

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-14
Revised October 10, 200

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: Bryan Clay	
Address: 122 W. Taylor Hobbs, New Mexico	Telephone No.: 505-393-9174	
Facility Name: EME Marathon McGrail (02/98)	Facility Type: SWD Gathering Line	
Surface Owner: State of New Mexico	Mineral Owner	Lease No.

LOCATION OF RELEASE


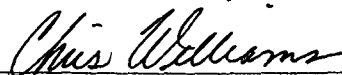
Unit Letter H	Section 27	Township 19S	Range 36E	Feet from the	North/South Line	Feet from the	East/West Line	County Lea
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Latitude: Longitude:

NATURE OF RELEASE

Type of Release: Produced Water and Oil	Volume of Release: 78 bbls	Volume Recovered: 20 bbls
Source of Release: Pipeline	Date and Hour of Occurrence: 2-15-98 @ 11:35 a.m.	Date and Hour of Discovery: 2-15-98 @ 11:35 a.m.
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Sylvia Dickey	
By Whom? Ron Anderson	Date and Hour: 2-16-98 @ 10:00a.m.	
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.* N/A		
Describe Cause of Problem and Remedial Action Taken.* A 2 1/2-inch pvc fitting broke inside the junction box. The fitting was replaced as a permanent repair.		
Describe Area Affected and Cleanup Action Taken.* The affected area was approximately 39,058 square feet in the pasture. ROC scraped and hauled off 6-inches of the contaminated area disposal facility. Fertilizer and gypsum was introduced to this area by rotor tiller.		

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: Bryan Clay	Approved by District Supervisor: 	
Title: Environmental Technician	Approval Date: 2/17/07	Expiration Date: 7/17/07
E-mail Address: bcriceswd@leaco.net	Conditions of Approval:	Attached <input type="checkbox"/>
Date: December 20, 2004 Phone: 505-393-9174		

* Attach Additional Sheets If Necessary

RPT#1487

N

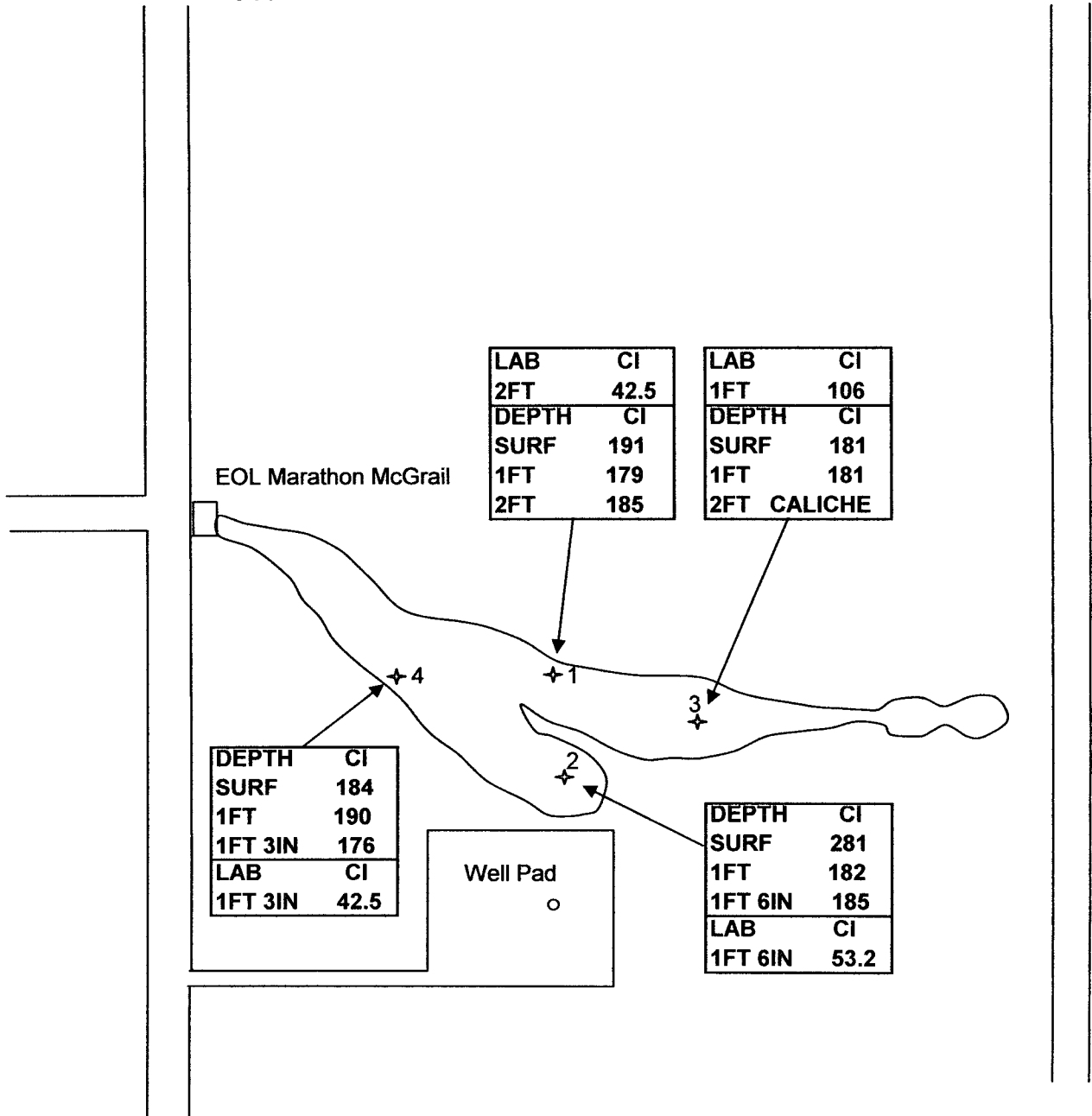
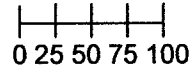


EME MARATHON McGRAIL LEAK

UL/H SEC 27 T-19-S R-36-E

GW 67ft

APPROX. SCALE



EOL Marathon McGrail

LAB	CI
2FT	42.5
DEPTH	CI
SURF	191
1FT	179
2FT	185

LAB	CI
1FT	106
DEPTH	CI
SURF	181
1FT	181
2FT	CALICHE

DEPTH	CI
SURF	184
1FT	190
1FT 3IN	176
LAB	CI
1FT 3IN	42.5

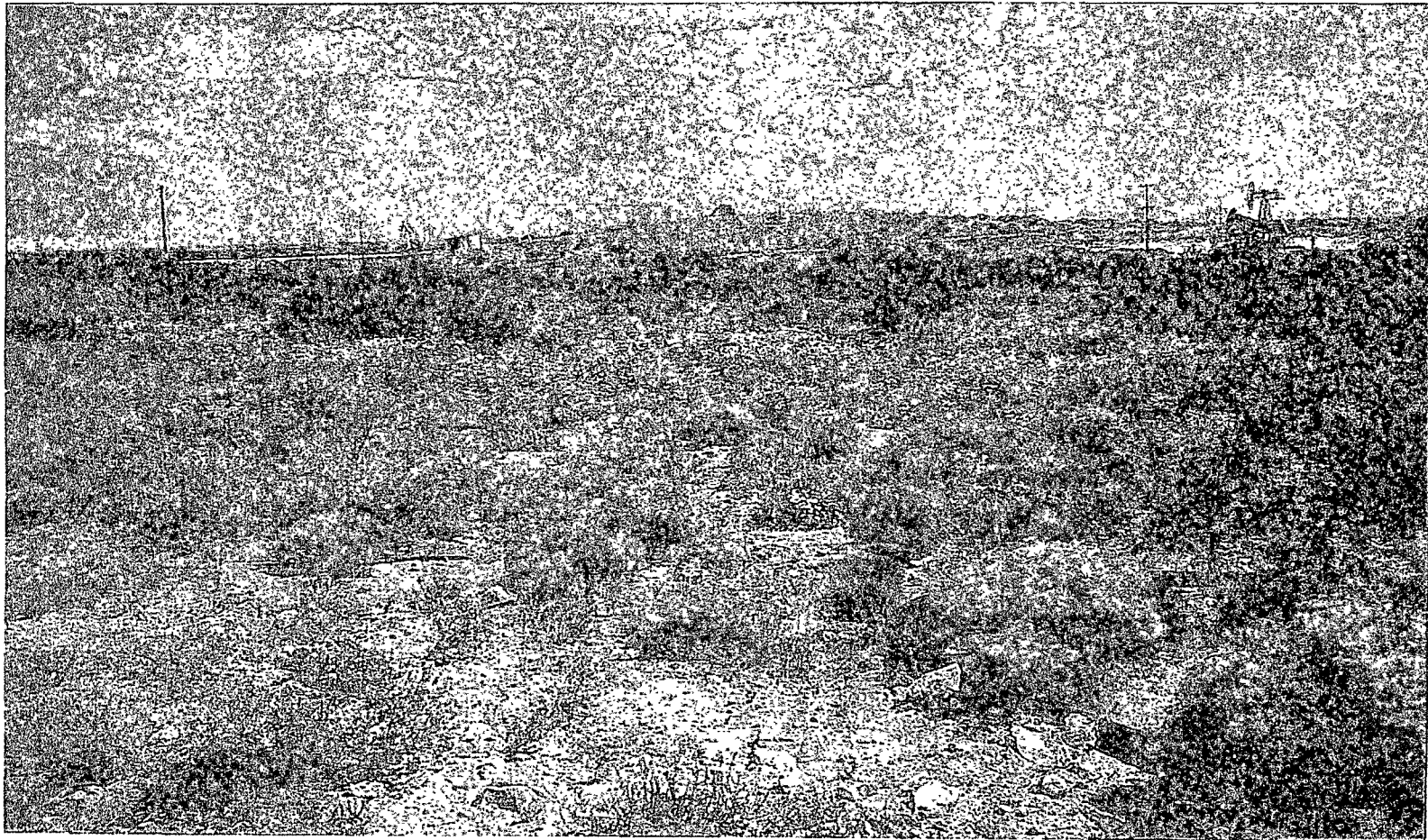
Well Pad



DEPTH	CI
SURF	281
1FT	182
1FT 6IN	185
LAB	CI
1FT 6IN	53.2

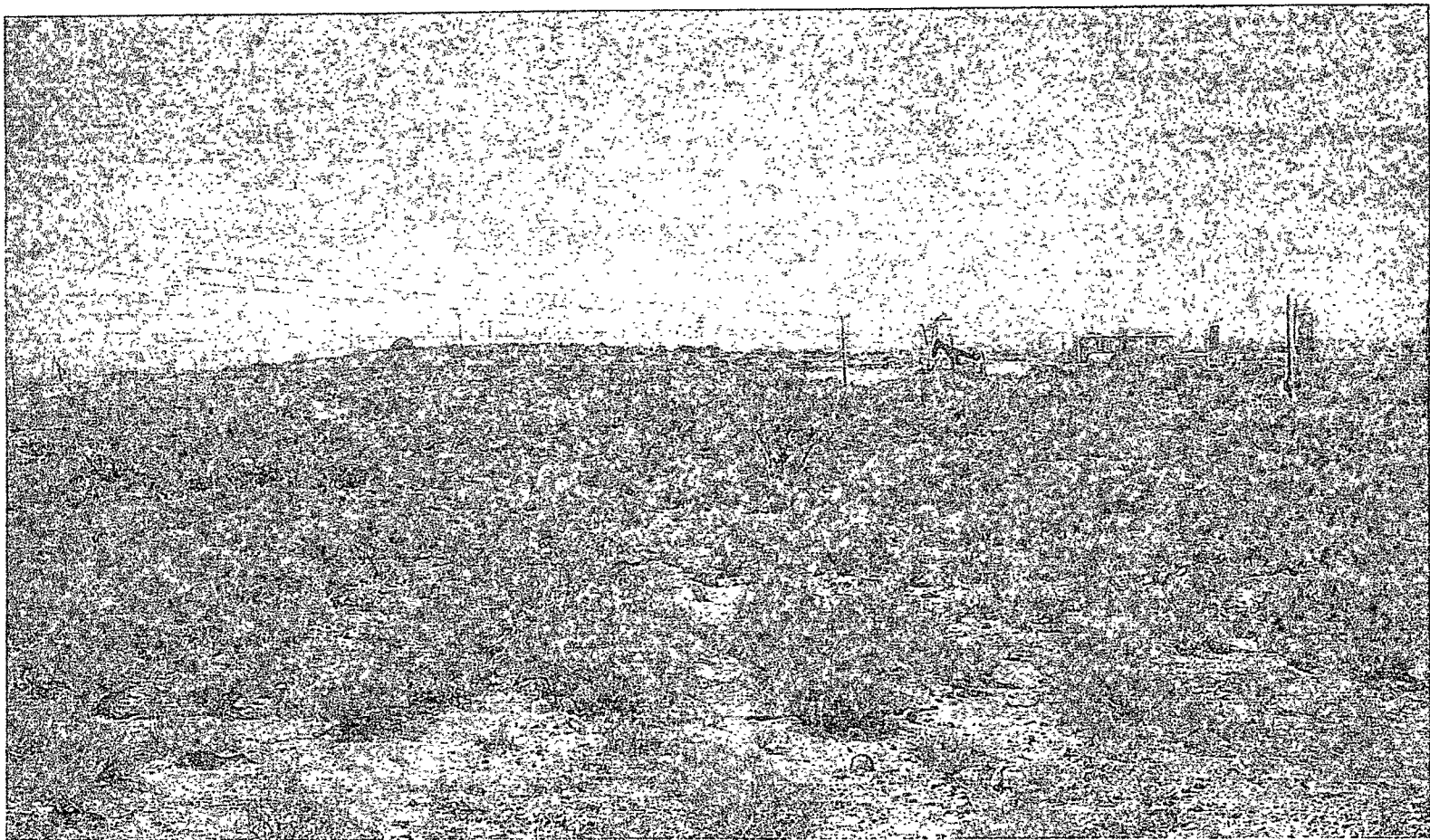


Em L
McGrail E.O.L.
Looking SE.
8-26-98



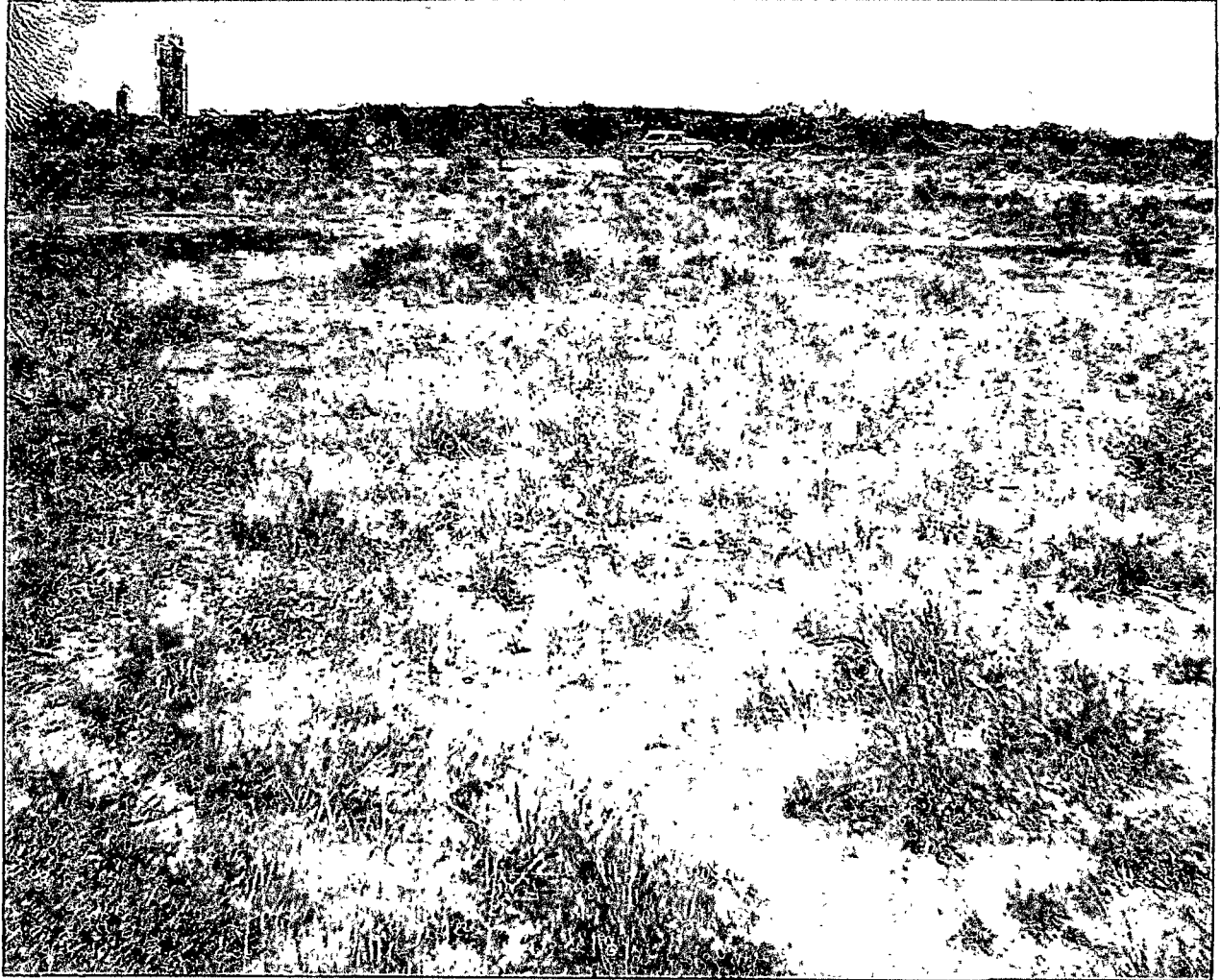
EME MARATHON MC GRAIL LEAK EAST TO WEST

9/14/05



7/17/06





EME Looking West from Low
Spot to McGrail E.O.L
8/26/98

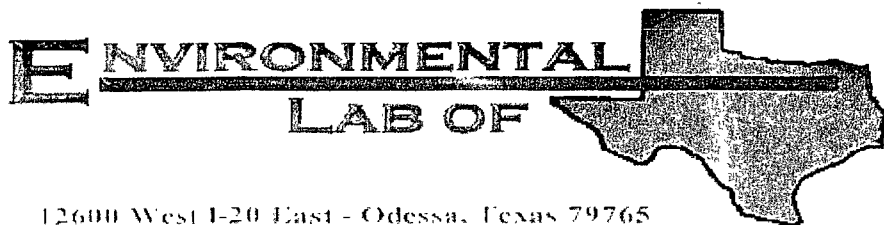


MARATHON MC GRAIL EME EOL EAST TO WEST

9/14/05



2007/06/11



12600 West I-20 East - Odessa, Texas 79765

Analytical Report

Prepared for:

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

Project: EME

Project Number: None Given

Location: Marathon McGrail *OLD leak site*

Lab Order Number: 4L10002

Report Date: 12/16/04

Rice Operating Co
122 W Taylor
Hobbs NM, 88240

Project EME
Project Number None Given
Project Manager Roy Rascon

Fax (505) 397-1471

Reported:
12/16/04 09 24

ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
SP-1 @ 2 ft	4L10002-01	Soil	12/08/04 14 30	12/10/04 07 50
SP-2 @ 1 ft 6 in	4L10002-02	Soil	12/08/04 14 45	12/10/04 07 50
SP-3 @ 1 ft	4L10002-03	Soil	12/08/04 15 00	12/10/04 07 50
SP-4 @ 1 ft 3 in	4L10002-04	Soil	12/08/04 15 15	12/10/04 07 50

Rice Operating Co
122 W Taylor
Hobbs NM, 88240

Project EME
Project Number None Given
Project Manager Roy Rascon

Fax (505) 397-1471

Reported:
12/16/04 09:24

Organics by GC
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
SP-1 @ 2 ft. (4L10002-01) Soil									
Gasoline Range Organics C6-C12	J [8.41]	10.0	mg/kg dry	1	EL41006	12/10/04	12/10/04	EPA 8015M	J
Diesel Range Organics >C12-C35	15.6	10.0	"	"	"	"	"	"	
Total Hydrocarbon C6-C35	15.6	10.0	"	"	"	"	"	"	
<i>Surrogate 1-Chlorooctane</i>		107 %	70-130		"	"	"	"	
<i>Surrogate 1-Chlorooctadecane</i>		114 %	70-130		"	"	"	"	
SP-2 @ 1 ft. 6 in. (4L10002-02) Soil									
Gasoline Range Organics C6-C12	ND	10.0	mg/kg dry	1	EL41006	12/10/04	12/13/04	EPA 8015M	
Diesel Range Organics >C12-C35	12.5	10.0	"	"	"	"	"	"	
Total Hydrocarbon C6-C35	12.5	10.0	"	"	"	"	"	"	
<i>Surrogate 1-Chlorooctane</i>		91.0 %	70-130		"	"	"	"	
<i>Surrogate 1-Chlorooctadecane</i>		92.0 %	70-130		"	"	"	"	
SP-3 @ 1 ft. (4L10002-03) Soil									
Gasoline Range Organics C6-C12	ND	10.0	mg/kg dry	1	EL41006	12/10/04	12/10/04	EPA 8015M	
Diesel Range Organics >C12-C35	210	10.0	"	"	"	"	"	"	
Total Hydrocarbon C6-C35	210	10.0	"	"	"	"	"	"	
<i>Surrogate 1-Chlorooctane</i>		100 %	70-130		"	"	"	"	
<i>Surrogate 1-Chlorooctadecane</i>		107 %	70-130		"	"	"	"	
SP-4 @ 1 ft. 3 in. (4L10002-04) Soil									
Gasoline Range Organics C6-C12	ND	10.0	mg/kg dry	1	EL41006	12/10/04	12/10/04	EPA 8015M	
Diesel Range Organics >C12-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbon C6-C35	ND	10.0	"	"	"	"	"	"	
<i>Surrogate 1-Chlorooctane</i>		94.8 %	70-130		"	"	"	"	
<i>Surrogate 1-Chlorooctadecane</i>		92.4 %	70-130		"	"	"	"	

Rice Operating Co
122 W Taylor
Hobbs NM, 88240

Project EME
Project Number None Given
Project Manager Roy Rascon

Fax (505) 397-1471

Reported:
12/16/04 09 24

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

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
SP-1 @ 2 ft. (4L10002-01) Soil									
Chloride	42.5	20.0	mg/kg Wet	2	EL41403	12/10/04	12/14/04	SW 846 9253	
% Moisture	13.7		%	1	EL41309	12/10/04	12/10/04	% calculation	
SP-2 @ 1 ft. 6 in. (4L10002-02) Soil									
Chloride	53.2	20.0	mg/kg Wet	2	EL41403	12/10/04	12/14/04	SW 846 9253	
% Moisture	10.7		%	1	EL41309	12/10/04	12/10/04	% calculation	
SP-3 @ 1 ft. (4L10002-03) Soil									
Chloride	106	20.0	mg/kg Wet	2	EL41403	12/10/04	12/14/04	SW 846 9253	
% Moisture	9.9		%	1	EL41309	12/10/04	12/10/04	% calculation	
SP-4 @ 1 ft. 3 in. (4L10002-04) Soil									
Chloride	42.5	20.0	mg/kg Wet	2	EL41403	12/10/04	12/14/04	SW 846 9253	
% Moisture	12.4		%	1	EL41309	12/10/04	12/10/04	% calculation	

Rice Operating Co
122 W Taylor
Hobbs NM, 88240

Project EME
Project Number None Given
Project Manager Roy Rascon

Fax (505) 397-1471

Reported:
12/16/04 09 24

Organics by GC - Quality Control

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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Batch EL41006 - Solvent Extraction (GC)

Blank (EL41006-BLK1)

Prepared & Analyzed 12/10/04

Gasoline Range Organics C6-C12	ND	10.0	mg/kg wet							
Diesel Range Organics >C12-C35	ND	10.0	"							
Total Hydrocarbon C6-C35	ND	10.0	"							
Surrogate 1-Chlorooctane	42.5		mg/kg	50.0		85.0	70-130			
Surrogate 1-Chlorooctadecane	46.0		"	50.0		92.0	70-130			

Blank (EL41006-BLK2)

Prepared 12/10/04 Analyzed 12/11/04

Gasoline Range Organics C6-C12	ND	10.0	mg/kg wet							
Diesel Range Organics >C12-C35	ND	10.0	"							
Total Hydrocarbon C6-C35	ND	10.0	"							
Surrogate 1-Chlorooctane	46.3		mg/kg	50.0		92.6	70-130			
Surrogate 1-Chlorooctadecane	49.1		"	50.0		98.2	70-130			

LCS (EL41006-BS1)

Prepared & Analyzed 12/10/04

Gasoline Range Organics C6-C12	469	10.0	mg/kg wet	500		93.8	75-125			
Diesel Range Organics >C12-C35	481	10.0	"	500		96.2	75-125			
Total Hydrocarbon C6-C35	950	10.0	"	1000		95.0	75-125			
Surrogate 1-Chlorooctane	55.9		mg/kg	50.0		112	70-130			
Surrogate 1-Chlorooctadecane	51.5		"	50.0		103	70-130			

LCS (EL41006-BS2)

Prepared 12/10/04 Analyzed 12/11/04

Gasoline Range Organics C6-C12	453	10.0	mg/kg wet	500		90.6	75-125			
Diesel Range Organics >C12-C35	480	10.0	"	500		96.0	75-125			
Total Hydrocarbon C6-C35	933	10.0	"	1000		93.3	75-125			
Surrogate 1-Chlorooctane	54.2		mg/kg	50.0		108	70-130			
Surrogate 1-Chlorooctadecane	50.6		"	50.0		101	70-130			

Calibration Check (EL41006-CCV1)

Prepared & Analyzed 12/10/04

Gasoline Range Organics C6-C12	479		mg/kg	500		95.8	80-120			
Diesel Range Organics >C12-C35	502		"	500		100	80-120			
Total Hydrocarbon C6-C35	981		"	1000		98.1	80-120			
Surrogate 1-Chlorooctane	57.5		"	50.0		115	70-130			
Surrogate 1-Chlorooctadecane	52.1		"	50.0		104	70-130			

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 8

Rice Operating Co
122 W Taylor
Hobbs NM, 88240

Project EME
Project Number None Given
Project Manager Roy Rascon

Fax (505) 397-1471

Reported:
12/16/04 09:24

Organics by GC - Quality Control
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC %REC Limits	RPD	RPD Limit	Notes
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Batch EL41006 - Solvent Extraction (GC)

Calibration Check (EL41006-CCV2)

Prepared 12/10/04 Analyzed 12/11/04

Gasoline Range Organics C6-C12	489		mg/kg	500		97.8	80-120		
Diesel Range Organics >C12-C35	540		"	500		108	80-120		
Total Hydrocarbon C6-C35	1030		"	1000		103	80-120		
Surrogate 1-Chlorooctane	58.5		"	50.0		117	70-130		
Surrogate 1-Chlorooctadecane	56.4		"	50.0		113	70-130		

Matrix Spike (EL41006-MS1)

Source: 4L10005-03

Prepared 12/10/04 Analyzed 12/11/04

Gasoline Range Organics C6-C12	528	10.0	mg/kg dry	522	ND	101	75-125		
Diesel Range Organics >C12-C35	589	10.0	"	522	25.6	108	75-125		
Total Hydrocarbon C6-C35	1120	10.0	"	1040	25.6	105	75-125		
Surrogate 1-Chlorooctane	55.4		mg/kg	50.0		111	70-130		
Surrogate 1-Chlorooctadecane	48.7		"	50.0		97.4	70-130		

Matrix Spike (EL41006-MS2)

Source: 4L10011-02

Prepared 12/10/04 Analyzed 12/11/04

Gasoline Range Organics C6-C12	638	10.0	mg/kg dry	598	ND	107	75-125		
Diesel Range Organics >C12-C35	645	10.0	"	598	ND	108	75-125		
Total Hydrocarbon C6-C35	1280	10.0	"	1200	ND	107	75-125		
Surrogate 1-Chlorooctane	59.8		mg/kg	50.0		120	70-130		
Surrogate 1-Chlorooctadecane	57.3		"	50.0		115	70-130		

Matrix Spike Dup (EL41006-MSD1)

Source: 4L10005-03

Prepared 12/10/04 Analyzed 12/11/04

Gasoline Range Organics C6-C12	537	10.0	mg/kg dry	522	ND	103	75-125	1.69	20
Diesel Range Organics >C12-C35	582	10.0	"	522	25.6	107	75-125	1.20	20
Total Hydrocarbon C6-C35	1120	10.0	"	1040	25.6	105	75-125	0.00	20
Surrogate 1-Chlorooctane	55.7		mg/kg	50.0		111	70-130		
Surrogate 1-Chlorooctadecane	48.7		"	50.0		97.4	70-130		

Matrix Spike Dup (EL41006-MSD2)

Source: 4L10011-02

Prepared 12/10/04 Analyzed 12/11/04

Gasoline Range Organics C6-C12	655	10.0	mg/kg dry	598	ND	110	75-125	2.63	20
Diesel Range Organics >C12-C35	649	10.0	"	598	ND	109	75-125	0.618	20
Total Hydrocarbon C6-C35	1300	10.0	"	1200	ND	108	75-125	1.55	20
Surrogate 1-Chlorooctane	60.2		mg/kg	50.0		120	70-130		
Surrogate 1-Chlorooctadecane	57.3		"	50.0		115	70-130		

Environmental Lab of Texas

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Page 5 of 8

Rice Operating Co
122 W Taylor
Hobbs NM, 88240

Project EME
Project Number None Given
Project Manager Roy Rascon

Fax (505) 397-1471

Reported:
12/16/04 09:24

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

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC Limits	RPD Limit	Notes
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Batch EL41309 - General Preparation (Prep)

Blank (EL41309-BLK1) Prepared & Analyzed 12/10/04

% Moisture 0.0 %

Duplicate (EL41309-DUP1) Source: 4L09016-01 Prepared & Analyzed 12/10/04

% Moisture 8.7 % 9.1 4.49 20

Batch EL41403 - Water Extraction

Blank (EL41403-BLK1) Prepared 12/10/04 Analyzed 12/14/04

Chlordane ND 20.0 mg/kg Wet

Matrix Spike (EL41403-MS1) Source: 4L10001-01 Prepared 12/10/04 Analyzed 12/14/04

Chlordane 681 20.0 mg/kg Wet 500 213 93.6 80-120

Matrix Spike Dup (EL41403-MSD1) Source: 4L10001-01 Prepared 12/10/04 Analyzed 12/14/04

Chlordane 691 20.0 mg/kg Wet 500 213 95.6 80-120 1.46 20

Reference (EL41403-SRM1) Prepared & Analyzed 12/14/04

Chlordane 4940 mg/kg 5000 98.8 80-120

Rice Operating Co
122 W Taylor
Hobbs NM, 88240

Project EME
Project Number None Given
Project Manager Roy Rascon

Fax (505) 397-1471

Reported:
12/16/04 09 24

Notes and Definitions

J Detected but below the Reporting Limit, therefore, result is an estimated concentration (CLP J-Flag)

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

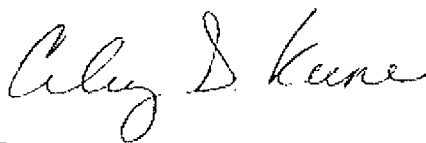
RPD Relative Percent Difference

LCS Laboratory Control Spike

MS Matrix Spike

Dup Duplicate

Report Approved By. _____



Date _____

12/16/2004

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

Jeanne Mc Murrey, Inorg Tech Director
James L Hawkins, Chemist/Geologist
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.

Phone: 915-563-1800
Fax: 915-563-1713

Project Manager: Roy Rascon
Company Name: RICE Operating
Company Address: 122 W. Taylor
City/State/Zip: Hobbs, NM 88240
Telephone No: (505) 393-9174 (505) 631-2532
Fax No: (505) 397-1471
Sampler Signature: [Signature]

Project Name: EME

Project #: _____

Project Loc: MAETHUEN M. GERRIL

PO #:

[illegible]

Environmental Lab of Texas

Variance / Corrective Action Report – Sample Log-In

Client: Rice Operating Co.

Date/Time: 12-10-04 @ 0750

Order #: 4210002

Initials: JMM

Sample Receipt Checklist

Temperature of container/cooler?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	3.5°C	C
Shipping container/cooler in good condition?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
Custody Seals intact on shipping container/cooler?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Not present	
Custody Seals intact on sample bottles?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Not present	
Chain of custody present?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
Sample instructions complete on Chain of Custody?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
Chain of Custody signed when relinquished and received?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
Chain of custody agrees with sample label(s)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
Container labels legible and intact?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
Sample Matrix and properties same as on chain of custody?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
Samples in proper container/bottle?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
Samples properly preserved?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
Sample bottles intact?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
Preservations documented on Chain of Custody?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
Containers documented on Chain of Custody?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
Sufficient sample amount for indicated test?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
All samples received within sufficient hold time?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
VOC samples have zero headspace?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Not Applicable	

Other observations:

missing Sample SP-2 @ 16"

Variance Documentation:

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

Corrective Action Taken:

called and left message w/ Rice Operating 12/10 @ 11000 concerning missing
Sample. Bryan will bring sample today.
Missing Sample was received on 12/13/04. JMM