1R - 428 - 67WORKPLANS Date: 12-11-12

Rice Environmental Consulting & Safety

P.O. Box 5630 Hobbs, NM 88241 Phone 575.393.4411 Fax 575.393.0293

CERTIFIED MAIL RETURN RECEIPT NO. 7011 2000 0002 0285 5063

December 11th, 2012

Mr. Edward Hansen

New Mexico Energy, Minerals, & Natural Resources Oil Conservation Division, Environmental Bureau 1220 S. St. Francis Drive Santa Fe, New Mexico 87505

RE: Update Report Rice Operating Company – Abandoned Hobbs SWD System Hobbs Jct. E-33-1 (1R428-67): UL/E sec. 33 T18S R38E

RECEIVED OCD

2012 UEC 13 P 1: 36

Mr. Hansen:

RICE Operating Company (ROC) has retained Rice Environmental Consulting and Safety (RECS) to address potential environmental concerns at the above-referenced site in the abandoned Hobbs Salt Water Disposal (SWD) system. ROC is the service provider (agent) for the abandoned Hobbs 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 Parties, who provide all operating capital on a percentage ownership/usage basis.

Background and Previous Work

The site is located in Hobbs, New Mexico at UL/E sec. 33 T18S R38E as shown on the Site Location Map (Figure 1). Groundwater monitoring at the site establishes groundwater at a depth of \pm 67 ft.

With the abandonment of the Hobbs SWD system in 2002, ROC removed the Hobbs E-33-1 junction box and the upper four feet of the vadose zone. The resultant excavation was then backfilled with a mixture of silty loam and some caliche. On May 2nd, 2006, one soil bore was advanced through the former junction box site. The bore was field tested for chlorides and screened for hydrocarbons with a photo-ionization detector (PID). The highest chloride field numbers were between 20 and 40 ft bgs with a peak chloride reading at 35 ft bgs of 1,381 mg/kg which declined to 729 mg/kg at 60 ft bgs. All PID readings throughout the bore were 0 ppm. A representative sample from the bore was taken to a commercial laboratory for confirmation of chloride field numbers. At 24 ft bgs, the laboratory chloride reading was 1,640 mg/kg. Based on the elevated chloride readings in the bore, a monitor well was installed within the bore to a depth of 75 ft bgs.

The monitor well (MW-1) has been sampled quarterly since its installation (Figure 2). Laboratory chloride and TDS values for the well remain slightly above WQCC standards.

During the last sampling event on September 6th, 2012, the laboratory chloride reading was 343 mg/L and the TDS reading was 1,090 mg/L (Appendix A). Because of the elevated chloride and TDS readings in MW-1, RECS recommends that ROC install an up gradient monitor well to determine if an up gradient source exists to account for these elevated constituents. The monitor well (MW-2) will be sampled quarterly per NMOCD standards.

RECS appreciates the opportunity to work with you on this project. Please call Hack Conder at (575) 393-9174 or me if you have any questions or wish to discuss the site.

Sincerely,

JC.W-

Lara Weinheimer Project Scientist RECS (575) 441-0431

Attachments:

Figure 1 – Site Location Map Figure 2 – Monitor Well Sampling Plat Appendix A – Monitor Well Sampling Lab

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Figures

RICE Environmental Consulting and Safety (RECS) P.O. Box 5630 Hobbs, NM 88241 Phone 575.393.4411 Fax 575.393.0293

Site Location Map



Monitor Well Sampling



Appendix A Monitor Well Sampling Lab

RICE Environmental Consulting and Safety (RECS) P.O. Box 5630 Hobbs, NM 88241 Phone 575.393.4411 Fax 575.393.0293



September 18, 2012

Hack Conder Rice Operating Company 112 W. Taylor Hobbs, NM 88240

RE: HOBBS JUNCTION E-33-1

Enclosed are the results of analyses for samples received by the laboratory on 09/11/12 11:16.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

Cardinal Laboratories is accreditated through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

Celey D. Keine

Celey D. Keene Lab Director/Quality Manager



Analytical Results For:

Rice Operating Company Hack Conder 112 W. Taylor Hobbs NM, 88240 Fax To: (575) 397-1471

Received:	09/11/2012	Sampling Date:	09/06/2012
Reported:	09/18/2012	Sampling Type:	Water
Project Name:	HOBBS JUNCTION E-33-1	Sampling Condition:	Cool & Intact
Project Number:	NONE GIVEN	Sample Received By:	Jodi Henson
Project Location:	T18S-R38E-SEC33 E-LEA CTY., NM		

Sample ID: MONITOR WELL #1 (H202192-01)

Chloride, SM4500CI-B	mg	/L	Analyze	d By: AP			•		
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride*	343	4.00 09/14/2012 NC		ND	104	104	100	0.00	
Sulfate 375.4	mg	/L	Analyze	d By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Sulfate*	195	10.0	09/12/2012	ND	22.3	112	20.0	12.8	
TDS 160.1	mg	/L	Analyze	d By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
TDS*	1090	5.00	09/12/2012	ND	231	96.2	240	0.322	·

Cardinal Laboratories

*=Accredited Analyte

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 client for analyses. All claims, including those for negligence and any other cause whitsoever shall be deemed waived unlies made in writing and received by Cardinal within thirty (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, affliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based more stated reasons or otherwise.

Celey D. Kune

Celey D. Keene, Lab Director/Quality Manager

Page 2 of 4



Notes and Definitions

ND	Analyte NOT DETECTED at or above the reporting limit
RPD	Relative Percent Difference
**	Samples not received at proper temperature of 6°C or below.
***	Insufficient time to reach temperature.
	Chloride by SM4500CI-B does not require samples be received at or below 6°C Samples reported on an as received basis (wet) unless otherwise noted on report

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*=Accredited Analyte

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Celuy D. Kune

Celey D. Keene, Lab Director/Quality Manager

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