1R - 427-15

Annual GW Mon. REPORTS

DATE:

2008

L. Peter Galusky, Jr. Ph.D., P.G.

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December 31st, 2009

Mr. Edward Hansen
Oil Conservation Division, Environmental Bureau
1220 S. St. Francis Drive
Santa Fe, New Mexico 87504

RE: **Annual Report and Remediation Termination Request**
NMOCD Case No. 1R427-15
Rice Operating Company EME State H EOL - Unit E Sec 17 T 20S R 37E

Sent via E-mail and U.S. Certified Mail: No. 7007 0710 0003 0305 3798

Dear Mr. Hansen:

This letter summarizes progress made by Rice Operating Company (ROC) over the past calendar year pursuant to the NMOCD approved Monitoring Plan for this site. In brief, groundwater chloride concentrations in the near-source monitoring well (MW-1) have held between 700 and 820 ppm over the past two years (Figure 2). Given the location of this site within a known regionally impacted area it now appears certain that the moderately elevated chloride levels at this location are an artifact of its regional setting (Figure 3).

Protection of the underlying groundwater is ensured as ROC installed a compacted clay barrier upon removal of the former junction box, as described in the NMOCD approved Investigation and Characterization Plan of May 1st, 2007 (Figure 4). Modeling of vadose zone chloride movement and potential impact on groundwater was described in the Investigation Characterization Report and Monitoring Plan of March 20th, 2008. Very briefly, and not taking into account the presence of the clay barrier, the model anticipated a maximum elevation in groundwater chlorides immediately beneath the former junction box on the order of 350 ppm ... and this would only last for a few years. Had we configured the model to include the effects of the clay barrier the projected increase in groundwater chlorides would have been negligible.

We therefore respectfully request that this project be granted "remediation termination" status.

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

Please do not hesitate to contact either myself or Rice Operating Company if you have any questions or need additional information.

Sincerely,

L. Peter Galusky, Jr. Ph.D.

Copy: *Rice Operating Company*

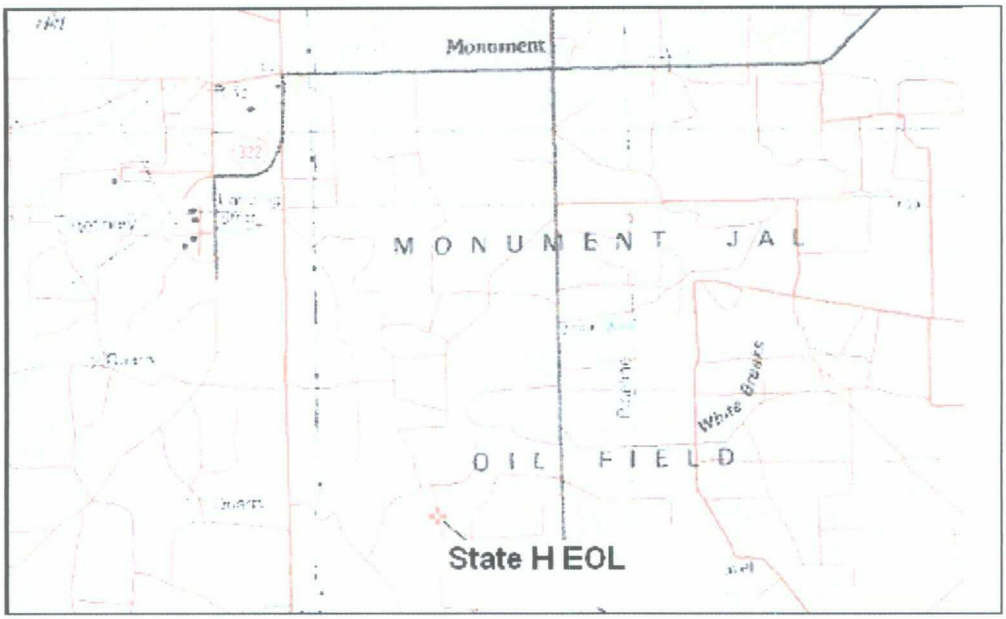

Figure 1 – Location map.

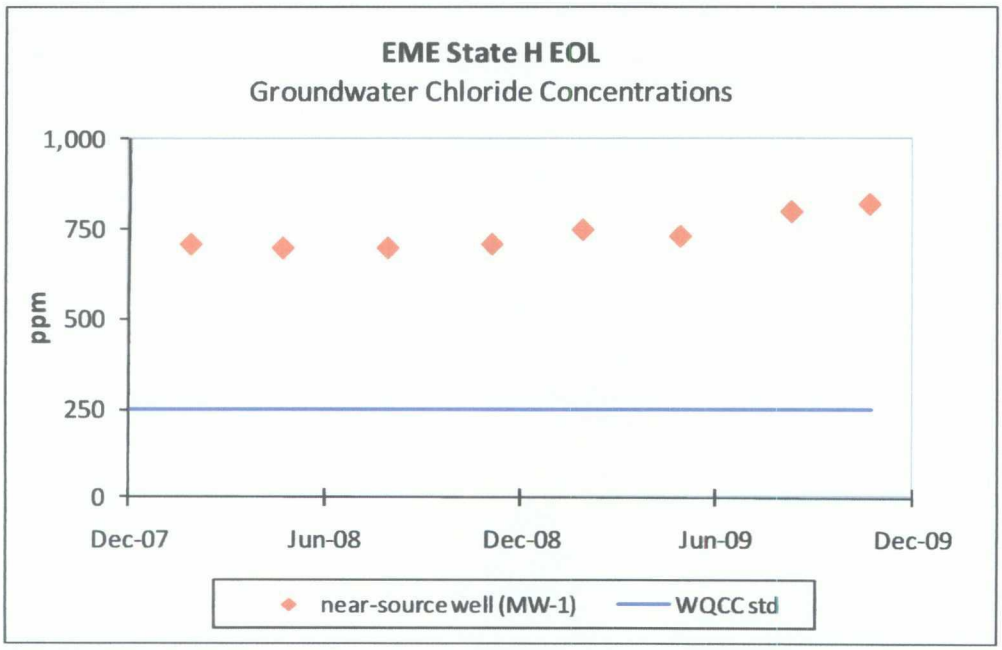

Figure 2 – Groundwater chloride concentrations from a near-source monitor well (MW-1) located approximately 35ft southeast of the former junction box.

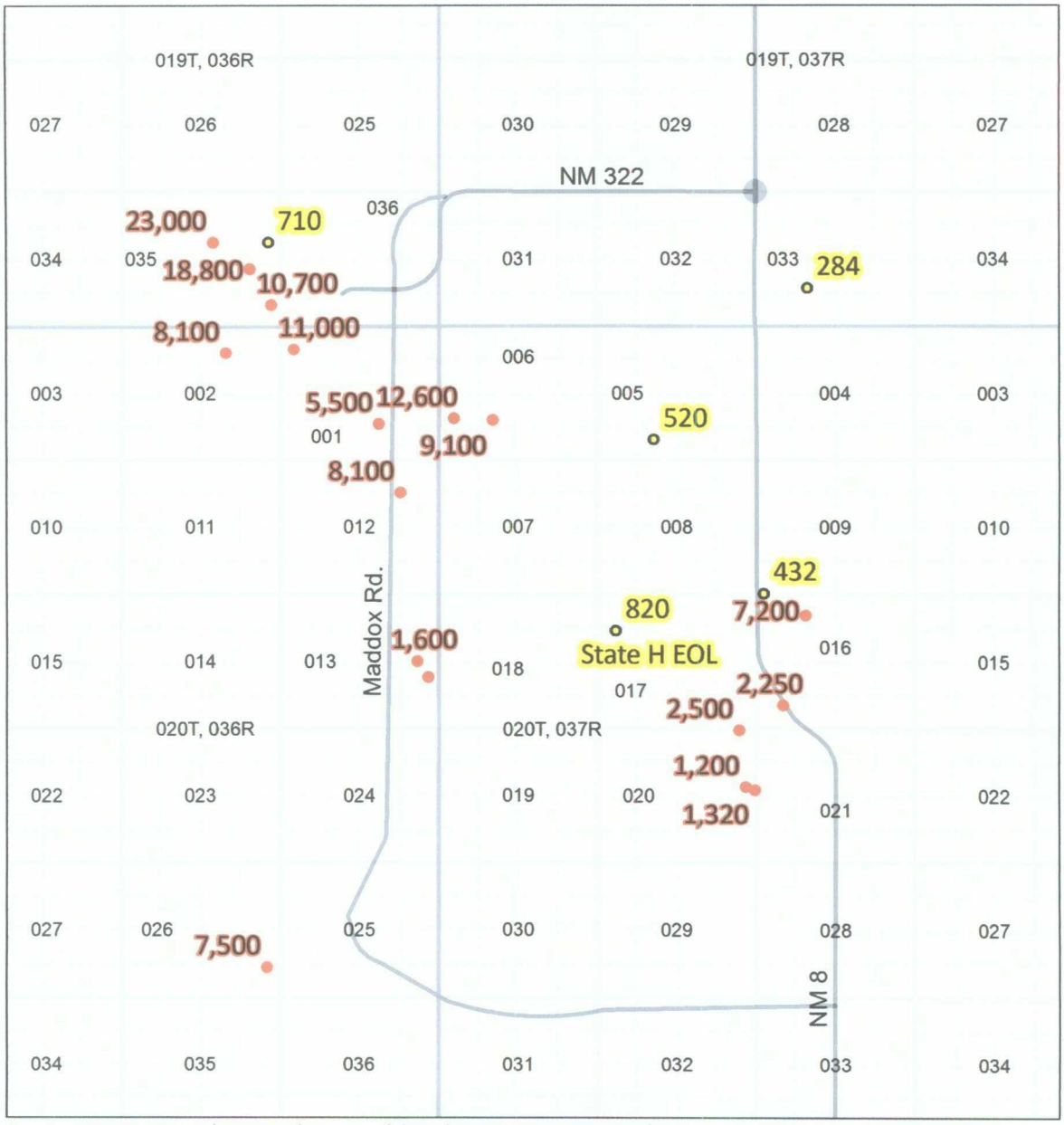

Figure 3 – Regional groundwater chloride concentrations (in ppm) within the EME field from "up-gradient" monitor wells for various open NMOCD projects. Red font indicates groundwater chloride concentrations greater than 1,000 ppm. The EME State H EOL site is located near the center of the map in Section 017.

Figure 4 – Installation and compaction of subsurface clay barrier at EME State H EOL.