

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

RECEIVED

Form C-141
Revised October 10, 2003

JUN 28 2010

HOBBSOCD

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 (IRP-2550)

Name of Company	RICE Operating Company	Contact	Hack Conder
Address	122 W. Taylor St., Hobbs, NM 88240	Telephone No.	(575) 393-9174
Facility Name	F-17-2	Facility Type	Salt Water Gathering System

Surface Owner:	State	Mineral Owner:		API No.	30-025-38528
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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
F	17	22S	37E					LEA

Latitude: 32°23'35.431" Longitude: 103°11'13.952" (NAD 83)

WTR 75'

NATURE OF RELEASE

Type of Release:	PRODUCED WATER	Volume of Release:	60	Volume Recovered:	50
Source of Release:	Junction Box	Date and Hour of Occurrence	6/4/2010	Date and Hour of Discovery	6/4/2010 12:00 PM
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Larry Johnson, NMOCD		
By Whom?	Hack Conder	Date and Hour	6/4/2010		
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.*
A connection failure in the F-17-2 junction box caused the box to fill and overflow. A vacuum truck was dispatched immediately to remove and properly dispose of the released water. The connection was permanently repaired.

Describe Area Affected and Cleanup Action Taken.*
Approximately 13,811 sq ft of access road was affected. The affected area was scrapped approximately 6 inches and 36 yards of soil was properly disposed of at the NMOCD approved facility Sundance. A surface composite after scrapping at 6" was collected and field tested for chlorides. Laboratory analysis of the composite samples yielded a concentration of 640 mg/kg on the east side and 624 mg/kg on the west side. Each point was sampled with depth until the chloride concentration decreased. Each sample point cleaned up within 2.5 feet or less. An additional 1 ft of soil was scrapped from the area surrounding Point 7 and 12 yards of contaminated soil were disposed of at the NMOCD approved facility Sundance.

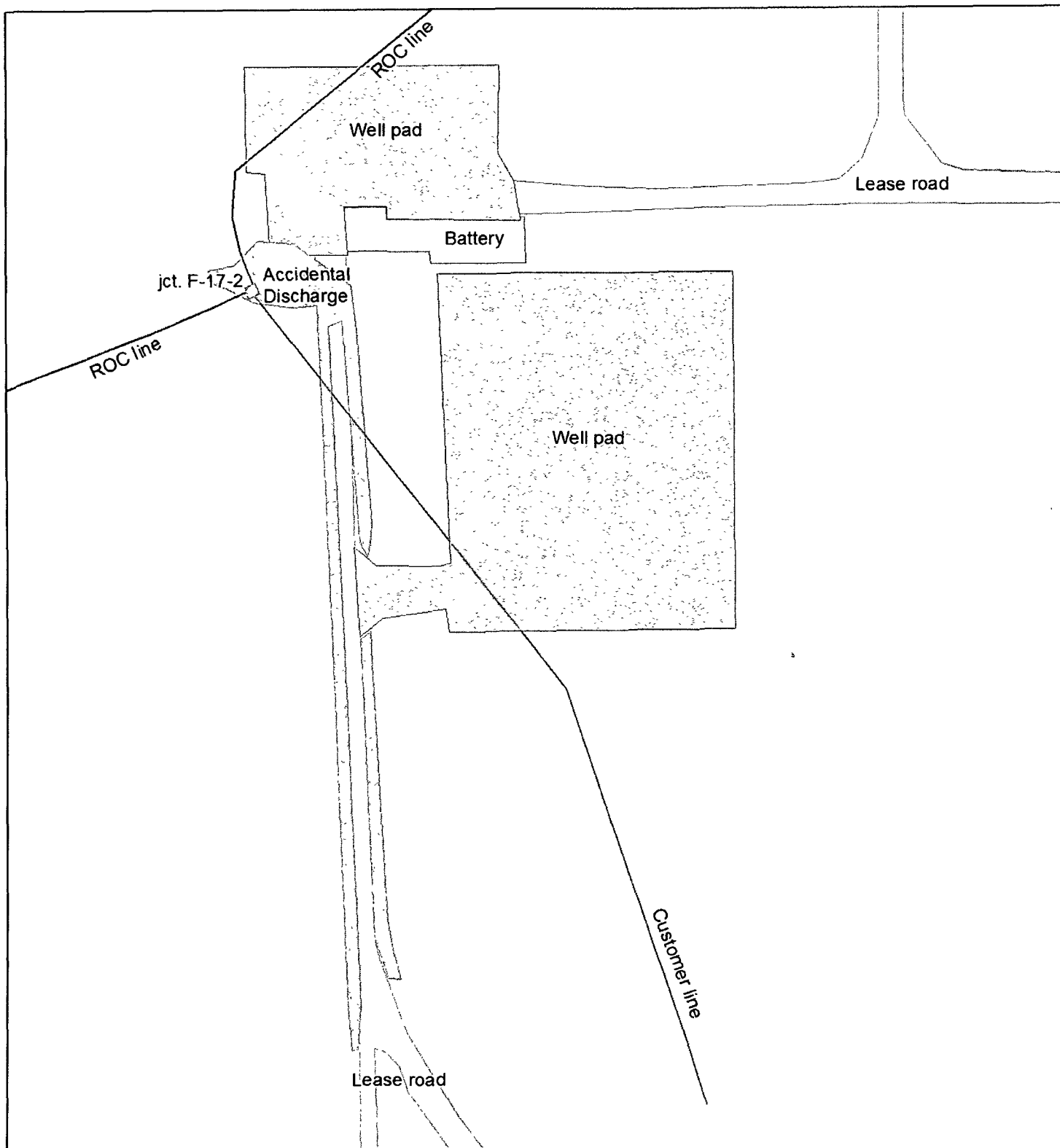
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger 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:	Hack Conder	Approved by District Supervisor	
Title	Environmental Manager	Approval Date:	6-29-10
E-mail Address:	hconder@riceswd.com	Expiration Date:	—
Date:	6/25/2010	Conditions of Approval:	
Phone:	(575) 393-9174	Attached	<input type="checkbox"/>
		IRP#	2550

* Attach Additional Sheets If Necessary

RLWT 1018032800

FINAL

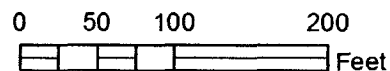


***BD JCT F-17-2
Accidental Discharge***

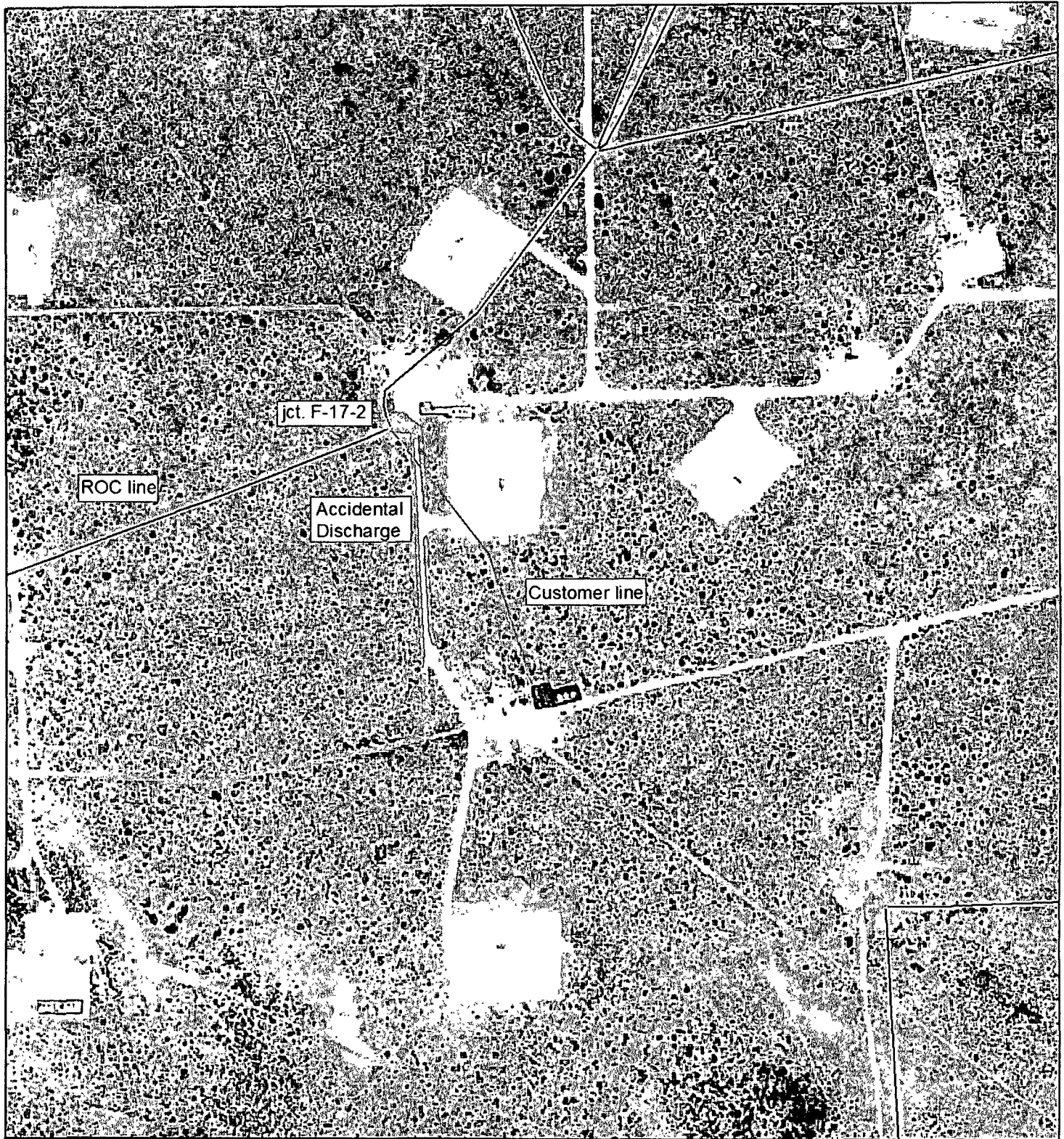
1RP-2550

**Legals: UL/F SEC 17
T-22-S R-37-E**

FIGURE 1



Drawing date: 6/18/10
Drafted by: Lara Weinheimer

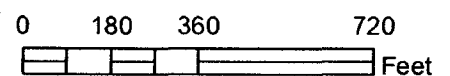


***BD JCT F-17-2
Accidental Discharge***

1RP-2550

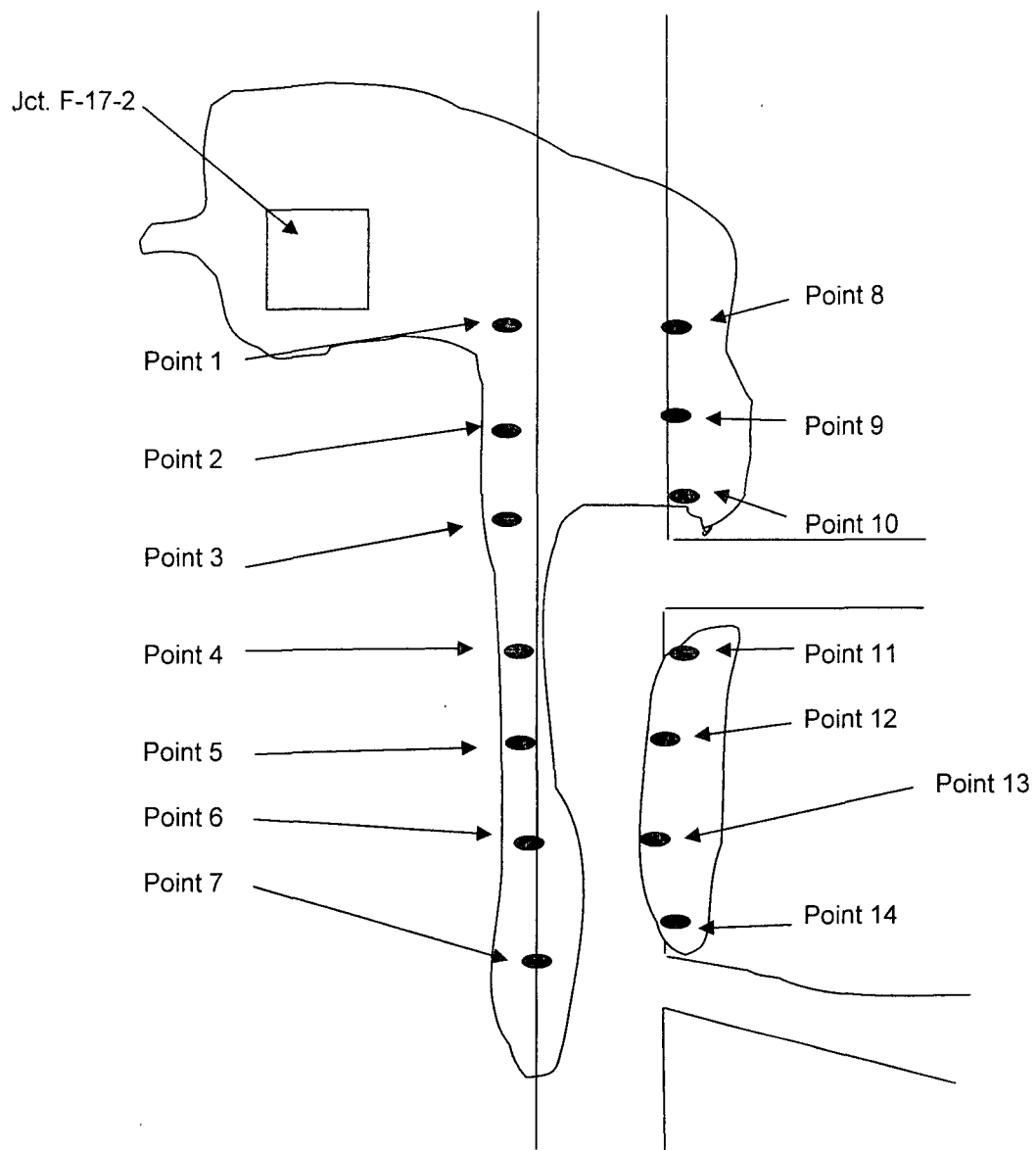
**Legals: UL/F SEC 17
T-22-S R-37-E**

FIGURE 1



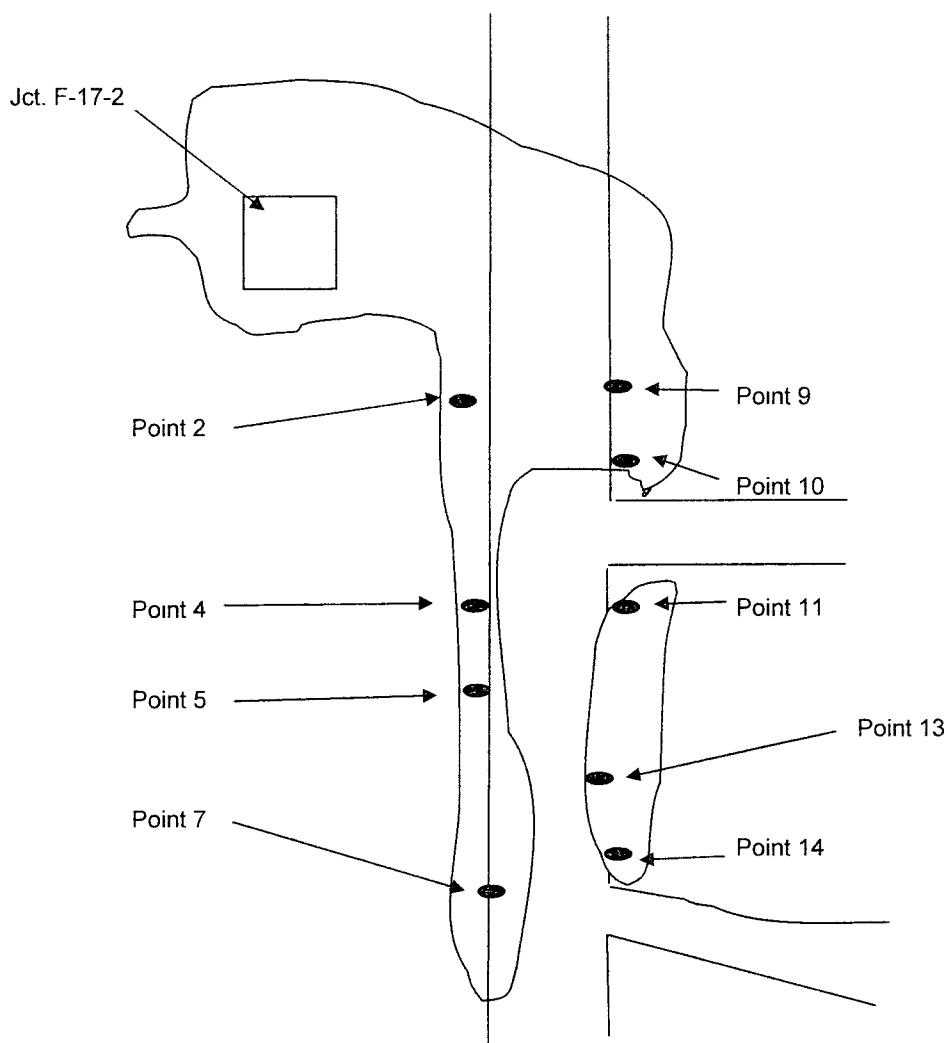
Drawing date: 6/18/10
Drafted by: Lara Weinheimer

BD Jct. F-17-2 Accidental Discharge 22/37 sample points
Case # 1RP-2550



Surface Composite after scraping at 6"	Chloride	Lab	PID
East Side Composite	562	640	0.5
West Side Composite	580	624	1.5

BD Jct. F-17-2 Accidental Discharge 22/37 Sample Points
Case # 1RP-2550



	Point 2		Point 4		Point 5		Point 7		Point 9	
Depth	Chloride	PID	Chloride	PID	Chloride	PID	Chloride	PID	Chloride	PID
6"	826	0.6	807	0.2	609	0	750	0	1016	1.1
1'	723	0.6	701	0	882	0.6	769	0	432	2.3
1.5'	288	1.9	799	0.1	201	0	996	0		
2'			243	3.4			586	0		
2.5'							150	0.9		
	Point 10		Point 11		Point 13		Point 14			
Depth	Chloride	PID	Chloride	PID	Chloride	PID	Chloride	PID		
6"	888	0.4	857	0	617	0	614	0		
1'	893	0.1	835	0.4	253	0	111	n/a		
1.5'	700	1.9	201	0.1						
2'	146	0								



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
RICE OPERATING COMPANY
ATTN: BRUCE BAKER
112 W. TAYLOR
HOBBS, NM 88240

Receiving Date: 06/08/10
Reporting Date: 06/14/10
Project Number: NOT GIVEN
Project Name: BD JCT F-17-2 (22/37)
Project Location: BD JCT F-17-2 (22/37)

Sampling Date: 06/08/10
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: JH
Analyzed By: AB

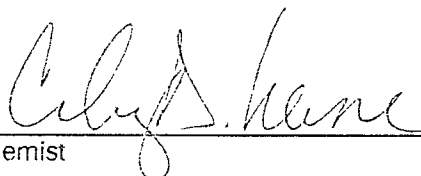
LAB NUMBER	SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/kg)	DRO (>C ₁₀ -C ₂₈) (mg/kg)	CI* (mg/kg)
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ANALYSIS DATE	06/10/10	06/10/10	06/11/10
H20068-1 COMP. @ 6" EAST	<10.0	<10.0	640
Quality Control	490	457	500
True Value QC	500	500	500
% Recovery	98.0	91.4	100
Relative Percent Difference	0.1	0.5	<0.1


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

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

Reported on wet weight.



Chemist



Date

H20068 TCL RICE

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. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.

CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240 2111 Beechwood, Abilene, TX 79603

(505) 393-2326 FAX (505) 393-2476 (325) 673-7001 FAX (325)673-7020

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name: <u>Rice Operating Company</u>				BILL TO				ANALYSIS REQUEST																		
Project Manager: <u>Bruce Baker</u>				P.O. #:																						
Address: <u>122 W. Taylor</u>				Company:																						
City: <u>Hobbs</u> State: <u>NM</u> Zip: <u>88240</u>				Attn:																						
Phone #: <u>575-393-9174</u> Fax #: <u>575-393-1471</u>				Address:																						
Project #:				City:																						
Project Name: <u>BD Jct K-17.2 22/37</u>				State: Zip:																						
Project Location:				Phone #:																						
Sampler Name: <u>Gerardo Martinez</u>				Fax #:																						
FOR LAB USE ONLY																										
Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP	# CONTAINERS	MATRIX				PRESERV.		SAMPLING																
				GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID/BASE:	ICE/COOL	OTHER:	DATE	TIME												
<u>H20066-1</u>	<u>Comp. @ 6" East</u>	<u>(C)</u>	<u>1</u>			<u>✓</u>	<u>✓</u>				<u>✓</u>		<u>6-08-10</u>	<u>4:07</u>	<u>✓</u>	<u>✓</u>	<u>TPH 8025M</u>									

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 the client for the 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 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.

Relinquished By:	Date:	Received By:	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
<u>Gerardo</u>			Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
Relinquished By:	Date:	Received By:	REMARKS:	
	<u>6/8/10</u>	<u>Joel Nenson</u>	<u>E-Mail Results TO:</u>	
Delivered By: (Circle One)	Time:		<u>K Jones @ RICE SWD.COM</u>	
<u>Sampler</u> - UPS - Bus - Other:	<u>5:05</u>		<u>B Baker " " "</u>	
			<u>R Evans " " "</u>	
		Sample Condition	CHECKED BY:	
		Cool Intact	(Initials)	
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<u>JA</u>	
		<input type="checkbox"/> Yes <input type="checkbox"/> No		

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476

#26



ARDINAL LABORATORIES

PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
RICE OPERATING COMPANY
ATTN: BRUCE BAKER
112 W. TAYLOR
HOBBS, NM 88240

Receiving Date: 06/08/10
Reporting Date: 06/14/10
Project Number: NOT GIVEN
Project Name: BD JCT F-17-2 (22/37)
Project Location: BD JCT F-17-2 (22/37)

Sampling Date: 06/08/10
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: JH
Analyzed By: AB

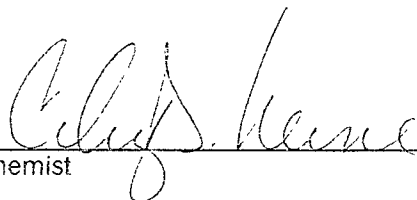
LAB NUMBER	SAMPLE ID	GRO	DRO	CI*
		(C ₅ -C ₁₀) (mg/kg)	(>C ₁₀ -C ₂₈) (mg/kg)	(mg/kg)

ANALYSIS DATE	06/10/10	06/10/10	06/11/10
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Quality Control	490	457	500
True Value QC	500	500	500
% Recovery	98.0	91.4	100
Relative Percent Difference	0.1	0.5	<0.1

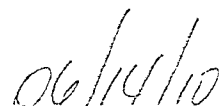
METHODS: TPH GRO & DRO: EPA SW-846 8015 M; CI: Std. Methods 4500-CI/B

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

Reported on wet weight.



Chemist



Date

H20069 TCL RICE

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

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(505) 393-2326 FAX (505) 393-2476 (325) 673-7001 FAX (325) 673-7020

[illegible]

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Relinquished By:		Date:		Received By:		Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No		Add'l Phone #:	
Gerardo		Time:				Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No		Add'l Fax #:	
Relinquished By:		Date:		Received By:		REMARKS:			
		Time:		Jodi Benson		E-Mail Results To:			
Delivered By: (Circle One)		Sample Condition		CHECKED BY:		K Jones @ Riceswift.com			
(Sampler) UPS - Bus - Other:		Cool Intact		(Initials)		Baker " " "			
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		JH		R Egan " " "			

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476

#26

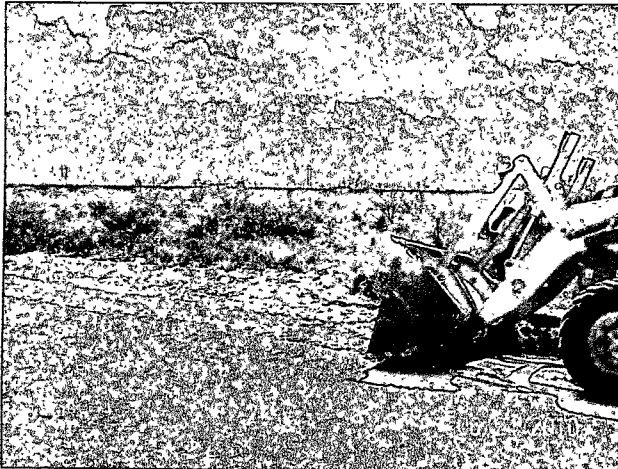
Accidental Discharge BD Jct. F-17-2 (1RP-2550)



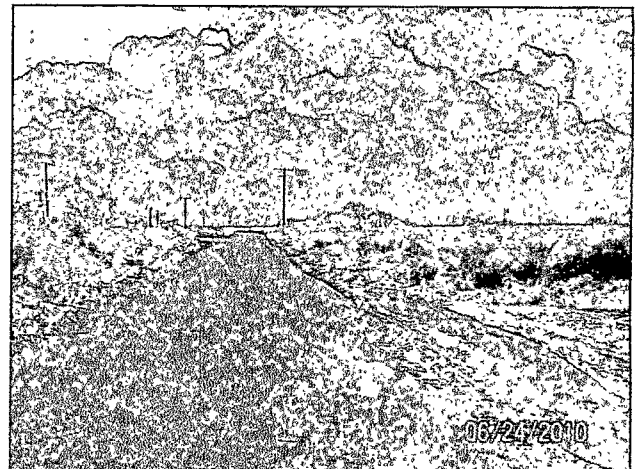
scrapping the accidental discharge
area, facing south



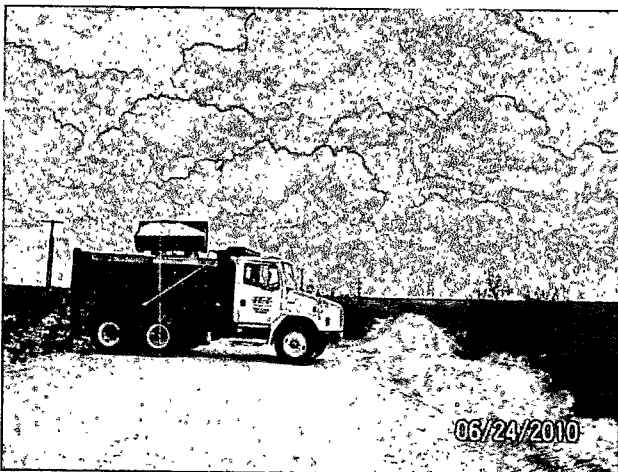
staked sample points, facing south 6/8/2010



scrapping the area around sample point 7,
facing southwest



site complete, facing south



hauling off scrapped soil

10:00 AM
NOV 10 1944

[Handwritten notes and signatures]

at 23000 ppm

Ask that



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1625 N. French Dr., Hobbs, NM 88240
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Form C-141
Revised October 10, 2003

JUN 08 2010 Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form
HOBBSSUCD

Release Notification and Corrective Action

OPERATOR

☒ Initial Report

☐ Final Report

Name of Company	RICE Operating Company	Contact	Hack Conder
Address	122 W. Taylor St., Hobbs, NM 88240	Telephone No.	(575) 393-9174
Facility Name	F-17-2	Facility Type	Salt Water Gathering System

Surface Owner:	State	Mineral Owner:		Lease No.	
				API Number	30-025-38528

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
F	17	22S	37E					LEA

Latitude: 32°23'35.431" Longitude: 103°11'13.952" (NAD 83)

WTR 75'

NATURE OF RELEASE

Type of Release:	PRODUCED WATER	Volume of Release:	60	Volume Recovered:	50
Source of Release:	Junction Box	Date and Hour of Occurrence	6/4/2010	Date and Hour of Discovery	6/4/2010 12:00 PM
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Larry Johnson, NMOCD		
By Whom?	Hack Conder	Date and Hour	6/4/2010		
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.*

A connection failure in the F-17-2 junction box caused the box to fill and overflow. A vacuum truck was dispatched immediately to remove and properly dispose of the released water. The connection was permanently repaired.

CHLORIDE 23,800 ug/L

Describe Area Affected and Cleanup Action Taken.*

Approximately 13,811 sq ft of access road was affected. The affected area was scrapped approximately 6 inches and 36 yds of soil was properly disposed of at the NMOCD approved facility Sundance.

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:	Hack Conder	Approved by District Supervisor	ENVIRONMENTAL ENGINEER
Title:	Environmental Manager	Approval Date:	6.8.10
E-mail Address:	hconder@riceswd.com	Expiration Date:	8.9.10
Date:	6/7/2010	Phone:	(575) 393-9174
		Conditions of Approval:	Attached <input type="checkbox"/>
		SUBMIT FINAL C-141 w/DOCS BY RP# 10.6.2550	

* Attach Additional Sheets If Necessary