



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

February 2, 2006

Jennifer Johnson
RICE OPERATING COMPANY
122 West Taylor
Hobbs, NM 88240

Re: Denial of Plan: SWD, F-32
Site Location: UL-F, Sec 32-T21S-R36E
Dated: 01-30-06

Dear Ms. Johnson,

The New Mexico Oil Conservation Division (OCD) reviewed the corrective action work plan submitted by RICE Operating Company and referenced above. The plan is **hereby denied** as submitted without more data as requested in the approval letter attached.

Please use tables and include explanation for the: Duplicate (EK53004-DUP1). And, what is the [Chloride] in the release water?

If you have any questions or need assistance please write or call me at (505) 393-6161, x113 or <mailto:psheeley@state.nm.us>

Sincerely,

Paul Sheeley-Environmental Engineer

Cc: Roger Anderson - Environmental Bureau Chief
Chris Williams - District I Supervisor
Larry Johnson - Environmental Engineer



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

August 8, 2005

Jennifer Johnson
RICE OPERATING COMPANY
122 West Taylor
Hobbs, NM 88240

Re: Work Plan Approval: EME SWD, **F-32**
Site Location: UL-F, Sec 32-T21S-R36E
Dated: not dated, stamped in on 07/25/05

Dear Ms. Johnson,

The New Mexico Oil Conservation Division (OCD) reviewed the corrective action work plan submitted by RICE Operating Company and referenced above. The plan as submitted is **hereby approved** with the following conditions:

1. RICE shall delineate Chloride horizontally and vertically to 250 mg/L, (above background), plus at least four feet.
2. RICE shall delineate the TPH and BTEX to the specifications in "Guidelines for Remediation of Leaks, Spills & Releases", August 13, 1993.
3. RICE shall re-evaluate "Watercourse" classification.

Please be advised that OCD approval does not relieve RICE of liability should operations result in pollution of surface water, ground water, or the environment. In addition, OCD approval does not relieve RICE of responsibility for compliance with any federal, state or local laws and/or regulations.

If you have any questions or need assistance please write or call me at (505) 393-6161, x113 or <mailto:psheeeley@state.nm.us>

Sincerely,

Paul Sheeley-Environmental Engineer

Cc: Roger Anderson - Environmental Bureau Chief
Chris Williams - District I Supervisor
Larry Johnson - Environmental Engineer

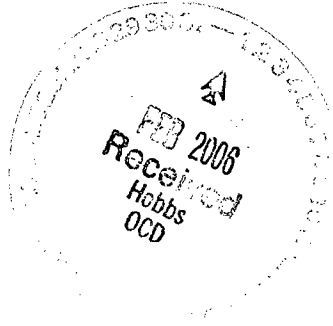
RICE Operating Company

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

January 30, 2006

Paul Sheeley
NMOCD Hobbs Office
1625 N. French Drive
Hobbs New Mexico

RE: EME Salt Water Disposal System
PS F-32 Leak Site
UL/ F SEC 32 T21S R36E



Dear Mr. Paul Sheeley:

Rice Operating Company (ROC) discovered an accidental discharge on the above mentioned site, which occurred on 3/06/05. A failure of the high alarm switch at the pump station caused the tank to overflow thus releasing produced water. The dike spilled over affecting approximately 1/3 of an acre. On 5/25/05 ROC conducted an initial investigation of the site showing chloride levels well below 1000 ppm.

The release occurred on New Mexico State Land leased to Dasco Cattle Co. both were notified immediately. ROC conducted field delineation with the use of a backhoe on 11/21/05. ROC found no further evidence of chloride impact. Samples were taken and sent to Environmental Lab of Texas for confirmation (analysis enclosed). ROC then seeded the site on 12/23/05 with a blend of native vegetation.

ROC concludes that with restoration of surface vegetation there is no threat to groundwater with remaining residual chlorides. The groundwater depth is approximately 200 feet bgs. ROC will monitor regrowth of vegetation.

ROC is the service provider (operator) for the EME SWD System and has no ownership of any portion of the pipe line, well or facility. The EME System is owned by a consortium of oil producers called System Partners who provide all operating capital on a percentage/usage basis.

A handwritten signature in cursive script, reading "Jennifer A. Johnson", is written over the typed name.

Jennifer Johnson
Environmental and Field Technician

Rice - 1974
facility - #PAC0603349810
inspect - #PAC0603350051

incident - #PAC0603350144
application - #PAC0603350366

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

Form C-141
Revised October 10, 2003

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

Name of Company: Rice Operating Company	Contact:	
Address: 122 West Taylor	Telephone No.: 505-393-9174	
Facility Name: EME F-32 Pump Station	Facility Type: Pump Station	
Surface Owner: State leased to Dasco Cattle Co.	Mineral Owner:	Lease No.:

LOCATION OF RELEASE

Unit Letter F	Section 32	Township 21S	Range 36E	Feet from the	North/South Line	Feet from the	East/West Line	County Lea
------------------	---------------	-----------------	--------------	---------------	------------------	---------------	----------------	---------------

Latitude: 32*26.33N Longitude: 103*17.24W

NATURE OF RELEASE


Type of Release: Produced Water	Volume of Release: 2600 bbls	Volume Recovered: 2500 bbls
Source of Release: Tank Overflow	Date and Hour of Occurrence: n/a	Date and Hour of Discovery: 3/06/05
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Emergency on call person Gary	
By Whom? Bryan Clay	Date and Hour: 3/06/05 at 12:32 left message on pager	
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 faulty high level switch and a faulty pump failed to activate thus causing tank to overflow. The water was recovered as soon as possible and disposed of at ROC disposal facilities.

Describe Area Affected and Cleanup Action Taken.* The leak affected approximately 1/3 of an acre.

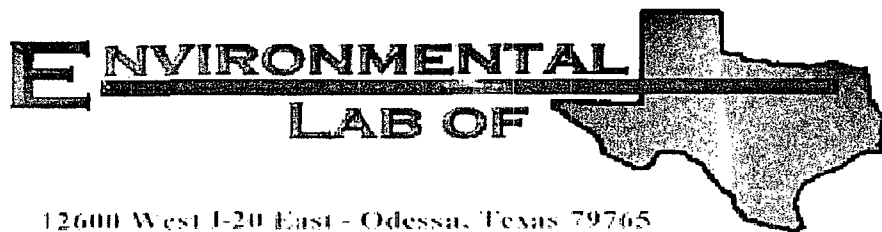
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger 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: Jennifer Johnson		Approved by District Supervisor:	
Title: Environmental and Field Technician		Approval Date:	Expiration Date:
E-mail Address: jjriceswd@valornet.com		Conditions of Approval:	
Date: 1/30/06 Phone: 505-393-9174		Attached <input type="checkbox"/>	

* Attach Additional Sheets If Necessary

EME F-32 P/S LEAK
DRIVING DIRECTIONS
32*26.33 N
103*17.24 W

FROM MONUMENT GO SOUTH ON HWY 8 TO JCT 176, TURN RIGHT ONTO HWY 176 AND GO 1.9 MILES TO WEAVER ROAD. TURN LEFT ON WEAVER ROAD AND GO APPROX. 1.8 MILES THEN TURN LEFT ONTO COYOTE HILL ROAD. GO 0.5TH MILE THEN TURN RIGHT AND GO 0.2TH MILE. TURN RIGHT AND GO 0.1TH MILE TO THE ROC TANK PUMP STATION.



12600 West I-20 East - Odessa, Texas 79765

Analytical Report

Prepared for:

Kristin Farris-Pope

Rice Operating Co.

122 W. Taylor

Hobbs, NM 88240

Project: EME PS F-32 Leak

Project Number: None Given

Location: None Given

Lab Order Number: 5K28006

Report Date: 12/01/05

COPY

Rice Operating Co.
122 W. Taylor
Hobbs NM, 88240

Project: EME PS F-32 Leak
Project Number: None Given
Project Manager: Kristin Farris-Pope

Fax: (505) 397-1471

Reported:
12/01/05 09:07

ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
SP A@ 5' bgs	5K28006-01	Soil	11/21/05 09:00	11/28/05 07:50
SP B@ 5' bgs	5K28006-02	Soil	11/21/05 09:30	11/28/05 07:50
SP C@ 5' bgs	5K28006-03	Soil	11/21/05 10:06	11/28/05 07:50
SP D@ 5' bgs	5K28006-04	Soil	11/21/05 10:30	11/28/05 07:50

SC-14

Rice Operating Co.
122 W. Taylor
Hobbs NM, 88240

Project: EME PS F-32 Leak
Project Number: None Given
Project Manager: Kristin Farris-Pope

Fax: (505) 397-1471

Reported:
12/01/05 09:07

General Chemistry Parameters by EPA / Standard Methods
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
SP A@ 5' bgs (5K28006-01) Soil									
Chloride	10.7	5.00	mg/kg	10	EK53004	11/29/05	11/30/05	EPA 300.0	
SP B@ 5' bgs (5K28006-02) Soil									
Chloride	31.4	5.00	mg/kg	10	EK53004	11/29/05	11/30/05	EPA 300.0	
SP C@ 5' bgs (5K28006-03) Soil									
Chloride	225	10.0	mg/kg	20	EK53004	11/29/05	11/30/05	EPA 300.0	
SP D@ 5' bgs (5K28006-04) Soil									
Chloride	86.5	10.0	mg/kg	20	EK53004	11/29/05	11/30/05	EPA 300.0	

Environmental Lab of Texas

The results in this report apply to the samples analyzed in accordance with the samples received in the laboratory. This analytical report must be reproduced in its entirety, with written approval of Environmental Lab of Texas.

Page 2 of 4

Rice Operating Co.
122 W. Taylor
Hobbs NM, 88240

Project: EME PS F-32 Leak
Project Number: None Given
Project Manager: Kristin Farris-Pope

Fax: (505) 397-1471

Reported:
12/01/05 09:07

General Chemistry Parameters by EPA / Standard Methods - Quality Control
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
---------	--------	--------------------	-------	----------------	------------------	------	----------------	-----	--------------	-------

Batch EK53004 - Water Extraction

Blank (EK53004-BLK1)

Prepared: 11/29/05 Analyzed: 11/30/05

Chloride ND 0.500 mg/kg

LCS (EK53004-BS1)

Prepared: 11/29/05 Analyzed: 11/30/05

Chloride 8.00 mg/L 10.0 80.0 80-120

Calibration Check (EK53004-CCV1)

Prepared: 11/29/05 Analyzed: 11/30/05

Chloride 8.72 mg/L 10.0 87.2 80-120

Duplicate (EK53004-DUP1)

Source: 5K23001-01

Prepared: 11/29/05 Analyzed: 11/30/05

Chloride 25800 500 mg/kg 25100 2.75 20

Rice Operating Co.
122 W. Taylor
Hobbs NM, 88240

Project: EME PS F-32 Leak
Project Number: None Given
Project Manager: Kristin Farris-Pope

Fax: (505) 397-1471

Reported:
12/01/05 09:07

Notes and Definitions

DET Analyte DETECTED
ND Analyte NOT DETECTED at or above the reporting limit
NR Not Reported
dry Sample results reported on a dry weight basis
RPD Relative Percent Difference
LCS Laboratory Control Spike
MS Matrix Spike
Dup Duplicate

Report Approved By:

Raland K Tuttle

Date: 12/1/2005

Raland K. Tuttle, Lab Manager
Celey D. Keene, Lab Director, Org. Tech Director
Peggy Allen, QA Officer

Jeanne Mc Murrey, Inorg. Tech Director
LaTasha Cornish, Chemist
Sandra Sanchez, Lab Tech.

This material is intended only for the use of the individual (s) or entity to whom it is addressed, and may contain information that is privileged and confidential.

If you have received this material in error, please notify us immediately at 432-563-1800.

Environmental Lab of Texas

The results in this report apply to the samples analyzed in accordance with the samples received in the laboratory. This analytical report must be reproduced in its entirety, with written approval of Environmental Lab of Texas.

Page 4 of 4

12600 West I-20 East
Odessa, Texas 79763

Phone: 915-563-1900
Fax: 915-563-1713

Project Manager: Kristen Farris Pope
Company Name: Rice Operating Co.
Company Address: 122 W. Taylor
City/State/Zip: Hobbs NM
Telephone No.: (505) 393-9174 Fax No.: _____
Sampler Signature: Jennifer Johnson

Project Name: EMG DS F-321PGK

Project #: _____

Project Loc: _____

PO #: _____

LAB # (Lab-Use Only)		FIELD CODE	Date Sampled	Time Sampled	No. of Containers	Preservative						Matrix			TCLP		TOTAL		Analyze For:		RUSH TAT (Pre-Schedule)
Ice	HNO ₃	HCl	NaOH	H ₂ SO ₄	None	Other (Specify)	Water	Sediment	Soil	Other (Specify)	TDS (CL) / SAR / EC	TPH (ATG)	TPH (TX 1005/1006)	TPH (8015M GRC/DORO)	Metals: As Ag Bi Cd Cr Pb Hg Se	Volatiles	Semi-volatiles	RTX (6021B/5030)			
SP A @ 5' bgs	11/21/05	9:00am	1	X							X										
SP B @ 5' bgs	11/21/05	9:30am	1	X							X										
SP C @ 5' bgs	11/21/05	10:00am	1	X							X										
SP D @ 5' bgs	11/21/05	10:30am	1	X							X										

Special Instructions:

Relinquished by: John J. Hoffman Date: 11/23/05 Time: 2:00pm

Received by: CD Haynes Date: 11/23 Time: 17:00

Relinquished by: CD Haynes Date: 11/28 Time: 6:30

Received by: Drop Box Date: 11/28/05 Time: 07:00

Sample Containers: Black

Temperature Log: None

Laboratory Comments: 9.22 g/L of lead

See also attached

Environmental Lab of Texas

Variance / Corrective Action Report – Sample Log-In

Client: Rite

Date/Time: 11/28/05 7:50

Order #: 5K28006

Initials: CR

Sample Receipt Checklist

Temperature of container/cooler?	Yes	No	2.0	C
Shipping container/cooler in good condition?	Yes	No		
Custody Seals intact on shipping container/cooler?	Yes	No	Not present	
Custody Seals intact on sample bottles?	Yes	No	Not present	
Chain of custody present?	Yes	No		
Sample Instructions complete on Chain of Custody?	Yes	No		
Chain of Custody signed when relinquished and received?	Yes	No		
Chain of custody agrees with sample label(s)	Yes	No		
Container labels legible and intact?	Yes	No		
Sample Matrix and properties same as on chain of custody?	Yes	No		
Samples in proper container/bottle?	Yes	No		
Samples properly preserved?	Yes	No		
Sample bottles intact?	Yes	No		
Preservations documented on Chain of Custody?	Yes	No		
Containers documented on Chain of Custody?	Yes	No		
Sufficient sample amount for indicated test?	Yes	No		
All samples received within sufficient hold time?	Yes	No		
VOC samples have zero headspace?	Yes	No	Not Applicable	

Other observations:

Variance Documentation:

Contact Person: _____ Date/Time: _____ Contacted by: _____
Regarding: _____

Corrective Action Taken:
