

District I  
25 N. French Dr., Hobbs, NM 88240  
District II  
01 W. Grand Avenue, Artesia, NM 88210  
District III  
00 Rio Brazos Road, Aztec, NM 87410  
District IV  
20 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Form C-141  
Revised October 10, 2003

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

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: BD	Facility Type: Salt Water Gathering Sytem

Surface Owner: Charlie Bettis	Mineral Owner:	Lease No.:
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
M	9	22S	37E					Lea

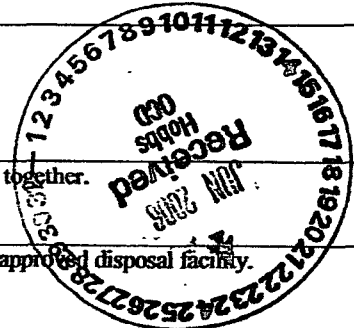
Latitude: 32\*24.163N Longitude: 103\*10.334W

NATURE OF RELEASE

Type of Release: Produced Water with Oil	Volume of Release: 363 barrels	Volume Recovered: 210 barrels
Source of Release: Jct Box	Date and Hour of Occurrence: N/A	Date and Hour of Discovery: 6/8/06
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Pat Caperton left message.	
By Whom? Jennifer Johnson	Date and Hour: 6/8/06 3:50 pm	
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.\* Coupling blew out. Replaced with flanges fused together.

Describe Area Affected and Cleanup Action Taken.\* Vacuum truck was used to haul produced water to an approved disposal facility.



I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC 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 NMOC 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, NMOC 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: <i>Jennifer Johnson</i>	OIL CONSERVATION DIVISION	
Printed Name: Jennifer Johnson	Approved by District Supervisor: <i>Chris Williams</i>	
Title: Environmental and Field Technician	Approval Date: 9/14/07	Expiration Date: 9/14/07
E-mail Address: jjohnson@riceswd.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 6/23/06	Phone: 505-393-9174	

Attach Additional Sheets If Necessary

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  
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side of form

**Release Notification and Corrective Action**

**OPERATOR**

☐ Initial Report ☒ Final Report

Name of Company	Rice Operating	Contact	Tony Grieco
Address	122 W. Taylor St., Hobbs, NM 88240	Telephone No.	(505) 393-9174
Facility Name	BD	Facility Type	Salt Water Gathering System

Surface Owner	Charlie Bettis	Mineral Owner		Lease No.	
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**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
M	9	22S	37E					Lea

Latitude 32° 24.163N Longitude 103° 10.334W

**NATURE OF RELEASE**

Type of Release	Produced water	Volume of Release	363 barrels	Volume Recovered	210 barrels
Source of Release	Junction Box	Date and Hour of Occurrence	N/A	Date and Hour of Discovery	6/8/06
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Patricia Caperton /left message			
By Whom?	Jennifer Johnson	Date and Hour 6/8/06 3:50 PM			
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.\*

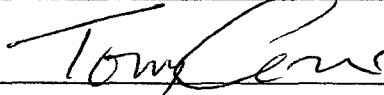

Describe Cause of Problem and Remedial Action Taken.\*

Coupling failed. Replaced with flanges fused together as a permanent repair

Describe Area Affected and Cleanup Action Taken.\*

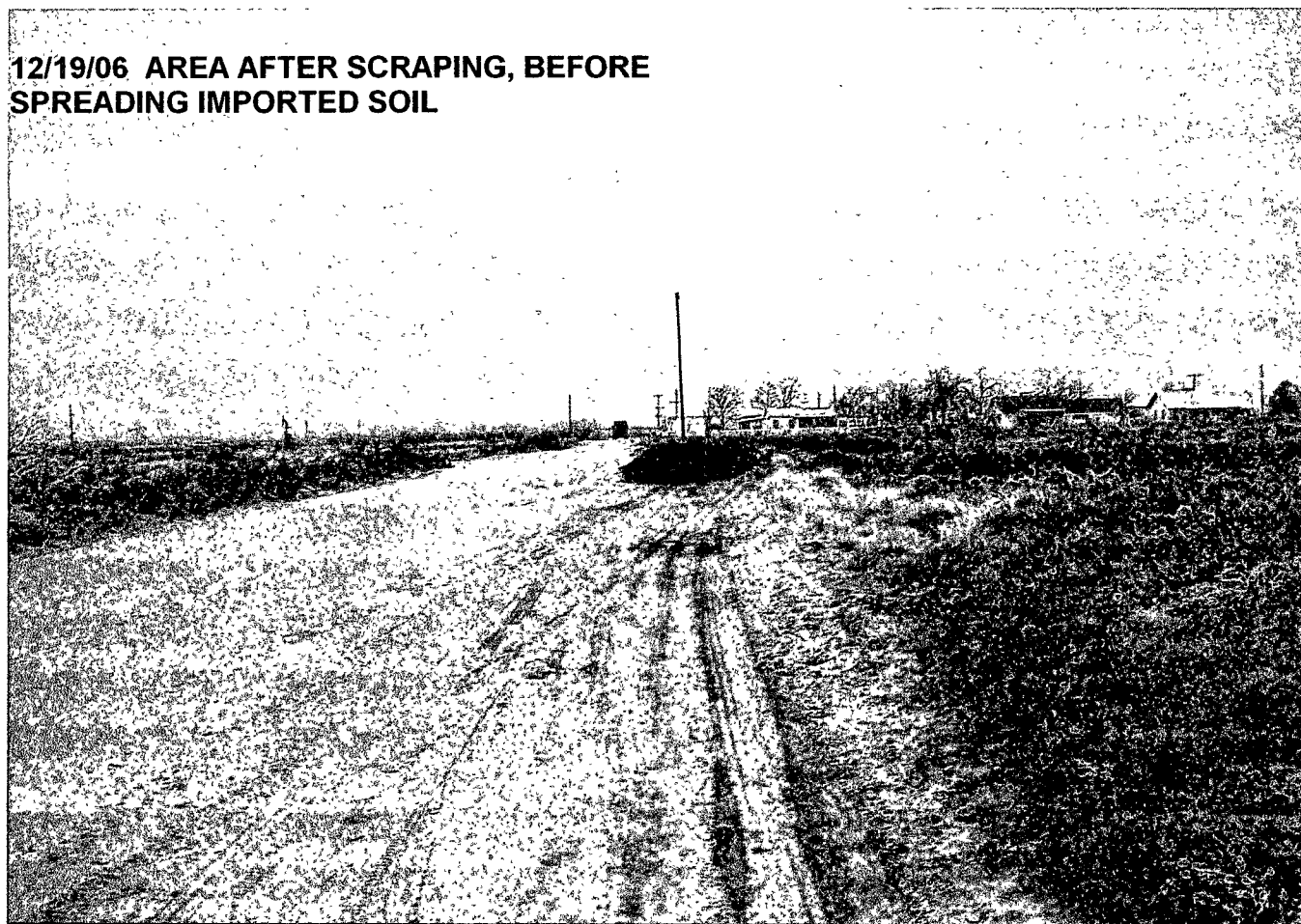
A vacuum truck was dispatched at the time the spill was discovered to haul produced water to an appropriate disposal facility. The affected area was initially scraped to a depth of 4 inches and the 120 yds of impacted soil was disposed at the Sundance facility. The site was delineated using a hand auger and backhoe. 144 yds of clean soil was imported to the location and the shoulder built up along the road to restrict vehicular traffic. The entire area was seeded with a blend of grasses requested by the landowner.

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.

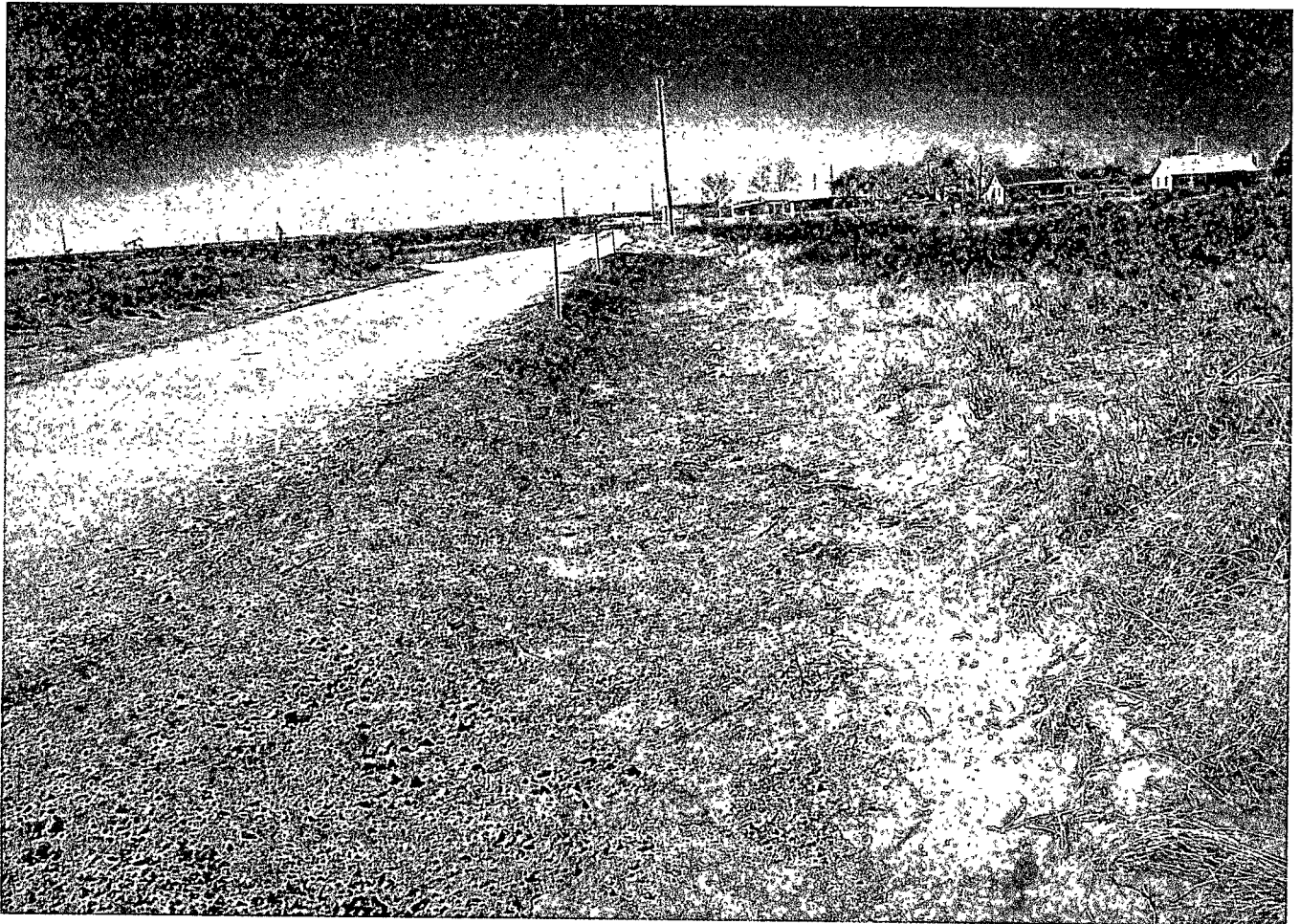
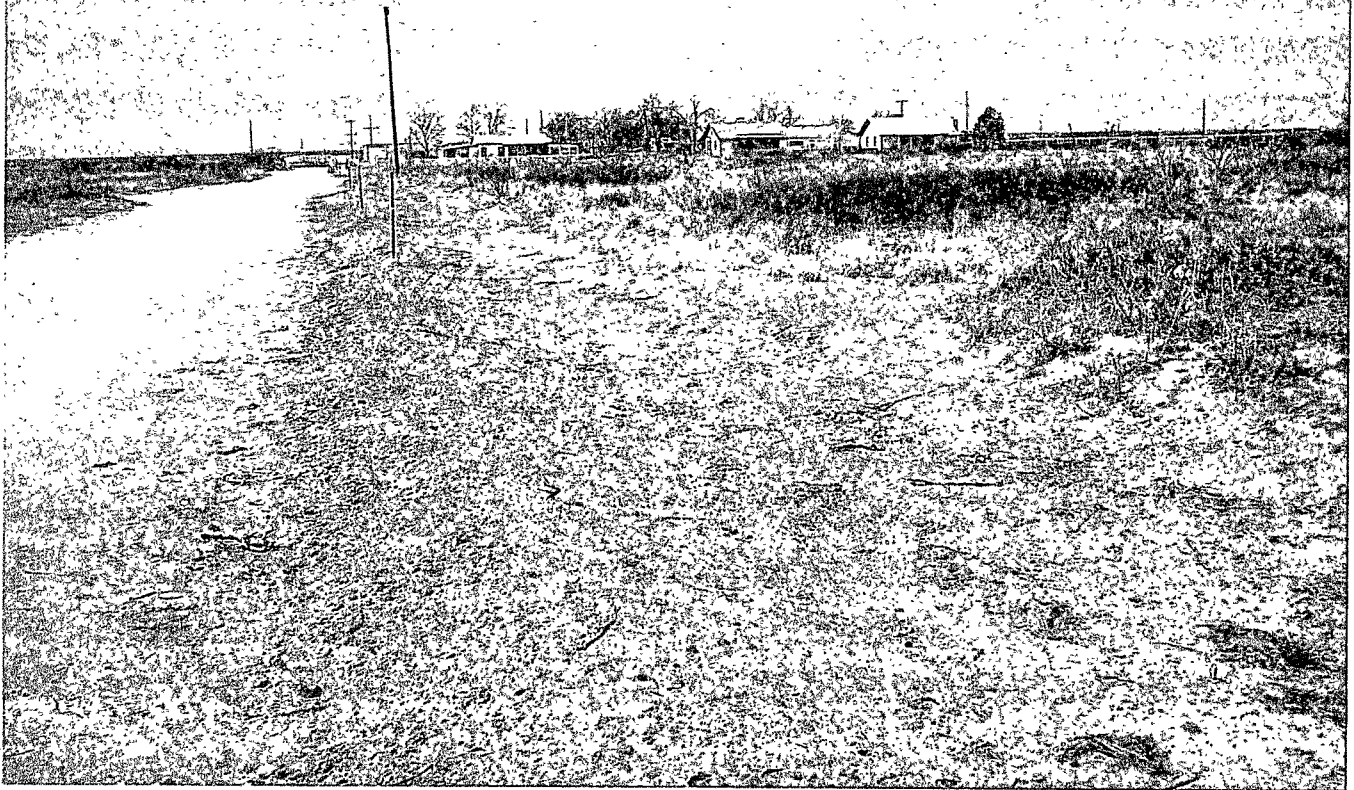
Signature: 	<b>OIL CONSERVATION DIVISION</b>		
Printed Name: Tony Grieco	Approved by District Supervisor: 		
Title: Environmental Technician	Approval Date: 9/14/07	Expiration Date: 9/14/07	
E-mail Address: tgrieco@riceswd.com	Conditions of Approval:		Attached <input type="checkbox"/>
Date: 7/27/07	Phone: (505) 393-9174		

\* Attach Additional Sheets If Necessary

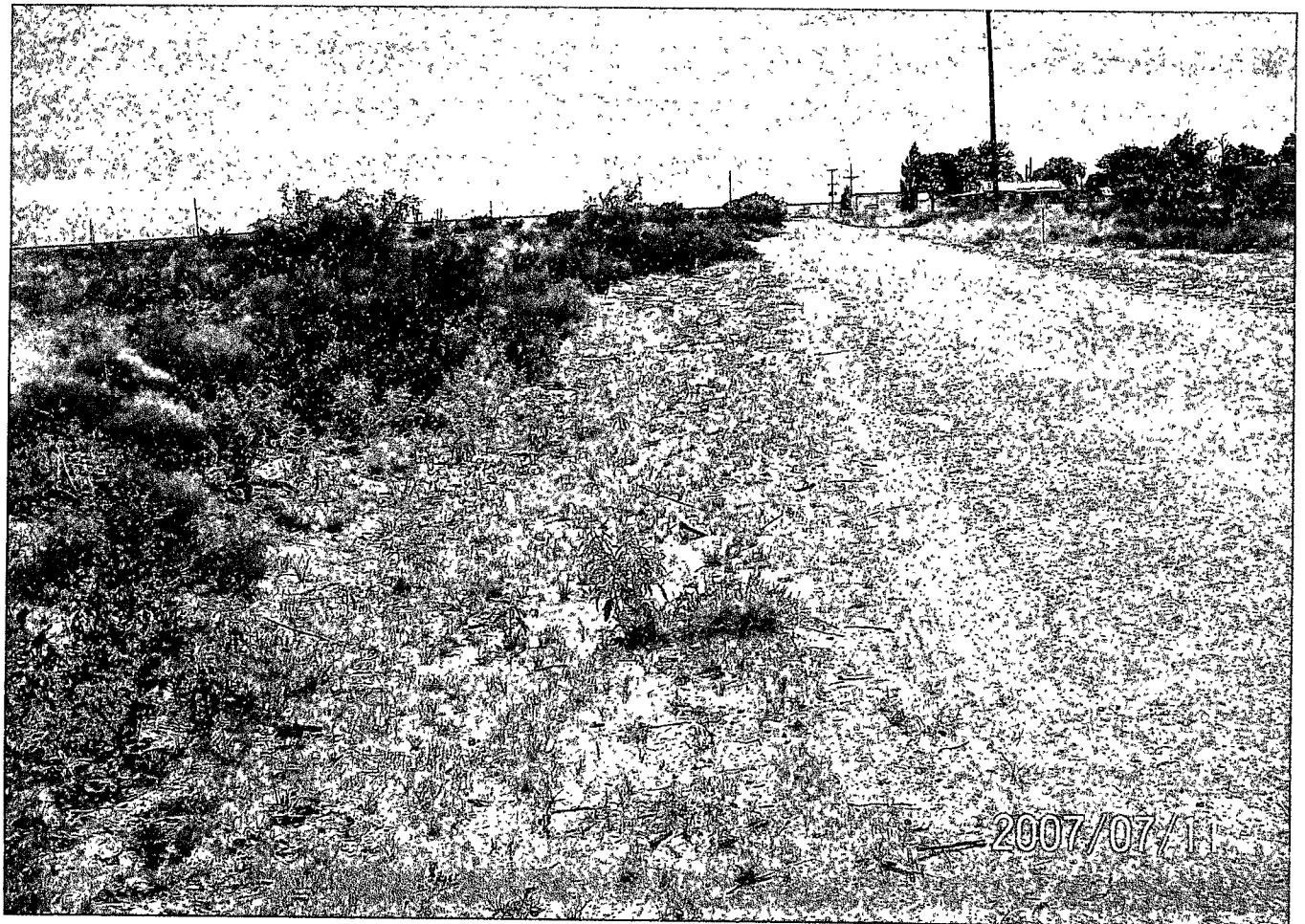
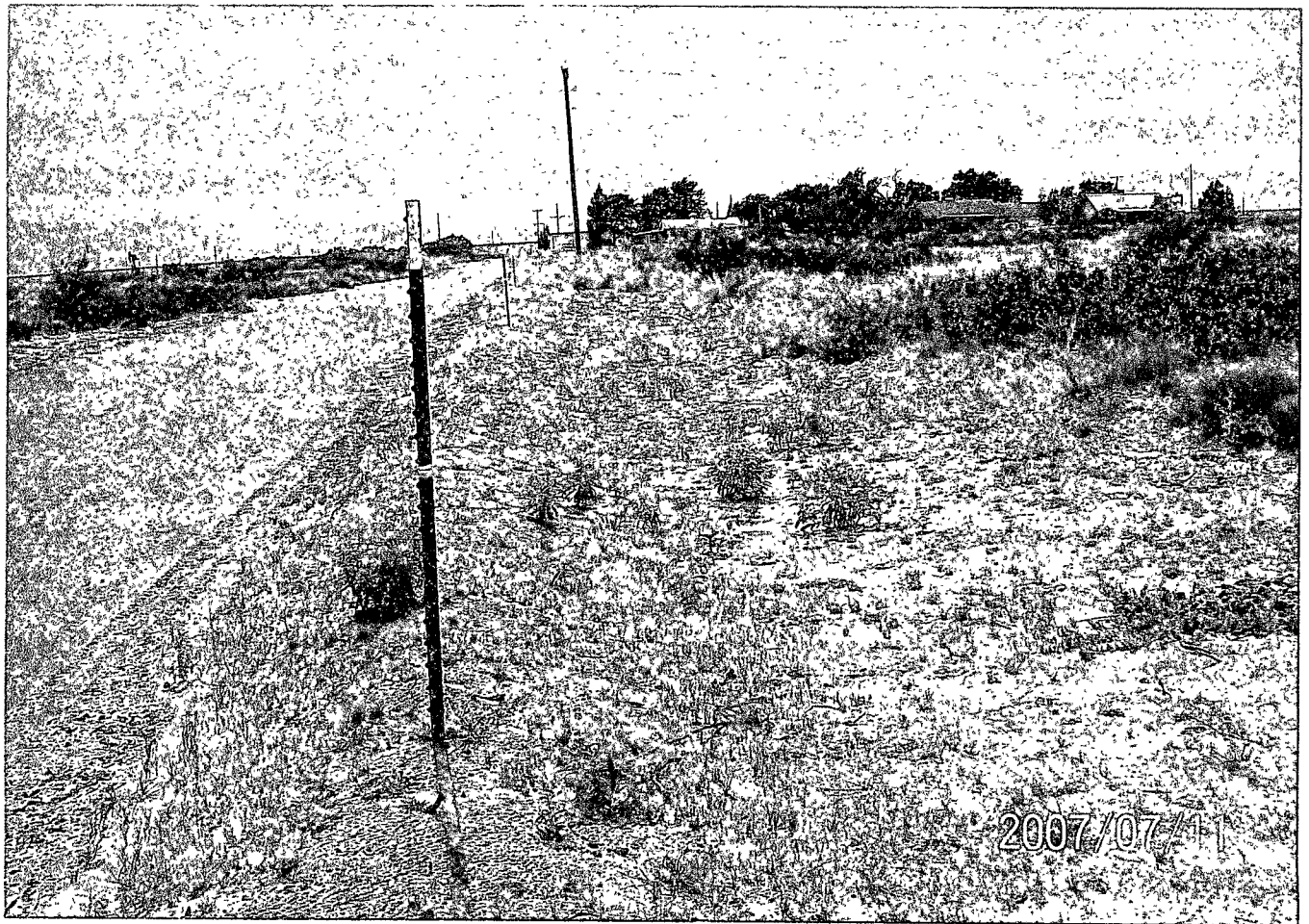
**12/19/06 AREA AFTER SCRAPING, BEFORE  
SPREADING IMPORTED SOIL**



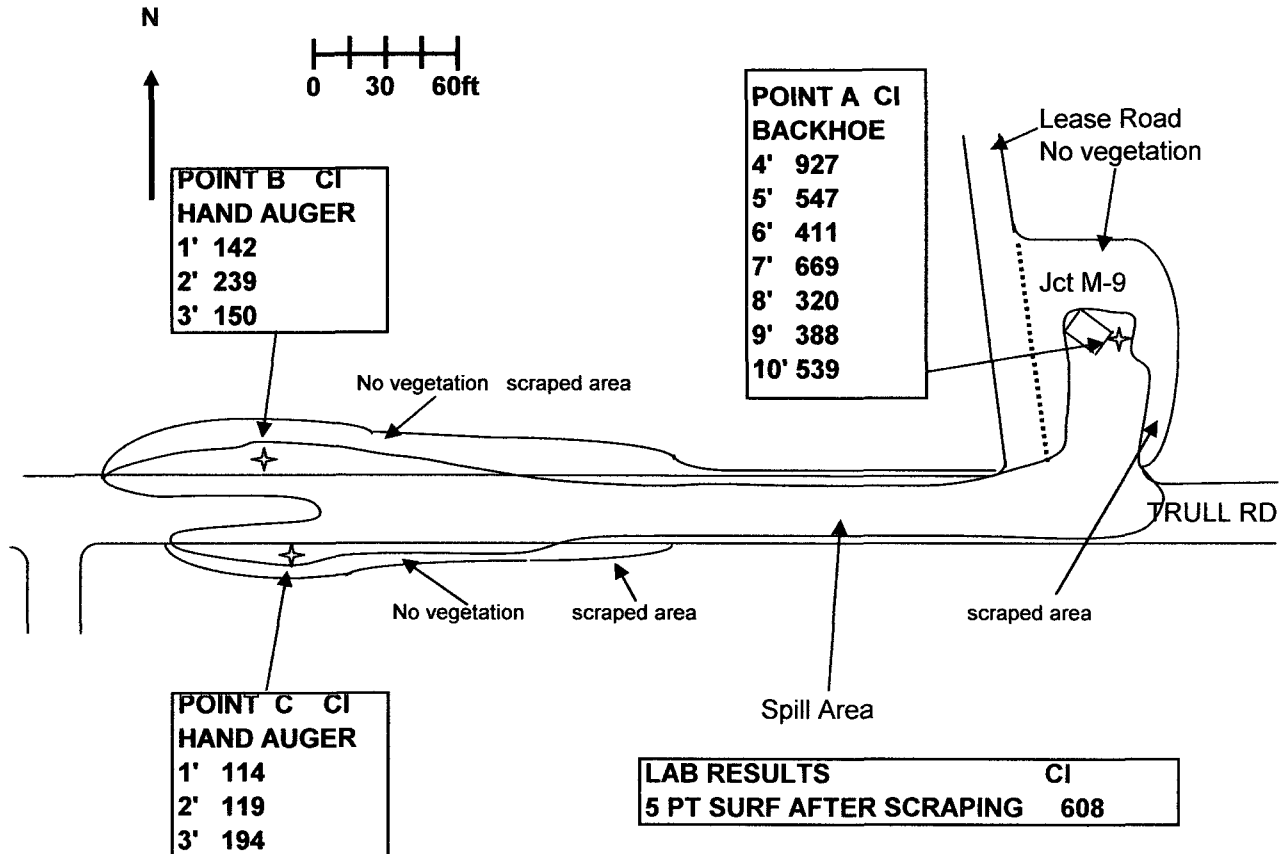
3/19/07







**BD M-9 Leak**  
U/L M SEC 9 T22S R37E GW 70'  
DELINEATION RESULTS AFTER SCRAPING





# ARDINAL 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-POPE  
122 W. TAYLOR  
HOBBS, NM 88240  
FAX TO: (505) 397-1471

Receiving Date: 07/18/06  
Reporting Date: 07/21/06  
Project Number: NOT GIVEN  
Project Name: BD M-9  
Project Location: NOT GIVEN

Sampling Date: 07/14/06  
Sample Type: SOIL  
Sample Condition: COOL & INTACT  
Sample Received By: BC  
Analyzed By: BC/HM

LAB NUMBER	SAMPLE ID	GRO (C <sub>6</sub> -C <sub>10</sub> ) (mg/Kg)	DRO (>C <sub>10</sub> -C <sub>28</sub> ) (mg/Kg)	CI* (mg/Kg)
ANALYSIS DATE		07/20/06	07/20/06	07/18/06
H11349-1	5 PT SURFACE	<10.0	<10.0	608
Quality Control		706	807	1010
True Value QC		800	800	1000
% Recovery		95.7	101	101
Relative Percent Difference		3.4	8.9	0.0

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; CI: Std. Methods 4500-CI-B

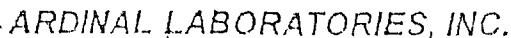
\*Analysis performed on a 1:4 w:v aqueous extract.

Chemist

Date

H11349

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 whatsoever shall be deemed waived unless 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, 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.



CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page of \_\_\_\_\_

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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 collections, including attorney's fees.

Sampler Relinquished:		Date:	Received By:	Phone Result:	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<i>[Signature]</i>		Time:		Fax Result:	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Relinquished By:		Date:	Received By: (Lab Staff)	REMARKS:		
		Time:	<i>[Signature]</i>			
Delivered By: (Circle One)		Sample Condition		Checked		
Sampler - UPS - Bus - Other:		Temp, °C Intact?		By:		
		Yes No		(Initials)		

† Cardinal cannot accept verbal changes. Please fax written changes to (325) 673-7020.