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Annual GW Mon. REPORTS

DATE: 2007

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March 7th, 2008

Mr. Edward Hansen

New Mexico Energy, Minerals, & Natural Resources Oil Conservation Division, Environmental Bureau 1220 S. St. Francis Drive Santa Fe, New Mexico 87504

RE: Annual Report: OCD Case Number: 1R427-87 Rice Operating Company – EME SWD System H-20 SWD Facilities (UL H Sec 20 T 20S R 37E) OCD Case Number: 1R427-87

Sent via E-mail and U.S. Certified Mail (with Corrective Action Plan) Return Receipt No. 7007 0710 0003 0305 3712

Dear Mr. Hansen:

This letter summarizes the results of an Investigation and Characterization Plan¹ which was completed by Texerra in November of 2007. This work evaluated the potential for groundwater contamination stemming from the operation of two below-grade redwood tanks and an emergency overflow pit, both of which were removed and closed in 2007.

Elevated chloride levels (1,420 ppm) were found in a monitor well (MW-1) approximately 25 ft down-gradient from the former excavation. Groundwater chloride concentrations were similarly elevated (also 1,420 ppm) in a down-gradient well (MW-3) and 980 ppm in an up-gradient well (MW-2). Low levels of BTEX (0.052 ppm) were found in the near-source well, and near-trace concentrations (0.002 ppm) were found in the down-gradient well; (see Figure 3 and Table 1). A hydrocarbon sheen has also been noted in the near-source well. These results indicate that groundwater is not pristine as it flows onto the subject site, but suggests some impact from the former facilities.

The results summarized here will be presented in more detail in a proposed "Corrective Action Plan" for this site. This Plan will propose further and more detailed, groundwater monitoring, as well as a remedy to attenuate dissolved phase hydrocarbons.

Sincerely,

L. Peter Galusky, Jr. Ph.D. Principal

Encl: Site maps and data Copy: Kristin Pope, Rice Operating Company

¹ A project history and further details can be found in the Investigation and Characterization Plan.



Figure 1 – EME H-20 SWD location.

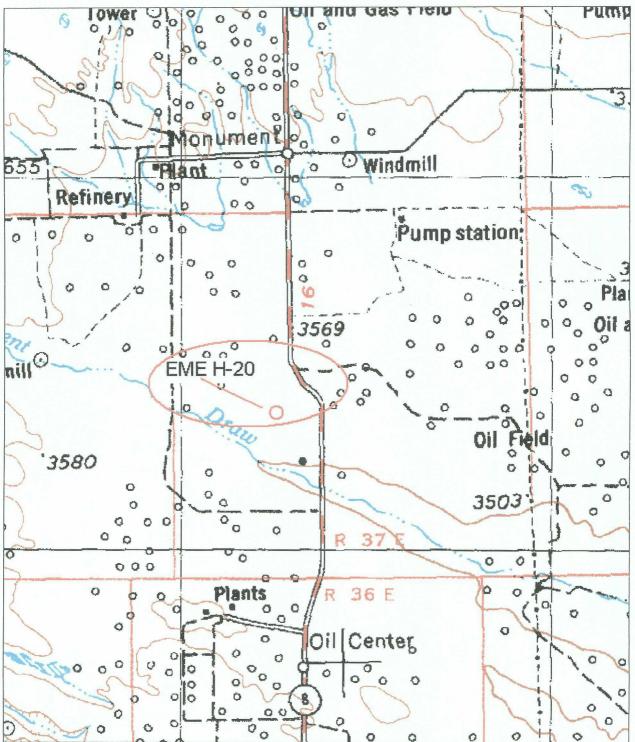


Figure 2 - EME H-20 SWD location on a USGS topographic base map. The direction of groundwater flow is from northwest to southeast, parallel to the ground surface.

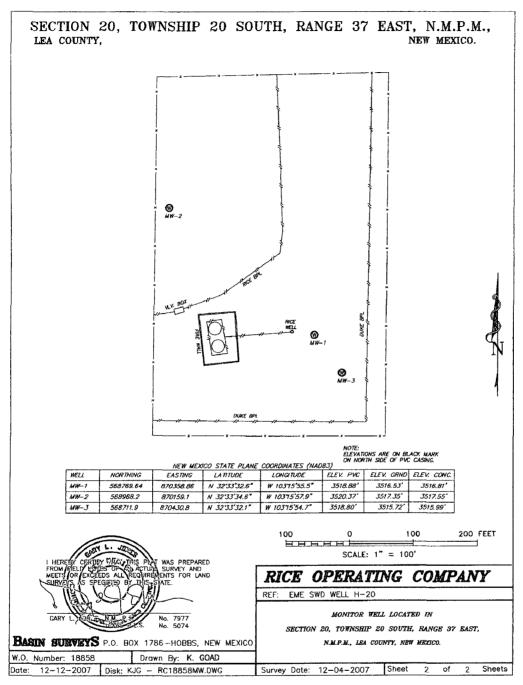


Figure 3 – Site survey map showing approximate locations of facilities and monitor wells.

Table 1 –	Groundwater	chloride and	BTEX	concentrations.
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EME H-20	SWD						
Chloride concentrations (mg/l or ppm)							
	Well ID						
	MW-1	MW-2	MW-3				
	approx dist (ft) from ctr of excavation						
	25	100	-300				
4/23/2007	1,939	not yet installed					
7/12/2007	1,230	"					
11/1/2007	1,260	1,100	1,710				
1/18/2008	1,420	980	1,420				
		a					
BTEX concentrations (mg/l or ppm)							
	Well ID						
	MW-1	MW-2	MW-3				
	approx dist (ft) from ctr of excavation						
	25	100	-300				
4/23/2007	0.062	not yet installed					
7/12/2007	0.084	11					
11/1/2007	0.065	<0.006	<0.006				
1/18/2008	0.052	<0.003	0.002				