AP - 48

GENERAL CORRESPONDENCE

YEAR(S): 2006-2004

Hansen, Edward J., EMNRD

To: 'Tim Reed'; Kristin Farris Pope
Cc: Price, Wayne, EMNRD
Subject: RE: ROC, Justic L-1 Report Extension, AP-48

Dear Mr. Reed and Ms. Pope:

The NMOCD has reviewed your request for an extension to submit additional information requested by the NMOCD. Per our telephone conversation of today, the NMOCD understands that an additional 15 days is required to compile the additional data. Therefore, the NMOCD hereby approves the request for extension for submittal of additional information until Thursday, January 18, 2007.

Please be advised that NMOCD approval of this extension does not relieve the owner/operator of responsibility should operations pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD approval does not relieve the owner/operator of responsibility for compliance with any NMOCD, federal, state, or local laws and/or regulations.

If you have any questions regarding this matter, please contact me at 505-476-3489. Also, in the future please send all correspondence regarding this case to me. Thank you.

Edward J. Hansen
Hydrologist
Environmental Bureau

From: Tim Reed [mailto:treed@hec-enviro.com]
Sent: Friday, December 29, 2006 1:07 PM
To: Hansen, Edward J., EMNRD
Cc: Kristin Farris Pope; Price, Wayne, EMNRD
Subject: RE: ROC, Justic L-1 Report Entension, AP-48

December 29, 2006

Mr. Edward Hansen
NMOCD
Santa Fe

Mr. Hansen:

Below is an approved extension request for completion of a response for the ROC Justis L-1 site (AP-48) to be completed by today (12-29-06). As we discussed in late November, an additional monitor well has been installed at this site and is being monitored. Unfortunately, the survey information has not yet been received in order to properly tie the new monitor well data into the data to be provided to the NMOCD. We understand that the survey data should be forwarded in the next few days. We respectfully request an additional 30 days in order to complete the filing of this response. Ideally, we will be able to send the response out next week, but be assured that the response will be submitted as soon as practicable.

Thank you for your consideration in this matter.

Thank you for your consideration,

Tim Reed, P.G.
Vice President
Highlander Environmental Corp.
office - (432) 682-4559
fax - (432) 682-3946
cell - (432) 557-4680

-----Original Message-----
From: Price, Wayne, EMNRD [mailto:wayne.price@state.nm.us]
Sent: Wednesday, September 27, 2006 10:12 AM
To: Tim Reed
Cc: Kristin Farris Pope; VonGonten, Glenn, EMNRD; Johnson, Larry, EMNRD
Subject: RE: ROC, Justic L-1 Report Entension, AP-48

Dear Mr. Reed and Ms Pope:

OCD is in receipt of the Stage 1 report dated August 10, 2006 and request to suspend Rule 19. Your request for the suspension is hereby denied because the site groundwater exceeds the WQCC chloride standards by more than twice the limit and vadose zone contamination still remains. Therefore, your are hereby required to submit a combined stage I and stage II abatement plan that addresses additional delineatation of the groundwater and the remaining vadose zone contamination. Please submit this plan including draft public notice requirements within 60 days for OCD approval.

If you have any question please do not hesitate to call or write.

From: Tim Reed [mailto:treed@hec-enviro.com]
Sent: Tuesday, September 05, 2006 12:51 PM
To: Price, Wayne, EMNRD
Cc: Kristin Farris Pope
Subject: ROC, Justic L-1 Report Entension, AP-48

September 5, 2006

Mr. Wayne Price:

Highlander Environmental Corp., on behalf of Rice Operating Company is requesting a short extension of time for completion of the approved Stage I Abatement Plan Implementation Report for the Rice Operating Company, Justis Jct. L-1 (AP-48). The report was delayed pending some additional information/clarification pertinent to the regional water well survey. The report will be submitted this week. Thank you for your help in this matter.

If you require any additional information, please advise

Tim Reed, P.G.
Vice President
Highlander Environmental Corp.

Hansen, Edward J., EMNRD

From: Hansen, Edward J., EMNRD
Sent: Tuesday, November 28, 2006 10:04 AM
To: 'Tim Reed'
Cc: Kristin Farris Pope; Price, Wayne, EMNRD; VonGonten, Glenn, EMNRD; Johnson, Larry, EMNRD
Subject: RE: ROC, Justic L-1 Report Entension, AP-48

Dear Mr. Reed and Ms. Pope:

The NMOCD has reviewed your request for an extension to submit additional information requested by the NMOCD. Per our telephone conversation of today, the NMOCD understands that an additional 30 days is required to compile the additional data. Therefore, the NMOCD hereby approves the request for extension for submittal of additional information until Friday, December 29, 2006.

Please be advised that NMOCD approval of this extension does not relieve the owner/operator of responsibility should operations pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD approval does not relieve the owner/operator of responsibility for compliance with any NMOCD, federal, state, or local laws and/or regulations.

If you have any questions regarding this matter, please contact me at 505-476-3489. Also, in the future please send all correspondence regarding this case to me. Thank you.

Edward J. Hansen
Hydrologist
Environmental Bureau

From: Tim Reed [mailto:treed@hec-enviro.com]
Sent: Tuesday, November 21, 2006 1:55 PM
To: Price, Wayne, EMNRD
Cc: Kristin Farris Pope; Hansen, Edward J., EMNRD
Subject: RE: ROC, Justic L-1 Report Entension, AP-48

November 21, 2006

Mr. Wayne Price
NMOCD
Santa Fe, NM

Mr. Price:

As we discussed previously over the phone, one additional down-gradient monitor well has been placed at this site and a combined Stage 1, Stage 2 plan is being prepared, pending surveying and additional sample analyses of the new monitor well. ROC and Highlander are in the process of obtaining the data as requested and respectfully request and extension in order to adequately complete the information package.

Thank you for your consideration,

Price, Wayne, EMNRD

From: Price, Wayne, EMNRD
Sent: Wednesday, September 27, 2006 9:12 AM
To: 'Tim Reed'
Cc: Kristin Farris Pope; VonGonten, Glenn, EMNRD; Johnson, Larry, EMNRD
Subject: RE: ROC, Justic L-1 Report Entension, AP-48

Dear Mr. Reed and Ms Pope:

OCD is in receipt of the Stage 1 report dated August 10, 2006 and request to suspend Rule 19. Your request for the suspension is hereby denied because the site groundwater exceeds the WQCC chloride standards by more than twice the limit and vadose zone contamination still remains. Therefore, your are hereby required to submit a combined stage I and stage II abatement plan that addresses additional delineatation of the groundwater and the remaining vadose zone contamination. Please submit this plan including draft public notice requirements within 60 days for OCD approval.

If you have any question please do not hesitate to call or write.

From: Tim Reed [mailto:treed@hec-enviro.com]
Sent: Tuesday, September 05, 2006 12:51 PM
To: Price, Wayne, EMNRD
Cc: Kristin Farris Pope
Subject: ROC, Justic L-1 Report Entension, AP-48

September 5, 2006

Mr. Wayne Price:

Highlander Environmental Corp., on behalf of Rice Operating Company is requesting a short extension of time for completion of the approved Stage I Abatement Plan Implementation Report for the Rice Operating Company, Justis Jct. L-1 (AP-48). The report was delayed pending some additional information/clarification pertinent to the regional water well survey. The report will be submitted this week. Thank you for your help in this matter.

If you require any additional information, please advise

Tim Reed, P.G.
Vice President
Highlander Environmental Corp.
office - (432) 682-4559
fax - (432) 682-3946
cell - (432) 557-4680

Price, Wayne, EMNRD

From: Price, Wayne, EMNRD
Sent: Thursday, September 21, 2006 8:13 AM
To: 'Tim Reed'
Subject: RE: ROC, Justic L-1 Report Entension, AP-48

approved

From: Tim Reed [mailto:treed@hec-enviro.com]
Sent: Tuesday, September 05, 2006 12:51 PM
To: Price, Wayne, EMNRD
Cc: Kristin Farris Pope
Subject: ROC, Justic L-1 Report Entension, AP-48

September 5, 2006

Mr. Wayne Price:

Highlander Environmental Corp., on behalf of Rice Operating Company is requesting a short extension of time for completion of the approved Stage I Abatement Plan Implementation Report for the Rice Operating Company, Justis Jct. L-1 (AP-48). The report was delayed pending some additional information/clarification pertinent to the regional water well survey. The report will be submitted this week. Thank you for your help in this matter.

If you require any additional information, please advise

Tim Reed, P.G.
Vice President
Highlander Environmental Corp.
office - (432) 682-4559
fax - (432) 682-3946
cell - (432) 557-4680

Price, Wayne, EMNRD

From: Price, Wayne, EMNRD
Sent: Tuesday, May 16, 2006 3:54 PM
To: 'Tim Reed'
Cc: Kristin Farris Pope
Subject: RE: Stage II Deadline Extension Request

Approved.

Please be advised that NMOCD approval of this request does not relieve the owner/operator of Responsibility should their operations fail to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD approval does not relieve the owner/operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

From: Tim Reed [mailto:treed@hec-enviro.com]
Sent: Tuesday, May 16, 2006 3:37 PM
To: Price, Wayne, EMNRD
Cc: Kristin Farris Pope
Subject: Stage II Deadline Extension Request

May 16, 2006

Mr. Wayne Price:

Highlander Environmental Corp., on behalf of Rice Operating Company is requesting an extension of time for completion of the approved Stage I Abatement Plans for the Rice Operating Company, Justis Jct. L-1 (AP-48); BD Jct. F-17 (AP-47); and EME H-13 (AP-44). The original deadline for submittal of Stage II Abatement Plans is May 31, 2006. Highlander requests an extension of 90 days to complete delineation of these sites. Please advise if you have any comments or require any additional information.

Thank you,

Tim Reed, P.G.
Vice President
Highlander Environmental Corp.
office - (432) 682-4559
fax - (432) 682-3946
cell - (432) 557-4680

Highlander Environmental Corp.

Midland, Texas

December 6, 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: Rice Operating Company
Stage I Abatement Plan Public Notices for
Justis H-2 SWD, Justis Jct. L-1, BD Jct. F-17 and EME H-13

Dear Mr. Price:

I have attached the proposed State I Abatement Plan Public Notices for the Rice Operating Company, Justis H-2 SWD (AP-49); Justis Jct. L-1 (AP-48); BD Jct. F-17 (AP-47); and EME H-13 (AP-44) for your approval.

Please let me know if you have any comments, or if you require any additional information. Your assistance is greatly appreciated.

Sincerely,

Tim Reed

Tim Reed, P.G.
Vice President

cc: Kristen Farris Pope, Rice Operating Company

1910 N. Big Spring • Midland, Texas 79705 • (432) 682-4559 • Fax (432) 682-3946

NOTICE OF PUBLICATION

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division

Notice is hereby given that pursuant to New Mexico Oil Conservation Division Regulations, the following Stage I Abatement Plan Proposal has been submitted to the Director of the Oil Conservation Division, 1220 S. St. Francis Dr., Santa Fe, New Mexico 87504, Telephone (505) 476-3440:

> Rice Operating Company, Carolyn Doran Haynes, Engineering Manager, Telephone (505) 393-9174, 122 West Taylor, Hobbs, New Mexico 88240, has submitted a Stage I Abatement Plan for the Pipeline Junction L-1, Justis Salt Water Disposal System, located approximately 5.0 miles northeast of Jal in Unit Letter L, Section 1, Township 25 South, Range 37 East, Lea County, New Mexico. Rice Operating Company operates a saltwater disposal pipeline at the site. In the past three quarters, BTEX parameters have not been detected at or above reporting limits. Chloride impact has been observed in the groundwater at the site. The Stage I Abatement Plan proposes the installation of two (2) additional monitoring wells to evaluate groundwater impact and hydraulic gradient. Additionally, a water well inventory will be performed to encompass a ½ mile radius around the site. The information generated will be evaluated and utilized to develop a groundwater remedy, if necessary. The findings will be presented to the NMOCD in a subsequent Stage II Abatement Plan. Quarterly sampling of all monitor wells will continue until results meet approval of the NMOCD. The monitor well results will be reported annually until closure.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The Stage I Abatement Plan Revision Proposal may be viewed at the above address or at the Oil Conservation Division District Office, 1625 N. French Drive, Hobbs, New Mexico 88240, Telephone (505) 393-6161 between 8:00 a.m. and 4:00 p.m., Monday through Friday. Prior to ruling on any proposed Stage I Abatement Plan, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which written comments may be submitted to him.

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

November 18, 2005

Ms. Carolyn Doran Haynes
Rice Operating Company
122 West Taylor
Hobbs, New Mexico 88240

RE: ABATEMENT PLAN PROPOSALS
LEA COUNTY, NEW MEXICO

Dear Ms. Haynes:

The New Mexico Oil Conservation Division (OCD) has reviewed Rice Operating Company's (Rice) ABATEMENT PLANS. These documents contains Rice's proposed Stage 1 and Stage 2 abatement plans for investigation and remediation of contamination for the sites listed below. Please note OCD has issued each site with a new abatement plan number. Please use this number in the future on all correspondence. The OCD has determined that the below Abatement Plan Proposals are administratively complete.

EME Jct. M-16-1	M-16-20s-37e	1R0427-93	Stage 1	6/23/05	New AP-42
EME Jct. A-20	A-20-20s-37e	1R0427-89	Stage 1	7/08/05	New AP-43
EME H-13 leak	H-13-20s-36e	1R0429	Stage 1	7/12/05	New AP-44
EME P-6 leak	P- 6-20s-37e	1R0422	Stage 1&2	7/14/05	New AP-45
EME Jct. K-6	K- 6-20s-37e	1R0427-88	Stage 1	10/17/05	New AP-46
BD Jct. F-17	F- 17-21s-37e	1R0426-14	Stage 1	7/12/05	New AP-47
Justis Jct.L-1 Boot	L-1-25s-37e	1R0423-0	Stage 1	7/12/05	New AP-48
Justis H-2 SWD	H-2-26s-37e	1R0423-01	Stage 1	7/14/05	New AP-49

Before the OCD can complete a review of the proposals, the OCD requires that:

1. Rice issue approved notice of publication in the Albuquerque Journal and Hobbs News Sun pursuant to OCD Rule 19.G.(2).

2. Prior to issuing public notice, Rice shall issue approved written notice of the proposals pursuant to OCD Rule 19.G.(1). Please note 19.G(1)(d) can be found on OCD's web page.

3. Rice provide the OCD with proof of publication and proof of written notice. Proof of notice shall include a map of the surface owners of record within one (1) mile of the perimeter of the site and shall identify compliance with each of the provisions of Rule 19.G.

Please note in the future it might be prudent to include you public notice provisions in the abatement plan submittal. If you have any questions please do not hesitate to call (505)-476-3487 or E-mail wayne.price@state.nm.us.

Sincerely,

Wayne Price-Senor Envr. Engr.

Enclosures

cc: Chris Williams, OCD Hobbs District Office

RICE *Operating Company*

122 West Taylor • Hobbs, New Mexico 88240
Phone: (505)393-9174 • Fax: (505) 397-1471

IR 0423

CERTIFIED MAIL
RETURN RECIEPT NO. 7002 2410 0000 4940 1923

March 16, 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
Justis 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 Justis Salt Water Disposal System.

ROC is the service provider (operator) for the Justis 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 4 junction box sites in 2004. ROC will continue the junction box upgrade program in 2005 with the construction of new watertight junction boxes and the continued remediation efforts at the Junction L-1 Boot site (Highlander Environmental; work plan submitted 6/15/04; OCD approved) .

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*
Justis SWD SYSTEM Junction Box Upgrade Project
2004 Completed Boxes

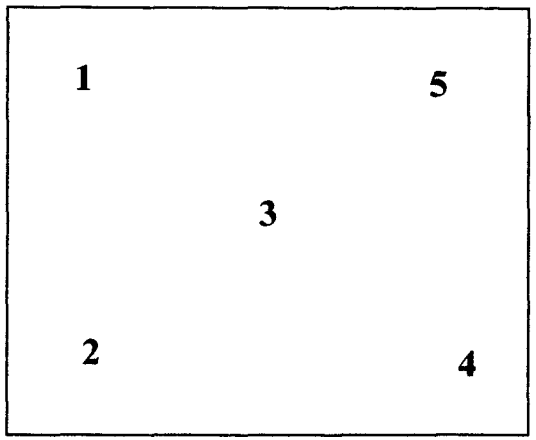
	Junction Box	Legal Description				Completion Date	NMOCD Assessment #	Report Status
		Unit	Sec	T	R			
1	Jct L-26	L	26	24S	37E	3/17/2004	10	Disclosure
2	E-1 Vent	E	1	25S	37E	3/17/2004	10	Disclosure
3	Jct E-26	E	26	24S	37E	3/18/2004	10	Disclosure
4	D-1 Vent	D	1	25S	37E	7/30/2004	10	Disclosure

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

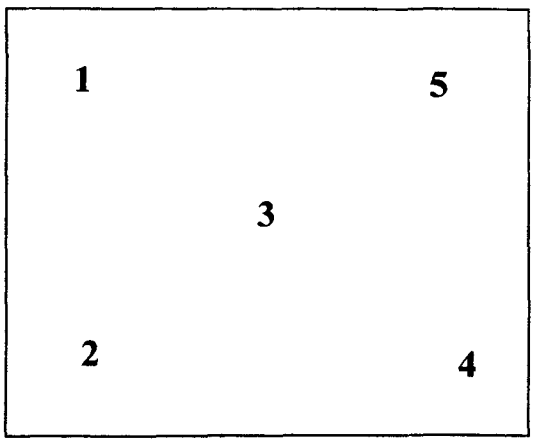
Revised Junction Box Upgrade Plan (2003)

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

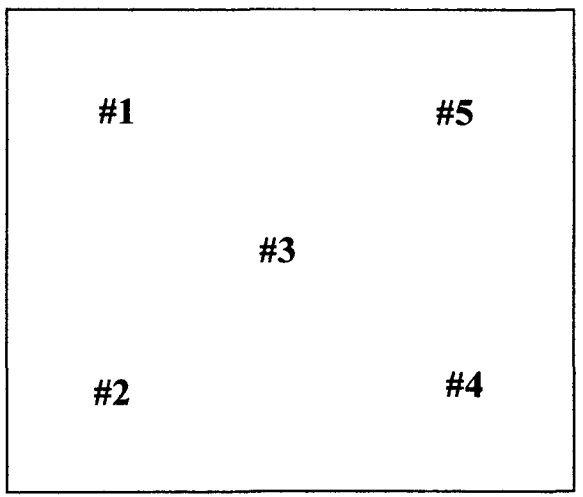
Location	Component	PID reading (ppm)	Benzene	Toluene	Ethyl Benzene	Total Xylenes
			FIELD COMPOSITE (mg/kg)			
SOUTH Wall Composite	1	4.8	<0.0025	0.0265	0.0433	0.1646
	2	3.0				
	3	0.1				
	4	0.2				
	5	285.0				
			LAB COMPOSITE (mg/kg)			
			<0.0025	0.0289	0.0656	0.2342

			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

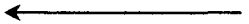
BD
jct. C-4-3

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.



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)

NEW MEXICO ENERGY, MINERALS and
NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary
Mark Fesmire
Director
Oil Conservation Division

May 05, 2005

Carolyn Doran Haynes
Rice Operating Company
122 West Taylor
Hobbs, New Mexico 88240

Re: Sites with confirmed Groundwater Contamination

Dear Ms. Haynes:

Pursuant to the New Mexico Oil Conservation Division rule 19.15.1.19 (Rule 19) Prevention and Abatement of Water Pollution requires all responsible persons who are abating water pollution in excess of the standards shall do so pursuant to an abatement plan approved by the director.

Therefore, Rice Operating Company is hereby required to submit individual abatement plans for OCD approval by July 15, 2005 for each of the following sites:

EME Sites;

H-13	UL	H	Sec 13, T20s, R36E	1R0429
M-9	UL	M	Sec 9, T20s, R37E	1R0331
P-6	UL	P	Sec 6, T20s, R37E	1R0422
Jct. N-5	UL	N	Sec 5, T20S, R37E	1R0427-90
Jct. M-16-1	UL	M	Sec 16, T20S, R37E	1R0427-93
Jct. K-33-1	UL	K	Sec 33, T19S, R37E	1R0427-92
Jct. A-20	UL	A	Sec 20, T20S, R37E	1R0427-89
Jct. K-6	UL	K	Sec 6, T20S, R37E	1R0427-88
Marathon Barber EOL	UL	E	Sec 5, T20S, R37E	1R0427-91
jct. D-1 leak	UL	D	Sec. 1, T20S, R36E	not assigned

BD Sites:

Zachary Hinton EOL	UL	O	Sec 12, T22S, R37E	1R0426-36
Jct. J-26	UL	J	Sec 26, T21S, R37E	1R0426-40
Jct. F-17	UL	F	Sec 17, T21S, R37E	1R0426-33
Jct. I-27	UL	I	Sec 27, T21S, R37E	1R0426-35
Jct. N-29	UL	N	Sec 29, T21S, R37E	1R0426-37
jct. E-3	UL	E	Sec 3, T22S, R37E	1R0426-53

Justis Sites:

jct. L-1	UL	L	Sec 1, T25S, R37E	1R0423-0
SWD H-2	UL	H	Sec 2, T26s, R37E	1R0423-01

Hobbs Sites:

Jct. F-29-1A	UL	F	Sec 29, T18S, R38E	not assigned
I-29 Vent	UL	I	Sec 29, T18S, R38E	not assigned

After OCD receives the plans each site will be assigned a new Abatement Plan number (AP#) for tracking purposes. If you have any questions please do not hesitate to contact me at 505-476-3493 or E-mail DJSanchez@state.nm.us; or contact Wayne Price of my staff at 505-476-3487 or e-mail WPRICE@state.nm.us.

Sincerely;

Daniel Sanchez
Enforcement and Compliance Manager
DS/wp

Cc: OCD Hobbs office

Price, Wayne

From: Price, Wayne
Sent: Thursday, December 09, 2004 10:42 AM
To: Carolyn Doran Haynes (E-mail); Kristin Farris Pope (E-mail)
Cc: Randall Hicks (E-mail); Gil Van Deventer (E-mail)
Subject: Path Forward

Dear Ms. Haynes:

The OCD has logged every ROC site into our RBDM system. I will be sending you this comprehensive list. The list will have case numbers for all of our sites. I would like to see Kristin add those numbers to here spreadsheet if possible. I will be in the process of reviewing all of the closure sites (i.e. green sheet cover) and hope to send you approvals so we can close those sites out. I would also think it would be helpful if ROC would spell out on your spread sheet how each site was being closed. For example if one of the generic plans is or was used please note that, If not then signify type of closure, i.e. case-by-case, etc.

For disclosure sites, I am going to try to let ROC set the priority for these sites, however if we receive a complaint or in OCD's opinion it is a possible threat to public health then we may ask you to address that particular site.

I have already sent you my comments concerning the monument area up-gradient groundwater issue. The vadose zone and groundwater issues will have to be addressed. One thing we might do is set a lower priority on those sites and delay work until we have more data.

The other issue of concern for OCD is where disclosure sites had groundwater contamination and over a period of time this contamination has been reduced below the groundwater standards by dilution. OCD is very concerned that salt density gradient plumes are simply moving off site and thus could degrade down-gradient fresh water sources. OCD has a fiduciary duty to make sure this is not happing. Therefore, ROC will be expected to demonstrate this phenomenon is not happing. OCD will not accept models that demonstrate this unless monitor wells are installed to calibrate the model.

Sincerely:

Wayne Price
New Mexico Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, NM 87505
505-476-3487
fax: 505-476-3462
E-mail: WPRICE@state.nm.us

Price, Wayne

From: Kristin Farris [enviro@leaco.net]
Sent: Wednesday, December 08, 2004 2:00 PM
To: Price, Wayne
Subject: Re: ROC Justis L-1 Site

In reply to your questions regarding this site:

1. The barrier was not extended because there was established vegetation on the edge of the excavation as noted on the attached cross-section in the disclosure report.

2. These concentrations were left on top of the clay because this site is a disclosure and deemed outside the scope of the Rev. Junction Box Upgrade Work Plan (2003). Lateral topsoil delineation was not established at the time of excavation, but the surface will be restored to productive capacity as the site is further characterized and now addressed as a special project under the guidance of Highlander Environmental of Midland, TX.

3. The bore was plugged at the top and bottom with bentonite. The MW will be installed adjacent to the soil bore site.

Kristin

----- Original Message -----
From: "Price, Wayne" <WPrice@state.nm.us>
To: "Carolyn Doran Haynes (E-mail)" <riceswd@leaco.net>; "Kristin Farris Pope (E-mail)" <enviro@leaco.net>
Sent: Monday, December 06, 2004 10:23 AM
Subject: ROC Justis L-1 Site

> Dear Carolyn and Kristin:
>
> I have some questions concerning this site:
>
> 1. The sidewall chlorides are 1880 mg/kg. How come the barrier design
> did not conform to the "Impacted Sidewall, Deep Impact" drawing found in
> the
> Junction Box Upgrade Work Plan Revision: July 16, 2003? Should the
> barrier go 10 feet beyond the contamination?
>
> 2. The backfill soils were reported at 1500 mg/kg chlorides. The
> Generic plan indicated all backfill soils will be less than 1000 mg/kg.
> Please explain?
>
> 3. The original soil boring that went to groundwater was plugged with
> backfill soils. Is this the final plugging of this bore hole or will it
> be
> re-entered?
>
> Sincerely:
>
> Wayne Price
> New Mexico Oil Conservation Division
> 1220 S. Saint Francis Drive
> Santa Fe, NM 87505
> 505-476-3487
> fax: 505-476-3462
> E-mail: WPRICE@state.nm.us
>
>
> Confidentiality Notice: This e-mail,including all attachments is for the

Price, Wayne

From: Price, Wayne
Sent: Monday, December 06, 2004 10:24 AM
To: Carolyn Doran Haynes (E-mail); Kristin Farris Pope (E-mail)
Subject: ROC Justis L-1 Site

Dear Carolyn and Kristin:

I have some questions concerning this site:

1. The sidewall chlorides are 1880 mg/kg. How come the barrier design did not conform to the "Impacted Sidewall, Deep Impact" drawing found in the Junction Box Upgrade Work Plan Revision: July 16, 2003? Should the barrier go 10 feet beyond the contamination?

2. The backfill soils were reported at 1500 mg/kg chlorides. The Generic plan indicated all backfill soils will be less than 1000 mg/kg. Please explain?

3. The original soil boring that went to groundwater was plugged with backfill soils. Is this the final plugging of this bore hole or will it be re-entered?

Sincerely:

Wayne Price
New Mexico Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, NM 87505
505-476-3487
fax: 505-476-3462
E-mail: WPRICE@state.nm.us

Price, Wayne

From: Kristin Farris [enviro@leaco.net]
Sent: Friday, December 03, 2004 3:51 PM
To: Paul Sheeley; Wayne Price
Cc: Larry Johnson; Roger Anderson
Subject: Fw: Rice - Justis L-1, Monitor well Installation

We will install a monitoring well here. Groundwater is expected to be around 75 ft.

Kristin Farris Pope
Project Scientist
RICE Operating Company
Hobbs, NM 88240
(505) 393-9174

----- Original Message -----
From: Ike T
To: Kristin Farris
Sent: Friday, December 03, 2004 3:42 PM
Subject: Rice - Justis L-1, Monitor well Installation

> We are scheduled to drill at the Rice/Justis L-1 on (Thursday) December 9, 2004. I will meet Atkins Drilling at the Town and Country in Jal New Mexico at 9:00 AM (New Mexico time). Call me on my mobile (432) 425 3878 if you have any questions. Thanks
>
> Ike Tavarez
> Highlander Environmental Corp.

Price, Wayne

From: Price, Wayne
Sent: Thursday, November 04, 2004 1:46 PM
To: 'Tim Reed'; Price, Wayne
Cc: Kristin Farris
Subject: RE: Rice Justis L-1 Jct. Box

Approved!

-----Original Message-----
From: Tim Reed [mailto:treed@hec-enviro.com]
Sent: Thursday, November 04, 2004 1:44 PM
To: Price, Wayne
Cc: Kristin Farris
Subject: Rice Justis L-1 Jct. Box

Wayne:

Please review at your earliest convenience.

Thanks,

Tim Reed, P.G.
Highlander Environmental Corp.
1910 N. Big Spring St.
Midland, Texas 70705
(432) 682-4559
treed@hec-enviro.com

Price, Wayne

From: Tim Reed [treed@hec-enviro.com]
Sent: Thursday, November 04, 2004 1:44 PM
To: Price, Wayne
Cc: Kristin Farris
Subject: Rice Justis L-1 Jct. Box

11-04 Wayne Price Email.pdf

Wayne:

Please review at your earliest convenience.

Thanks,

Tim Reed, P.G.
Highlander Environmental Corp.
1910 N. Big Spring St.
Midland, Texas 70705
(432) 682-4559
treed@hec-enviro.com

Highlander Environmental Corp.

Midland, Texas

November 3, 2004

Mr. Wayne Price
Environmental Bureau
Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505

Re: Revision to the "Investigation Work Plan, Rice Operating Company Justis L-1 Junction Box, Section 2, T-26-S, R-37-E, Lea County, New Mexico", dated June 15, 2004.

Dear Mr. Price:

It was stated in the above-mentioned report that a borehole would be installed, samples taken and the borehole converted to a monitoring well, if warranted. Based upon our subsequent telephone conversations and in consultation with Rice Operating personnel, Highlander Environmental Corp. (Highlander) proposes to drill and complete the monitor well alluded to in the above mentioned report. The well will be constructed according to EPA and industry standards. If this meets with New Mexico Oil Conservation Division approval, please notify us at your earliest convenience. If you have any questions or require any additional information, please advise.

Respectfully submitted,
Highlander Environmental Corp.

By: Tim Reed
Timothy M. Reed, P.G.
Vice President

cc: Carolyn Doran Haynes – ROC
Kristin Farris – ROC

1910 N. Big Spring • Midland, Texas 79705 • (432) 682-4559 • Fax (432) 682-3946

RICE *Operating Company*

122 West Taylor • Hobbs, New Mexico 88240
Phone: (505)393-9174 • Fax: (505) 397-1471

CERTIFIED MAIL
RETURN RECIEPT NO. 7002 2410 0000 4940 1299

March 11, 2004

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 2003
Justis 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 2003. Enclosed is the only junction box completed in the Justis Salt Water Disposal System in 2003.

Site Name	Unit Letter	Section	Township/Range	Groundwater Depth	NMOCD Score
jct. L-1	L	1	T25S, R37E	75	10

ROC is the service provider (operator) for the Justis 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 1 junction box site in 2003. ROC has scheduled 5 sites to complete in 2004. The AFE for this work has been approved by System Partners. Enclosed are the 2003 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 2004.

Thank you for your consideration of this Junction Box Upgrade Report for 2003.

RICE OPERATING COMPANY

Kristin Farris

Kristin Farris
Project Scientist

Enclosures

cc: LBG, CDH, file,

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

RICE Operating Company
JUSTIS SWD SYSTEM Junction Box Upgrade Project
Completed Boxes 2003 Final Report and Disclosure Report

Junction Box	Legal Description				Completion Date	NMOCD Assessment #	Report Status
	UL	Sec	T	R			
L-1	L	1	25	37	12/29/2003	10	Disclosure

2003 BTEX Study

Revised Junction Box Upgrade Plan (2003)

System: EME
Site: jct. I-9
Date: 10/27/2003
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	0.0	<0.025	<0.025	0.033	0.132
	2	269.0				
	3	0.0				
	4	0.0				
	5	16.7				
			LAB COMPOSITE (mg/kg)			
			<0.025	0.028	0.050	0.244

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)

Justis 2-1

DISCLOSURE

REPORT

RICE OPERATING COMPANY
JUNCTION BOX DISCLOSURE* REPORT

BOX LOCATION

SWD SYSTEM	JUNCTION	UNIT	SECTION	TOWNSHIP	RANGE	COUNTY	BOX DIMENSIONS - FEET		
							Length	Width	Depth
Justis	L-1	L	1	25S	37E	Lea	Moved 50 ft south		

LAND TYPE: BLM _____ STATE _____ FEE LANDOWNER Joyce Willis OTHER _____

Depth to Groundwater 75 feet NMOCD SITE ASSESSMENT RANKING SCORE: 10 *

Date Started 11/11/2003 Date Completed 12/29/2003 OCD Witness No

Soil Excavated 196 cubic yards Excavation Length 22 Width 20 Depth 12 feet

Soil Disposed 0 cubic yards Offsite Facility n/a Location n/a

FINAL ANALYTICAL RESULTS: **Sample Date** 11/14/2003 **Sample Depth** 12 ft

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	PID ppm	GRO mg/kg	DRO mg/kg	Chloride mg/kg
SIDEWALLS	9.2	<10.0	89.2	1890
BOTTOM	0.7	<10.0	<10.0	2020
REMEDIATED	22.4	<10.0	213	1500

CHLORIDE FIELD TESTS

LOCATION	DEPTH (ft)	ppm
Vertical	7	1309
	8	811
	9	497
	10	610
	11	499
	12	719
	13	1071
	14	1360
	15	892
	20	2035
	25	4681
	30	1576
	35	1490
	40	2305
	45	2542
	50	2593
	55	2509
	60	3405
	67	1559

General Description of Remedial Action: Delineation was conducted with a backhoe producing a 20 x 22 x 12 ft deep excavation. Chloride tests and PID readings were performed at regular intervals. PID readings were minimal and TPH lab tests revealed concentrations well below NMOCD guidelines. Chloride concentrations, however, did not sufficiently decline with depth. On 12/29/2003, a soil bore was initiated to delineate the vertical extent of chloride impact. The bore was advanced to a depth of 80 ft and chloride concentrations still did not decline with depth. According to the bore log, it appears a saturated zone was encountered at 75 ft. The bore hole was then plugged (see log). At 6 ft bgs, a 1.5 ft compacted clay barrier was installed in the 22 x 20 ft excavation and the remainder of the hole was backfilled with the excavated soil. An identification plate to mark the bore location and clay barrier below was placed on the surface of this site for future identification. ROC will employ Highlander Environmental of Midland in 2004 to characterize potential environmental concerns at this site. * *A natural pond is located 685 ft south of the junction.*

ADDITIONAL EVALUATION IS HIGH PRIORITY.

enclosures: chloride graph, photos, lab results, diagram, PID readings, clay density test

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

DATE 2/23/2004 PRINTED NAME Kristin Farris

SIGNATURE Kristin Farris TITLE Project Scientist

**** This site is a "DISCLOSURE." It will be placed on a prioritized list of similar sites for further consideration.***

Justis Jct. L-1

Undisturbed junction box 4/8/2003

Beginning Excavation 11/11/2003

22 x 20 x 12-ft deep Excavation Nov. 2003

Compacted clay at 6 ft BGS

Justis jct. L-1

Soil Bore 12/29/2003

ID plate at backfilled site (looking north) 1/28/2004

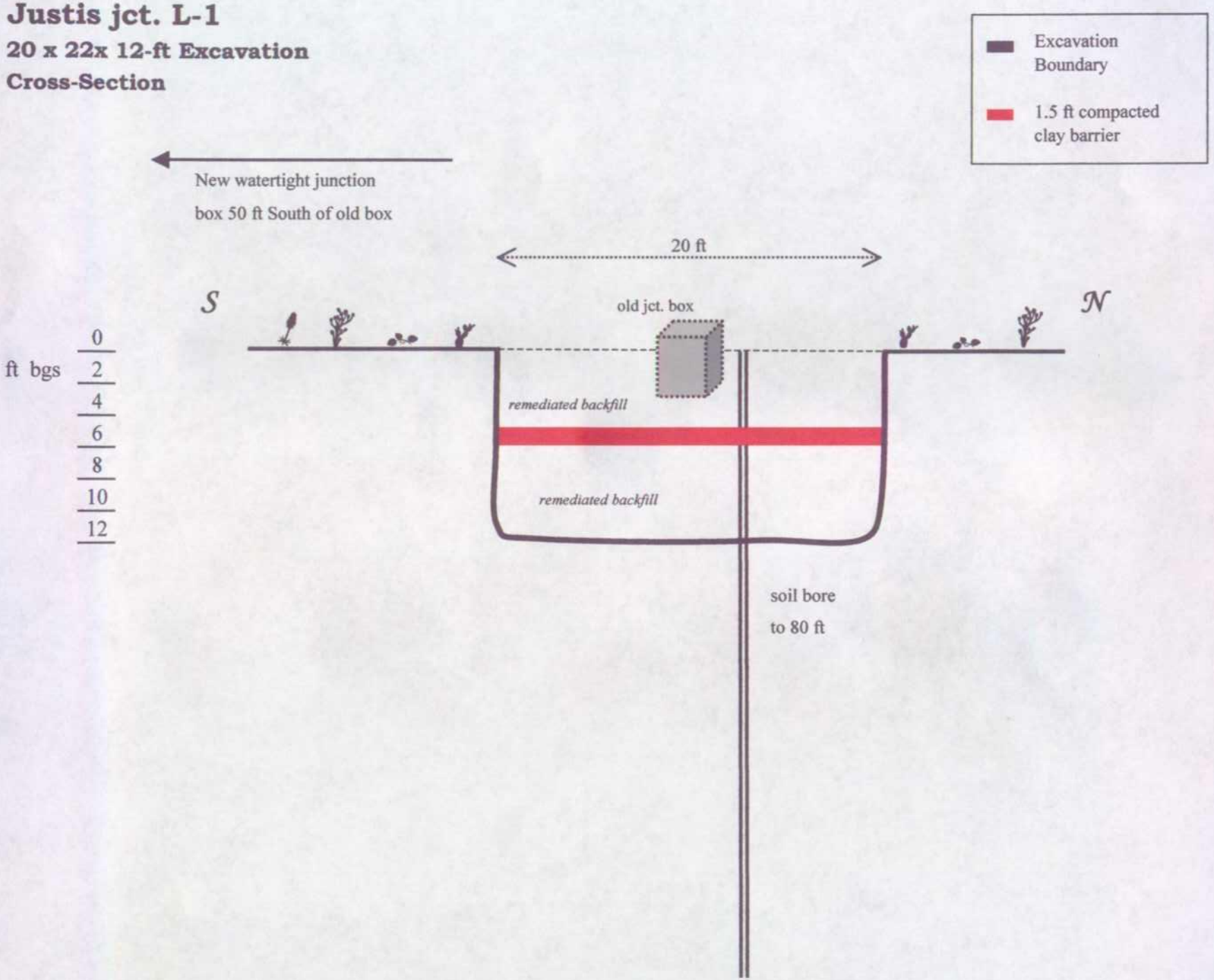
Construction of new jct. box 50 ft south of old box

Completed junction box 50 ft south of old box

Justis jct. L-1

20 x 22x 12-ft Excavation

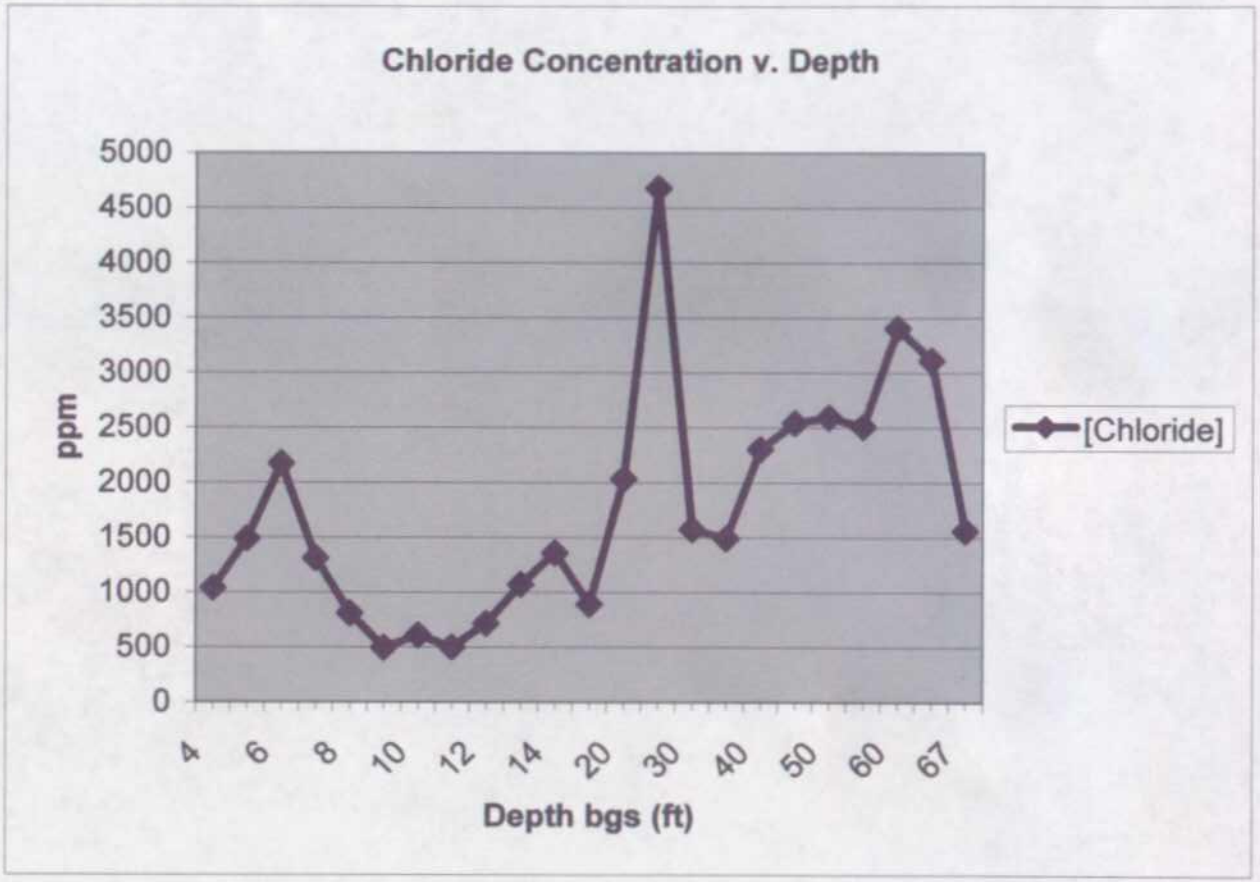
Cross-Section



Justis jct. L-1

T25S, R37E

Depth bgs (ft)	[Cl⁻] ppm
4	1041
5	1489
6	2172
7	1309
8	811
9	497
10	610
11	499
12	719
13	1071
14	1360
15	892
20	2035
25	4681
30	1576
35	1490
40	2305
45	2542
50	2593
55	2509
60	3405
63	3114
67	1559



Groundwater = 75 ft

4-14 ft = Backhoe
15-67 ft = Soil Bore

LOG OF BORING
K. Farris
RICE Operating Company

Logger:	Joe Gatts; Mort Bates	**Client:**	**Well ID:**
Driller:	Atkins Engineering Associates, Inc.	RICE Operating Company	
Drilling Method:	Hollow Stem Auger	**Project Name:**	
Start Date:	12/29/2003	jct. L-1	
End Date:	12/29/2003	**Location:**	**SB-1**
Notes: TD = 80 ft Groundwater = 75 ft		Justis SWD System	
		Sec. 1, T25S, R37E	
		Lea County, NM	

Depth (feet)	Split Spoon chloride	Split Spoon PID	Description	Lithology	Additional Notes
0.0			0-8 ft Silty Sand w/Broken Caliche: loose, tan, dry	3-6 ft bentonite seal	Mixed lithology backfill from original excavation to 12 ft with clay barrier
5.0					
10.0			8-10 ft Fat Clay: stiff, red, damp		
			10-15 ft Silty Sand w/Broken Caliche: loose, tan, dry		
15.0	892	no			
		odor	15-18 ft Silt: firm, white & tan, dry		
20.0	2035	no	18-60 ft Silty Sand: loose, light brown, dry		remainder of bore backfilled with drill cuttings
		odor			
25.0	4681	no			
		odor			
30.0	1576	no			
		odor			
35.0	1490	no			
		odor			
40.0	2305	no			
		odor			
45.0	2542	no			
		odor			
50.0	2593	no			
		odor			
55.0	2509	no			
		odor			
60.0	3405	no			
	3114	odor	60-63 ft Silty Sand: loose, lt. Gray, moist		
65.0			63-67 ft Silty Sand Partially Cemented: hard, white, dry		
	1559	no			
70.0		odor	67-76 ft Silty Sand: loose, reddish tan, moist	▼ 70-75 ft bentonite seal	
75.0	411	no			
		odor	76-80 ft Silty Sand: soft, reddish tan, wet		
80.0	247	no			
		odor			

CARDINAL LABORATORIES

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603
PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
RICE OPERATING CO.
ATTN: KRISTIN FARRIS
122 W. TAYLOR
HOBBS, NM 88240
FAX TO: (505) 397-1471

Receiving Date: 11/14/03
Reporting Date: 11/17/03
Project Number: NOT GIVEN
Project Name: JUSTIS
Project Location: JUSTIS L-1

Sampling Date: 11/13/03 & 11/14/03
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: HM
Analyzed By: BC/HM

LAB NUMBER	SAMPLE ID	GRO (C_6-C_{10}) (mg/Kg)	DRO (>C_{10}-C_{28}) (mg/Kg)	Cl* (mg/Kg)
ANALYSIS DATE		11/14/03	11/14/03	11/14/03
H8179-1	4 WALL COMP.	<10.0	89.2	1890
H8179-2	BTM COMP. @ 12'	<10.0	<10.0	2020
H8179-3	BACKFILL	<10.0	213	1500
Quality Control		786	823	1000
True Value QC		800	800	1000
% Recovery		98.2	103	100
Relative Percent Difference		10.0	3.4	2.0

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Cl^-: Std. Methods 4500-Cl^-B
*Analyses performed on 1:4 w:v aqueous extracts.

Chemist

11/17/03
Date

H8179.XLS

CARDINAL LABORATORIES, INC.

2111 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240
(915) 673-7001 Fax (915) 673-7020 (505) 393-2326 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page ____ of ____

Company Name: RICE Operating Company	BILL TO
Project Manager: Kristin Farris	P.O. #:
Address: 122 W. Taylor	Company: RICE
City: Hobbs, State: NM Zip: 88240	Attn:
Phone #: 393-9174 Fax #: 397-1471	Address:
Project #: Project Owner:	City:
Project Name: Justis	State: Zip:
Project Location: Justis L-1	Phone #:
Sampler Name:	Fax #:

FOR LAB USE ONLY				MATRIX						PRESERV.			SAMPLING		ANALYSIS REQUEST	
Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP.	# CONTAINERS	GROUNDWATER	WASTEWATER	SOIL	CRUDE OIL	SLUDGE	OTHER:	ACID/BASE:	ICE / COOL	OTHER:	DATE	TIME	TPH 8015M	Chlorides
H8179-1	4 wall Comp.					X					X		11-14-03	10:37		
-2	BTM Comp. @ 12'					X					X		11-14-03	10:02		
-3	Backfill					X					X		11-13-03	11:45		

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.

Terms and Conditions: Interest will be charged on all accounts more than 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collection, including attorney's fees.

Sampler Relinquished: Israel Juarez	Date: 11-14-03 Time:	Received By:	Phone Result: ☐ Yes ☐ No Add'l Phone #:
Relinquished By:	Date: 11-14-03 Time: 1:50	Received By: (Lab Staff) Hope S. Moreno	Fax Result: ☐ Yes ☐ No Add'l Fax #: REMARKS:
Delivered By: (Circle One) Sampler - UPS - Bus - Other:	Sample Condition Cool: ☑ Yes ☐ No Intact: ☑ Yes ☐ No	CHECKED BY: (Initials)	

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

RICE OPERATING COMPANY

122 WEST TAYLOR
HOBBS, NEW MEXICO 88240
PHONE: (505) 393-9174 FAX: (505) 397-1471

VOC FIELD TEST REPORT FORM

MINI RAE PLUS CLASSIC PHOTOIONIZATION GAS DETECTOR

MODEL NO: PGM 761S
SERIAL NO: 104412
CALIBRATION GAS
GAS COMPOSITION: ISOBUTYLENE 100 PPM
AIR BALANCE
LOT NO: 02-2230 FILL DATE: 5-20-03
EXP. DATE: 11-20-04 ACCURACY: ± 2%
METER READING
ACCURACY: 99.8

SYSTEM	JUNCTION	UNIT	SECTION	TOWNSHIP	RANGE
Justis	V. L-1	L	1	25	27

SAMPLE	PID RESULT	SAMPLE	PID RESULT
E. wall 5 point comp	2.5		
BTM. 5 point comp.	0.7		
4 wall comp.	9.2		

I certify that I have calibrated the above instrument in accordance to the manufacture operation manual.

Israel Guarey
Signature

11-14-03
Date

RICE OPERATING COMPANY

122 WEST TAYLOR
HOBBS, NEW MEXICO 88240
PHONE: (505) 393-9174 FAX: (505) 397-1471

VOC FIELD TEST REPORT FORM

MINI RAE PLUS CLASSIC PHOTOIONIZATION GAS DETECTOR

MODEL NO: PGM 761S
SERIAL NO: 104412
CALIBRATION GAS
GAS COMPOSITION: ISOBUTYLENE 100 PPM
AIR BALANCE
LOT NO: 02-2230
FILL DATE: 5-20-03
EXP. DATE: 11-20-04
ACCURACY: ± 2%
METER READING
ACCURACY: 99.8

SYSTEM	JUNCTION	UNIT	SECTION	TOWNSHIP	RANGE
Justis	V. L-1	L	1	25	27

SAMPLE	PID RESULT	SAMPLE	PID RESULT
W. wall comp. Sx 1	2.5	S. wall comp. Sx. 1	2.4
Sx. 2	6.7	Sx. 2	4.0
Sx. 3	2.2	Sx. 3	8.3
Sx. 4	5.0	Sx. 4	2.6
Sx. 5	1.7	Sx. 5	1.1
W. wall 5point Comp	1.9	S. wall 5point comp.	13.7
N. wall Comp Sx. 1	2.6	Remidiated	22.4
Sx. 2	2.8		
Sx. 3	20.4		
Sx. 4	4.7		
Sx. 5	1.5		
N. wall 5point Comp.	8.5		

I certify that I have calibrated the above instrument in accordance to the manufacture operation manual.

Israel Juarez
Signature

11-13-03
Date

LABORATORY TEST REPORT

PETTIGREW and ASSOCIATES, P.A.
1110 N. GRIMES
HOBBS, NM 88240
(505) 393-9827

AASHTO R18

DEBRA P. HICKS, P.E./L.S.I.
WILLIAM M. HICKS. III, P.E./P.S.

To: Rice Operating Corporation
Attn: Carolyn Haynes
122 W. Taylor
Hobbs, NM 88240

Material: Red Clay

Test Method: ASTM: D'2922

Project: Justice L - 1

Date of Test: December 9, 2003

Depth: Finished Subgrade

Test No.	Location	Dry Density % Maximum	% Moisture	Depth
SG-1	Center of Pit	100.0	19.8	

Control Density: 103.9
ASTM: D 698

Optimum Moisture: 21.4%

Required Compaction: 95%

Lab No.: 03-7460-7461

Copies To: Rice Operating

PETTIGREW and ASSOCIATES

BY: [signature] S.E.T.

RICE *Operating Company*

122 West Taylor • Hobbs, New Mexico 88240
Phone: (505)393-9174 • Fax: (505) 397-1471

CERTIFIED MAIL
RETURN RECIEPT NO. 7000 1530 0005 9895 4787

March 27, 2003

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 2002
Justis 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 2002. Enclosed is a list of the completed junction boxes and their respective closure/disclosure dates. These boxes are located in the Justis Salt Water Disposal System.

ROC is the service provider (operator) for the Justis 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 2002. Enclosed is an analysis of ROC's chloride field tests compared with the laboratory's results.

Thank you for your consideration of this Junction Box Upgrade Report for 2002.

RICE OPERATING COMPANY

Kristin Farris

Kristin Farris
Project Scientist

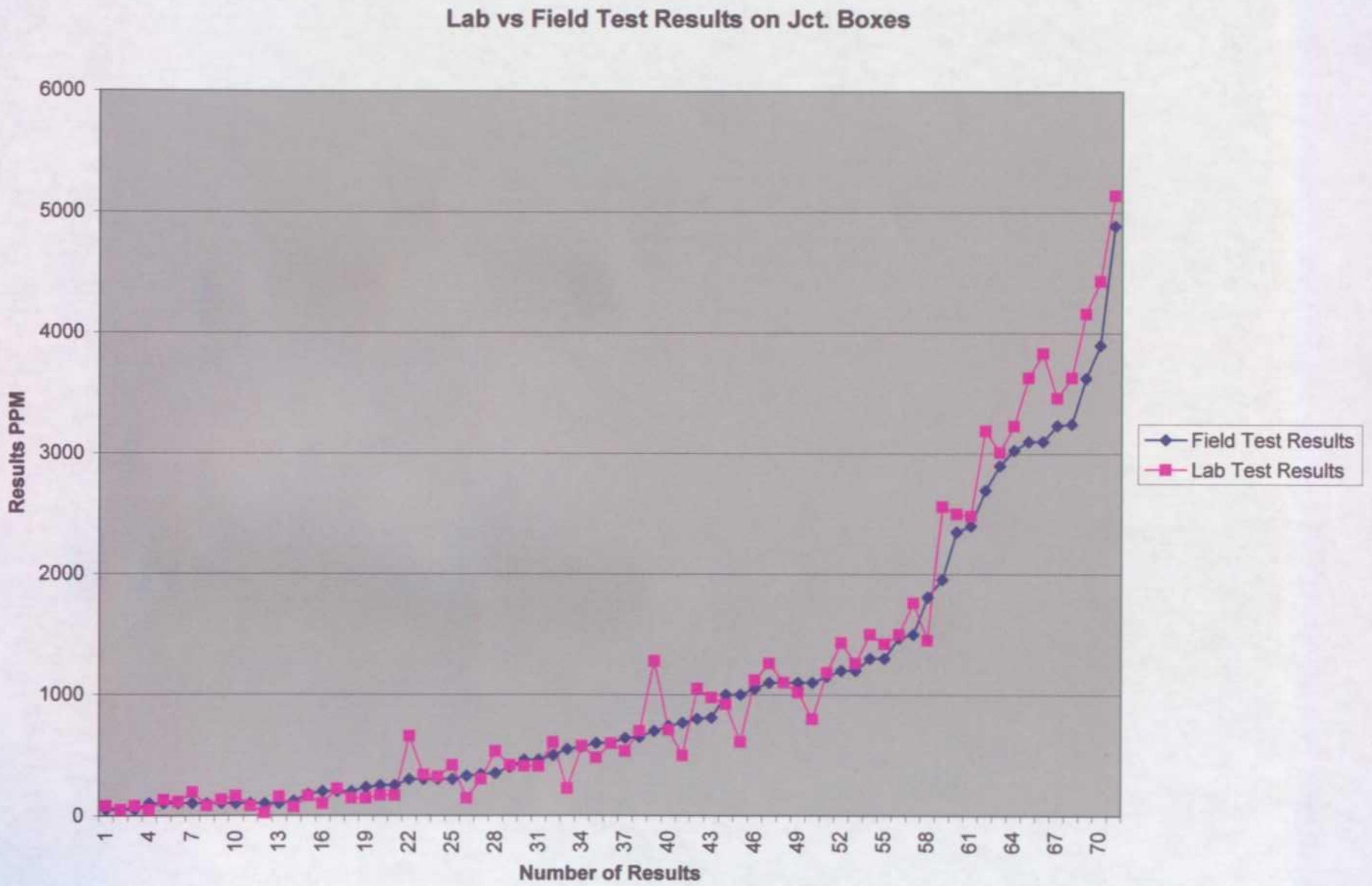
Enclosures
Cc: LBG, CDH, file, Mr. Chris Williams
NMOCD, District I Office
1625 N. French Drive
Hobbs, NM 88240

RICE Operating Company

JUSTIS SWD SYSTEM Junction Box Upgrade Project

Completed Boxes 2002 Final Report and Disclosure Report

Junction Box	Legal Description			Completion Date	NMOCD Assessment #
	Sec	T	R		
B-26	26	25	37	9/30/2002	10
J-25	25	25	37	7/17/2002	0
L-36	36	24	37	10/2/2002	0


Lab vs Field Test Results on Jct. Boxes
Results PPM
6000
5000
4000
3000
2000
1000
0
1
4
7
10
13
16
19
22
25
28
31
34
37
40
43
46
49
52
55
58
61
64
67
70
Number of Results
Field Test Results
Lab Test Results

Lab vs Field Chloride Test Results

Number of Samples	Location	Date	Bottom, Sidewalls, or Boring	Field Test Results	Lab Test Results
1	BD Jct. P-16-2	1/2/2002	Sidewalls 3'	50	80
2	BD Jct. P-16-2	1/2/2002	Bottom 5'	50	48
3	BD Jct. P-16-4	1/2/2002	Bottom 4'	50	80
4	BD Jct. N-15 North Box	1/25/2002	Soil Boring @ 25'	100	48
5	BD Jct. N-15 South Box	1/2/2002	Bottom 5'	100	128
6	BD Jct. B-22-3	1/2/2002	Sidewalls 3'	100	112
7	BD Jct. B-22-3	1/2/2002	Bottom 6'	100	192
8	BD Jct. P-16-4	1/2/2002	Sidewalls 3'	100	80
9	BD Texaco 'S' EOL	1/10/2002	Sidewalls 2.5'	100	131
10	BD Jct. G-22	1/2/2002	Sidewalls 3'	100	160
11	BD Jct. G-22	1/2/2002	Bottom 4'	100	80
12	EME Jct. B-32	3/19/2002	Soil Boring @ 20'	100	22
13	EME Jct. B-18	2/9/2002	Sidewalls 6'	100	154
14	EME Jct. M-34	3/7/2002	Soil Boring @ 35'	120	71
15	BD Jct. P-16-1	1/2/2002	Sidewalls 2'	175	160
16	BD Jct. H-22	1/2/2002	Bottom 7'	200	98
17	EME Jct. B-18	2/9/2002	Bottom 7'	200	222
18	EME Trio Persons	2/4/2002	Vertical Extent @ 11'	200	142
19	BD Jct. N-29-2	11/7/2002	Bottom 20'	233	142
20	BD Jct. H-22	1/2/2002	Sidewalls 4'	250	166
21	EME Trio Persons	2/4/2002	Sidewalls 5'	250	168
222	BD Jct. N-15 South Box	1/2/2002	Sidewalls 3'	300	656
23	BD Jct. P-16-3	1/28/2002	Sidewalls 5'	300	337
24	BD Texaco 'S' EOL	1/10/2002	Bottom 3'	300	319
25	EME Jct. M-34	3/7/2002	Sidewalls 8'	300	414
26	BD Jct. N-29-2	11/7/2002	Sidewalls 15'	328	142
27	BD Jct. N-29-1	11/7/2002	Sidewalls 3'	343	301
28	EME Trio Persons	2/4/2002	Bottom 6'	350	532
29	BD Jct. I-27	10/15/2002	Remediated Soil	400	417
30	BD Jct. N-29-1	11/7/2002	Remediated Soil	461	408

Number of Samples	Location	Date	Bottom, Sidewalls, or Boring	Field Test Results	Lab Test Results
31	BD Jct. N-29-2	11/7/2002	Remediated Soil	461	408
32	EME Jct. M-34	3/7/2002	Bottom 9'	500	606
33	BD Jct. B-22-2	1/2/2002	Bottom 5'	550	224
34	BD Jct. N-29	11/22/2002	Soil Boring @ 90'	570	576
35	BD Jct N-29 Vent	12/30/2002	Bottom 20'	599	478
36	EME Jct. B-32	3/19/2002	Sidewalls 7'	600	595
37	EME Jct. A-26	12/30/2002	Remediated Soil	641	532
38	EME Jct. B-32	3/19/2002	Bottom 8'	650	698
39	BD Jct. P-16-1	1/2/2002	Bottom 5'	700	1280
40	BD Jct. N-29-1	11/7/2002	Bottom 6'	743	709
41	EME Jct. A-26	12/30/2002	Bottom 10'	769	496
42	BD Jct. E-3	5/20/2002	Sidewalls 8'	800	1050
43	BD Jct. O-17-2	9/19/2002	Bottom 14'	810	975
44	BD Jct. O-17-2	9/19/2002	Sidewalls 13'	1000	922
45	EME Jct. L-1	3/7/2002	Bottom 4'	1000	610
46	BD Jct. G-3	7/27/2002	Bottom 42'	1050	1120
47	BD Jct. N-15 North Box	1/25/2002	Bottom 7'	1100	1260
48	BD Jct. G-3	7/27/2002	Sidewalls 39'	1100	1100
49	BD Jct. F-3	6/7/2002	Bottom 14'	1100	1020
50	EME Jct. L-1	3/7/2002	Sidewalls 3'	1100	798
51	BD Jct. B-22-2	1/2/2002	Sidewalls 3'	1150	1184
52	BD Jct. N-15 North Box	1/25/2002	Sidewalls 4'	1200	1430
53	BD Jct. E-3	5/20/2002	Bottom 9'	1200	1260
54	BD Jct. P-16-3	1/28/2002	Bottom 6'	1300	1500
55	BD Jct. N-16-1	1/4/2002	Sidewalls 4'	1300	1420
56	BD Jct. I-27	10/15/2002	Bottom 15'	1470	1500
57	EME Jct. L-25	2/15/2002	Sidewalls 4'	1500	1760
58	EME Jct. A-26	12/30/2002	Sidewalls 8'	1809	1450
59	BD Chevron Cole 'A'	11/14/2002	Bottom	1956	2560
60	BD Jct. I-27	10/15/2002	Sidewalls 15'	2350	2500
61	BD Jct. N-16-1	1/4/2002	Bottom 6'	2400	2480

Number of Samples	Location	Date	Bottom, Sidewalls, or Boring	Field Test Results	Lab Test Results
62	BD Jct. N-29	11/22/2002	Soil Boring @ 60'	2696	3190
63	BD Jct. N-29	11/22/2002	Soil Boring @ 70'	2899	3010
64	BD Chevron Cole 'A'	11/14/2002	Sidewalls	3029	3230
65	BD Jct. F-3	6/7/2002	Sidewalls 12'	3100	3630
66	EME Jct. L-25	2/15/2002	Bottom 5'	3100	3830
67	BD Jct. N-29	11/22/2002	Soil Boring @ 84'	3234	3460
68	BD Jct. N-29	11/22/2002	Soil Boring @ 50'	3245	3630
69	BD Jct. N-29	11/22/2002	Soil Boring @ 40'	3626	4160
70	BD Jct. N-29	11/22/2002	Soil Boring @ 80'	3899	4430
71	BD Jct N-29 Vent	12/30/2002	Sidewalls 17'	4889	5140

1R0923

Price, Wayne

From: Price, Wayne
Sent: Thursday, September 30, 2004 4:17 PM
To: 'Tim Reed'
Cc: Carolyn Doran Haynes (E-mail)
Subject: RE: Rice Operating Company, Justis L-1 Junction Box Work Plan

Dear Tim, I have reviewed the plan and need an explanation concerning the new boring. The preliminary assessment indicated that there was a high probability that chloride contamination reached the groundwater. Your proposal indicated that the new bore hole may not go all the way to water. Is it located in the same place as the other bore hole? OCD feels there should be a monitor well placed in this area. Please explain.

-----Original Message-----
From: Tim Reed [mailto:treed@hec-enviro.com]
Sent: Tuesday, September 21, 2004 12:58 PM
To: wprice@state.nm.us
Subject: Rice Operating Company, Justis L-1 Junction Box Work Plan

Wayne:

Have you had a chance to review the Investigation Work Plan for the above-mentioned site? The Site is located in Section 2, T-26-S, R-37-E, Lea County, New Mexico. The work plan was dated June 15, 2004. If you need an additional copy of the plan let me know and I will forward one on to you.

Thanks,

Tim Reed, P.G.
Highlander Environmental Corp.
1910 N. Big Spring St.
Midland, Texas 79705
(432) 682-4559
treed@hec-enviro.com

Highlander Environmental Corp.
Midland, Texas

June 15, 2004

Mr. Wayne Price
Environmental Bureau
Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505

Re: Investigation Work Plan, Rice Operating Company Justis L-1 Junction Box, Section 2, T-26-S, R-37-E, Lea County, New Mexico

Dear Mr. Price:

Highlander Environmental Corp. (Highlander) has been requested by Rice Operating Company (ROC) to prepare the following work plan for the above-mentioned site. A Junction Box Disclosure report was completed for this site on February 23, 2004 and submitted to the New Mexico Oil Conservation Division (NMOCD) per the ROC Junction Box Upgrade Workplan.

1.0 Background

The original junction box was removed and replaced with a new water tight junction box located 50 feet south of the old box. Once the junction box was removed evaluation of the surrounding and subsurface soils was initiated. Delineation was conducted with a backhoe. Chloride testing and PID field screening was performed at regular intervals. The final excavation measured 20' x 22' x 12' deep. PID readings were minimal and TPH testing revealed concentrations well below NMOCD regulatory guidelines. Chloride concentrations, however, did not appear to decline with depth.

On 12/29/2003, a soil boring was placed into the center of the excavation and advanced to a depth of 80' below ground surface, apparently encountering a saturated zone at 75' below ground surface. As with the excavation samples, chloride concentrations failed to decline and, in fact, increased in certain sections of the soil boring. The borehole was plugged and a 1.5 foot thick clay barrier was placed into the excavation at 6 feet below ground surface. A permanent marker was placed at the soil boring location. The remainder of the excavation was backfilled with excavated soils.

2.0 Proposed Workplan

A water well inventory will be performed to encompass a ½ mile radius around the facility. The inventory will include a review of water well records on the New Mexico Office of the State

1910 N. Big Spring • Midland, Texas 79705 • (915) 682-4559 • Fax (915) 682-3946

Engineer W.A.T.E.R.S. database and United States Geologic Survey (USGS) website. Any water wells denoted on the USGS 7.5 minute topographic quadrangle map within the search radius will be inspected.

Highlander proposes to install one bore hole at the junction box location to further evaluate this site. During drilling operations, soil samples will be collected at five (5) foot intervals and field screened with a photoionization detector (PID). The samples will also be field tested for TPH and chloride. If chloride field tests indicate saturated conditions to groundwater, a monitor well will be installed in the bore hole. Selected samples will be submitted to a laboratory for confirmation of TPH and chloride concentrations. If installed, the monitor well will be constructed according to EPA and industry standards.

Following installation, the well will be developed either by bailing with a rig or hand bailer, or pumping with an electric submersible pump to remove fine grained sediment disturbed during drilling and to ensure collection of representative groundwater samples. Water removed from the well will be placed in appropriate containers (i.e., 55-gallon drums, portable tank, etc.) and retained at the Site until disposal is arranged.

The well will be inspected for the presence of phase-separated hydrocarbons (PSH) and, if present, a sample will be collected and analyzed by gas chromatography (GC) to determine composition and origin. If PSH is detected in the monitor well, a groundwater sample will not be collected. Once inspected, the well will be properly purged and sampled with a clean, dedicated, polyethelene bailers and disposable line. The groundwater sample will be submitted to a laboratory for analysis of Benzene, Toluene, Ethylbenzene, and Xylene (BTEX) by method EPA 8021B, and chloride by method 300.0. If the sampling results exceed New Mexico Water Quality Control Commission parameters, additional monitoring wells may be installed, as warranted by the results of the investigation.

A report that details the investigation activities and results will be submitted to the OCD. The report will include recommendations for further action if necessary for the closure of this site. If you have any questions or require any additional information, please advise.

Respectfully submitted,
Highlander Environmental Corp.

By: Tim Reed
Timothy M. Reed, P.G.
Vice President

cc: Carolyn Doran Haynes – ROC

Price, Wayne

From: Tim Reed [treed@hec-enviro.com]
Sent: Monday, June 28, 2004 8:07 AM
To: wprice@state.nm.us
Cc: Kristin Farris
Subject: Work Plan - Justis L-1 Jct. Box

Wayne:

Attached is a work plan for the Rice Operating Company, Justis L-1 Jct. Box site. If you have any questions, please call me at 432-682-4559.

Tim Reed, P.G.
Vice President
treed@hec-enviro.com

Price, Wayne

From: Tim Reed [treed@hec-enviro.com]
Sent: Tuesday, September 21, 2004 12:58 PM
To: wprice@state.nm.us
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Thanks,

Tim Reed, P.G.
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