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REPORTS

DATE:

MARCH 18, 2005

RICE *Operating Company*

122 West Taylor • Hobbs, New Mexico 88240
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March 18, 2005

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 2004
VACUUM 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 2004. Enclosed is a list of the completed junction boxes and their respective closure/disclosure dates. These boxes are located in the Vacuum Salt Water Disposal System.

ROC is the service provider (operator) for the Vacuum 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. Replacement/closure projects of this magnitude require System Partner AFE approval and work begins as funds are received.

ROC completed 3 junction box sites in 2004. The System Partners have decided to abandon the Vacuum SWD System. In 2005, 25 junction boxes will be evaluated with the objective of abandonment of the System.

Enclosed are the 2004 results 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 2005.

Thank you for your consideration of this Junction Box Upgrade Report for 2004.

RICE OPERATING COMPANY

Kristin Farris Pope

Kristin Farris Pope
Project Scientist

enclosures

cc: LBG, CDH, Rob Roy Industries, file,

Mr. Chris Williams
NMOCD, District I Office
1625 N. French Drive
Hobbs, NM 88240

RICE *Operating Company*
Vacuum SWD SYSTEM Junction Box Upgrade Project
2004 Completed Boxes

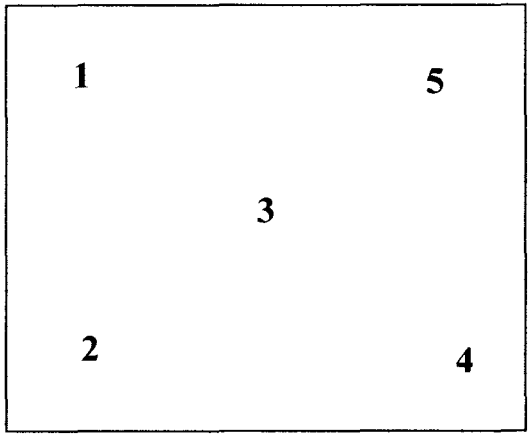
	Junction Box	Legal Description				Completion Date	NMOCD Assessment #	Report Status
		Unit	Sec	T	R			
1	Jct E-2	E	2	18S	35E	9/14/2004	10	Disclosure
2	B.O. EOL	G	12	18S	34E	11/10/2004	0	Final
3	K-35-1 boot	K	35	17S	35E	3/17/2005	10	Disclosure

2004 BTEX Study

Revised Junction Box Upgrade Plan (2003)

System: EME
Site: JR Phillips EOL
Date: 9/17/2004
Sampler: Rob Elam (Curt's Environmental)
Laboratory: Environmental Lab of Texas

Location	Component	PID reading (ppm)	FIELD COMPOSITE (mg/kg)			
			Benzene	Toluene	Ethyl Benzene	Total Xylenes
bottom composite at 12 ft BGS	1	916.0	0.0874	0.581	0.524	2.349
	2	432.0				
	3	535.0				
	4	483.0				
	5	743.0				
			LAB COMPOSITE (mg/kg)			
			0.166	0.852	0.747	2.743



All composite sample components are collected in this pattern.

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.

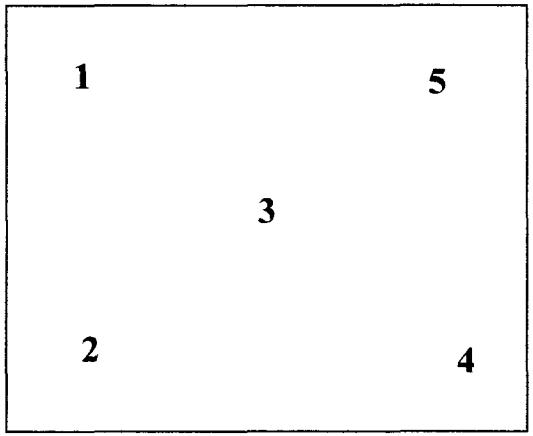
Revised Junction Box Upgrade Work Plan (July 16, 2003)

2004 BTEX Study

Revised Junction Box Upgrade Plan (2003)

System: EME
Site: jct. P-24
Date: 8/12/2004
Sampler: Joe Gatts (RICE Operating)
Laboratory: Environmental Lab of Texas

Location	Component	PID reading (ppm)	FIELD COMPOSITE (mg/kg)			
			Benzene	Toluene	Ethyl Benzene	Total Xylenes
bottom composite at 12 ft BGS	1	31.0	0.189	0.587	0.758	2.797
	2	1027.0				
	3	737.0				
	4	853.0				
	5	1206.0				
			LAB COMPOSITE (mg/kg)			
			0.123	0.541	0.946	3.195



All composite sample components are collected in this pattern.

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)

2004 BTEX Study

Revised Junction Box Upgrade Plan (2003)

System: BD
Site: jct. C-4-3
Date: 6/22/2004
Sampler: Joe Gatts (ROC)
Laboratory: Environmental Lab of Texas

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)

Location	Component	PID reading (ppm)	Benzene	Toluene	Ethyl Benzene	Total Xylenes
			FIELD COMPOSITE (mg/kg)			
bottom composite at 12 ft BGS	1	41.3	<0.025	0.123	0.113	0.962
	2	57.0				
	3	947.0				
	4	180.0				
	5	709.0				
			LAB COMPOSITE (mg/kg)			
			0.0268	0.139	0.155	1.208
			FIELD COMPOSITE (mg/kg)			
NORTH Wall Composite	1	226.0	<0.0025	0.0796	0.184	0.958
	2	206.0				
	3	225.0				
	4	774.0				
	5	156.0				
			LAB COMPOSITE (mg/kg)			
			<0.0025	0.0977	0.350	1.119

BD
jct. C-4-3

page 2

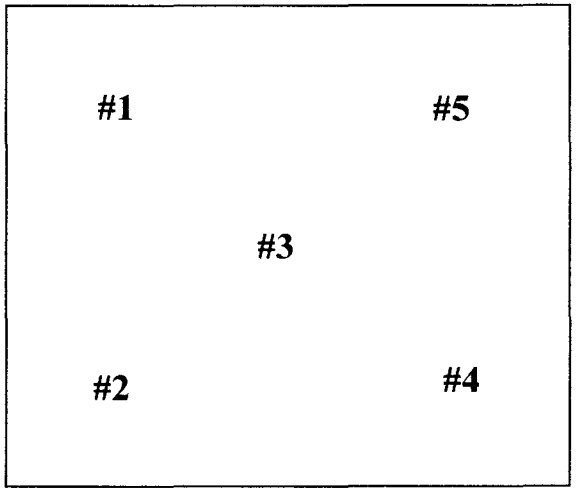
Location	Component	PID reading (ppm)	Benzene	Toluene	Ethyl Benzene	Total Xylenes
			FIELD COMPOSITE (mg/kg)			
SOUTH Wall Composite	1	4.8	<0.0025	0.0265	0.0433	0.1646
	2	3.0				
	3	0.1				
	4	0.2				
	5	285.0				
			LAB COMPOSITE (mg/kg)			
			<0.0025	0.0289	0.0656	0.2342

			FIELD COMPOSITE (mg/kg)			
EAST Wall Composite	1	55.7	<0.0025	0.135	0.126	0.923
	2	244.0				
	3	388.0				
	4	136.0				
	5	178.0				
			LAB COMPOSITE (mg/kg)			
			<0.0025	0.100	0.186	1.089

BD
jct. C-4-3

page 3

Location	Component	PID reading (ppm)	Benzene	Toluene	Ethyl Benzene	Total Xylenes
			FIELD COMPOSITE (mg/kg)			
WEST Wall Composite	1	990.0	<0.0025	<0.0025	<0.0025	<0.0025
	2	17.6				
	3	4.1				
	4	5.9				
	5	16.2				
			LAB COMPOSITE (mg/kg)			
			<0.0025	<0.0025	<0.0025	<0.0025



All composite sample components are collected in this pattern.

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2004 BTEX Study

Revised Junction Box Upgrade Plan (2003)

System: EME
Site: jct. G-18
Date: 2/26/2004
Sampler: Gary Stark (ETGI Hobbs)
Laboratory: Environmental Lab of Texas

Location	Component	PID reading (ppm)	FIELD COMPOSITE (mg/kg) Benzene	Toluene	Ethyl Benzene	Total Xylenes
bottom composite at 12 ft BGS	1	1340.0	3.65	4.15	0.626	2.645
	2	128.0				
	3	1271.0				
	4	15.3				
	5	873.0				
			LAB COMPOSITE (mg/kg)			
			1.3	2.74	0.438	2.078
			FIELD COMPOSITE (mg/kg)			
4-wall composite		340.0	0.044	0.281	0.265	1.621
			LAB COMPOSITE (mg/kg)			
			0.0246	0.191	0.224	1.307

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)