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Hobbs

REPORTS

DATE:

3-31-08

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

CERTIFIED MAIL
RETURN RECEIPT NO. 7007 0220 0001 1736 0787

March 31, 2008

Mr. Wayne Price
New Mexico Energy, Minerals, & Natural Resources
Oil Conservation Division, Environmental Bureau
1220 S. St. Francis Drive
Santa Fe, New Mexico 87504

RE: JUNCTION BOX UPGRADE REPORT for 2007
HOBBS SWD SYSTEM
Lea County, New Mexico

Mr. Price:

Rice Operating Company (ROC) takes this opportunity to submit the Junction Box Upgrade results for the year 2007. Enclosed is a list of the completed junction boxes and their respective closure/disclosure dates. These boxes are located in the Hobbs Salt Water Disposal (SWD) System.

ROC completed 7 junction box sites in 2007. Hobbs System Partners have decided to abandon the Hobbs SWD System. In 2008, junction boxes will continue to be evaluated with the objective of abandonment of the System.

Enclosed are the 2007 results (6 sites evaluated) from the PID/BTEX study described in the NMOCD-approved Revised Junction Box Upgrade Work Plan (July 16, 2003). This comparison study is ongoing and data will continue to be collected in 2008. From the data collected thus far, no definitive conclusions can be drawn from the composite methods analyzed.

ROC is the service provider (agent) for the Hobbs SWD System and has no ownership of any portion of the pipeline, well, or facility. The System is owned by a consortium of oil producers, System Partners, who provide all operating capital on a percentage ownership/usage basis.

Upgrade/closure projects of this magnitude require System Partner AFE approval and work begins as funds are received. The Hobbs SWD System has been abandoned.

Thank you for your consideration of this Junction Box Upgrade Report for 2007.

RICE OPERATING COMPANY

Kristin Farris Pope

Kristin Farris Pope
Project Scientist

enclosures as stated

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

2007 BTEX Study

Revised Junction Box Upgrade Plan (2003)

System: BD
Site: jct. G-3-1
Date: 6/7/2007
Sampler: Noel Carmona
Laboratory: Cardinal Laboratories

Location	Component	PID reading (ppm)	FIELD COMPOSITE (mg/kg)			
			Benzene	Toluene	Ethyl Benzene	Total Xylenes
bottom composite at 16 ft BGS	1	150	<0.005	0.005	0.023	0.204
	2	212				
	3	484				
	4	200				
	5	183				
			LAB COMPOSITE (mg/kg)			
			<0.005	<0.005	<0.005	0.016

Field PID tests <100 ppm are considered final for BTEX. If PID is >100 ppm, the components of the BTEX composite sample will be collected individually and will be composited under laboratory conditions to prevent excessive volatilization. A 15-box, 30-sample study will be made to compare field-compositing with lab-compositing BTEX samples. Composite components are collected in a skewed 'W' pattern.

2007 BTEX Study

Revised Junction Box Upgrade Plan (2003)

System: Vacuum
Site: F-33 boot
Date: 10/2/2007
Sampler: Roy Rascon
Laboratory: Cardinal Laboratories

Location	Component	PID reading (ppm)	FIELD COMPOSITE (mg/kg)			
			Benzene	Toluene	Ethyl Benzene	Total Xylenes
bottom composite at 12 ft BGS	5 sample points	355	0.012	0.103	0.096	0.527
			LAB COMPOSITE (mg/kg)			
excavation dimesions 30 x 30 x 12 ft			0.025	0.189	0.076	0.589
			FIELD COMPOSITE (mg/kg)			
4-wall composite	20 sample points	235	<0.025	0.128	0.624	1.85
			LAB COMPOSITE (mg/kg)			
			<0.025	0.075	0.922	2.83

Field PID tests <100 ppm are considered final for BTEX. If PID is >100 ppm, the components of the BTEX composite sample will be collected individually and will be composited under laboratory conditions to prevent excessive volatilization. A 15-box, 30-sample study will be made to compare field-compositing with lab-compositing BTEX samples. Composite components are collected in a skewed 'W' pattern.

2007 BTEX Study

Revised Junction Box Upgrade Plan (2003)

System: BD
Site: N-32 vent
Date: 10/11/2007
Sampler: L. Bruce Baker
Laboratory: Cardinal Laboratories

Location	Component	PID reading (ppm)	FIELD COMPOSITE (mg/kg)			
			Benzene	Toluene	Ethyl Benzene	Total Xylenes
4-WALL COMPOSITE from 30 x 30 x 12 ft	NORTH wall	106	<0.001	<0.001	0.011	0.010
	SOUTH wall					
	EAST wall					
	WEST wall					
			LAB COMPOSITE (mg/kg)			
			<0.001	<0.001	<0.001	<0.003

Field PID tests <100 ppm are considered final for BTEX. If PID is >100 ppm, the components of the BTEX composite sample will be collected individually and will be composited under laboratory conditions to prevent excessive volatilization. A 15-box, 30-sample study will be made to compare field-compositing with lab-compositing BTEX samples. Composite components are collected in a skewed 'W' pattern.

2007 BTEX Study

Revised Junction Box Upgrade Plan (2003)

System: Vacuum
Site: C-33 boot
Date: 9/13/2007
Sampler: Roy Rascon
Laboratory: Cardinal Laboratories

Location	Component	PID reading (ppm)	FIELD COMPOSITE (mg/kg)			
			Benzene	Toluene	Ethyl Benzene	Total Xylenes
bottom composite at 12 ft BGS	5 sample points	353	0.007	0.022	0.040	0.337
			LAB COMPOSITE (mg/kg)			
excavation dimesions 30 x 30 x 12 ft			0.005	0.017	0.043	0.280

Field PID tests <100 ppm are considered final for BTEX. If PID is >100 ppm, the components of the BTEX composite sample will be collected individually and will be composited under laboratory conditions to prevent excessive volatilization. A 15-box, 30-sample study will be made to compare field-compositing with lab-compositing BTEX samples. Composite components are collected in a skewed 'W' pattern.

2007 BTEX Study

Revised Junction Box Upgrade Plan (2003)

System: BD
Site: F-23 vent (2 boxes)
Date: 2/8/2007
Sampler: Noel Carmona
Laboratory: Cardinal Laboratories

Location	Component	PID reading (ppm)	FIELD COMPOSITE (mg/kg)			
			Benzene	Toluene	Ethyl Benzene	Total Xylenes
bottom composite at 12 ft BGS	5 sample points	122	<0.005	<0.005	0.024	0.036
			LAB COMPOSITE (mg/kg)			
excavation dimesions 25 x 25 x 12 ft			<0.005	0.027	0.326	0.546

Field PID tests <100 ppm are considered final for BTEX. If PID is >100 ppm, the components of the BTEX composite sample will be collected individually and will be composited under laboratory conditions to prevent excessive volatilization. A 15-box, 30-sample study will be made to compare field-compositing with lab-compositing BTEX samples. Composite components are collected in a skewed 'W' pattern.

Revised Junction Box Upgrade Work Plan (July 16, 2003)

2007 BTEX Study

Revised Junction Box Upgrade Plan (2003)

System: EME
Site: jct. B-7
Date: 9/12/2007
Sampler: L. Bruce Baker
Laboratory: Cardinal Laboratories

Location	Component	PID reading (ppm)	FIELD COMPOSITE (mg/kg)			
			Benzene	Toluene	Ethyl Benzene	Total Xylenes
bottom composite at 12 ft BGS	5 sample points	1444	<0.002	<0.002	<0.002	<0.006
			LAB COMPOSITE (mg/kg)			
excavation dimesions 30 x 30 x 12 ft			<0.002	<0.002	<0.002	0.017

Field PID tests <100 ppm are considered final for BTEX. If PID is >100 ppm, the components of the BTEX composite sample will be collected individually and will be composited under laboratory conditions to prevent excessive volatilization. A 15-box, 30-sample study will be made to compare field-compositing with lab-compositing BTEX samples. Composite components are collected in a skewed 'W' pattern.

Revised Junction Box Upgrade Work Plan (July 16, 2003)

Hobbs - 1R428

RICE *Operating* Company
Hobbs SWD System Junction Box Upgrade Project
2007 Completed Boxes

		Legal Description							
	Junction Box Name	Unit	Sec	T	R	Completion Date	OCD Assessment Score	Report Status	
1	Jct E-32-2	E	32	18S	38E	5/4/2006	10	Closure	-66
2	I-29 EOL	I	29	18S	38E	9/14/2006	10	Closure	-42
3	O-29 Vent	O	29	18S	38E	8/22/2007	10	Closure	-43
4	F-29-1b Boot	F	29	18S	38E	8/20/2007	10	Closure	-45
5	I-29 Vent	I	29	18S	38E	8/20/2007	10	Closure	-41
6	Jct E-32-1	E	32	18S	38E	8/20/2007	20	Closure	-65
7	F-33 Vent	F	33	18S	38E	8/29/2007	10	Closure	-58