

District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S St Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED

Form C-141
Revised October 10, 2003

JUN 28 2010

HOBBSOCD

Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report (IRP-2550)

Name of Company RICE Operating Company	Contact Hack Conder
Address 122 W. Taylor St., Hobbs, NM 88240	Telephone No. (575) 393-9174
Facility Name F-17-2	Facility Type Salt Water Gathering System

Surface Owner: State	Mineral Owner:	API No. 30-025-38528
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
F	17	22S	37E					LEA

Latitude: 32°23'35.431" Longitude: 103°11'13.952" (NAD 83)

WTR 75'

NATURE OF RELEASE

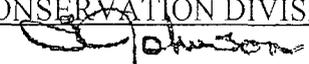
Type of Release: PRODUCED WATER	Volume of Release: 60	Volume Recovered: 50
Source of Release: Junction Box	Date and Hour of Occurrence 6/4/2010	Date and Hour of Discovery 6/4/2010 12:00 PM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Larry Johnson, NMOCD	
By Whom? Hack Conder	Date and Hour 6/4/2010	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
A connection failure in the F-17-2 junction box caused the box to fill and overflow. A vacuum truck was dispatched immediately to remove and properly dispose of the released water. The connection was permanently repaired.

Describe Area Affected and Cleanup Action Taken.*
Approximately 13,811 sq ft of access road was affected. The affected area was scrapped approximately 6 inches and 36 yards of soil was properly disposed of at the NMOCD approved facility Sundance. A surface composite after scrapping at 6" was collected and field tested for chlorides. Laboratory analysis of the composite samples yielded a concentration of 640 mg/kg on the east side and 624 mg/kg on the west side. Each point was sampled with depth until the chloride concentration decreased. Each sample point cleaned up within 2.5 feet or less. An additional 1 ft of soil was scrapped from the area surrounding Point 7 and 12 yards of contaminated soil were disposed of at the NMOCD approved facility Sundance.

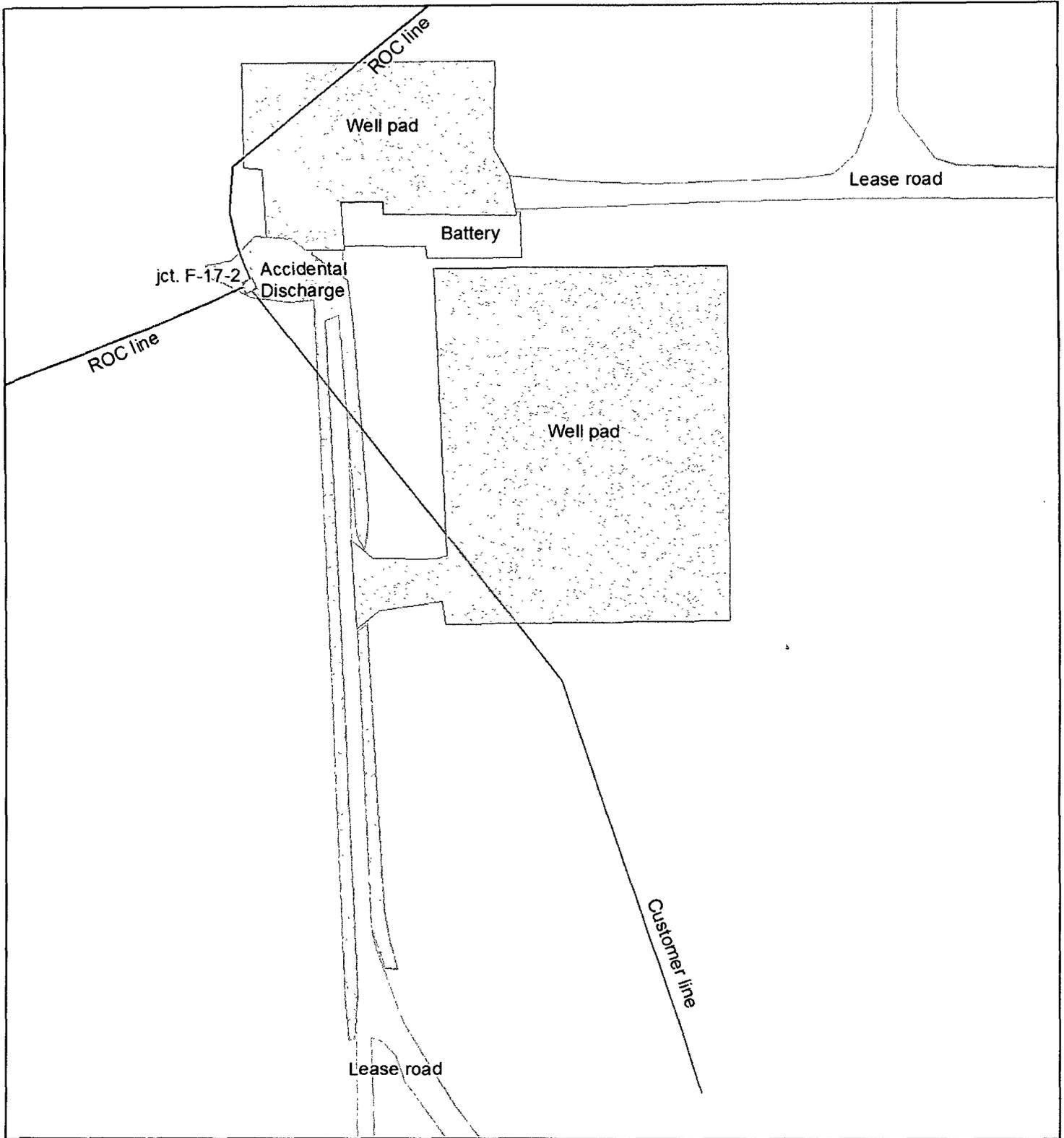
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: 	OIL CONSERVATION DIVISION	
Printed Name: Hack Conder	 ENVIRONMENTAL ENGINEER	
Title Environmental Manager	Approval Date: 6-29-10	Expiration Date: —
E-mail Address: hconder@riceswd.com	Conditions of Approval.	
Date: 6/25/2010 Phone: (575) 393-9174	Attached <input type="checkbox"/> IRP# 2550	

* Attach Additional Sheets If Necessary

PLWJ 1018032800

FINAL

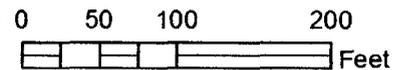


BD JCT F-17-2
Accidental Discharge

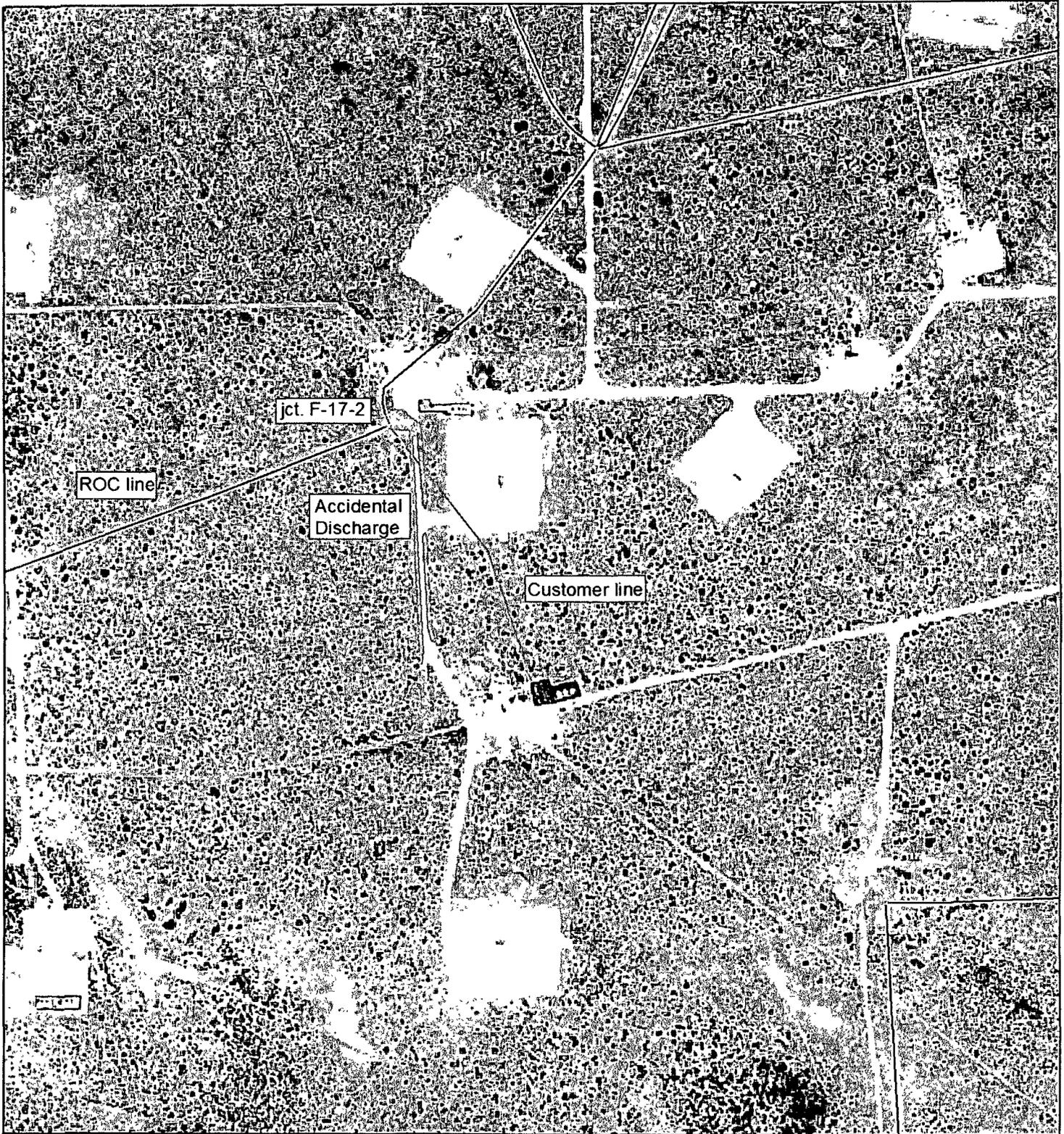
1RP-2550

Legals: UL/F SEC 17
T-22-S R-37-E

FIGURE 1



Drawing date: 6/18/10
 Drafted by: Lara Weinheimer

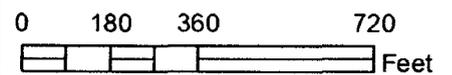


BD JCT F-17-2
Accidental Discharge

1RP-2550

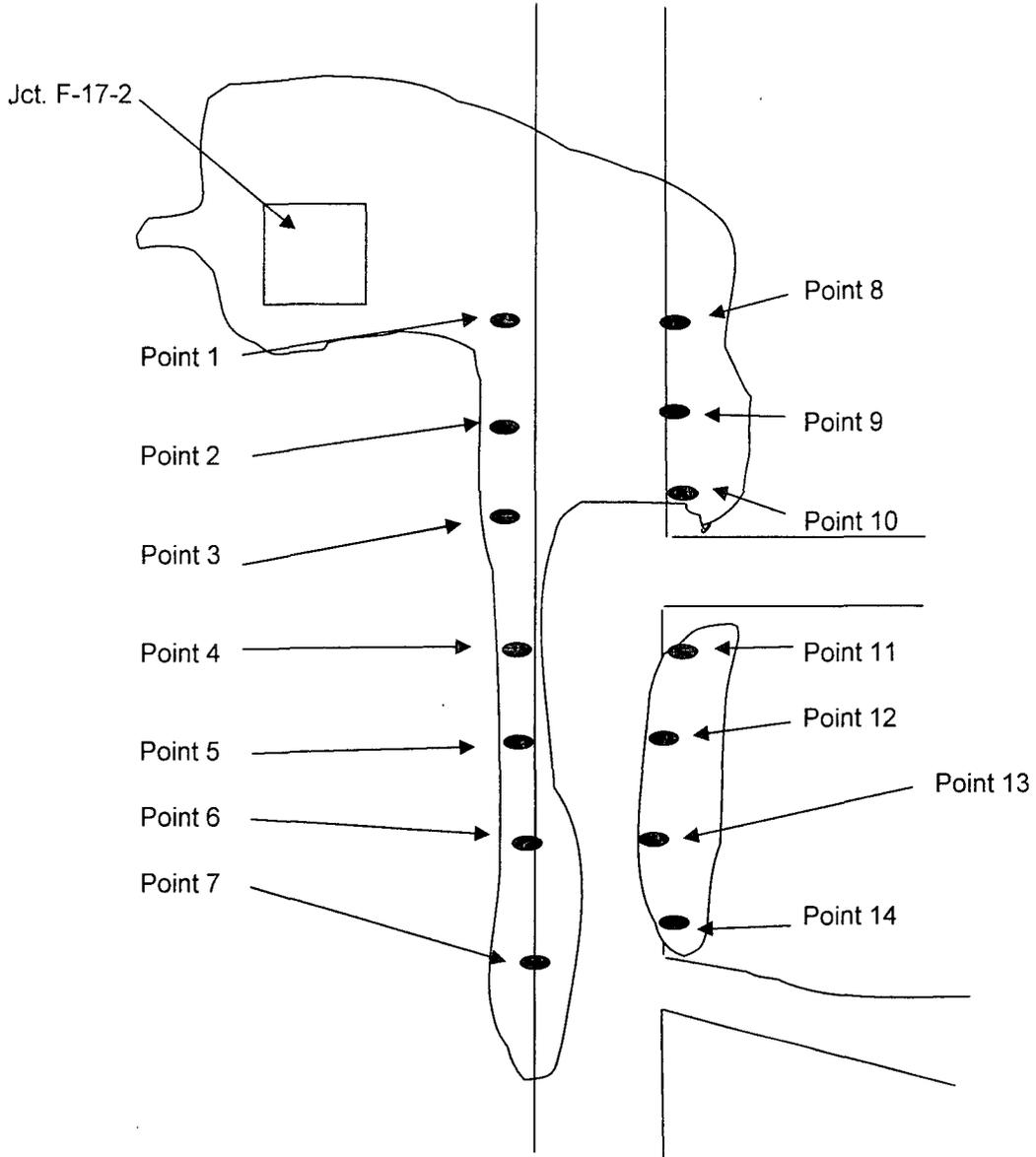
Legals: UL/F SEC 17
T-22-S R-37-E

FIGURE 1



Drawing date: 6/18/10
 Drafted by: Lara Weinheimer

BD Jct. F-17-2 Accidental Discharge 22/37 sample points
Case # 1RP-2550



Surface Composite after scraping at 6"	Chloride	Lab	PID
East Side Composite	562	640	0.5
West Side Composite	580	624	1.5

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240 2111 Beechwood, Abilene, TX 79603
 (505) 393-2326 FAX (505) 393-2476 (325) 673-7001 FAX (325)673-7020

Company Name: <u>Rice Operating Company</u>		BILL TO		ANALYSIS REQUEST										
Project Manager: <u>Bruce Baker</u>		P.O. #:												
Address: <u>122 W. Taylor</u>		Company:												
City: <u>Hobbs</u> State: <u>NM</u> Zip: <u>88240</u>		Attn:												
Phone #: <u>575-393-9174</u> Fax #: <u>575-391-1471</u>		Address:												
Project #: _____ Project Owner: _____		City:												
Project Name: <u>BD 501 E-17-2 22/37</u>		State: _____ Zip: _____												
Project Location: _____		Phone #:												
Sampler Name: <u>Gerardo Martinez</u>		Fax #:												
FOR LAB USE ONLY														
Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP	# CONTAINERS	MATRIX					PRESERV.		SAMPLING		C.L.	TPH 8015M
				GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER :	ACID/BASE:	ICE / COOL	OTHER :		
<u>H20009-1</u>	<u>comp @ 6" west</u>	<u>C</u>	<u>1</u>		<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		<u>6-08-10</u>	<u>9:07</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

PLEASE NOTE: Liability and Damages: Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analyses. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Relinquished By: <u>Gerardo</u>	Date: _____	Received By: _____	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #: _____
	Time: _____		Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #: _____
Relinquished By: _____	Date: <u>6/8/10</u>	Received By: <u>Jodi Benson</u>	REMARKS: <u>E-Mail Results To:</u>	
	Time: <u>3:05</u>		<u>K Jones @ RiceSWM.COM</u>	
Delivered By: (Circle One)		Sample Condition	<u>B Baker " " "</u>	
<input checked="" type="checkbox"/> UPS - <input type="checkbox"/> Bus - <input type="checkbox"/> Other:		Cool <input checked="" type="checkbox"/> Intact <input checked="" type="checkbox"/>	<u>R Egans " " "</u>	
		<input type="checkbox"/> Yes <input type="checkbox"/> No	CHECKED BY: <u>[Signature]</u>	

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476

#26

Accidental Discharge BD Jct. F-17-2 (1RP-2550)



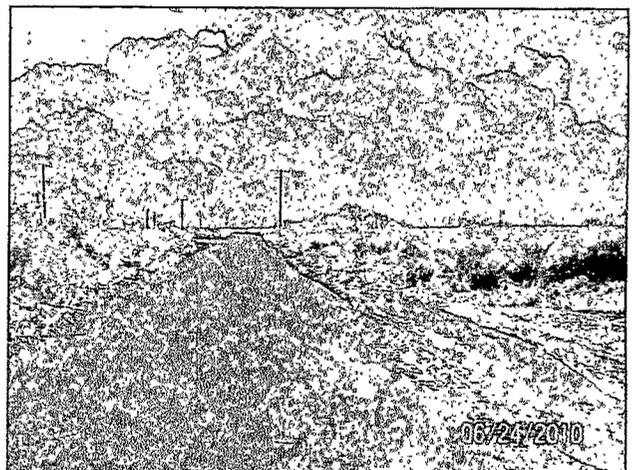
scrapping the accidental discharge area, facing south



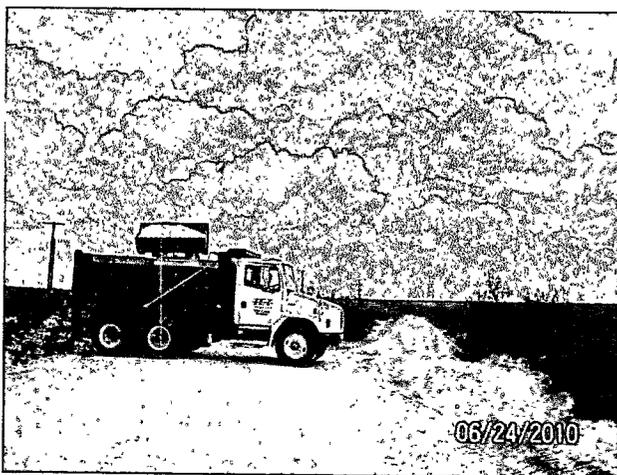
staked sample points, facing south 6/8/2010



scrapping the area around sample point 7, facing southwest



site complete, facing south



hauling off scrapped soil

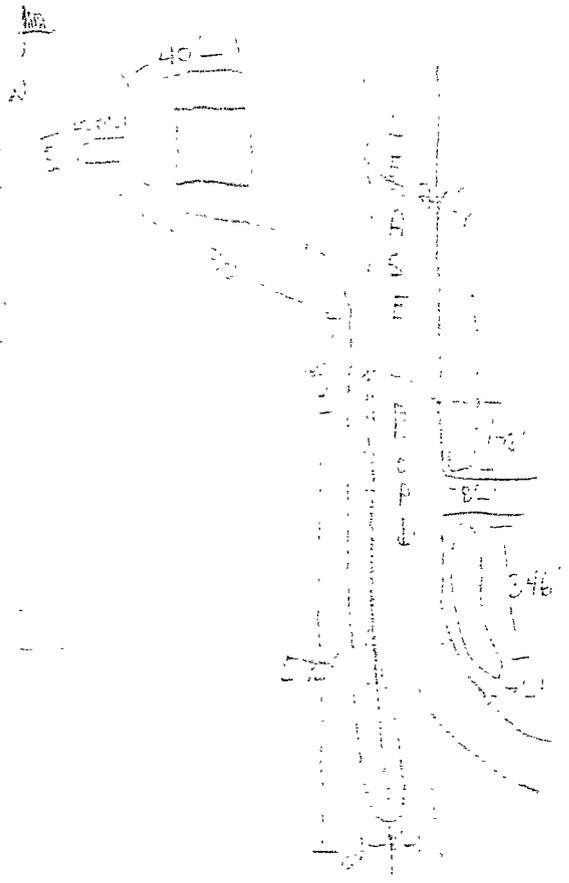
18:00 AM
Noel

10:44
Range

SD 1000 10-17-8 2415-

CL 23000 11M

ASK 1104



23 11 74

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JUN 08 2010
HOBBSSUCD

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CHLORIDE 23,800 ug/L

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Signature: 	OIL CONSERVATION DIVISION	
Printed Name: Hack Conder	 Approved by District ENVIRONMENTAL ENGINEER	
Title: Environmental Manager	Approval Date: 6.8.10	Expiration Date: 8.9.10
E-mail Address: hconder@riceswd.com	Conditions of Approval: <input checked="" type="checkbox"/> Attached <input type="checkbox"/>	
Date: 6/7/2010 Phone: (575) 393-9174	SUBMIT FINAL C-141 w/DOCS BY RP# 10.6.2550	

* Attach Additional Sheets If Necessary