

District I  
1625 N French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesa, 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

Form C-  
Revised October 10, 2005

Submit 2 Copies to appropriate District Office in accordance with Rule 116 on the back side of this form.

**Release Notification and Corrective Action**

**OPERATOR**

Initial Report  Final Report

|   |                                   |
|---|-----------------------------------|
| Name of Company: Rice Operating Company       | Contact:                          |
| Address: 122 West Taylor                      | Telephone No.: 505-393-9174       |
| Facility Name: EME                            | Facility Type: SWD Gathering line |
| Surface Owner: State Leased to S&W Cattle Co. | Mineral Owner:                    |
|   | Lease No.:                        |

**LOCATION OF RELEASE**

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| B           | 16      | 20S      | 37E   |               |                  |               |                | Lea    |

Latitude: 32\*34.647N Longitude: 103\*15.256W

**NATURE OF RELEASE**

|  |   |   |
|--|---|---|
| Type of Release: Produced Water  | Volume of Release: 20bbls                 | Volume Recovered: 10bbls                    |
| Source of Release: Boot  | Date and Hour of Occurrence: 12/05/05     | Date and Hour of Discovery: 12/05/05 9:25am |
| Was Immediate Notice Given?<br><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required | If YES, To Whom?                          |   |
| By Whom?   | Date and Hour:                            |   |
| Was a Watercourse Reached?<br><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.\*

Boot Overflowed and popped out of base. Secured Boot and connections. Vacuum truck recovered 10 bbls of produced water.

Describe Area Affected and Cleanup Action Taken.\*

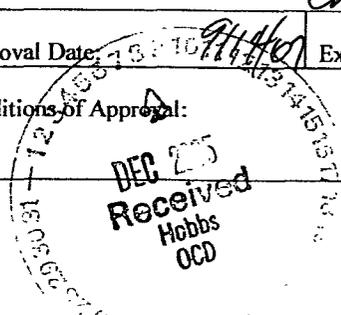
Approximately 680sq ft was affected. Delineation results and Work Plan to follow.

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.

**OIL CONSERVATION DIVISION**

|   |  |                          |
|---|--|--------------------------|
| Signature: <i>Jennifer Johnson</i>        | Approved by District Supervisor: <i>Chris Williams</i> |                          |
| Printed Name: Jennifer Johnson            | Approval Date: 12/06/05                                | Expiration Date: 9/14/07 |
| Title: Environmental and Field Technician | Conditions of Approval:                                |                          |
| E-mail Address: jjriceswd@valornet.com    | Attached <input type="checkbox"/>                      |                          |
| Date: 12/06/05                            | Phone: 505-393-9174                                    |                          |

\* Attach Additional Sheets If Necessary



RP# 1052

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State of New Mexico  
Energy Minerals and Natural Resources

Form C-141  
Revised October 10, 2003

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit 2 Copies to appropriate  
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with Rule 116 on back  
side of form

**Release Notification and Corrective Action**

**OPERATOR**

Initial Report  Final Report

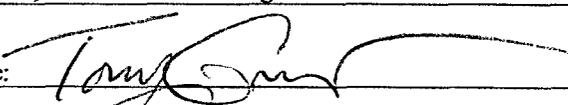
|  |   |
|--|---|
| Name of Company Rice Operating             | Contact Tony Grieco                       |
| Address 122 W. Taylor St., Hobbs, NM 88240 | Telephone No. (505) 393-9175              |
| Facility Name EME                          | Facility Type Salt Water Gathering System |
| Surface Owner State lease to S&W Cattle Co | Mineral Owner                             |
| Lease No.                                  |   |

**LOCATION OF RELEASE**

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| B           | 16      | 20S      | 37E   |               |                  |               |                | Lea    |

Latitude 32° 34.647N Longitude 103° 15.256W

**NATURE OF RELEASE**

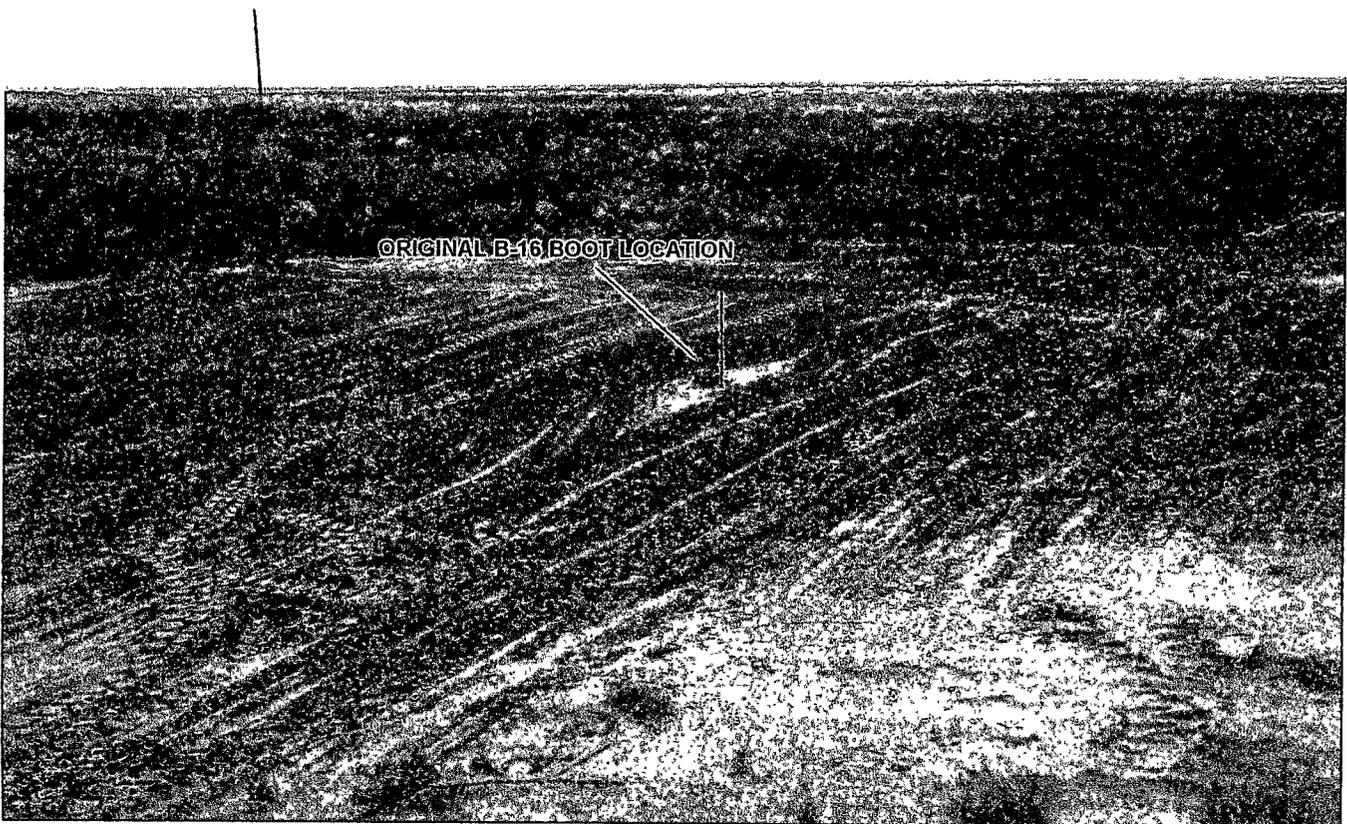
|  |  |  |
|--|--|--|
| Type of Release: Produced water  | Volume of Release: 20bbls  | Volume Recovered: 10bbls                     |
| Source of Release: Boot overflowed and became dislodged from base  | Date and Hour of Occurrence: 12/05/05  | Date and Hour of Discovery: 12/05/05 9:24 AM |
| Was Immediate Notice Given?<br><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required   | If YES, To Whom?<br>N/A  |  |
| By Whom? N/A   | Date and Hour N/A  |  |
| Was a Watercourse Reached?<br><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.*<br>Boot overflowed and became dislodged from base. The boot and its connections were secured as a permanent repair. A vacuum truck was dispatched immediately and recovered 10 bbls of produced water, which were properly disposed.   |  |  |
| Describe Area Affected and Cleanup Action Taken.*<br>Approximately 680 sq ft were affected. On 12/9/05 the site was scraped to a depth of 6 in and a total of 48 yds of impacted soil were removed and properly disposed. On 1/26/06 a total of 72 yds of clean fill were imported. On 4/11/07 the site was seeded and placed on a watering program. Vegetation is recovering at a normal rate.  |  |  |
| 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:    | <b>OIL CONSERVATION DIVISION</b>   |  |
| Printed Name: Tony Grieco  | Approved by District Supervisor:  |  |
| Title: Environmental Tech  | Approval Date: 9/14/07   | Expiration Date: 9/14/07                     |
| E-mail Address: tgrieco@riceswd.com  | Conditions of Approval:  |  |
| Date: 7/23/07 Phone: (505) 393-9175  | Attached <input type="checkbox"/>  |  |

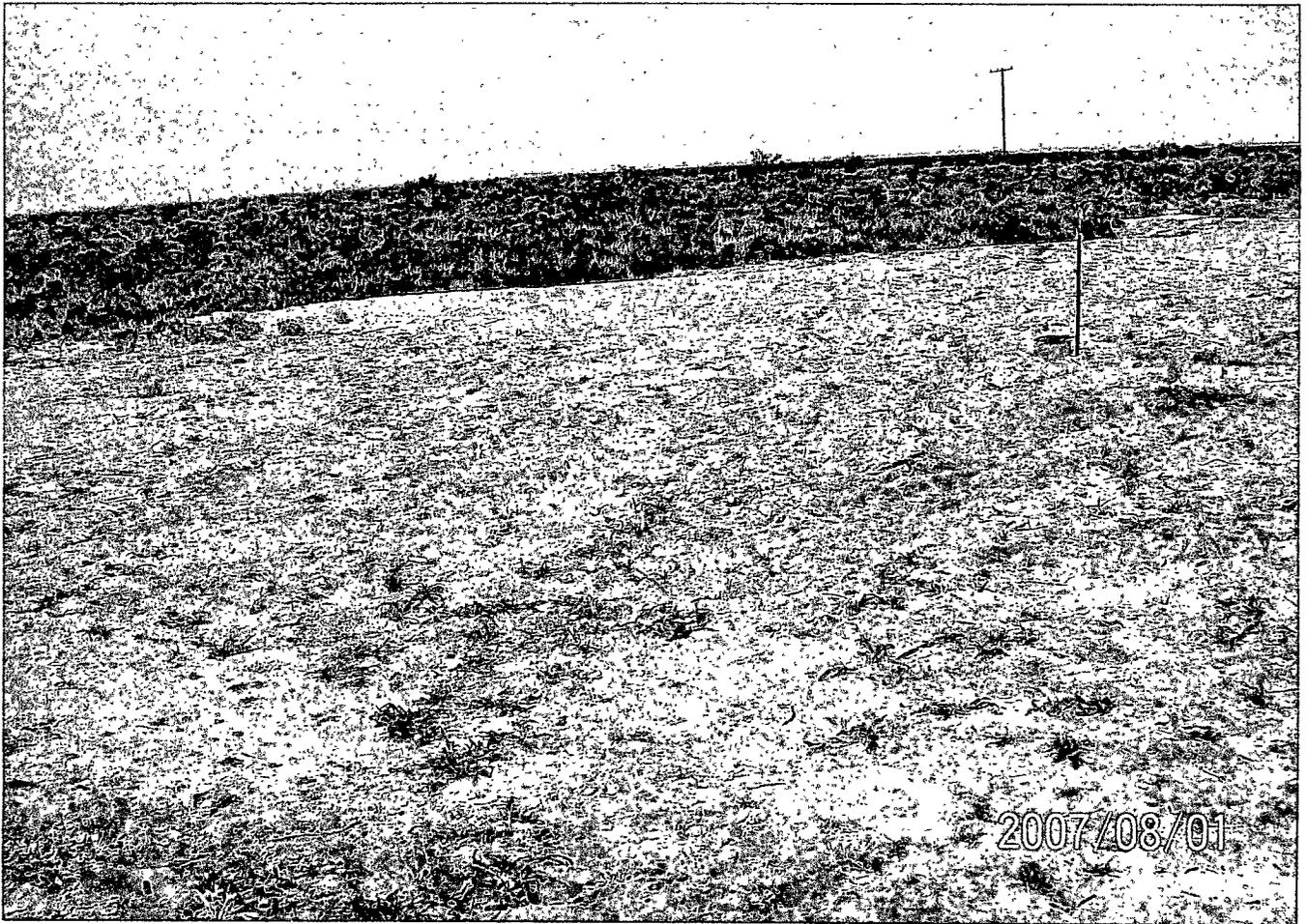
\* Attach Additional Sheets If Necessary

VEGETATION RECOVERING

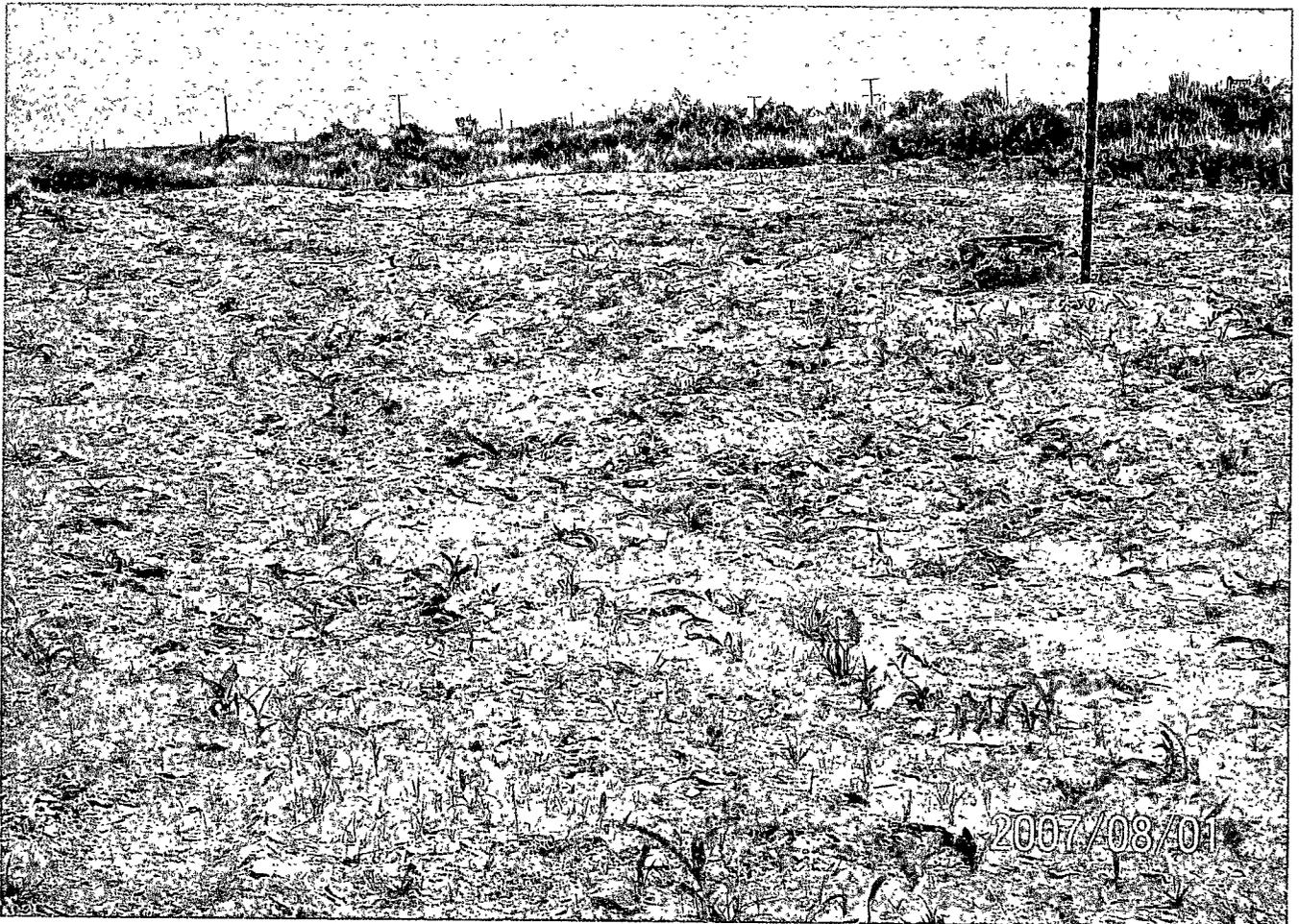


4/11/07 SITE AFTER CULTIVATING AND SEEDING





2007/08/01



2007/08/01

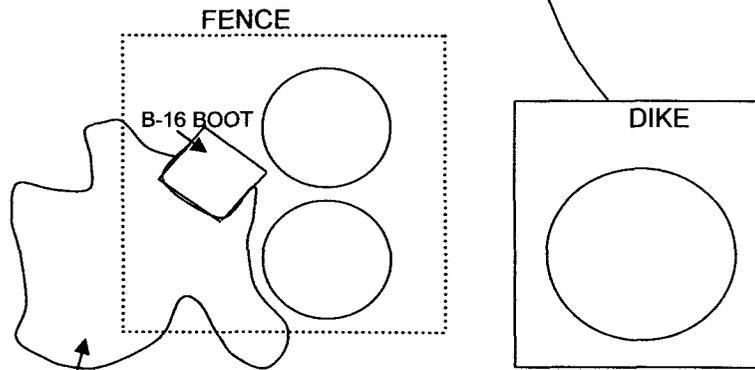


# EME B-16 BOOT LEAK

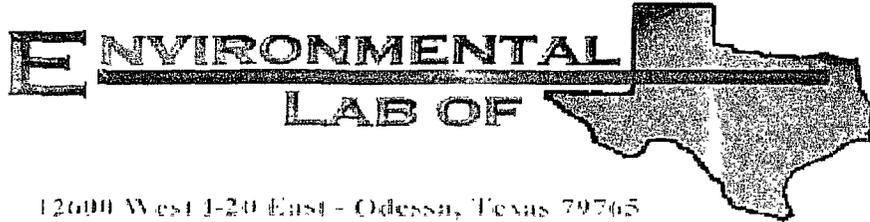
UL/B SEC 16 T-20-S R-37-E

GW 26ft

LOCATION



| CHLORIDE CONCENTRATION AFTER SCRAPING |          |
|---------------------------------------|----------|
| 5 POINT SURFACE COMPOSITE             | CI (PPM) |
| FIELD                                 | 269      |
| LAB                                   | 146      |



12000 West I-20 East - Odessa, Texas 79765

## Analytical Report

**Prepared for:**

Kristin Farris-Pope

Rice Operating Co.

122 W. Taylor

Hobbs, NM 88240

Project: EME Boot B-16 Leak

Project Number: None Given

Location: None Given

Lab Order Number: 5L23001

Report Date: 01/03/06

Rice Operating Co  
122 W Taylor  
Hobbs NM, 88240

Project EME Boot B-16 Leak  
Project Number None Given  
Project Manager Kristin Farris-Pope

Fax (505) 397-1471  
Reported:  
01/03/06 15.04

**ANALYTICAL REPORT FOR SAMPLES**

| Sample ID  | Laboratory ID | Matrix | Date Sampled   | Date Received  |
|------------|---------------|--------|----------------|----------------|
| 5 pt Comp. | 5L23001-01    | Soil   | 12/09/05 14:30 | 12/23/05 07:45 |

|   |  |   |
|---|--|---|
| Rice Operating Co.<br>122 W Taylor<br>Hobbs NM, 88240 | Project EME Boot B-16 Leak<br>Project Number None Given<br>Project Manager: Kristin Farns-Pope | Fax: (505) 397-1471<br><br><b>Reported:</b><br>01/03/06 15.04 |
|---|--|---|

**General Chemistry Parameters by EPA / Standard Methods  
Environmental Lab of Texas**

| Analyte                             | Result | Reporting<br>Limit | Units | Dilution | Batch   | Prepared | Analyzed | Method    | Notes |
|-------------------------------------|--------|--------------------|-------|----------|---------|----------|----------|-----------|-------|
| <b>5 pt Comp. (5L23001-01) Soil</b> |        |                    |       |          |         |          |          |           |       |
| Chloride                            | 146    | 5.00               | mg/kg | 10       | EL52910 | 12/28/05 | 12/29/05 | EPA 300 0 |       |

Rice Operating Co.  
122 W Taylor  
Hobbs NM, 88240

Project EMI: Boot B-16 Leak  
Project Number None Given  
Project Manager Kristin Farns-Pope

Fax: (505) 397-1471  
Reported:  
01/03/06 15:04

**General Chemistry Parameters by EPA / Standard Methods - Quality Control  
Environmental Lab of Texas**

| Analyte                                 | Result | Reporting Limit | Units | Spike Level | Source Result  | %REC | %REC Limits | RPD  | RPD Limit | Notes |
|---|--------|-----------------|-------|-------------|--|------|-------------|------|-----------|-------|
| <b>Batch EL52910 - Water Extraction</b> |        |                 |       |             |  |      |             |      |           |       |
| <b>Blank (EL52910-BLK1)</b>             |        |                 |       |             |  |      |             |      |           |       |
|   |        |                 |       |             | Prepared 12/28/05 Analyzed 12/29/05                    |      |             |      |           |       |
| Chloride                                | ND     | 0.500           | mg/kg |             |  |      |             |      |           |       |
| <b>LCS (EL52910-BS1)</b>                |        |                 |       |             |  |      |             |      |           |       |
|   |        |                 |       |             | Prepared 12/28/05 Analyzed 12/29/05                    |      |             |      |           |       |
| Chloride                                | 8.62   |                 | mg/L  | 10.0        |  | 86.2 | 80-120      |      |           |       |
| <b>Calibration Check (EL52910-CCV1)</b> |        |                 |       |             |  |      |             |      |           |       |
|   |        |                 |       |             | Prepared 12/28/05 Analyzed 12/29/05                    |      |             |      |           |       |
| Chloride                                | 8.64   |                 | mg/L  | 10.0        |  | 86.4 | 80-120      |      |           |       |
| <b>Duplicate (EL52910-DUP1)</b>         |        |                 |       |             |  |      |             |      |           |       |
|   |        |                 |       |             | Source: 5L23001-01 Prepared 12/28/05 Analyzed 12/29/05 |      |             |      |           |       |
| Chloride                                | 139    | 5.00            | mg/kg |             | 146  |      |             | 4.91 | 20        |       |

Rice Operating Co.  
122 W Taylor  
Hobbs NM, 88240

Project: EME Boot B-16 Leak  
Project Number: None Given  
Project Manager: Kristin Farris-Pope

Fax (505) 397-1471  
**Reported:**  
01/03/06 15:04

### Notes and Definitions

DET Analyte DETECTED  
ND Analyte NOT DETECTED at or above the reporting limit  
NR Not Reported  
dry Sample results reported on a dry weight basis  
RPD Relative Percent Difference  
LCS Laboratory Control Spike  
MS Matrix Spike  
Dup Duplicate

Report Approved By:



Date: 1/3/2006

Raland K Tuttle, Lab Manager  
Celey D Keene, Lab Director, Org. Tech Director  
Peggy Allen, QA Officer

Jeanne Mc Murrey, Inorg. Tech Director  
LaTasha Cornish, Chemist  
Sandra Sanchez, Lab Tech.

This material is intended only for the use of the individual (s) or entity to whom it is addressed, and may contain information that is privileged and confidential.

If you have received this material in error, please notify us immediately at 432-563-1800



**Environmental Lab of Texas**  
**Variance / Corrective Action Report – Sample Log-In**

Client: live op  
 Date/Time: 12/23/05 7:45  
 Order #: 5L23001  
 Initials: OK

**Sample Receipt Checklist**

|   |   |    |                       |   |
|---|---|----|-----------------------|---|
| Temperature of container/cooler?                          | Yes                                     | No | 0.5                   | C |
| Shipping container/cooler in good condition?              | <input checked="" type="checkbox"/> Yes | No |                       |   |
| Custody Seals intact on shipping container/cooler?        | <input checked="" type="checkbox"/> Yes | No | Not present           |   |
| Custody Seals intact on sample bottles?                   | <input checked="" type="checkbox"/> Yes | No | Not present           |   |
| Chain of custody present?                                 | <input checked="" type="checkbox"/> Yes | No |                       |   |
| Sample instructions complete on Chain of Custody?         | <input checked="" type="checkbox"/> Yes | No |                       |   |
| Chain of Custody signed when relinquished and received?   | <input checked="" type="checkbox"/> Yes | No |                       |   |
| Chain of custody agrees with sample label(s)              | <input checked="" type="checkbox"/> Yes | No |                       |   |
| Container labels legible and intact?                      | <input checked="" type="checkbox"/> Yes | No |                       |   |
| Sample Matrix and properties same as on chain of custody? | <input checked="" type="checkbox"/> Yes | No |                       |   |
| Samples in proper container/bottle?                       | <input checked="" type="checkbox"/> Yes | No |                       |   |
| Samples properly preserved?                               | <input checked="" type="checkbox"/> Yes | No |                       |   |
| Sample bottles intact?                                    | <input checked="" type="checkbox"/> Yes | No |                       |   |
| Preservations documented on Chain of Custody?             | <input checked="" type="checkbox"/> Yes | No |                       |   |
| Containers documented on Chain of Custody?                | <input checked="" type="checkbox"/> Yes | No |                       |   |
| Sufficient sample amount for indicated test?              | <input checked="" type="checkbox"/> Yes | No |                       |   |
| All samples received within sufficient hold time?         | <input checked="" type="checkbox"/> Yes | No |                       |   |
| VOC samples have zero headspace?                          | <input checked="" type="checkbox"/> Yes | No | <u>Not Applicable</u> |   |

Other observations:

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**Variance Documentation:**

Contact Person: - \_\_\_\_\_ Date/Time: \_\_\_\_\_ Contacted by: \_\_\_\_\_  
 Regarding:

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Corrective Action Taken:

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