1R-426-124

REPORTS

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October 11, 2010

Mr. Edward Hansen New Mexico Energy, Minerals, & Natural Resources Oil Conservation Division, Environmental Bureau 1220 S. St. Francis Drive Santa Fe, New Mexico 87505

RE: Background Characterization Report BD Jct. P-30 (1R0426-124) T21S-R37E-Section 30, Unit Letter P, Lea County, New Mexico

Mr. Hansen:

As agent for Rice Operating Company (ROC), and in response to your email request on August 18, 2010, Trident Environmental is submitting this *Background Characterization Report* for the above-referenced site. Based on the characterization of background concentrations for chlorides and total dissolved solids (TDS), as described in more detail below, we have determined that groundwater at the site is representative of background conditions and therefore has not been impacted by the former junction box. However, ROC will develop a *Corrective Action Plan* to address the vadose zone and mitigate the potential for migration of chlorides and TDS from the vadose zone to groundwater. The CAP will include plans to excavate the affected area, install a liner, and re-establish vegetation.

Chloride and TDS Background Characterization

The most recent data (1990 – 1995) from the New Mexico Water and Infrastructure Data System (NMWAIDS) were used to determine the range of chloride concentrations within an approximate 5 mile radius of the site. Only chloride data is available; therefore, TDS concentrations were directly correlated to chloride levels using a conservative factor of 3. This data set resulted in 29 wells within all of T21S-R36E, T21S-R37E, T22S-R36E, and T22S-R37E. The mean (μ) and standard deviation (σ) were calculated from the data set from which an upper limit for background chloride concentration was conservatively estimated by adding two standard deviations to the mean ($\mu + 2 \sigma$). Table 1 below summarizes the available data set and calculation results.

Table 1 Summary of Background Chloride Concentrations

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Data obtained from NMWAIDS (Years: 1990-1995; Chlorides: 0 mg/L – 1,000 mg/L)

					Chlorides	Thlorides			
S	Т	R	Formation	Date	(mg/L)	Location (qtr/qtr)			
23 -	21 S	36E	ÒGALLALA	10/05/95	63	218.36E.23.232311			
1	21S	37E	OAL	10/04/95	174	218.37E.01.242422			
3	21 S	37E	OAL	11/15/95	22	218.37E.03.31221			
4	218	37E	OAL	10/03/95	174	21S.37E.04.412442			
12	218	37E	OAL	10/04/95	484	218.37E.12.34341			
13	21S	37E	OAL	06/21/90	75	218.37E.13.13434			
14	21 S	37E	OAL	10/04/95	396	218.37E.14.12410			
26	218	37E	OAL	11/15/95	128	218.37E.26.32322			
31	21 S	37E	OAL	10/05/95	73	218.37E.31.13311			
36	21S	37E	OAL	10/04/95	288	218.37E.36.34432			
2	22 S	36E	OGALLALA	10/06/95	476	228.36E.02.442441			
9	22S	36E	OGALLALA	10/17/95	268	228.36E.09.341221			
25	22 S	36E	OGALLALA	10/11/95	44	228.36E.25.43433A			
35	228	36E	OGALLALA	10/06/95	25	228.36E.35.313224			
5	228	37E	OAL	10/05/95	54	228.37E.05.21213			
5	22S	37E	OGALLALA	10/04/95	128	228.37E.05.341434			
9	228	37E	OGALLALA	10/05/95	456	228.37E.09.313331			
11	22S	37E	OAL	10/03/95	500	228.37E.11.322414			
13	22 S	37E	null	10/03/95	376	228.37E.13.22111			
15	22 S	37E	OGALLALA	10/05/95	262	228.37E.15.333343			
21	228	37E	OAL	10/11/95	348	22S.37E.21.44223			
25	228	37E	OAL	10/04/95	180	228.37E.25.123332			
26	228	37E	OAL	10/03/95	362	228.37E.26.21231			
28	22S	37E	OAL	10/04/95	120	228.37E.28.31243			
34	22S	37E	OAL	10/04/95	490	228.37E.34.121344			
36	22S	37E	null	10/04/95	314	228.37E.36.14311			
<i>Mean</i> (μ) =					249.6 mg/L				
Standard Deviation (σ) =					160.3 mg/L				
Mean + 2 SD = μ + 2 σ =					570.2 mg/L				

The chloride concentrations in Table 1 are also depicted in Figure 2. Based on the regional chloride concentration data in Table 1 above, a conservative upper limit for background chloride concentration is 570 mg/L. Since TDS data is not available an upper limit for background TDS was conservatively estimated at three times the chloride level ($3 \times 570.2 = 1,711 \text{ mg/L}$).

Figure 2

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Regional Distribution of Chloride Concentrations

Data obtained from NMWAIDS (Years: 1990-1995; Chlorides: 0 mg/L – 1,000 mg/L)



Values in red type indicate chloride concentrations in (mg/L)

As shown in Table 2 below, five quarters of groundwater data at the site monitoring well (MW-1) indicate chloride and TDS levels well below the upper limit of background concentrations for the regional area. In addition, the average chloride and TDS concentrations in MW-1 are only marginally above the WQCC standard of 250 mg/L and 1,000 mg/L, respectively. Therefore, it has been concluded that chloride and TDS concentrations at the site are representative of background conditions, and the site has not been impacted by the former junction box.

Monitoring	Sample	Depth to Groundwater	Chloride	TDS
Well	Date	(feet BTOC)	(mg/L)	(mg/L)
	07/27/09	97.89	392	1,180
	10/16/09	97.86	364	1,130
MW-1	01/25/10	97.82	324	957
	04/22/10	97.77	280	811
	07/22/10	97.76	370	1,030
	A	Mean $(\mu) =$	346	1,022

Table 2						
Summary of Site	Chloride and	TDS	Concentrations			

Chloride and TDS Background Characterization

The United States Geological Survey National Water Information System (USGS NWIS), New Mexico Water Rights Reporting System (NM WRRS), and NM WAIDS, databases were reviewed to identify water wells within a mile of the site with historical chloride concentration data as summarized in Table 3 below. A site location map with these wells identified is shown in Figure 1.

 Table 3

 Summary of Chloride Concentrations within One-Mile Radius

Water Well or Sample ID	Distance from BD Jct P-30		S	Т	R	Sample Date	TD (ft bgs)	Chloride (mg/L)
MW-1	0	ft	30	21S	37.E	07/22/10	113	370
10155	2,500	ft NW	30	21S	37E	10/18/84	125	106
8849	3,800	ft SSW	31	218	37E	07/09/90	115	95
9387	4,200	ft NE	29	215	37E	07/09/90	130	400
12349	5,000	ft SE	32	218	37E	10/26/65	115	140

Chloride concentrations in each well identified in Table 3 above and in Figure 1 are representative of background conditions. The nearest water well is located approximately 2,500 rt northwest of the site and is not a concern due to its upgradient location. The closest downgradient well from the site is located almost a mile (5,000 ft) southeast and is not a concern due to its long distance from the site. The remaining wells can not be affected by any activity at the site due to their distant cross-gradient locations and the prevailing southeast trending groundwater gradient direction.



Conclusions and Recommendations

Based on the regional characterization of background concentrations for chlorides and TDS, we have determined that groundwater at the site is representative of background conditions and therefore has not been impacted by the former junction box. However, ROC will develop a *Corrective Action Plan* to address the vadose zone and mitigate the potential for migration of chlorides from the vadose zone to groundwater. The CAP will include plans to excavate the affected area, install a liner, and re-establish vegetation.

ROC is the service provider (agent) for the Blinebry Drinkard (BD) Salt Water Disposal System and has no ownership of any portion of the pipelines, wells, or facilities. The BD System is owned by a consortium of oil producers, System Parties, who provide all operating capital on a percentage ownership/usage basis. Environmental remediation projects of this magnitude require System Parties AFE approval and work begins as funds are received.

If you have any questions please call Hack Conder at 575-393-9174.

Sincerely.

Gilbert J. Van Deventer, REM, PG Trident Environmental - Project Manager

cc: Hack Conder (Rice Operating Co., Hobbs NM)