

1R - 426-37

REPORTS

DATE:

1/09/2003

RICE *Operating Company*

122 West Taylor • Hobbs, New Mexico 88240

Phone: (505) 393-9174 • Fax: (505) 397-1471

CERTIFIED MAIL RETURN RECEIPT NO. 7002 0510 0000 9384 5761

January 9, 2003

Mr. Wayne Price
NM Energy, Minerals, and Natural Resources Department
Oil Conservation Division, Environmental Bureau
1220 S. St. Francis Drive
Santa Fe, NM 87504

**RE: Junction Box N-29 Upgrade
 Unit Letter N, Section 29 of T21S, R37E
 Blinebry Drinkard Salt Water Disposal System
 Lea County, New Mexico**

Dear Mr. Price:

Enclosed please find a copy of the Junction Box N-29 Disclosure Report. Rice Operating Company (ROC) will also submit this information to the NMOCD as one of the sites included in the Blinebry Drinkard (BD) SWD System Junction Box Annual Report. The Annual Report consists of Closure Reports and Disclosure Reports detailing the environmental work conducted at each junction box upgrade site during the year. The "Generic Work Plan for Junction Box Upgrade Project," approved by the NMOCD on July 24, 2000, details the work plan.

The Junction Box N-29 site impact parameters are being disclosed to the NMOCD in anticipation of further necessary remedial work. The delineation efforts revealed that salt has impacted the vadose zone from the ground surface to the groundwater interface (90' BGS) and that TPH impact was probably arrested before reaching the groundwater interface. Salt and TPH testing was conducted in the field with confirmation at a certified laboratory of selected samples. ROC retained the consulting firm of Arcadis G&M to participate in the boring delineation and field testing. Mr. Leo Sims, representing the landowner Tom Kennann, was also present during the boring operation and at various other points of the site work.

ROC has not yet conducted groundwater investigation. It is the intention of ROC to install a monitor well at or near the impact site that will enable the confirmation of groundwater quality. However, production drilling activity at the site has rendered the monitor well installation impractical at this time. ROC will schedule the well boring when the drilling rig has moved and site traffic is conducive to further delineation work.

The backfill completion was of great concern to the oil lease-holder, as the drilling rig was scheduled to rig-up. ROC installed a compacted clay layer at the bottom of the excavation area and backfilled with blended/remediated soils. (Soils from the excavation were blended and landfarmed on-site in order to remediate the TPH levels to NMOCD guideline of <1000 ppm and to blend the salt impact to a concentration that will support re-vegetation of the surface.) Details of the excavation and backfill are documented in the enclosed disclosure report.

A representative of OSHA visited the site to inspect the safety and design of the excavation. The OSHA representative found the site to be satisfactory and responded to that effect in writing to the excavation contractor, ED Walton Construction Company, Inc.

ROC is the service provider (operator) for the BD SWD System and has no ownership of any portion of pipeline, junction box, well or facility. The BD SWD System is owned by a consortium of oil producers, System Partners, who provide all investment and operating capital on a percentage ownership/usage basis. This environmental work is part of the 10-year Junction Box Upgrade Project and requires annual System Partner AFE approval.

Rice Operating Company appreciates your consideration in this matter and as always, should you have any questions or concerns, please don't hesitate to call.

Sincerely,

RICE OPERATING COMPANY

Carolyn Doran Haynes
Engineering Manager

Enclosures

Cc: LBG, SC, file,

Mr. Chris Williams
OCD Hobbs District Office
1625 French Drive
Hobbs, NM 88240

**RICE OPERATING COMPANY
JUNCTION BOX DISCLOSURE FORM**

BOX LOCATION

SWD SYSTEM	JUNCTION	UNIT	SECTION	TOWNSHIP	RANGE	COUNTY	BOX DIMENSIONS - FEET		
							Length	Width	Depth
BD	N-29	N	29	21S	37E	LEA	no box		

LAND TYPE: BLM _____ STATE _____ FEE LANDOWNER _____ TOM KENNAAN _____ OTHER _____

Depth to Groundwater _____ 90 _____ feet NMOCD SITE ASSESSMENT RANKING SCORE: _____ 10 _____

Date Started _____ 10/7/2002 _____ Date Completed _____ 12/27/2002 _____ OCD Witness _____ YES _____

Soil Excavated _____ 4000 _____ cubic yards Excavation Length _____ 165 _____ Width _____ 60 _____ Depth _____ 18* _____ feet

Soil Disposed _____ 84 _____ cubic yards Offsite Facility _____ Sundance _____ Location _____ Eunice, New Mexico _____

FINAL ANALYTICAL RESULTS: Sample Date _____ 12/30/2002 _____ Sample Depth _____ 20' _____

Procure 5-point composite sample of bottom and 4-point composite sample of sidewalls. TPH, BTEX and Chloride laboratory test results completed by using an approved lab and testing procedures pursuant to NMOCD guidelines.

Sample Location	Benzene mg/kg	Toluene mg/kg	Ethyl Benzene mg/kg	Total Xylenes mg/kg	GRO mg/kg	DRO mg/kg	Chlorides mg/kg
SIDEWALLS	<0.025	<0.025	<0.025	<0.025	<10	<10	5140
BOTTOM	<0.025	<0.025	<0.025	<0.025	<10	<10	478

General Description of Remedial Action: Delineation of this site found high TPH

TPH/CHLORIDE FIELD TESTS

and chloride impact under the junction box site to 40' bgs. Results from a soil boring under the box site indicated the TPH stopped before reaching groundwater but the chlorides continue to groundwater. In order to place the boring machine close to the impact, the excavation was backfilled to 20'bgs with clean soil. A compacted clay liner was installed and compaction tested. The excavation was backfilled with soil remediated on-site and contoured to the surrounding terrain. The backfill was packed in 5' lifts and a composite sample was taken from each lift and analyzed by a certified lab. A monitor well will be installed and sampled to monitor the ground water constituents. An annual report with the sampling results will be sent to the NMOCD. The site will be restored to vegetation and a water proof junction box will be installed north of the remediated area.

* A 15' x 15' area was excavated to 40' bgs (see enclosed figures)

LOCATION	Depth	TPH	mg/kg
SIDEWALLS	17'	N/A	4889
BOTTOM	20'	N/A	599
Remediated Soil	comp	211	1080
Surface	0'	N/A	487
15' Lift	5'	192	762
10' Lift	10'	206	886
5' Lift	15'	341	993

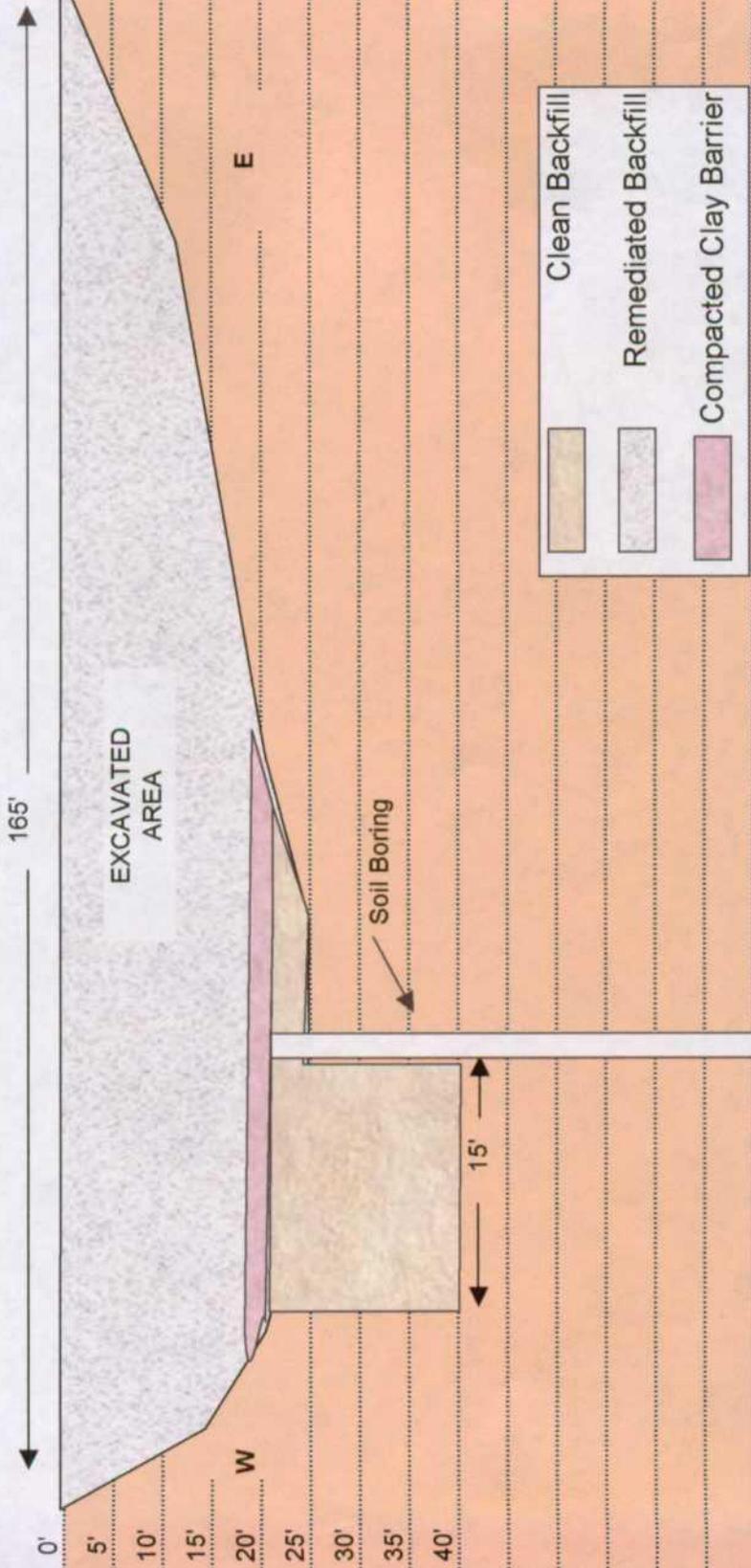
I HEREBY CERTIFY THAT THE INFORMATION ABOVE IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF.

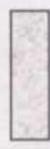
DATE _____ January 2, 2003 _____ PRINTED NAME _____ D. E. Anderson _____

SIGNATURE _____ TITLE _____ Project Leader - Environmental _____

DRILLING LOG		Site Name/Location				Logged by: A.Eades	
RICE Operating Company 122 West Taylor Hobbs, New Mexico 88240 Phone: (505) 393-9174 Fax: (505) 397-1471		Jct N-29 29-T21S-R37E BD SWD System Lea County, NM		Well No. MW1	Date Drilled: 11/22/02	Driller: Eades	Construction: Backfill with bentonite and cuttings.
				Well Depth: 90'	Boring Depth: 53'	Well Material:	
				Casing Length:	Boring Diameter: 4.75"	Casing Size:	
				Screen Length:	Drilling Method: Air Rotary	Slot Size: N/A	
TEST							
DEPTH	SUBSURFACE LITHOLOGY	SAMPLE TYPE	Chlorides (ppm) Field	mg/kg Lab	TPH	Boring	
0	Ground surface						
	Topsoil						
	Caliche						
10						excavation	
20	<u>BORING RIG PLACEMENT</u>						<u>Boring Start</u>
						Soil Boring PID	Clean Backfill
30	tan sand w/caliche	Grab		142	<10	361	
		Grab		5000	<10	366	
40	moist	Grab	3626	4160	<10	245	Cuttings
	brown sand	Grab			<10	148	
50		Grab	3245	3630	<10	139	
	sand w/caliche rocks	Grab			47	320	
60		Grab	2696	3190	12	223	
	brown sand	Grab			<10	137	
70		Grab	2899	3010	12	61	Bentonite
		Grab			19	181	
80	sandstone	Grab	3899	4430	21	92	
	sand & sandstone	Grab	3234	3460	<10	127	
90	sand - wet	Grab	570	576	<10	2	

PROFILE VIEW OF IMPACT AREA



	Clean Backfill
	Remediated Backfill
	Compacted Clay Barrier

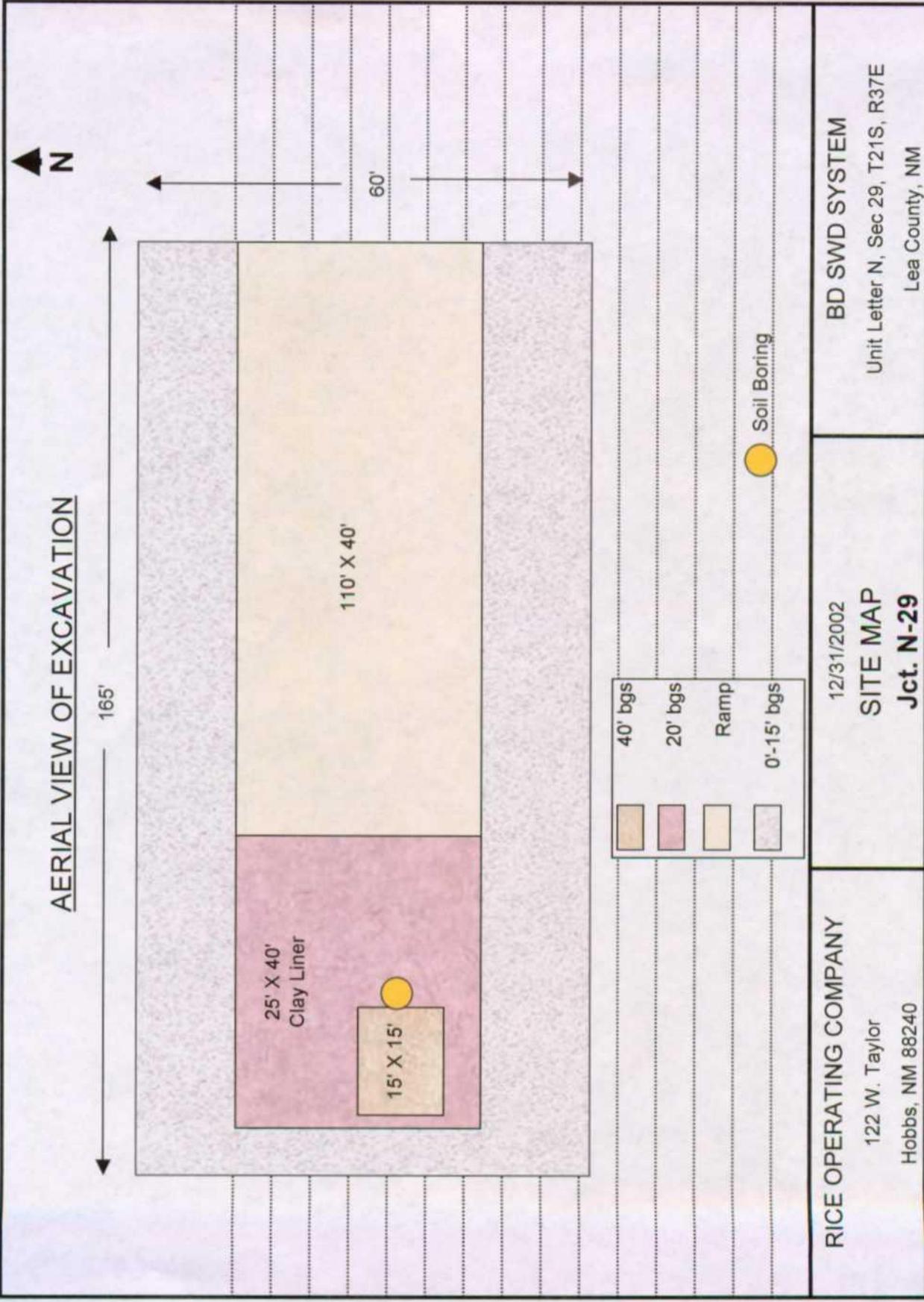
Groundwater

90'

RICE OPERATING COMPANY
 122 W. Taylor
 Hobbs, NM 88240

12/31/2002
 SITE MAP
 Jct. N-29

BD SWD SYSTEM
 Unit Letter N, Sec 29, T21S, R37E
 Lea County, NM

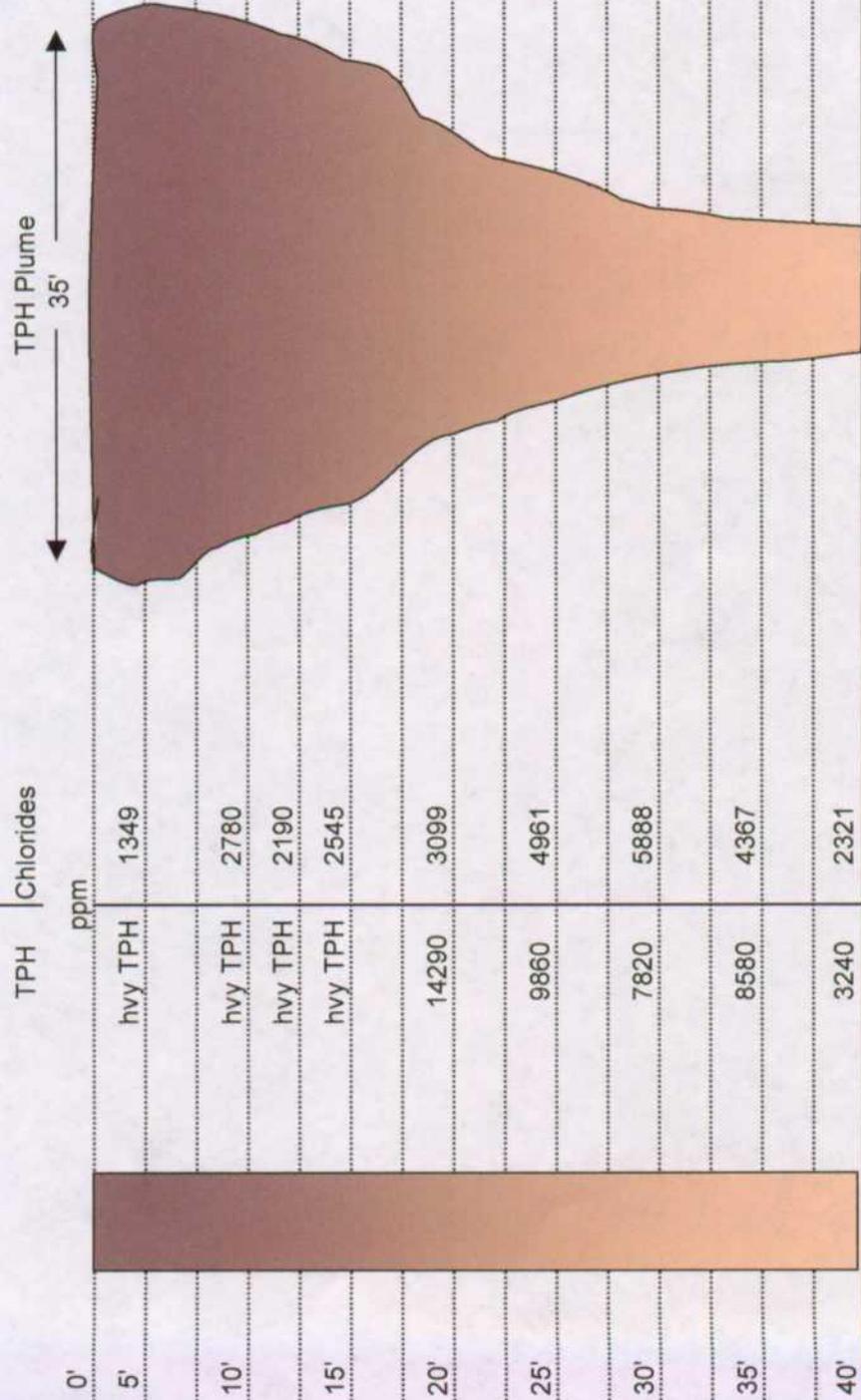


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12/31/2002
SITE MAP
Jct. N-29

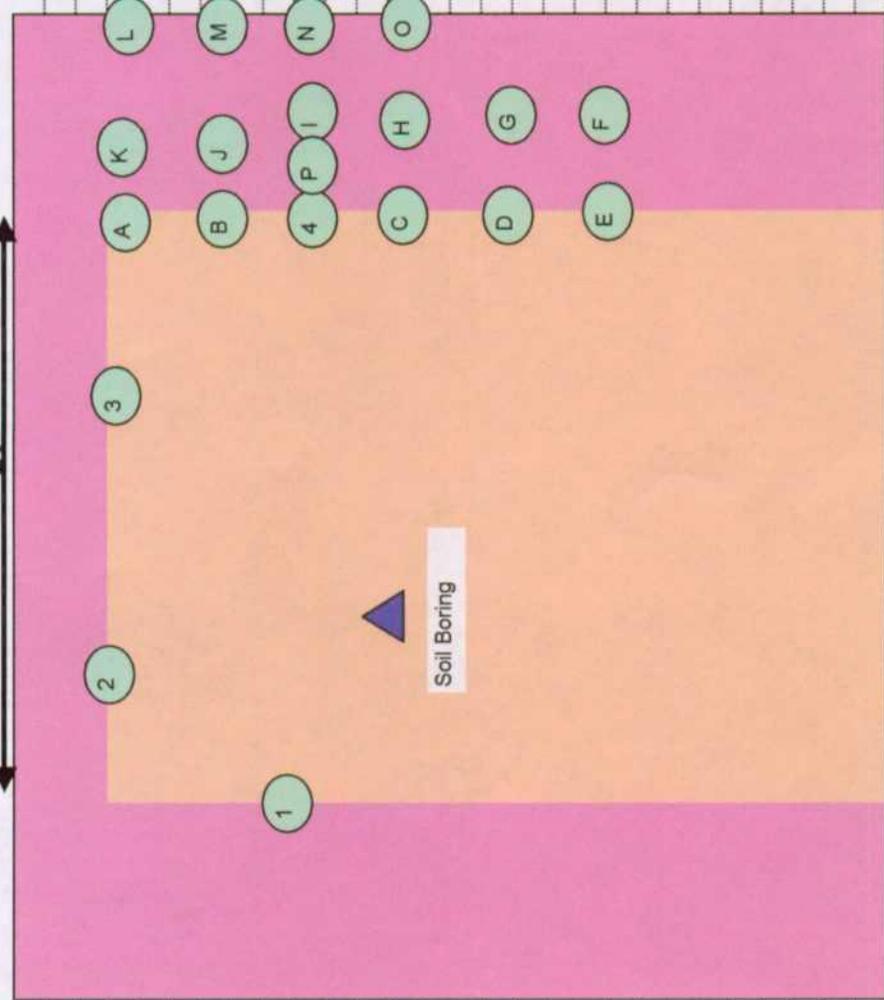
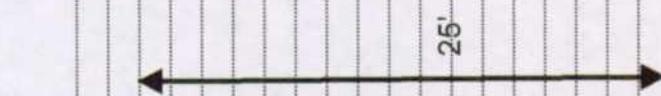
BD SWD SYSTEM
 Unit Letter N, Sec 29, T21S, R37E
 Lea County, NM

VERTICAL DELINEATION FIELD TESTS



RICE OPERATING COMPANY 122 W. Taylor Hobbs, NM 88240	12/31/2002 SITE MAP Jct. N-29
BD SWD SYSTEM Unit Letter N, Sec 29, T21S, R37E Lea County, NM	

TP#	Depth	CI
1	18'	1823
2	18'	1078
3	18'	1524
4	18'	12K
A	18'	2579
B	18'	2739
C	18'	219
D	18'	2160
E	18'	1920
F	14'	352
G	14'	593
H	14'	2181
I	10'	1591
J	10'	705
K	10'	1026
L	10'	105
M	10'	660
N	10'	263
O	10'	2702
P	13'	1961



-  Sample Point
-  10' bgs
-  20' bgs

Site excavation
approximately
70' X 150'

Rice Operating Company
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Hobbs, NM 88240
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Sampling Points And Results

BD SWD System
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Lea County, New Mexico