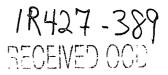
1R - 427 - 389

REPORTS

DATE:

UAIE.

3-22-12



2012 MAY -1 P 1:52

EME P-4 EOL 2011

CLOSURE

RICE Operating Company

122 West Taylor • Hobbs, New Mexico 88240 Phone: (575) 393-9174 • Fax: (575) 397-1471

May 1, 2012

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: Termination Request EME P-4 EOL: UL/P, Sec. 4, T20S, R36E RICE Operating Company – Eunice Monument Eumont SWD System

Mr. Hansen:

Rice Operating Company (ROC) is the service provider (agent) for the EME Saltwater Disposal (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 Parties, who provide all operating capital on a percentage ownership/usage basis.

Background

In 2011, ROC initiated work on the former P-4 EOL junction box. The site is located in UL/P, Sec. 4, T20S, R36E. NM OSE records indicate that groundwater would likely be encountered at a depth of approximately 40 +/- feet. The site was delineated using a backhoe to collect soil samples at regular intervals, creating a 3x7x7-ft deep excavation. Each sample was field titrated for chlorides and field screened using a PID for hydrocarbons, resulting in low concentrations of each. The 7-ft sample was sent to a commercial laboratory for analysis of chloride and TPH, resulting in a chloride concentration of 32 mg/kg, and concentrations of gasoline range organics (GRO) and diesel range organics (DRO) below detectable limits. The excavated soil was returned to the excavation and contoured to the surrounding area. On 7/8/2011, the site was seeded with a blend of native vegetation and is expected to return to a productive capacity at a normal rate. The junction box final report, photo documentation, laboratory analysis, PID sheet, chloride graph, and revegetation form are attached.

Recommendations

Site investigation demonstrates that residual chloride and hydrocarbons in the vadose zone will not with reasonable probability contaminate groundwater in excess of NMOCD standards. This site meets the requirements of the NMOCD-approved Revised Junction

Box Upgrade Work Plan (July 16, 2003). As such, ROC request termination of the regulatory file, or similar closure status.

Please contact me at (575)393-9174 if you have any questions or wish to discuss this site. Thank you for your time and consideration.

Sincerely, RICE Operating Company

lon TV.

Hack Conder Environmental Manager

enclosures

RICE OPERATING COMPANY JUNCTION BOX FINAL REPORT

| | | | | BOX LOCA | TION | | | | | |
|-----------------|----------|-----------|----------|----------------|-----------|--------------|-----------|------------|--------|------|
| SWD SYSTEM | JUNCTION | UNIT | SECTION | TOWNSHIP | RANGE | COUNTY | BOX DI | MENSIONS | - FEET | |
| Eunice Monument | P-4 EOL | P | 4 | 205 | 36E | | Length | Width | Dept | n |
| Eumont (EME) | P-4 EUL | Р | 4 | 20S | 30⊏ | Lea | | Eliminated | ed | |
| LAND TYPE: E | 3LM | STATE | FEE LAI | NDOWNER | Main Stre | et Holding C | oOTHER_ | | | |
| Depth to Grour | ndwater | 40 | feet | NMOCD | SITE ASSI | ESSMENT | RANKING S | | 20 | |
| Date Started | 5/25/ | 2011 | Date Cor | npleted | 7/8/2011 | | Witness | No | 2 | |
| Soil Excavated | 5.4 | cubic yar | rds Exc | avation Le | ngth3 | Width | 7 | Depth | 7 | feet |
| Soil Disposed | None | cubic yai | rds Of | fsite Facility | n | la | Location | | n/a | |
| AL ANALYTI | CAL RE | SULTS: | Sample | e Date | 5/25/201 | 1 | Sample De | pth | 7' | |

TPH and Chloride laboratory test results completed by using an approved lab and testing procedures pursuant to NMOCD guidelines.

| Sample | PID (field) | GRO | DRO | Chloride |
|----------------|-------------|-------|-------|----------|
| Location | ppm | mg/kg | mg/kg | mg/kg |
| SOURCE 7' GRAB | 0.9 | <10.0 | <10.0 | 32 |

| This junction and line were eliminated | | | | | | | | |
|------------------------------------------------------------------------------------|--|--|--|--|--|--|--|--|
| After the former junction box was | | | | | | | | |
| removed, an investigation was conducted using a backhoe to collect soil samples at | | | | | | | | |
| ion. Chloride field tests performed on | | | | | | | | |
| | | | | | | | | |

each sample yielded concentrations similar to that of the background sample. Organic

vapors were measured using a PID, which yielded low concentrations. The deepest sample, 7 ft. BGS, was sent to a commercial laboratory for analysis of chloride and TPH, which confirmed low concentrations of each. The excavation was backfilled with excavated soil to ground surface and contoured to the surrounding area. On 7/8/2011, the site was seeded with a blend of native vegetation and is expected to return to a productive capacity at a normal rate.

enclosures: photos, lab results, PID (field) screenings, chloride graph, revegetation form

I HEREBY CERTIFY THAT THE INFORMATION ABOVE IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE

| SITE SUPERVISOR | Oscar Frayre | SIGNATURE | T (|
|-----------------|--------------|----------------------|--------------------------------|
| REPORT | | | |
| ASSEMBLED BY | Laura Peña | SIGNATURE Allra Pene | COMPANY RICE OPERATING COMPANY |
| _ | | | |
| PROJECT LEADER | Zach Conder | SIGNATURE | DATE 3-22-12 |

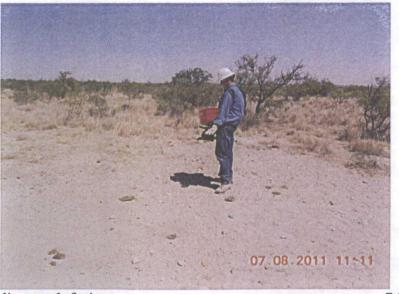
| CHLORIDE FIELD TESTS | | | | | | | | | | |
|----------------------|-------|-------|--|--|--|--|--|--|--|--|
| LOCATION | DEPTH | mg/kg | | | | | | | | |
| background | 6" | 122 | | | | | | | | |
| vertical | 3' | 133 | | | | | | | | |
| delineation | 4' | 133 | | | | | | | | |
| trench at the | 5' | 144 | | | | | | | | |
| junction | 6' | 155 | | | | | | | | |
| (source) | 7' | 110 | | | | | | | | |





Digging source vertical, facing north

5.25.11



Spreading seed, facing east

7.8.11



Collecting sample, facing north



Site complete, facing north

5.25.11

7.8.11





May 31, 2011

Hack Conder Rice Operating Company 112 W. Taylor Hobbs, NM 88240

RE: EME P-4 EOL

Enclosed are the results of analyses for samples received by the laboratory on 05/25/11 16:20.

Cardinal Laboratories is accredited through Texas NELAP for:

| Method SW-846 8021 | Benzene, Toluene, Ethyl Benzene, and Total Xylenes |
|--------------------|----------------------------------------------------|
| Method SW-846 8260 | Benzene, Toluene, Ethyl Benzene, and Total Xylenes |
| Method TX 1005 | Total Petroleum Hydorcarbons |

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

Cardinal Laboratories is accreditated through the State of Colorado Department of Public Health and Environment for:

| Method EPA 552.2 | Haloacetic Acids (HAA-5) |
|------------------|------------------------------|
| Method EPA 524.2 | Total Trihalomethanes (TTHM) |
| Method EPA 524.4 | Regulated VOCs (V2, V3) |

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

Celey D. Keine

Celey D. Keene Lab Director/Quality Manager





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Analytical Results For:

Rice Operating Company Hack Conder 112 W. Taylor Hobbs NM, 88240 Fax To: (575) 397-1471

| Received: | 05/25/2011 | Sampling Date: | 05/25/2011 |
|-------------------|-------------------|---------------------|---------------|
| Reported: | 05/31/2011 | Sampling Type: | Soil |
| Project Name: | EME P-4 EOL | Sampling Condition: | Cool & Intact |
| Project Number: | EME P-4 EOL 20/36 | Sample Received By: | Jodi Henson |
| Project Location: | NOT GIVEN | | |

Sample ID: SOURCE @ 7' (H101078-01)

| Chloride, SM4500CI-B | SM4500CI-B mg/kg | | | d By: HM | | | | | | |
|-------------------------------|------------------|-----------------|------------|--------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | 32.0 | 16.0 | 05/27/2011 | ND | 448 | 112 | 400 | 3.64 | | |
| TPH 8015M | mg. | /kg | Analyze | d By: AB | | | | | | |
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| GRO C6-C10 | <10.0 | 10.0 | 05/28/2011 | ND | 182 | 90.9 | 200 | 3.56 | | |
| DRO >C10-C28 | <10.0 | 10.0 | 05/28/2011 | ND | 144 | 72.0 | 200 | 1.37 | | |
| Surrogate: 1-Chlorooctane | 112 | % 70-130 |) | | | · · · · · | | | | |
| Surrogate: 1-Chlorooctadecane | 110 | % 70-130 |) | | | | | | | |

COPY

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim ansing, 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 thall be deemed valved 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 those for negligence and under the limited to the performance of the services hereunder by Cardinal, regardless of whether such claims to avent 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.

Celeg & Keine

Celey D. Keene, Lab Director/Quality Manager



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Notes and Definitions

| ND | Analyte NOT DETECTED at or above the reporting limit |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| RPD | Relative Percent Difference |
| ** | Samples not received at proper temperature of 6°C or below. |
| *** | Insufficient time to reach temperature. |
| - | Chloride by SM4500CI-B does not require samples be received at or below 6°C Samples reported on an as received basis (wet) unless otherwise noted on report |
| | |



Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's Liability and client's exclusive remedy for any claim ansing, 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 whatsperts 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 incidential 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 the 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.

Celey D. Keine

Celey D. Keene, Lab Director/Quality Manager-

Page 3 of 4



CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

101 East Marland, Hobbs, NM 88240

(505) 393-2326 FAX (505) 393-2476

| Company Name: Kild | | | | BILL TO ANALYSIS REQUEST | | | | | | | | | | | | | | | | | | |
|---------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|------------------------------------|---------------------------------|--------------------------------------|------------------------|---------------------|----------------------------------|------------------------|----------------------------------|-------------------------------------------|---------------------------|-------------|-----|------|--------|-------|----------|----------|---|--|------|
| Project Manage | M: Health Carding . | | | | | | P.0 |). #: | | | | | | Τ | | | | <u> </u> | <u> </u> | | | |
| Address: 1322 62 1374.2 | | | | Company: | | | | |] | | | | | | | | | | | | | |
| City: //0/// | f State: A M | Zip: | En | 46 | | | Attr | n: | | | | | | | | | | | | | | |
| Phone #: | Fax #: | | | | | | Add | tress: | | | | | | | | | | | | - | | |
| Project #: | Project Owne | r: | | | | | City | /: | | | | | | | | | | | | | | |
| Project Name: | | | | | | | Sta | té: | Zi | ip: | | | 1 | | | | | | | | | |
| Project Locatio | n: CHE DYELC JUSE | | | | - | | Pho | one #: | | | | | | | | | | | ł | | | |
| Sampler Name: | Costa loss popul | | | | | | Fax | :#: | | | | | 1 | | | | | | 1 | | | |
| FOR LAB USE ONLY Lab I.D. <u>HICID 75</u> | Sample I.D. | CONTANTERS | CUNIAINERS | 'EWATER | | | OTHER: | | ОНЕК | DATE | <u>тіме</u> 7.217.2 | | × 7 × 2 × 2 | · | | | | | | | | |
| | d Darmages. Gerdmal's hability/pijd clight's exclusive remedy for i | | | | aased in | | QT 101). | i j | | t anour pa | d by the client for | | | | | | | | | | | |
| analyses. All claims includio service. In no event shall C | ng these for negligence and any affice cause whataoever shall be as dirish be liable for incidentel or consequental damages, including ing out of or related to the performance of services hereunder by C | deemed wi) without lin | aived ur riltation, gardles: | nless m , busine s ní whe | nde in wi ss interru ether suc | iung and (ptions, l | receivi oss of i | ed by Cerdina use, or loss of | el within I profils | 1 30 days after incurred by 6 | r completion of th lient, its subsidia | ie noplic ries. ie. | able | s l | J No | Acteri | Phone | #: | | | | |

| Relinquished By: | Date: | Repeived By: | | Phone Result: |
|--------------------------------|-------------------|---------------------------------|--------------------------|-----------------------------------------------------------------------------------------------------------|
| 1 best from | TITE:20 | apai Men | UN I | Fax Result: D Yes D No. (Add'I Fax #: REMARKS: C. Andrew Carles outstand B. Bathen Carter Wisherman |
| Relinquished By: | Date: | Received By: | | |
| | Time: | - | | La state my Come as some Kapon Conserver |
| Delivered By: (Circle One) | · | Sample Condition C | HECKED BY: (Initia/s) | The area before and a second and |
| Sampler - UPS - Bus - Other: | | Ves Ves | | |
| † Cardinal cannot accept verba | l changes. Please | fax written changes to 505-393- | -2476 | Pag |

ie 4 of 4

1



()

122 West Taylor Hobbs, NM 88240 PHONE: (505) 393-9174 FAX: (505) 397-1471 PID METER CALIBRATION & FIELD REPORT FORM

| CK. | | MODEL: PGM 7300 | SERIAL NO: 590-000508 |
|-------|---|-----------------|-----------------------|
| MODEL | | MODEL: PGM 7300 | SERIAL NO: 590-000504 |
| NO. | | MODEL: PGM 7320 | SERIAL NO: 592-903318 |
| | X | MODEL: PGM 7300 | SERIAL NO: 590-000183 |

GAS COMPOSITION: ISOBUTYLENE 100PPM / AIR: BALANCE

LOT NO :930132

EXPIRATION DATE:4-28-13

ACCURACY : +/- 2%

METER READING ACCURACY:100.00

KACI . (1- 270

COMPANY

RICE

| SYSTEM | JUNCTION | UNIT | SECTION | TOWN SHIP | RANGE |
|--------|----------|------------------------------------------|---------|-----------|-------|
| | | D. D | | | |
| EME | P-4 EOL | P | 4 | 20S | 36E |

| SAMPLE ID | PID | SAMPLE ID | PID |
|-----------------|-----|-----------|------|
| Background @ 6" | 0.6 | | |
| Source @ 3' | 1 | | |
| 4' | 0.9 | | |
| 5' | 1.2 | | |
| 6' | 1 | - M | |
| 7' | 0.9 | · | |
| | | | |
| | | | |
| | | | |
| | | . (| COPY |
| | | | |
| | | | |

I verify that I have calibrated the above instrument in accordance to the manufacture operation manual.

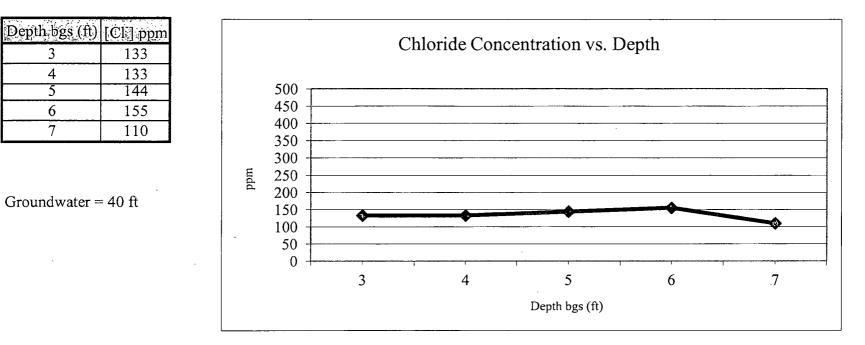
SIGNATURE

DATE: 5/25/2011

EME P-4 EOL

Unit 'P', Sec. 4, T20S, R36E

Backhoe samples at junction (source)





PO Box 5630 Hobbs, NM 88241 Phone: (575) 393-4411 Fax: (575) 393-0293

REVEGETATION FORM

1. General Information

Signature

| Site name: EME P-4 EOL | , | | | | | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------------------|----------------------|---------------------|-----------------------|---------------|--|--|
| U/L | Section | Township | Range | County | Latitude | Longitude | | |
| Р | 4 · | T20S | R36E | Lea | 32° 35'48.1" | 103° 24'20.8" | | |
| Contact Name: Bruce Baker | | | | | | | | |
| Email: | Email: bbaker@rice-ecs.com | | | | | | | |
| Site size: 27'x27' | | | | | | | | |
| Additional information: | | | | | | | | |
| 2. Soils *Do | not rip caliche | subsoils: calicl | e rocks brought to t | he surface by rippi | ing shall be removed. | | | |
| Salvaged from site 🛛 | 8 <i>J J H</i> 8 | | | | | | | |
| Texture: | Describe soi | | | | | | | |
| Soil prep methods: Rig | | Depth(in): | Disc 🗌 | Depth (in): | Rollerpack | | | |
| Date completed: 7/8/20 | 011 | | | ^ | | | | |
| | | | | | | | | |
| | | | | | | | | |
| 3. Bioremediation | <u></u> | | | | | | | |
| Fertilizer | | | Hay 🗌 | | Other | | | |
| Туре: | | | | | Describe: | | | |
| Lbs/acre: | | | | | | | | |
| 103/1010. | | | | | | | | |
| 4. Seeding *Att | ach seed bag ta | gs to this form. | Seed bag tags shall | contain the site na | me and S-T-R. | | | |
| Custom seed mix 🛛 | Prescribe | d mix 🔲 🛛 S | eed mix name: | | Seeding | date: | | |
| Boyd | | | Boyd Johnston | d Johnston | | 7/8/2011 | | |
| Mix | | | Aix | | | | | |
| Broadcast 🛛 | | | | | | | | |
| Method: Broadcast Spre | | · · · · · · · · · · · · · · · · · · · | | | | | | |
| Soil conditions during seeding: Dry 🛛 Damp 🗌 Wet 🗌 | | | | | | | | |
| Photos attached Observations: | | | | | | | | |
| Number of photos: | | | | | | | | |
| 5. Certification I hereby certify that the information in this form and attachments is true and complete to the best of my knowledge and belief. | | | | | | | | |
| Name: Oscar Frayre | 7 7 | | | vironmental Tech | | 7/8/2011 | | |

