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**GENERAL
CORRESPONDENCE**

**YEAR(S):
2007**

RICE *Operating Company*

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CERTIFIED MAIL

RETURN RECEIPT NO. 7005 1820 0001 6802 2354

March 28, 2007

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 2006
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 2006. Enclosed is a closure report for the junction box completed in 2006. This box is located in the Justis Salt Water Disposal (SWD) System. Junction box upgrades in 2007 will be conducted in conjunction with scheduled line replacements; 4 boxes are expected to be updated.

Enclosed are the 2006 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 2007. From the data collected thus far, no definitive conclusions can be drawn from the composite methods analyzed. A third-party analysis of ROC's 2006 chloride field tests compared to chloride laboratory analyses is also enclosed. The study of this data continues to validate the accuracy of the chloride field tests employed by ROC.

ROC is the service provider (agent) 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.

Thank you for your consideration of this Junction Box Upgrade Report for 2006.

RICE OPERATING COMPANY

A handwritten signature in black ink that reads "Kristin Farris Pope". The signature is written in a cursive, flowing style.

Kristin Farris Pope
Project Scientist

enclosures as stated

cc: SC, 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

2006 Completed Boxes

	Junction Box Name	Legal Description				Completion Date	OCD Assessment Score	Report Status
		Unit	Sec	T	R			
1	D-1 Vent	D	1	26S	37E	4/12/2006	0	Closure