/L)	Conductivity (uS/cm)	T-Alkalinity ($mgCaCO_3/L$)
ANALYSIS DATE:	01/21/08	01/21/08	01/21/08	01/21/08	01/16/08	01/16/08
H14086-1 MONITOR WELL #1	1,687	452	306	29.0	11,940	232
Quality Control	NR	49.2	52.4	2.93	1,433	NR
True Value QC	NR	50.0	50.0	3.00	1,413	NR
% Recovery	NR	98.5	105	97.8	101	NR
Relative Percent Difference	NR	< 0.1	3.0	8.5	1.4	NR
METHODS:		SM3500-Ca-D	3500-Mg E	8049	120.1	310.1

	Cl^- (mg/L)	SO_4 (mg/L)	CO_3 (mg/L)	HCO_3 (mg/L)	pH (s.u.)	TDS (mg/L)
ANALYSIS DATE:	01/16/08	01/17/08	01/16/08	01/16/08	01/16/08	01/16/08
H14086-1 MONITOR WELL #1	3,900	355	0	283	7.05	7,655
Quality Control	500	26.8	NR	1000	7.04	NR
True Value QC	500	25.0	NR	1000	7.00	NR
% Recovery	100	107	NR	100	100	NR
Relative Percent Difference	2.0	2.0	NR	< 0.1	0.3	NR
METHODS:	SM4500-Cl-B	375.4	310.1	310.1	150.1	160.1

Chemist

01/22/08
Date

H14086 RICE

CARDINAL LABORATORIES

PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
RICE OPERATING CO.
ATTN: KRISTIN FARRIS-POPE
122 W. TAYLOR ST.
HOBBS, NM 88240
FAX TO: (575) 397-1471

Receiving Date: 01/15/08
Reporting Date: 01/16/08
Project Number: NOT GIVEN
Project Name: BD P-26-1 VENT
Project Location: T21S-R37E-SEC26 P ~ LEA CO., NM

Sampling Date: 01/14/08
Sample Type: WATER
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: AB

LAB NUMBER SAMPLE ID	BENZENE (mg/L)	TOLUENE (mg/L)	ETHYL BENZENE (mg/L)	TOTAL XYLENES (mg/L)
ANALYSIS DATE	01/15/08	01/15/08	01/15/08	01/15/08
H14086-1 MONITOR WELL #1	<0.001	<0.001	<0.001	<0.003
Quality Control	0.097	0.087	0.093	0.270
True Value QC	0.100	0.100	0.100	0.300
% Recovery	96.5	87.4	92.9	89.9
Relative Percent Difference	6.2	5.8	5.2	5.0

METHOD: EPA SW-846 8021B

Chemist

01/22/08
Date

H14086 Final

101 East Marland - Hobbs, New Mexico 88240
Tel (505) 393-2326
Fax (505) 393-2476

Cardinal Laboratories, Inc.

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

LAB Order ID # _____

Company Name: RICE Operating Company	BILL TO Company: RICE Operating Company PO#
Project Manager: Kristin Farris-Pope, Project Scientist	Address: (Street, City, Zip) 122 W Taylor Street ~ Hobbs, New Mexico 88240
Address: (Street, City, Zip) 122 W Taylor Street ~ Hobbs, New Mexico 88240	Phone#: (575) 393-9174 Fax#: (575)397-1471
Phone #: (575) 393-9174	Fax #: (575) 397-1471
Project #:	Project Name: BD P-26-1 Vent
Project Location: T21S R37E Sec26 P ~ Lea County New Mexico	Sampler Signature: Rozanne Johnson (505)631-9310 rozanne@valornet.com

LAB # (LAB USE ONLY)	FIELD CODE	(G)rab or (C)omp	# CONTAINERS	MATRIX: WATER	SOIL	AIR	SLUDGE	PRESERVATIVE METHOD: HCL (2 40ml VOA)	HNO_3	$NaHSO_4$	H_2SO_4	ICE (1-1Liter HDPE)	NONE	SAMPLING: DATE (2008)	TIME
H14086-1	Monitor Well #1	G	3	X				2				1		1-14	12:40

	MTBE 8021B/602	BTEX 8021B/602	TPH 418.1/TX1005 / TX1005 Extended (C35)	PAH 8270C	Total Metals Ag As Ba Cd Cr Pb Se Hg 6010B/200.7	TCLP Metals Ag As Ba Cd Cr Pb Se Hg	TCLP Volatiles	TCLP Semi Volatiles	TCLP Pesticides	RCI	GC/MS Vol. 8260B/624	GC/MS Semi. Vol. 8270C/625	PCB's 8082/608	Pesticides 8081A/608	BOD, TSS, pH	Moisture Content		Cations (Ca, Mg, Na, K)	Anions (Cl, SO4, CO3, HCO3)	Total Dissolved Solids	Chlorides
		X																X	X	X	

ANALYSIS REQUEST
(Circle or Specify Method No.)

Relinquished by: Rozanne Johnson	Date: 1-15-2008	Time: 10:45	Received by: Mary LeBret	Date: 1/15/08 Time: 10:55a
Relinquished by:	Date:	Time:	Received By: (Laboratory Staff)	Date: Time:
Delivered By: (Circle One) Sampler - UPS - Bus - Other:	Sample Condition: Cool: Yes / No; Intact: Yes / No		CHECKED BY: (Initials) MCAB	

Phone Results		Yes		No	
Fax Results		Yes		No	Additional Fax Number:

REMARKS:

Email Results to: kpope@riceswd.com
lweinheimer@riceswd.com
rozanne@valornet.com

CARDINAL LABORATORIES

PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
RICE OPERATING COMPANY
ATTN: KRISTIN FARRIS-POPE
122 W. TAYLOR DTREET
HOBBS, NM 88240
FAX TO: (575) 397-1471

Receiving Date: 11/15/07
Reporting Date: 11/16/07
Project Number: NOT GIVEN
Project Name: BD P-26-1 VENT
Project Location: T22S R37E SEC26 P ~ LEA COUNTY, NM

Sampling Date: 11/12/07
Sample Type: GROUNDWATER
Sample Condition: COOL & INTACT
Sample Received By: SB
Analyzed By: BC

LAB NO. SAMPLE ID	BENZENE (mg/L)	TOLUENE (mg/L)	ETHYL BENZENE (mg/L)	TOTAL XYLENES (mg/L)
ANALYSIS DATE	11/15/07	11/15/07	11/15/07	11/15/07
H13717-1 MONITOR WELL #1	<0.002	<0.002	<0.002	<0.006
Quality Control	0.101	0.096	0.099	0.298
True Value QC	0.100	0.100	0.100	0.300
% Recovery	101	95.9	98.6	99.2
Relative Percent Difference	8.6	2.9	2.3	2.4

METHOD: EPA SW-846 8260

Chemist

11/16/07
Date

H13717 B RICE