

1R - 425-01

Annual GW Mon. REPORTS

DATE:
2009

Texerra

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Tel: 432-634-9257 E-mail: lpg@texerra.com

April 6th, 2010

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

RECEIVED
APR - 9 2010
Environmental Bureau
Oil Conservation Division

RE: **Annual Report**
Rice Operating Company
Vacuum E-2 Junction Box, Unit E, Sec 2, T18S, R35E
OCD Case Number 1R0425-01

Sent via E-mail and U.S. Certified Mail: No. 7007 0710 0003 0305 3835

Mr. Hansen:

This letter summarizes progress made for this project over the past calendar year pursuant to the NMOCD approved Monitoring Plan for this site. Location and site schematic maps are given in Figures 1 and 2, respectively. In brief:

- Groundwater chloride concentrations continued to exhibit a downward oscillating trend in the near-source monitoring well (MW-1, Figure 3), dropping to 124 ppm in October of 2009.
- There was notable re-growth of natural vegetation across the subject site.

During the present year we plan to continue monitoring groundwater chloride concentrations as well as the progress of natural re-vegetation (which recent rainfall should encourage).

ROC is the service provider (agent) for the Vacuum Salt Water Disposal System and has no ownership of any portion of pipeline, well or facility. The Vacuum SWD System is owned by a consortium of oil producers, System Parties, who provide all operating capital on a percentage ownership/usage basis.

Please do not hesitate to contact either myself or Rice Operating Company if you have any questions or need additional information.

Sincerely,



L. Peter Galusky, Jr. Ph.D.,P.G.

Copy: Rice Operating Company

Vacuum E-2 Annual Report



Figure 1 – Vac E-2 location.

Vacuum E-2 Annual Report

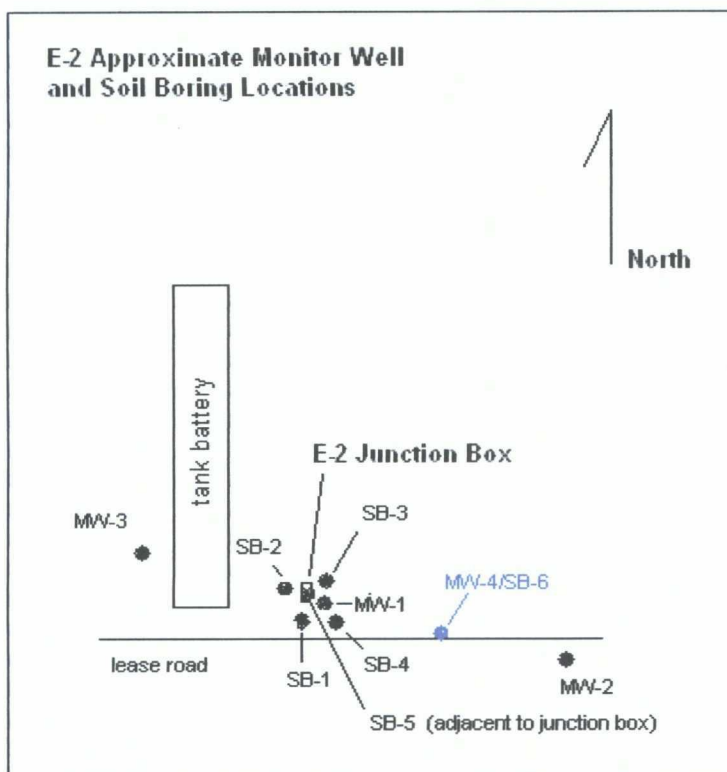


Figure 2 – Vac E-2 approx. monitor well locations.

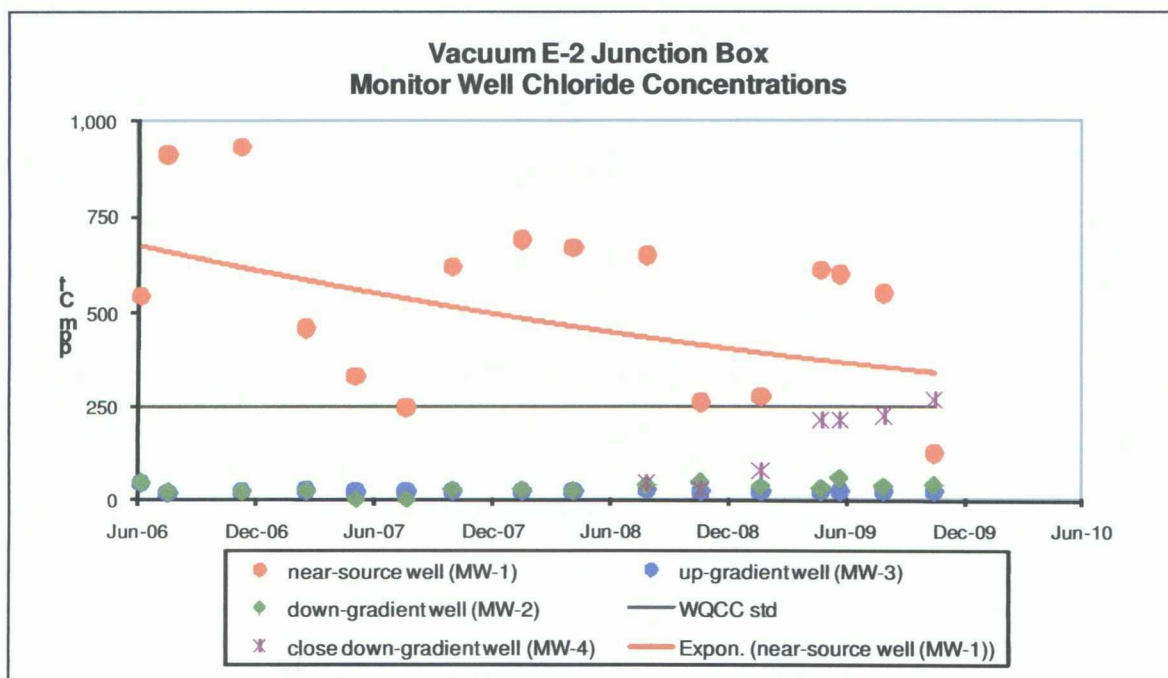


Figure 3 – Vac E-2 groundwater chloride concentrations.