

1R - 428-0

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REPORTS

DATE:

2009

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# **RICE** Operating Company

122 West Taylor • Hobbs, New Mexico 88240  
Phone: (575) 393-9174 • Fax: (575) 397-1471

**CERTIFIED MAIL**  
**RETURN RECEIPT NO. 7008 1140 0001 3072 4567**

April 1, 2010

RECEIVED  
APR - 6 2010  
Environmental Bureau  
Oil Conservation Division

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

RE: JUNCTION BOX UPGRADE REPORT for 2009  
HOBBS SWD SYSTEM  
Lea County, New Mexico

Mr. Hansen:

Rice Operating Company (ROC) takes this opportunity to submit the Junction Box Upgrade results for the year 2009. Enclosed is a list of the completed junction boxes and their respective closure dates. These boxes are located in the Hobbs Salt Water Disposal (SWD) System.

Hobbs System Parties have decided to abandon the Hobbs SWD System. ROC completed 8 junction box sites in 2009. In 2010, the remaining junction boxes will continue to be evaluated and monitored with the objective of abandonment of the system.

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 Parties, who provide all operating capital on a percentage ownership/usage basis. Upgrade/closure projects of this magnitude require System Party 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 2009.

RICE OPERATING COMPANY

A handwritten signature in black ink, appearing to read "H. Conder", written in a cursive style.

Hack Conder  
Environmental Manager

enclosures as stated

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

**Rice Operating Company  
Hobbs SWD System Junction Box Upgrade Project  
2009 Completed Boxes**

		Legal Description						
	Jct Box Name	Unit	Sec	T	R	Completion Date	Report Status	Case Number
1	N-4 Vent	N	4	19	38	1/7/2009	Closure	1R-428-68
2	O-29-1 Vent	O	29	18	38	9/15/2009	Closure	1R-428-52
3	E-29 Vent	E	29	18	38	9/15/2009	Closure	1R-428-49
4	B-32 Boot	B	32	18	38	9/21/2009	Closure	1R-428-57
5	P-29 Vent	P	29	18	38	9/21/2009	Closure	1R-428-53
6	Jct L-30	L	30	18	38	9/21/2009	Closure	1R-428-64
7	Jct E-33-2	E	33	18	38	9/21/2009	Closure	1R-428-75
8	F-25 EOL	F	25	18	37	9/21/2009	Closure	1R-428-47

## Junction Box Upgrade Program Closure/Disclosure Submissions for 2009

Updated 4-1-10

BD	Closures	Disclosures
Closure	29	
Disclosure	11	11
<b>EME</b>		
Closure	31	
Disclosure	4	4
<b>Vacuum</b>		
Closure	10	
Disclosure	10	10
<b>Justis</b>		
Closure	1	
Disclosure	3	3
<b>Hobbs</b>		
Closure	8	
Disclosure	0	0
<b>Total</b>	<b>107</b>	<b>28</b>