

AP – 64

**STAGE 1 & 2
ABATEMENT PLAN**

**DATE:
10-25-06**

October 25, 2006

AP-64
Stage 1 & 2
Abatement Plan
10-25-06

was /R0218

**Stage 1 and 2
Abatement Plan
Hobbs F-29 SWD Redwood Tank
and Emergency Overflow Pit Site**

R.T. Hicks Consultants, LTD
901 RIO GRANDE BLVD. NW, SUITE F-142, ALBUQUERQUE, NM 87104

Hansen, Edward J., EMNRD

From: Price, Wayne, EMNRD
Sent: Wednesday, November 29, 2006 3:12 PM
To: Hansen, Edward J., EMNRD; VonGonten, Glenn, EMNRD
Subject: FW: F-29 SWD **AP064**
Attachments: NOTICE OF PUBLICATION.doc

Who Has this one?

From: randall hicks [mailto:r@rthicksconsult.com]
Sent: Wednesday, November 29, 2006 3:09 PM
To: Price, Wayne, EMNRD
Cc: 'Carolyn Haynes'; 'Kristin Pope'
Subject: RE: F-29 SWD

Wayne

After NMOCD finds that the Stage 1&2 AP (transmitted to NMOCD on 10/27 and mailed soon thereafter) is administratively complete, we will begin the public notice process. To do so, ROC needs your approval of or comments on this public notice.

Thanks

Randall Hicks
Tel: 505-266-5004
Cell 505-238-9515

From: randall hicks [mailto:r@rthicksconsult.com]
Sent: Friday, October 27, 2006 4:56 PM
To: 'Price, Wayne, EMNRD'
Cc: 'Carolyn Haynes'; 'Kristin Pope'
Subject: F-29 SWD

Wayne

The attached letter transmits the Stage 1&2 Abatement Plan for the above-referenced site. I believe we are a day early with this submission!

Randall Hicks
Tel: 505-266-5004
Cell 505-238-9515

NOTICE OF PUBLICATION

State of New Mexico Energy, Minerals and Natural Resources Department Oil Conservation Division

Notice is hereby given that pursuant to New Mexico Oil Conservation Division Regulations, the following Stage 1 and 2 Abatement Plan has been submitted to the Director of the Oil Conservation Division, 1220 S. St. Francis Dr., Santa Fe, New Mexico 87504, Telephone (505) 476-3440:

Rice Operating Company, Carolyn Doran Haynes, Engineering Manager, Telephone (505) 393-9174, 122 West Taylor, Hobbs, New Mexico 88240, has submitted a Stage 1 and 2 Abatement Plan for the F-29 SWD site, Hobbs Salt Water Disposal System (abandoned), located about 1.5 miles north of the intersection of NM State Highway 62 and the Truck By-Pass near Hobbs, NM in the NW 1/4, of Section 29, Township 18 South, Range 38 East, Lea County, New Mexico. Rice Operating Company operated a saltwater disposal system at the site. Chlorides and total dissolved solids have been observed in the ground water and remedial efforts have been ongoing since discovery. The Stage 1 and 2 Abatement Plan addresses further proposed actions for site closure.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The Stage 1 and 2 Abatement Plan Proposal may be viewed at the above address or at the Oil Conservation Division District Office, 1625 N. French Drive, Hobbs, New Mexico 88240, Telephone (505) 393-6161 between 8:00 a.m. and 4:00 p.m., Monday through Friday. Prior to ruling on any proposed Abatement Plan, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which written comments may be submitted to him.

R. T. HICKS CONSULTANTS, LTD.

901 Rio Grande Blvd NW ▲ Suite F-142 ▲ Albuquerque, NM 87104 ▲ 505.266.5004 ▲ Fax: 505.266-0745

October 28, 2006

2006 NOV 17 AM 10 15

Mr. Wayne Price
Bureau Chief
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: NMOCD Case # 1R0218, F-29 SWD

Dear Mr. Price

In response to your e-mail of September 29, 2006, R.T. Hicks Consultants, Ltd. is pleased to submit a Stage 1&2 Abatement Plan for the above-referenced site on behalf of Rice Operating Company (ROC). You may download the report from our ftp site:

<ftp://hicks:k6bbuufe@ftp.swcp.com/NMOCD>

Early next week, we will print the report, create the DRAFT public notice and mail the report with attendant CDs that include our entire submission in electronic format to your office and the Hobbs Field Office. We have elected to forego posting the report appendices on the ftp site due to space restrictions and the fact that most of the data included in the Appendices are already in NMOCD files.

If you have any questions regarding this submission, please address them to Kristin Pope at Rice Operating Company.

Sincerely,
R.T. Hicks Consultants, Ltd.

Randall T. Hicks
Principal

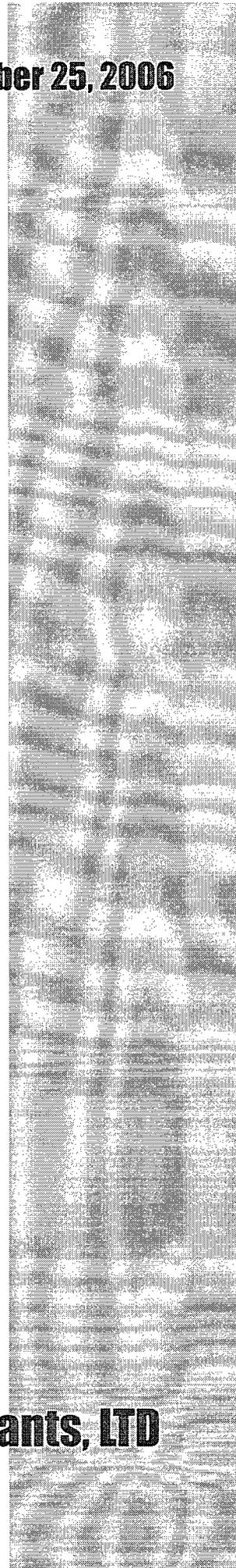
Copy:
Rice Operating Company

October 25, 2006

**Stage 1 and 2
Abatement Plan
Hobbs F-29 SWD Redwood Tank
and Emergency Overflow Pit Site**

R.T. Hicks Consultants, LTD

901 RIO GRANDE BLVD. NW, SUITE F-142, ALBUQUERQUE, NM 87104



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▼ 1.0 Summary

This report presents the results of the characterization activities performed by R.T. Hicks Consultants (Hicks Consultants) and Rice Operating Company (ROC) at the Hobbs F-29 SWD Redwood Tank and Emergency Overflow Pit site. Because ROC has implemented an NMOCD-approved vadose zone remedy, this Stage 1&2 Abatement Plan addresses ground water restoration only.

Field data, laboratory results, preliminary feasibility testing, and simple aquifer simulation modeling support a ground water restoration program that employs on-site pumping of ground water for use in nearby oil recovery operations plus natural dilution and dispersion. Installation of one additional down gradient monitoring/recovery well is an important element of this plan. Comparison against other possible restoration strategies shows that this approach:

1. Protects public health
2. Provides the greatest net environmental benefit,
3. Complies with NMOCD Rules
4. Is supported by good science.

The last criteria employed when evaluating any proposed remedy or investigative work is confirming that there is a reasonable relationship between the benefits created by the proposed remedy or assessment and the economic and social costs. The results of this cost/benefit analysis demonstrates that pump-and-use plus natural dilution and dispersion is the best remedy of the several candidates evaluated.

Upon NMOCD-approval of this plan, ROC will implement the proposed remedy and, when ground water restoration is complete, submit a closure report with final documentation.

Rice Operating Company (ROC) was the service provider (agent) for the Hobbs Saltwater Disposal System. ROC had no ownership of any portion of pipelines, which are the subject of the Hobbs SWD System Abandonment Project. The Hobbs System Pipelines are owned by a consortium of oil pro-

ducers, System Partners, who provide all operating capital on a percentage ownership/usage basis. Major projects require System Partner authorization of expenditures (AFE) approval and work begins as funds are received.

1.1 Data Summary

1. Since 2002, chloride and TDS have exceeded WQCC Standards in the on-site monitoring wells F-29 SWD MW-2 or MW-3 twice (257 mg/L at MW-2 and 272 mg/L at MW-3).
2. Since 2002 chloride in samples from the on-site monitoring well F-29 SWD MW-4 have ranged from 300 to 660 mg/L. TDS concentrations are similarly slightly above WQCC standards.
3. The up gradient monitoring well F-29 SWD MW-3 defines the background water quality entering the site. Since 2004, chloride concentrations in this well have ranged between 80 and 272 mg/L (average 140 mg/L)
4. Petroleum hydrocarbons are not detected in ground water samples from on-site wells or other nearby monitoring wells.
5. Ground water quality beneath the F-29 SWD site and at nearby wells is suitable for use in industrial and agricultural purposes.
6. Ground water flow at the site is east-southeast.
7. Episodic releases of fluids from the F-29 SWD site are one of many possible sources of chloride in the general area.
8. Data support a conclusion that water quality at the on-site well MW-4 is impaired due to episodic releases from the F-29 SWD site.

1.2 Proposed Remedy and Additional Characterization

1. Pumping ground water from the proposed recovery/monitoring well at a rate of 2100 GPD (50 barrels/day) for use in the nearby OXY waterflood program, the Liquid Resource Services Brine and Fresh Water Service, and/or other beneficial uses is the primary long-term ground water remedy.

2. Natural dilution and dispersion is the secondary ground water remedy.
3. Within 60-days of NMOCD and Office of the State Engineer approval, ROC will begin a two-month pump-and-use testing program at the proposed monitoring/recovery well located down gradient of the facility. The purpose of this pumping program is four-fold:
 - a. Pumping for 2-months may remove sufficient chloride from beneath the site to restore ground water quality,
 - b. In order to provide potential water users with information required by them prior to use, they must know the quantity and quality of water scheduled for delivery from this well.
 - c. Data from this test pumping program (e.g. routine water level measurements from nearby monitoring wells) may be used to optimize the pumping and natural restoration remedy.
 - d. Chemical characterization data obtained during this time will be employed to provide an estimate of the extent of ground water impairment caused by the episodic releases from the F-29 SWD site.
4. The first annual report for the F-29 SWD site, which is the first submission to NMOCD under this Abatement Plan, will provide an estimate of the extent of chloride and TDS impairment attributable to the F-29 SWD site, an evaluation of data from the two-month test pumping program and recommendations to optimize the ground water restoration strategy.

▼ 2.0 Chronology of Events

Table 1: Chronology of Events at F-29 SWD site

February/March 1999	ROC closed the Redwood Tanks and Emergency Overflow Pit (see November 4, 1999 Closure Report in Appendix A). The former tank and pit locations were excavated and a clay liner installed at a depth of about 6 to 10-feet below land surface.
March 1999	ROC conducted the initial definition of the magnitude of the release for the F-29 SWD Redwood Tank site by drilling and sampling MW-1, which was completed in boring B-1, located at the bottom of the redwood tank excavation and completing a second boring within the former pit excavation. Chloride concentrations in soil below the redwood tanks ranged from 70 mg/kg at 46 feet below ground surface (within the capillary fringe) to 1700 mg/kg at 26 feet below ground surface (bgs).
March 2000	Anomalous chloride concentrations and sand in the well suggested tampering of the well.
July 2000	Replacement well MW-2 installed less than 5-feet from original monitoring well, MW-1
August 2001	Pump and dispose program removed 3,280 gallons in July, 2001. Chloride had decreased from over 3000 mg/L in 2000 to less than 500 mg/L in March 2001.
December 2001	Up gradient well MW-3 and down gradient well MW-4 installed at the site.
January 2002	ROC proposes additional characterization to define down gradient extent of potential impact
2002	Low concentrations of chloride in on-site monitoring wells caused ROC to apply for closure of the regulatory file.
February 2003	Under contract to NMOCD, Intera Inc. begins a ground water quality study of the former Windmill Oil site located up gradient from the F-29 SWD facility. Intera sampled numerous wells in Section 29 as part of this study.
March 2004	R.T. Hicks Consultants submits work plan for the characterization of several Hobbs SWD System sites. The work plan proposes monitoring wells in Section 29 and near the F-29 SWD site.
March 2006	Field tour of Section 29 sites with ROC, Hicks Consultants and NMOCD. Agreement reached that NMOCD would request an Abatement Plan in the near future.
2000-2006	Monitoring and annual reporting

▼ **3.0 Background**

3.1 Site location and land use

Plate 1 is a USGS Topographic map showing the location of the site relative to Hobbs, New Mexico. Plate 2 is an aerial photograph showing the monitoring wells, the truck by-pass, the Texland Petroleum water supply well and nearby monitoring wells. Also shown on Plate 2 is the OXY waterflood facility and the Liquid Resource Services brine and fresh water supply facility, which are possible users of the pump-and-use ground water restoration strategy. Plate 3 is an aerial photograph showing the locations of monitoring and water supply wells employed by Interra and ROC to define the water quality in the general area. Plates 2 and 3 demonstrate that the area adjacent to the site is used for oil and gas production.

3.2 Nature of the Release

Redwood tanks and the emergency overflow pit are a source of periodic releases of produced water. At most sites similar to the F-29 SWD site, these episodic releases can create a localized zone of impacted ground water and constituents of concern in the vadose zone can represent an ongoing threat to ground water quality. After the facility up grade in 1999, releases from the facility ceased. At most sites, when the ongoing releases cease, ground water quality returns to background conditions within a few years.

Data from the closure report (see Appendix A) show that chloride concentrations in the vadose zone are below 1000 mg/kg, except one sample from Boring 1 at a depth of 26 feet bgs (1700 mg/kg). Petroleum hydrocarbons were not present in soil samples obtained from the closure of the emergency overflow pit. Petroleum hydrocarbons were detected at a concentration of 3660 ppm (TPH) at a depth of 40 feet bgs. While ground water chloride concentrations exceed the 250 mg/L standard, regulated hydrocarbon constituents are generally not detected in ground water samples and concentrations have always been well below ground water standards.

In 1999, ROC installed a clay infiltration barrier within the excavations associated with the tanks and the pit. The low mass of constituents of concern in the vadose zone combined with this infiltration barrier effectively mitigates any threat to ground water quality posed by the vadose zone.

3.3 Water well inventory

Appendix B provides well logs of nearby wells that were obtained from the New Mexico Office of the State Engineer (OSE). Plate 4 plots all wells within the general area of the F-29 SWD facility that are registered in the OSE database.

▼ **4.0 Regional Hydrogeology**

This document does not provide information on surface water hydrogeology because drainages do not exist near the site. Detailed descriptions of the vadose zone are not included in this report because the F-29 SWD site has undergone an NMOCD-approved vadose zone remedy (see Appendix A). This section of the Abatement Plan provides information on the saturated zone.

4.1 Characteristics of the Ogallala Aquifer

The saturated zone is the Ogallala Aquifer. Well logs from the area characterize the saturated zone as well-sorted, fine-grained sand or fine sand with thin layers of caliche and cemented sand. Plate 5 is the lithologic log for the nearby monitoring well cluster at F-29-1a, one of the deeper wells in the area for which we have a high quality lithologic log. While Plate 5 provides a good description of the upper Ogallala, the base of the Ogallala is seldom penetrated in or near the site. The single well log on file at the OSE that extends to the top of the "Red Bed" (Dockum Group) does not describe a basal sand and gravel unit that is characteristic of the Ogallala throughout Lea County and the High Plains in general (Nicholson and Clebsch, 1961). The basal sand and gravel unit is probably present throughout the area, despite the lack of site-specific evidence.

Based upon the lithology of the saturated zone, the number and spacing of supply wells, and the size and use of several of these wells (e.g. 12 inches or more), R.T. Hicks Consultants believes that the hydraulic conductivity of the saturated zone in the area of the Hobbs SWD System is similar to that observed for the Ogallala Aquifer throughout the general area. McAda (1984) simulated water level declines using a two-dimensional digital model and employed hydraulic conductivity values of 51-75 feet/day (1.9 E-4 to 2.8 E-4 m/s) in the area. More recently, Musharrafiieh and Chudnoff (1999) employed values for hydraulic conductivity within this area of interest between 81 and 100 ft/day for their simulation. According to Freeze and Cherry (1979), these values correspond to clean sand, which agrees with the site lithologic description of the saturated zone. For the F-29 SWD site, the saturated hydraulic conductivity of the uppermost saturated zone is assumed as 75 feet/day.

To create a potentiometric surface map for the region, USGS gauging data from 1996 was employed (Plate 6). Ground water flows east-southeast in the area under a hydraulic gradient of approximately 0.0036.

Figures 1 and 2 present two hydrographs of nearby USGS wells showing that ground water elevations near the area of the Hobbs SWD System have decreased by 10 feet since 1985. One of these wells is near the airport and the other is located at the southern city limit of Hobbs.

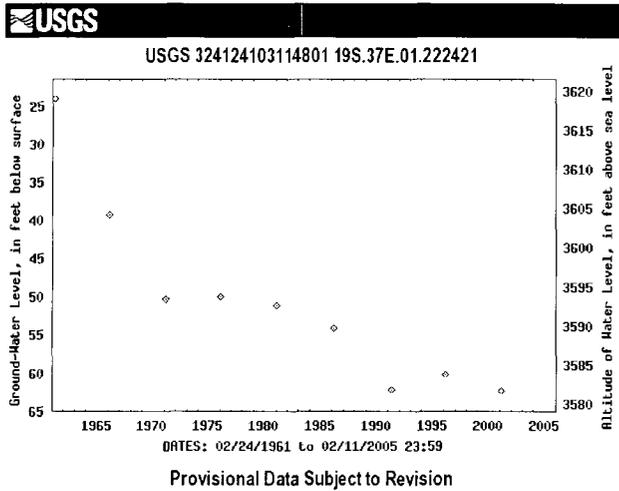


Figure 1

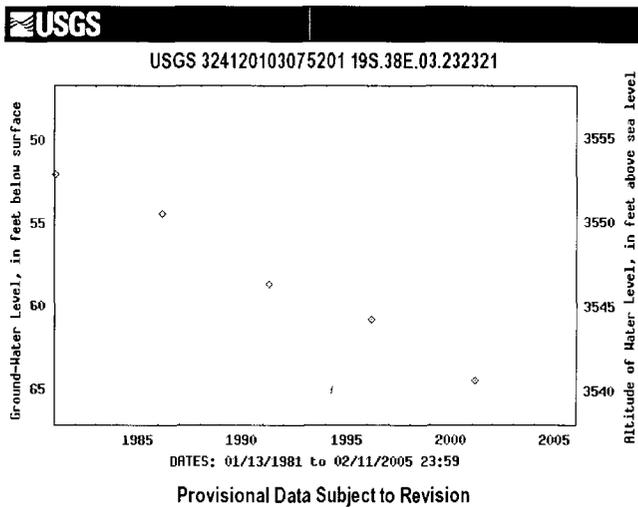


Figure 2

4.2 Ground Water Near F-29 SWD

Data from the Intera report (2003) indicated no petroleum hydrocarbons were detected in ground water in the general area during the Intera sampling event. Chloride is above the Water Quality Control Commission standard of 250 mg/L in many samples near the F-29 SWD site.

Plate 7 presents the chloride concentrations for wells sampled by Intera (2003), ROC (2003-2006) and the Office of the State Engineer (various dates from the Go-Tech site, <http://octane.nmt.edu/waterquality/data>). As Plate 7 and Figure 3 of the 2003 Intera report show, chloride concentration in the area generally range between about 60 ppm and 140 ppm. Within the area displayed in Plate 7, 12 wells exceed the Water Quality Control Commission ground water standard of the 250 ppm Chloride. These wells are geographically distributed throughout area. Up gradient and down gradient from wells that exceed the 250 ppm chloride standard are other wells that fall within the 60-140 ppm range that typifies the remainder of the area. The variation in chloride concentration expressed in map view (Plate 7) might be explained if well screen intervals were known for these domestic supply wells. Unfortunately, well construction data for most of the sampled wells does not exist.

4.3 Site Ground Water Flow

Plate 8 shows the most recent potentiometric surface based upon data from the on-site monitoring wells and monitoring wells installed by ROC in Sections 29, 32 and 33. These data suggest an east-southeast ground water flow direction. Plate 6 shows the potentiometric surface of the Hobbs area using USGS monitoring data from 1996. Plate 6 shows that northwest of Hobbs, the regional ground water flow is to the southeast but in the area of Hobbs, ground water flows east-southeast. Plate 9 is a copy of a portion of the potentiometric surface map in the Nicholson and Clebsch (1960) report, again showing an east-southeast ground water flow direction in our area of interest.

Although regional data (Plates 6 and 9) and recent data (Plate 8) document an east-southeast ground water flow direction, maps that employ only data from the F-29 SWD site can show flow east, southeast and northeast. Plates 10a and 10b, which display data from 2004 and 2005 respectively, suggest a

east-northeast ground water flow direction.

Plate 10c shows data from 2006 at the same scale as Plates 10a and 10b. Using these limited data, Plate 10c suggests ground water flow is east. However, when these same data are employed with data from Sections 32 and 33, the east-southeast flow direction is more obvious. R.T. Hicks Consultants concludes that ground water beneath the site flows east-southeast.

4.4 Site Ground Water Quality

Table 2 presents the results of the water quality monitoring at the site for MW-2 (aka MW-1R), MW-3 and MW-4. Also shown in Table 2 are results from the nearby well F-29-1 MW-1 and MW-2 (deep and shallow respectively). With respect to the quality of data from MW-1, we refer the reader to a September 7, 2001 letter from ROC to NMOCD and an August 29, 2001 Report (Safety and Environmental Solutions, Inc.) for a more complete discussion (see Appendix C for these referenced documents). As suggested in the Chronology of Events table, ROC caused the replacement of MW-1 with MW-2 due to data quality concerns.

Figure 3 summarizes the chloride data for the site. From the patterns of Figure 3 we can draw several hypotheses. First, MW-3, the up gradient well, establishes a background chloride concentration in ground water of about 150 ppm, which is generally consistent with the water quality in Section 29

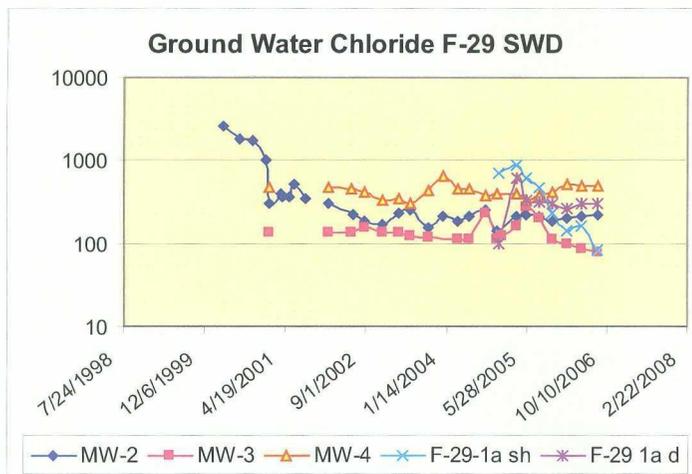


Figure 3 summarizes the chloride data for the site.

(see Plate 7). Third, the average chloride concentration of MW-4 (430 ppm), which is southeast of the former Redwood Tanks, demonstrates that releases from the site have caused a slight elevation of chloride in ground water. Fourth, the original chloride concentration in MW-1 (194 ppm) and the analyses observed in MW-2 since June 2002 (average 201) suggest this western area of the site is slightly impacted but not impaired (i.e. above background but below the WQCC Standard of 250 ppm) by historic releases from the site.

Figure 4, which presents the data from 2001-2006 on a logarithmic scale, shows that chloride concentrations in the background monitoring well (MW-3) varies by more than 200 mg/L.

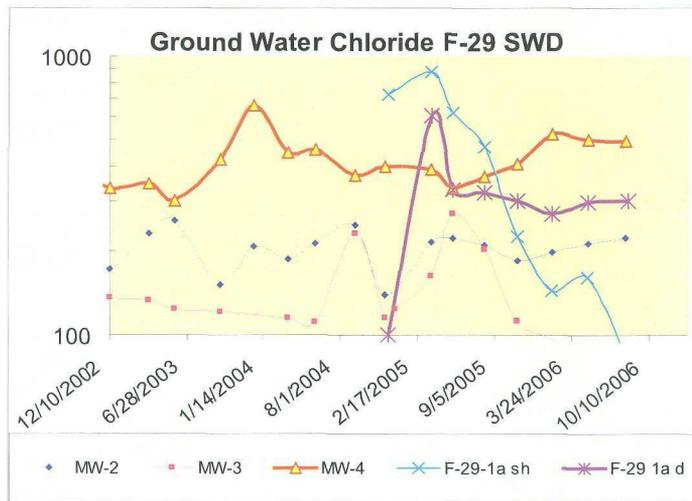


Figure 4 shows concentrations in the background monitoring well (MW-3) varies by more than 200 mg/L.

ROC conducted a specific capacity test and recovery test of MW-2 in October of 2006. Appendix D presents the protocols followed in these tests and their results. Pumping 2 GPM at this well, which penetrates only 8-feet of the aquifer, created a drawdown of about 3-feet. This well could not support a pumping rate of 4 GPM. These data support a conclusion that the specific capacity of a partially-penetrating well is about 0.75 GPM/foot of drawdown.

The recovery data allows one to estimate the hydraulic conductivity of the uppermost saturated zone. Using the Cooper-Jacob method, the data suggest a hydraulic conductivity of 3.8×10^{-4} meters/sec, which is consistent with the data employed by Musharrafieh, G. and Chudnoff, M., (1999) for this area of their model.

▼ **5.0 Stage 1 Abatement Plan**

Although existing data are not sufficient to provide an estimate of the extent of ground water impairment at the site, the data are adequate to allow evaluation and design of an effective ground water abatement option. This Abatement Plan assumes that episodic releases of produced water from the F-29 SWD site caused localized ground water impairment. The work elements described herein are designed to monitor the efficacy of the proposed ground water restoration program and to determine the down gradient extent of ground water impairment caused by releases from the F-29 SWD site.

5.1 Down Gradient Recovery/Monitoring Well

Figure 5 shows the proposed location of a down gradient recovery/monitoring well. The documented due east-southeast flow direction and the fact that the former Redwood Tanks and Emergency Overflow Pit were located slightly north of MW-4 allows us to propose a location for a monitoring/recovery well within the box shown in figure 5. The exact location of this proposed well is subject to field checking and clearance by One Call.

Plate 11 shows the proposed construction details of the 4-inch well which is designed for recovery of ground water but can serve to monitor ground water quality in the uppermost 15 feet of the aquifer. The proposed design of this well is based upon the following considerations:

- A. A pump-and-use ground water restoration strategy requires a 4-inch well.
- B. Water levels in this area are declining at a rate of about 1-foot per year and a long effective screen length is required to ensure water users that the supply will last for a period of years.
- C. Separate phase hydrocarbons are not present in any monitoring wells. Therefore placing the top of the screen slightly below the water table is appropriate.

The 15-foot screened interval not only provides a relatively long effective screen length but also permit focusing the pumping stresses. The specific capacity and recovery testing described above suggest that pumping 2000 gallons per day (50 barrels/day or 1.5 GPM) can create as much as 2- to 3-feet of drawdown at a well which has an 8-foot effective screen length.

This drawdown can permit a strategically located well to capture a large portion of the chloride mass at the F-29 SWD site. Preliminary simulation modeling shows that a pumping well with a very long screened interval (e.g. throughout the upper 50-feet of the aquifer) distributes the pumping stresses. The predicted drawdown (and attendant capture zone) of such a well is small (predicted drawdown is less than 0.05 meters). Therefore, R.T. Hicks rejected a recovery well design that employed a fully screened well in favor of one small screened interval. This design allows the operators to focus the pumping in the aquifer such that the well will capture the largest mass of chloride possible.



Figure 5 shows the proposed location of a down gradient recovery/monitoring well.

While sample data from this monitoring/recovery well will be very useful to determine the distribution of chloride and TDS in the aquifer near the site, we do not intend to employ data from this well for compliance with Rule 19. The well is principally designed for restoration of ground water quality.

5.2 Two Month Test Pumping

Within 60-days of NMOCD approval of this plan and any requisite approval from the Office of the State Engineer, ROC will begin a two-month pump-and-use testing program at the proposed monitoring/recovery well located

page

down gradient of the facility. The purpose of this pumping program is four-fold:

- a. Pumping for 2-months may remove sufficient chloride from beneath the site to restore ground water quality.
- b. In order to provide potential water users with information required by them prior to use, they must know the quantity and quality of water scheduled for delivery from this well.
- c. Data from this test pumping program (e.g. routine water level measurements from nearby monitoring wells) may be used to optimize the pumping and natural restoration remedy.
- d. Chemical characterization data obtained during this time will be employed to provide an estimate of the extent of ground water impairment caused by the episodic releases from the F-29 SWD site.

▼ **6.0 Stage 2 Abatement Plan**

Ground water at MW-4 exceeds the WQCC Standards for chloride and total dissolved solids. The purpose of this ground water abatement plan is to restore ground water at the F-29 SWD site via a pump and use restoration strategy. Natural dilution and dispersion will abate any impairment of ground water located down gradient of the proposed recovery well that is attributed to the F-29 SWD site.

The quality of ground water beneath and near the F-29 SWD site is suitable for industrial and agricultural uses. In fact, the quality of ground water is better than the drinking water supplied by many municipalities. Because treatment of ground water to improve quality produces waste (e.g. reverse osmosis reject) and the existing water quality is suitable for the uses proposed in this plan, R.T. Hicks Consultants rejected abatement plan strategies that employed ground water treatment. The proposed ground water restoration strategy is pump-and-use coupled with natural restoration.

6.1 Pump and Use

A pump-and-use ground water extraction system is the primary ground water restoration strategy. Water recovered by the proposed well can be used for:

1. Fresh water for oil and gas drilling.
2. Make-up water for producing brine for oil and gas well drilling.
3. Make-up water for enhanced oil recovery or pressure maintenance operations.

ROC had identified several water users in the area who are currently using Ogallala water for these purposes. ROC is discussing providing water from the proposed recovery well for their use in lieu of withdrawing higher quality ground water. Producing water for beneficial use from the proposed recovery well will require a permit application with the OSE that limits water withdrawal to 3 acre-feet per year (about 2500 gallons/day). This limitation on water withdrawal and preliminary communications with potential water users is the reason that this plan calls for pumping of no more than 50 barrels/day. ROC must also arrange to transport the water from the proposed recovery well to the end user.

6.2 Natural Ground Water Quality Restoration

The proposed location of the recovery well will not cause the capture chloride that is down gradient from the well. The recovery well will capture chloride from the F-29 SWD site and will accelerate the natural process of dilution and dispersion and thereby reduce chloride concentrations down gradient from the site.

The Texland Petroleum water supply, located about 3000 feet down gradient from the site, may capture chloride molecules released from the F-29 SWD site. Capture of chloride at the Texland well will further accelerate natural restoration of the aquifer down gradient from the F-29 SWD site. Natural dilution and dispersion is the secondary water restoration strategy.

6.3 Monitoring and Reporting

During the 2-month pumping period of the recovery well, ROC will collect water samples from on-site and nearby wells for chemical characterization. The purpose of this characterization program is to better define the extent of chloride and TDS impairment caused by episodic releases from the F-29 SWD site.

On a monthly basis:

1. Determine depth to water in F-29 SWD MW-2, MW-3, MW-4, Recovery well and other nearby wells as appropriate.
2. Determine ground water withdrawal from the F-29 SWD Recovery Well.

On a quarterly basis:

3. Collect ground water samples for chloride and TDS from F-29 SWD MW-4 and the recovery well.
4. Obtain depth to water measurements in other ROC wells in Section 29, 32 and 33 and other wells as appropriate.

On an annual basis:

5. Collect ground water samples from F-29 SWD MW-2, MW-3 and the Recovery Well.

6. Provide a report to NMOCD that includes:
 - a. A potentiometric surface map of the area (Section 29, 32 and 33) for each quarter.
 - b. An update of the water quality database for the area.
 - c. Graphs that show chloride concentration v. time for the proposed compliance well, F-29 SWD MW-4.
 - d. A description of the efficacy of the ground water restoration strategy.

If three quarters of monitoring shows that samples from MW-4 and the proposed recovery well are less than the WQCC Standards for chloride, pumping at the recovery well will cease and post-operational quarterly monitoring will begin. Post-operational monitoring consists of collecting quarterly ground water samples from F-29 SWD MW-4 and the recovery well.

If chloride concentrations in post-operational samples from MW-4 or the recovery well increase and exceed the WQCC Standards for two consecutive quarters, the ground water pump-and-use strategy will re-activate as described above.

Monitoring of other wells associated with the Hobbs SWD Abandonment program will undoubtedly continue during the ground water restoration program described herein. Data from this other monitoring program will be incorporated into the annual report for the F-29 SWD site as appropriate.

▼ **7.0 Criteria for Site Closure**

When eight quarters of post-operational ground water monitoring demonstrate that ground water quality meets the WQCC standards in MW-4, ROC will submit a final closure report.

Proposed Abatement Plan Schedule:

- Install the proposed recovery well 30 days after NMOCD approval of the location.
- Submit required application to the OSE within 10 days of NMOCD approval of the recovery well location.
- Begin the ground water pump-and-use strategy after approval of the Supplemental Well Permit by the OSE, which should be about 60 days after NMOCD approval of this plan.
- Submit the first annual report on or before April 1, 2007.

▼ 8.0 References

Ash, S.R., 1963, Ground water conditions in northern Lea County, U.S. Geological Survey Hydrologic Investigations Atlas HA-62

Freeze, R. A., and Cherry, J. A., 1979, Groundwater, Prentice-Hall, Inc.

Hendrickx, J., Rodriguez, G., Hicks, R. T., and Simunek, J., January 2005, Modeling Study of Produced Water Release Scenarios, API Publication Number 4734, 11 pp.

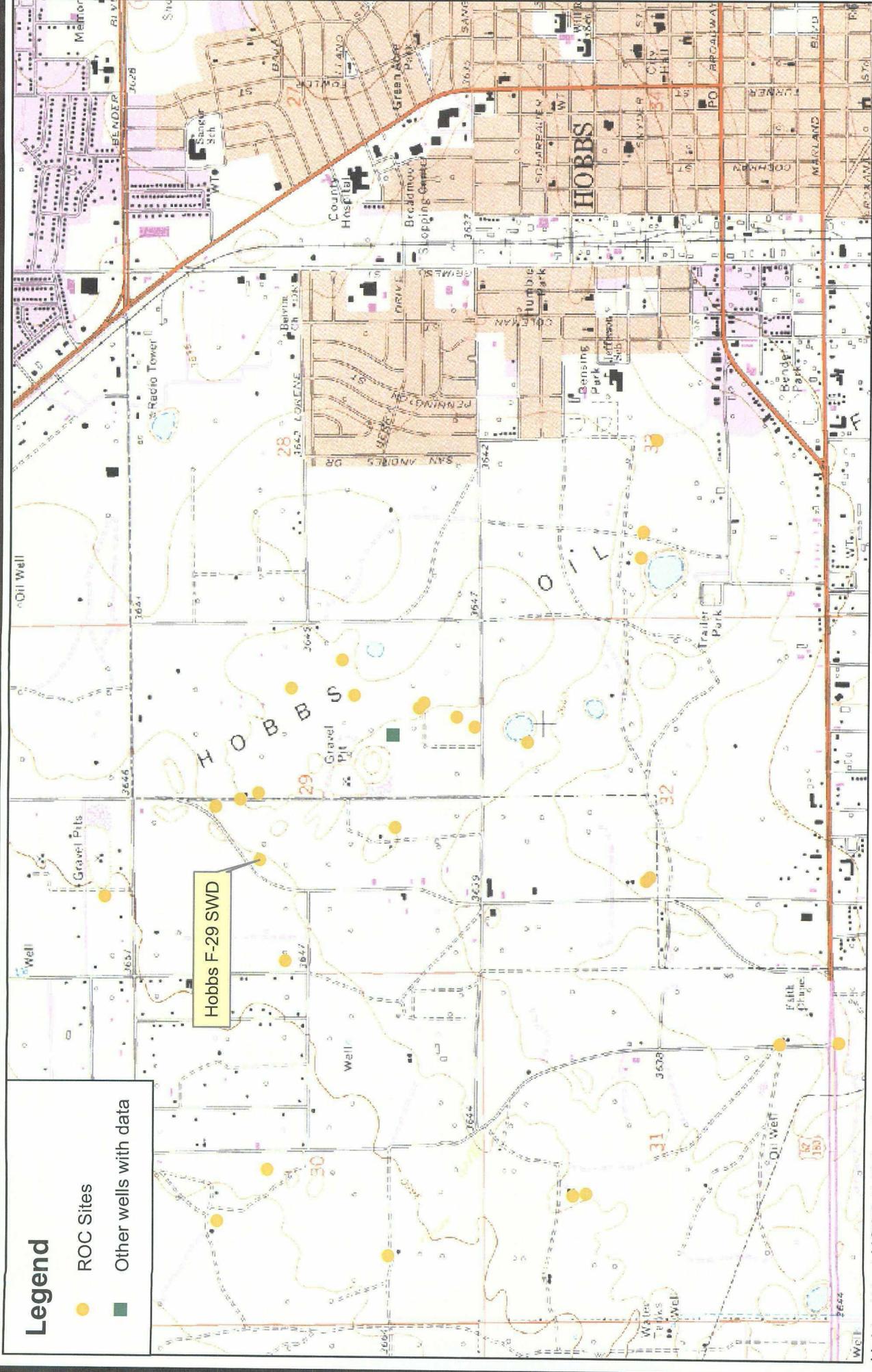
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McAda, D.P., 1985, Projected water-level declines in the Ogallala aquifer in Lea County, New Mexico, US Geological Survey Water-Resources Investigations Report 84-4062, 84 pp.

Musharrafiéh, G. and Chudnoff, M., January 1999, Numerical Simulation of Groundwater Flow for Water Rights Administration in the Lea County Underground Water Basin New Mexico, New Mexico Office of the State Engineer Technical Report 99-1, 6 pp.

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Plates



Legend

- ROC Sites
- Other wells with data



Hobbs West USGS 7.5' Quad

<p>R.T. Hicks Consultants, Ltd 901 Rio Grande Blvd NW Suite F-142 Albuquerque, NM 87104 Ph: 505-266-5004</p>	<p>Location of Hobbs F-29 SWD relative to Hobbs, NM</p>	<p>Plate 1</p>
<p>Rice Operating Company: Hobbs F-29 SWD (OCD File #: 1R0218)</p>		<p>October 2006</p>

Legend

-  ROC Monitoring Wells
-  ROC Sites
-  Other wells with data



Aerial Photo: <http://rgis.unm.edu>



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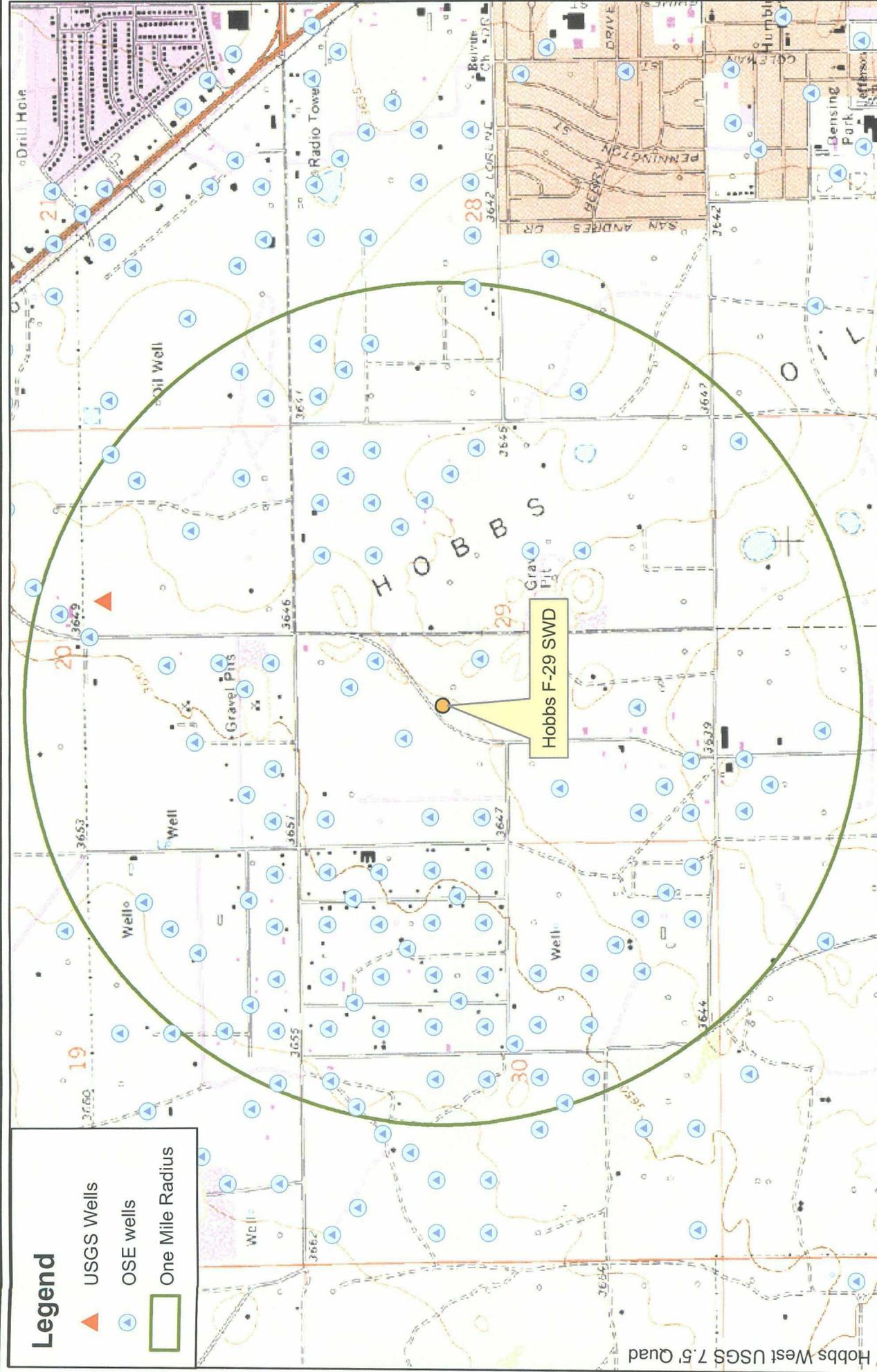
2004 aerial photograph showing the location of
 Hobbs F-29 SWD and nearby wells

Plate 2

October
 2006

Rice Operating Company: Hobbs F-29 SWD
 (OCD File #: 1R0218)





Legend

- ▲ USGS Wells
- ▲ OSE wells
- One Mile Radius



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OSE and USGS water supply wells listed in databases
 within 1-mile of Hobbs F-29 SWD

Rice Operating Company: Hobbs F-29 SWD
 (OCD File #: 1R0218)

Plate 4

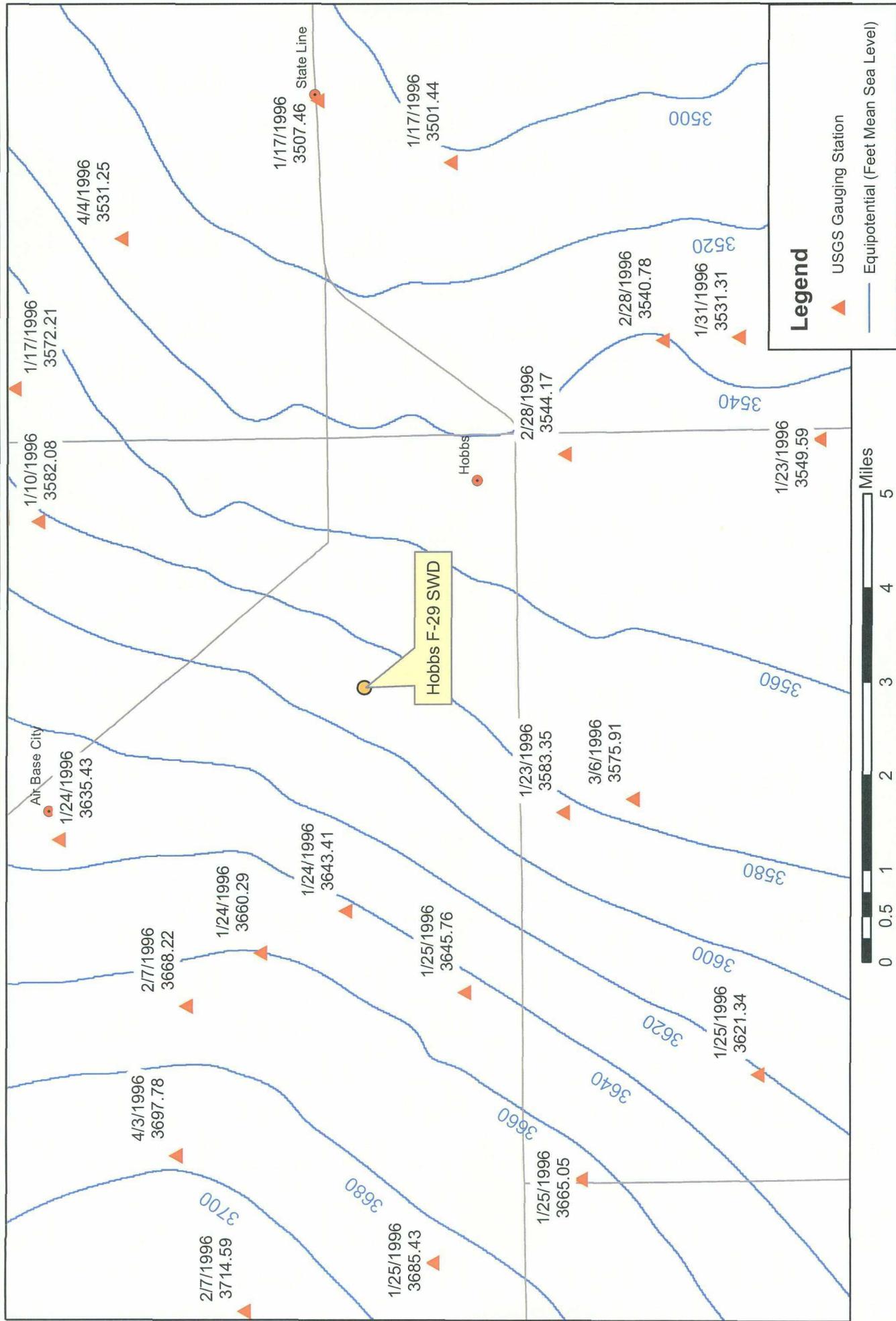
October
 2006

Hobbs West USGS 7.5' Quad

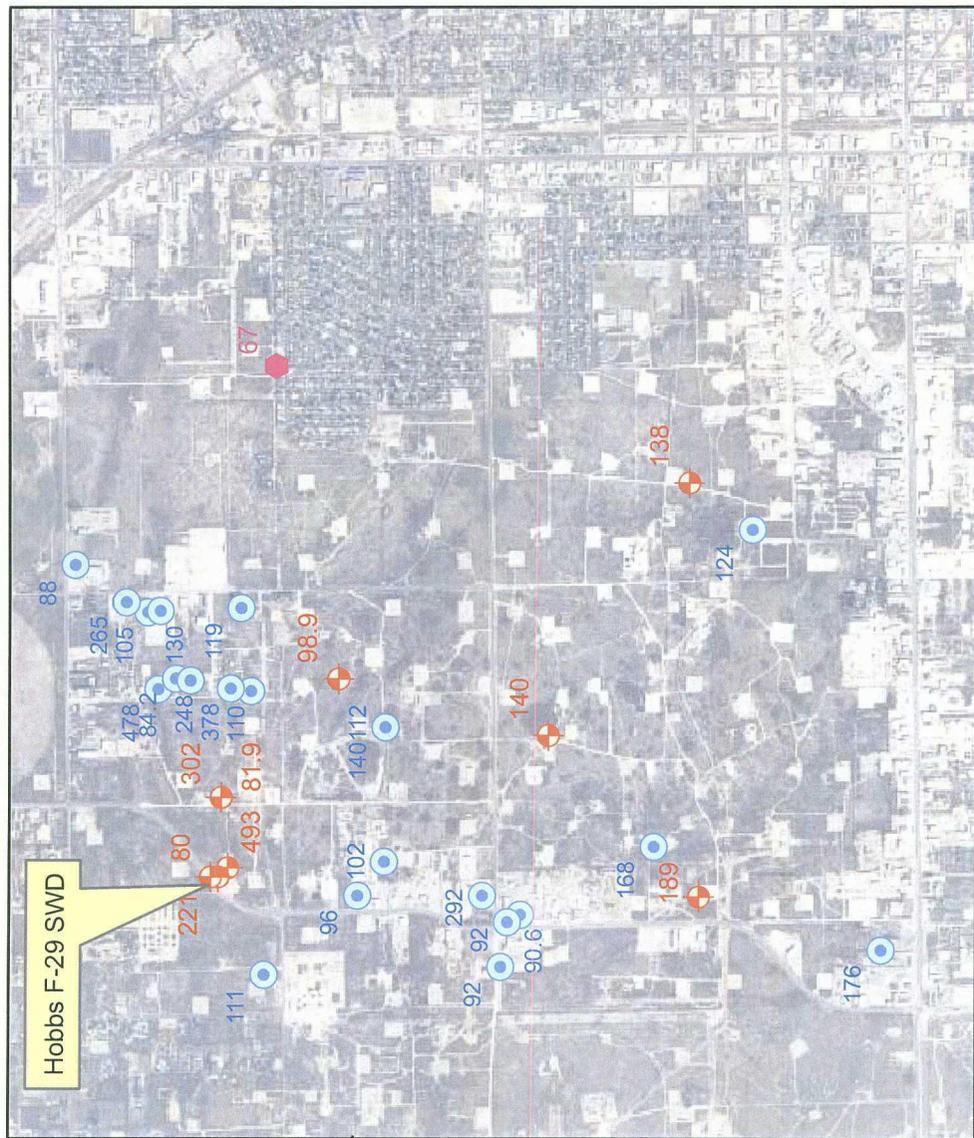
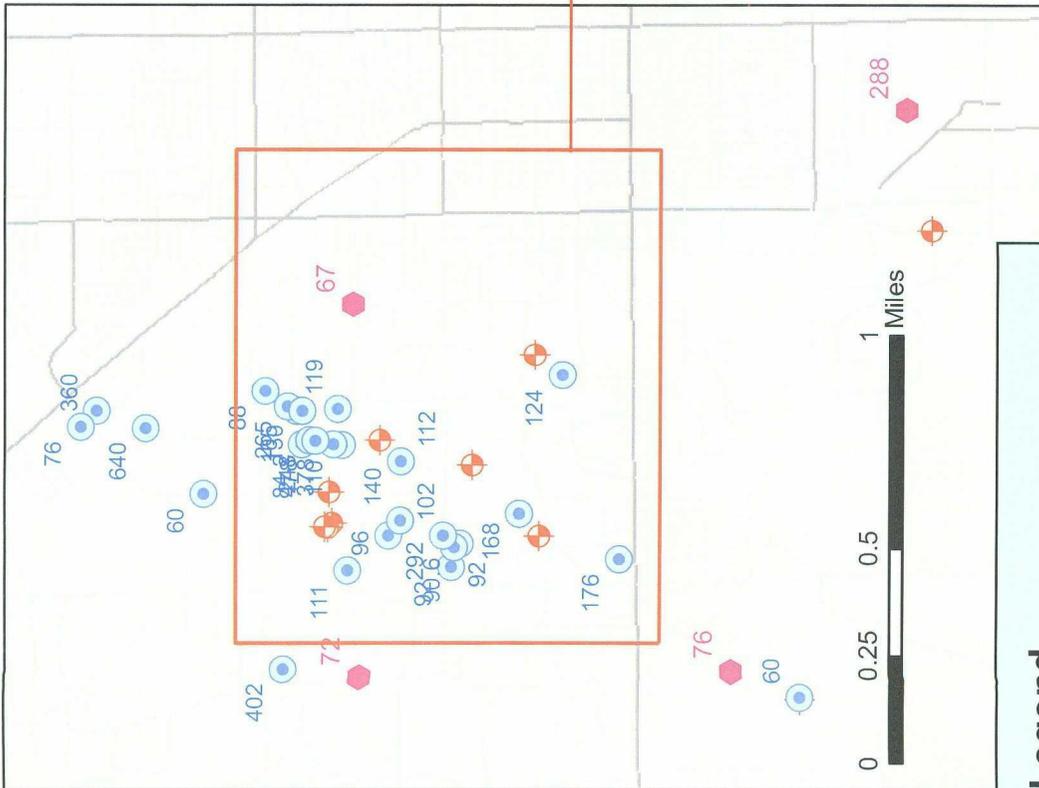
Logger:	David Hamilton	Client:	Well ID: F-29-1a B-2-1 (99 feet), F-29-1a B-2-2 (72 feet)
Driller:	Eades Drilling	Rice Operating Company	
Drilling Method:	Air Rotary	Project Name:	
Start Date:	11/3/2004	Hobbs F-29-1A	
End Date:	11/6/2004	Location:	
		T18S R38E Section 29, Unit F	

Depth (feet)	Description	Lithology	Comments	Well Construction	Field data		
					Depth	Chloride mg/kg	PID
0.0	Surface, 0 - 1 feet			Cement, 0 - 3 feet			
2.0	Caliche, clay, sand, moist, 1 - 13 feet, Some hydrocarbon impact						
4.0							
6.0					6.0	203	547
8.0							
10.0					11.0	174	1575
12.0	Caliche, fine grained sand, silt, light tan, 13 - 18 feet						
14.0							
16.0					16.0	106	1060
18.0	Caliche, well indurated, 18 - 21 feet		Some odor				
20.0	Caliche with some well indurated layers, 21 - 24 feet						
22.0					21.0	73	1242
24.0	Very fine grained sand, silt, light reddish tan, 24 - 36 feet		At 30 feet: Some hydrocarbon impact, strong odor	Hydrated bentonite, 3-50 feet			
26.0					22.0	78	1290
28.0					26.0	91	1006
30.0					31.0	83	1290
32.0							
34.0	Some caliche, 36 - 36.5 feet						
36.0					36.0	85	403
38.0	Very fine grained sand, silt, tan - red, 36.5 - 48 feet						
40.0					41.0	92	432
42.0							
44.0					46.0	92	354
46.0	Caliche layer, 48 - 48.5 feet						
48.0					51.0	72	527
50.0	Very fine grained sand, silt, tan - red, 48.5 - 59 feet		At 59 feet: Bore collapsing, Probe is wet. Drilled with water below 59 feet	Sand, 50-74 feet Screen 52-72 feet			
52.0					56.0	87	479
54.0					59.0	94	414
56.0							
58.0	Very fine grained sand, silt, tan - red, 59 - 102 feet		Slump filled hole from 99-102 feet	Hydrated bentonite, 74-92 feet			
60.0							
62.0							
64.0							
66.0							
68.0							
70.0							
72.0							
74.0							
76.0							
78.0	Sand, 92-99 feet Screen 94-99 feet						
80.0							
82.0							
84.0	Slump						
86.0							
88.0							
90.0							
92.0							
94.0							
96.0							
98.0							
100.0							
102.0							

R.T. Hicks Consultants, Ltd 901 Rio Grande Blvd NW Suite F-142 Albuquerque, NM 87104 505-266-5004	Hobbs F-29-1A Site	Plate 5
	Monitoring Well Boring	September 2005



<p>R.T. Hicks Consultants, Ltd 901 Rio Grande Blvd NW Suite F-142 Albuquerque, NM 87104 Ph: 505.266.5004</p>	<p>Regional Potentiometric Surface (USGS 1996)</p> <p>Rice Operating Company: Hobbs F-29 SWD (OCD File #: 1R0218)</p>	<p>Plate 6</p> <p>October 2006</p>
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Legend

- Wells with chloride data
- OSE wells with chloride data
- ◆ ROC Monitoring Well
- ◆ WAIDS Water Wells

<p>R.T. Hicks Consultants, Ltd 901 Rio Grande Blvd NW Suite F-142 Albuquerque, NM 87104 Ph: 505.266.5004</p>	<p>Chloride Concentration Map (mg/L)</p> <p>Rice Operating Company: Hobbs F-29 SWD (OCD Case #: 1R0218)</p>	<p>Plate 7</p> <p>October 2006</p>
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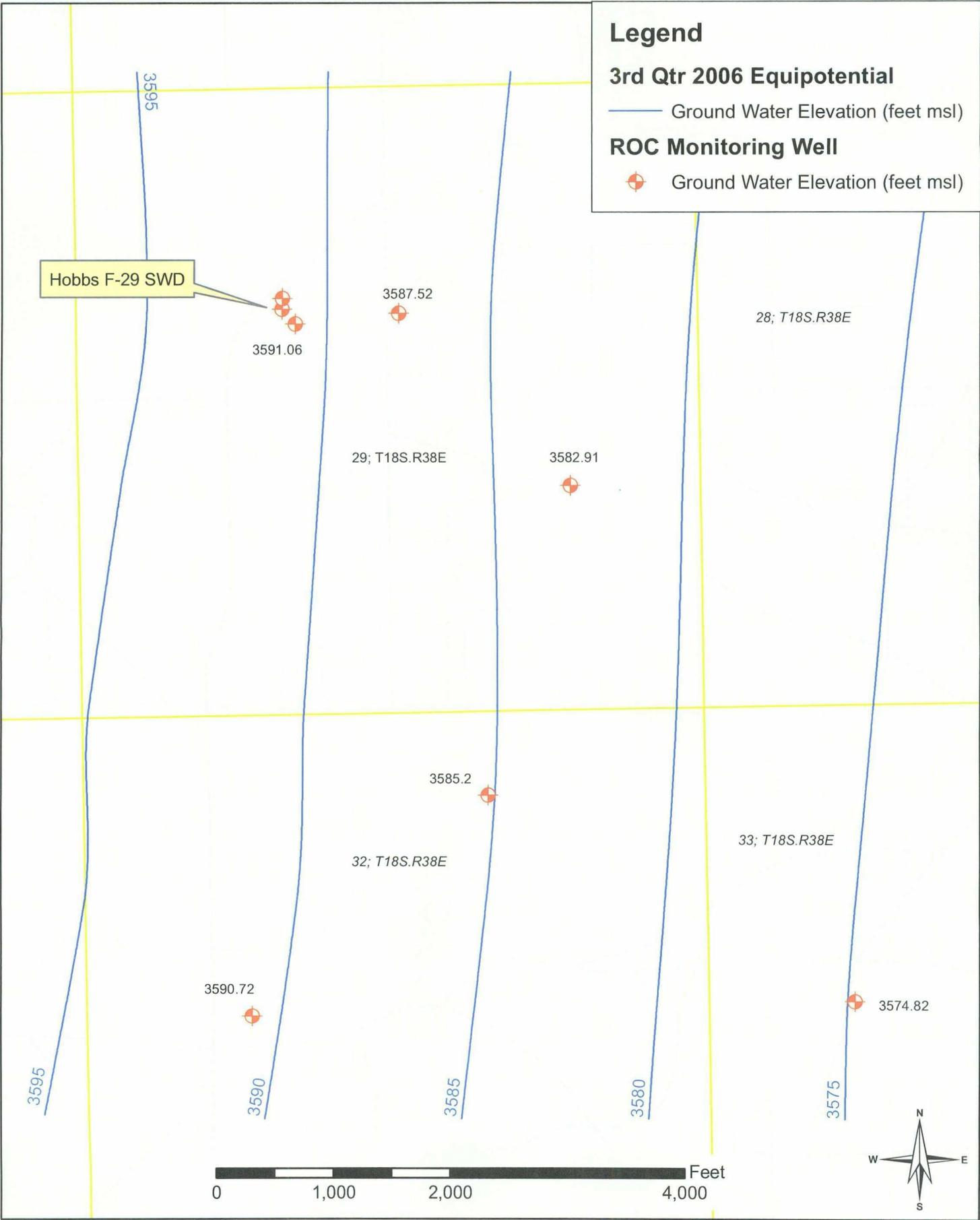
Legend

3rd Qtr 2006 Equipotential

— Ground Water Elevation (feet msl)

ROC Monitoring Well

⊕ Ground Water Elevation (feet msl)



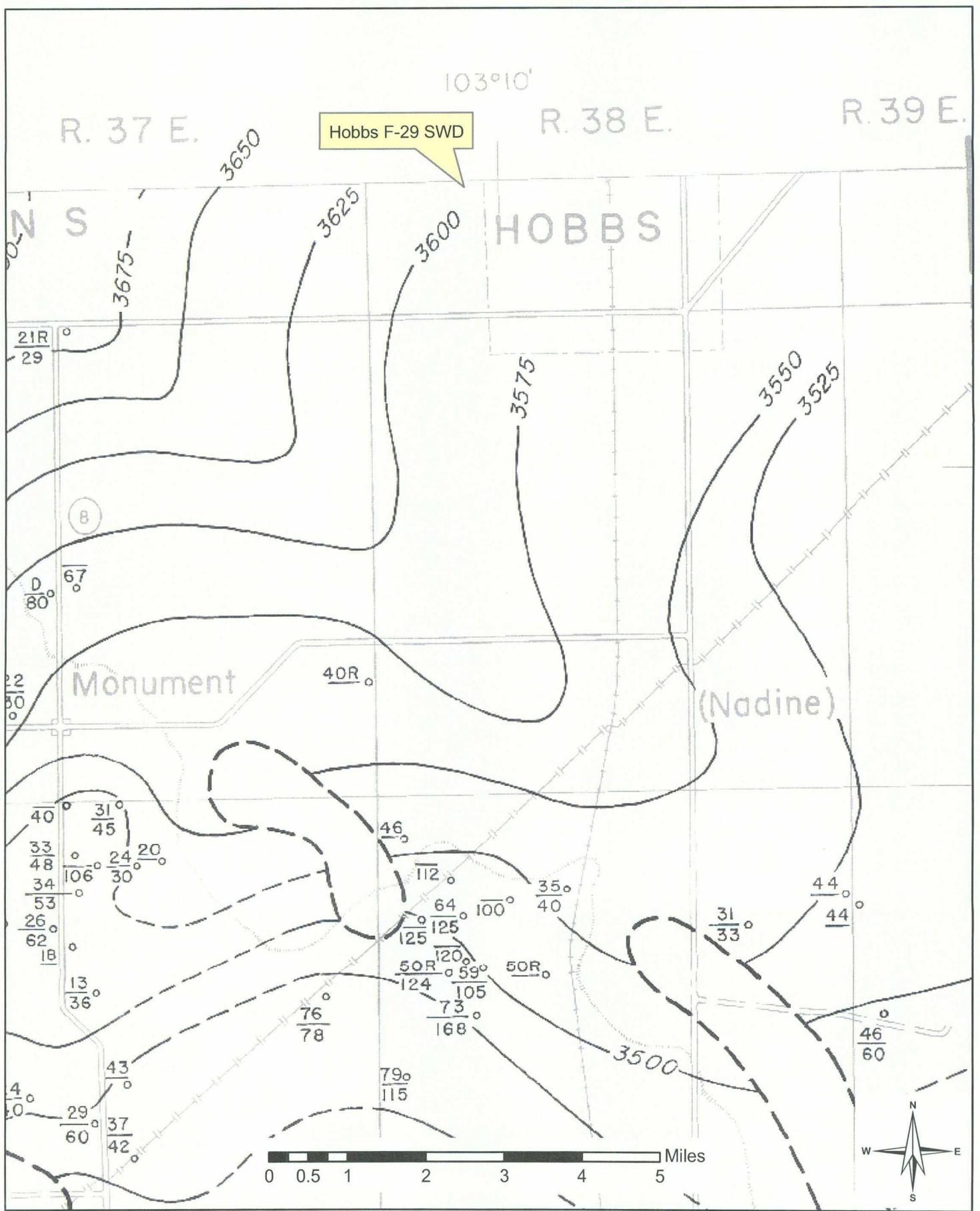
R.T. Hicks Consultants, Ltd
 901 Rio Grande Blvd NW Suite F-142
 Albuquerque, NM 87104
 Ph: 505.266.5004

3rd Qtr 2006 Potentiometric Surface

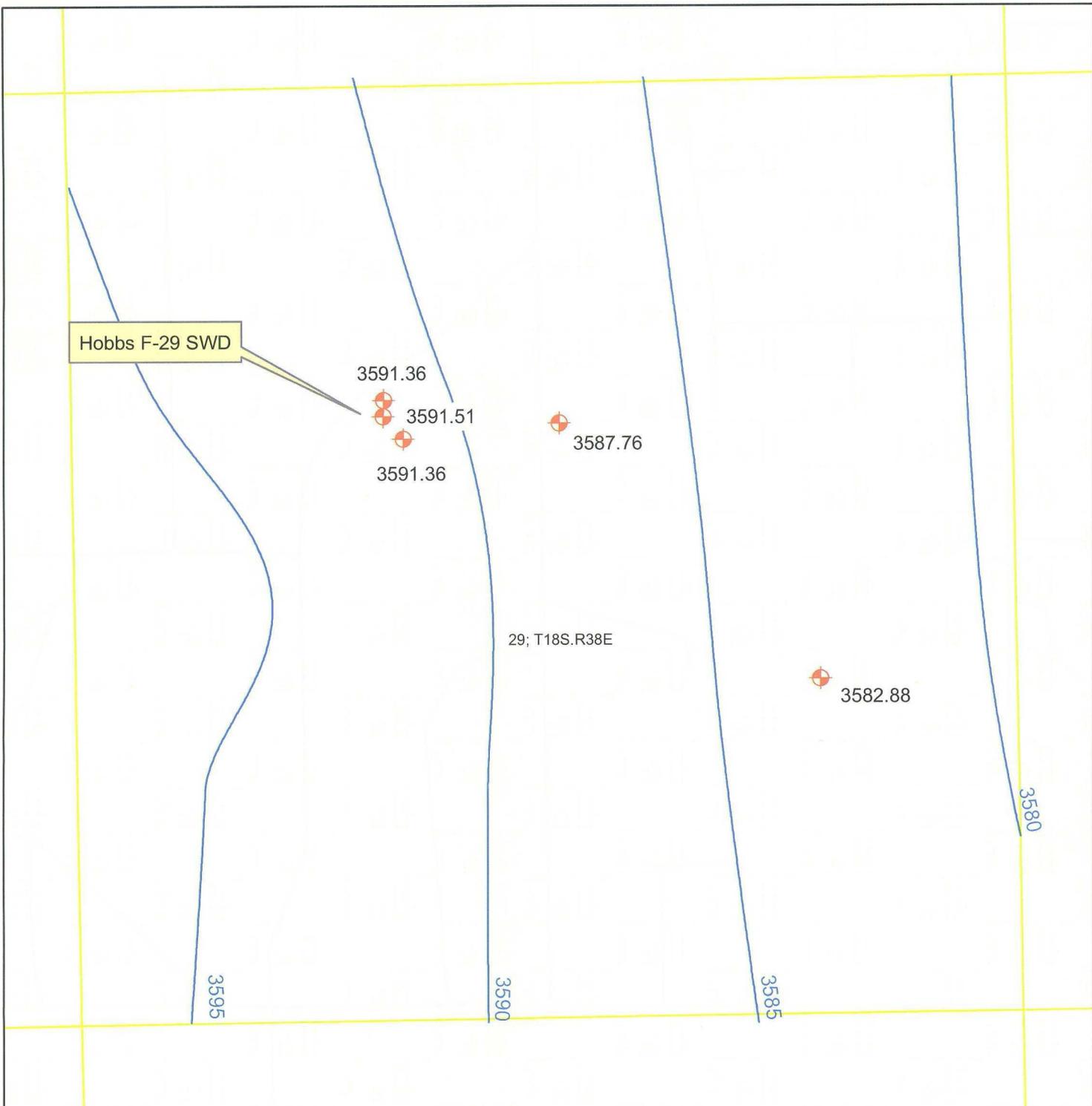
Rice Operating Company: Hobbs F-29 SWD
 (NMOCD File #: 1R0218)

Plate 8

October 2006



<p>R.T. Hicks Consultants, Ltd 901 Rio Grande Blvd NW Suite F-142 Albuquerque, NM 87104 Ph: 505.266.5004</p>	<p>Portion of the potentiometric surface map in the Nicholson and Clebsch (1960) report Rice Operating Company: Hobbs F-29 SWD (NMOCD File #: 1R0218)</p>	<p>Plate 9 October 2006</p>
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Legend

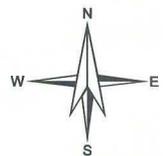
ROC Monitoring Well

 Ground Water Elevation (feet msl)

4th Qtr 2004 Equipotential

 Ground Water Elevation (feet msl)

32; T18S.R38E



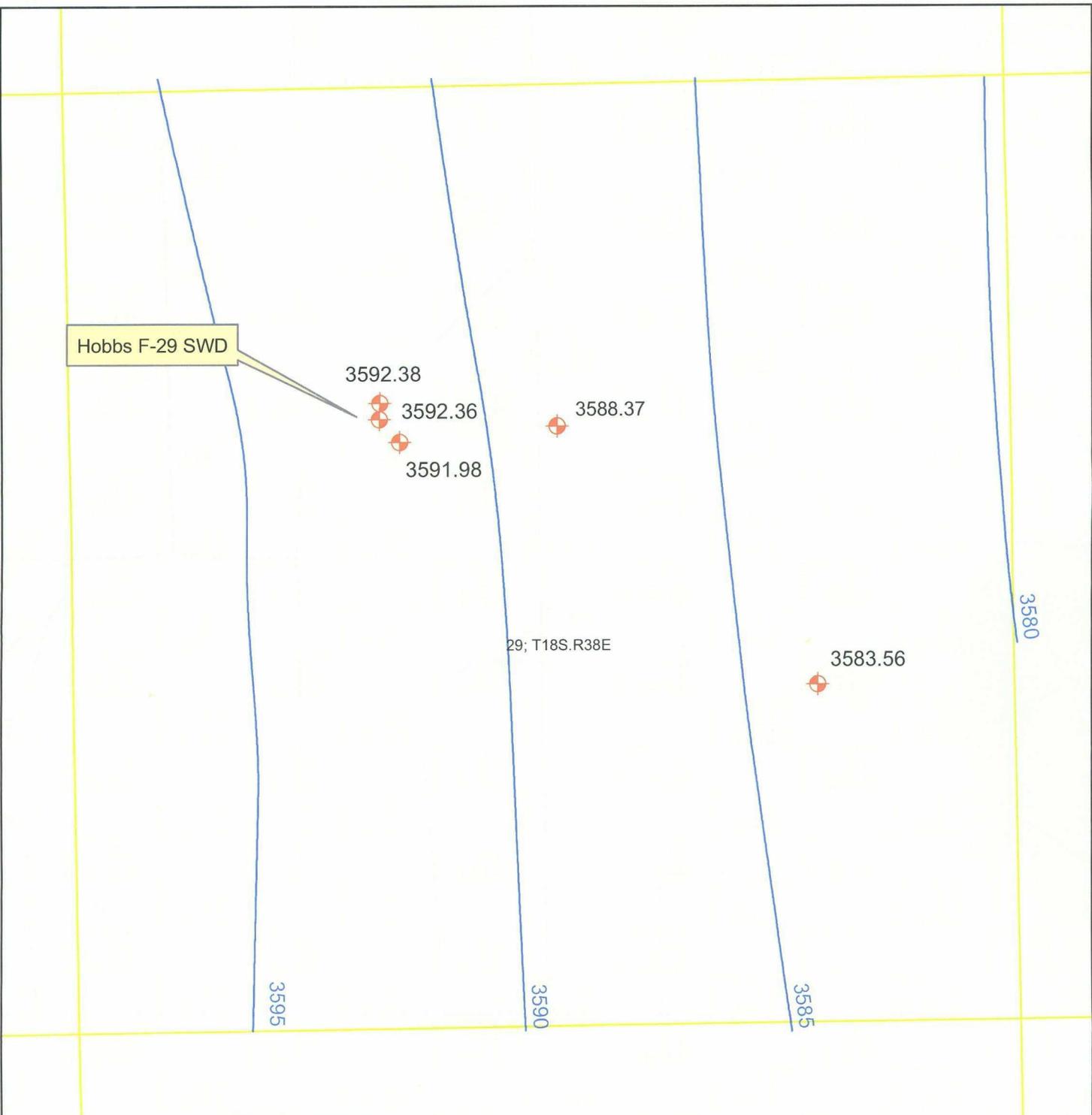
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4th Qtr 2004 Potentiometric Surface

Plate 10a

Rice Operating Company: Hobbs F-29 SWD
 (NMOCD File # : 1R0218)

October
 2006



Hobbs F-29 SWD

3592.38

3592.36

3591.98

3588.37

3583.56

29; T18S.R38E

3580

3595

3590

3585

32; T18S.R38E



Legend

ROC Monitoring Well

Ground Water Elevation (feet msl)

2nd Qtr 2005 Equipotential

Ground Water Elevation (feet msl)

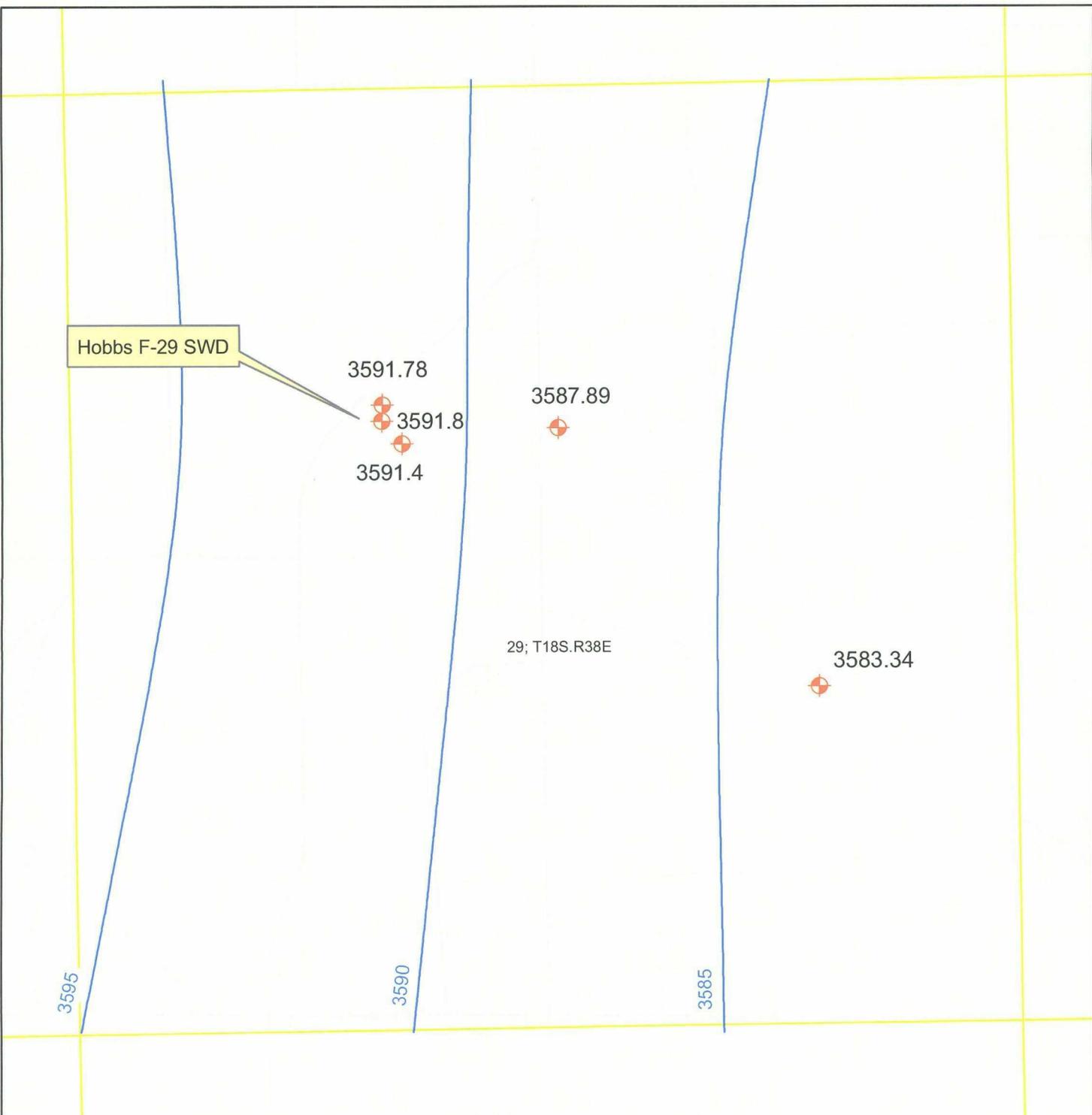
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2nd Qtr 2005 Potentiometric Surface

Plate 10b

Rice Operating Company: Hobbs F-29 SWD
 (NMOCD File # : 1R0218)

October
 2006



Legend

2nd Qtr 2006 Equipotential

— Ground Water Elevation (feet msl)

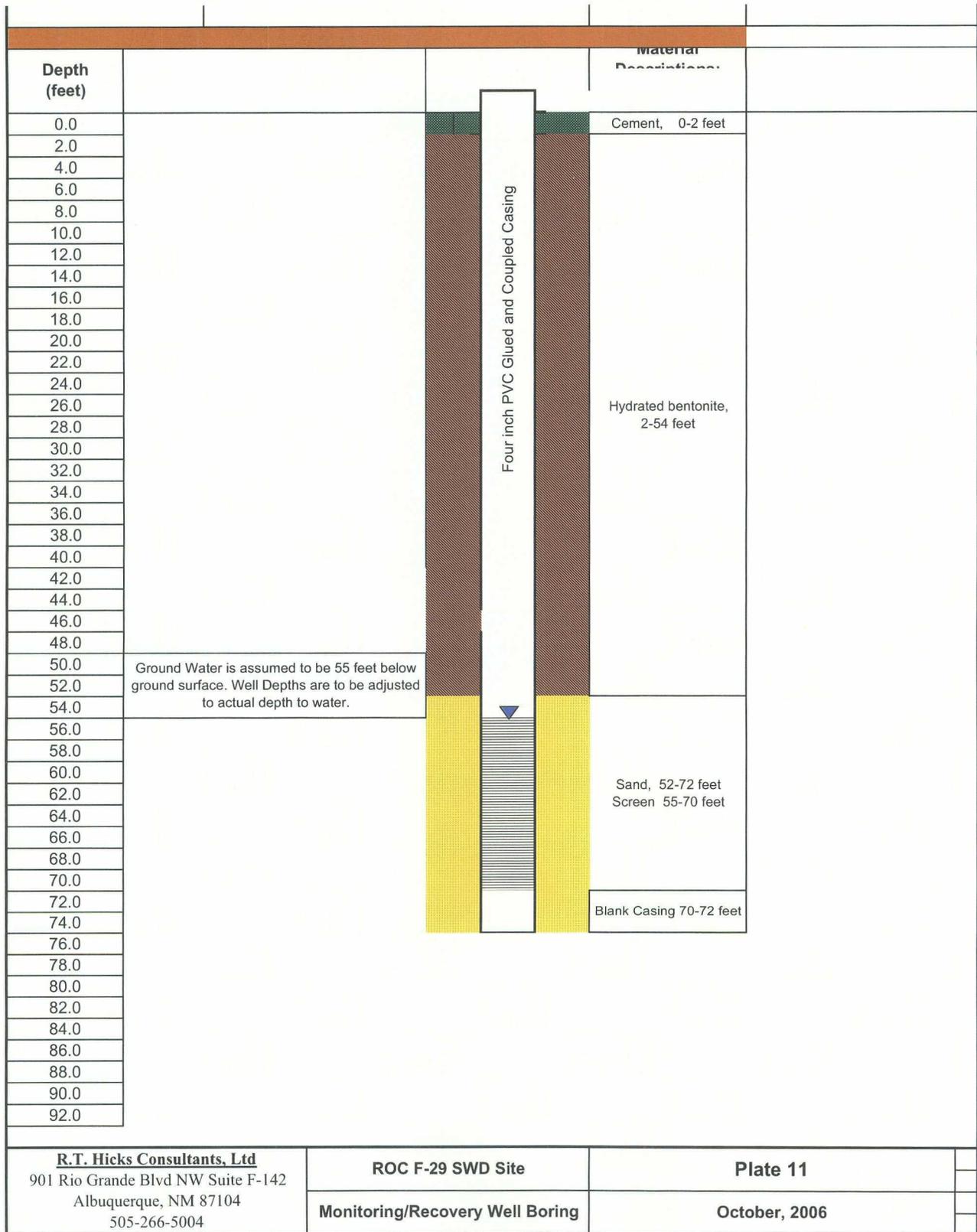
ROC Monitoring Well

⊕ Ground Water Elevation (feet msl)

32; T18S.R38E



<p>R.T. Hicks Consultants, Ltd 901 Rio Grande Blvd NW Suite F-142 Albuquerque, NM 87104 Ph: 505.266.5004</p>	<p>2nd Qtr 2006 Local Potentiometric Surface Rice Operating Company: Hobbs F-29 SWD (NMOCD File # : 1R0218)</p>	<p>Plate 10c October 2006</p>
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 505-266-5004

ROC F-29 SWD Site
Monitoring/Recovery Well Boring

Plate 11
October, 2006

Table 2

Site_Name	Well_Name	sampledate	GWelev	depthtowater	cl	tds	benzene	toluene	ethylbenzene	totalxylenes	sulfate
Hobbs F-29 SWD	MW-2	3/21/2000		XXX	2564	6660	XXX	XXX	XXX	XXX	XXX
Hobbs F-29 SWD	MW-2	7/10/2000	3596.71	49.00	1829	3470	<0.002	<0.002	<0.002	<0.006	XXX
Hobbs F-29 SWD	MW-2	9/27/2000	3596.45	49.26	1748	3032	<0.002	<0.002	<0.002	<0.006	XXX
Hobbs F-29 SWD	MW-2	12/12/2000	3596.1	49.61	1027	2586	<0.002	<0.002	<0.002	<0.006	XXX
Hobbs F-29 SWD	MW-2	1/4/2001		XXX	308	1114	XXX	XXX	XXX	XXX	XXX
Hobbs F-29 SWD	MW-2	3/16/2001		XXX	396	1373	XXX	XXX	XXX	XXX	XXX
Hobbs F-29 SWD	MW-2	3/23/2001		XXX	368	1312	XXX	XXX	XXX	XXX	XXX
Hobbs F-29 SWD	MW-2	5/7/2001		XXX	365	1272	XXX	XXX	XXX	XXX	XXX
Hobbs F-29 SWD	MW-2	6/8/2001		XXX	513	1796	XXX	XXX	XXX	XXX	XXX
Hobbs F-29 SWD	MW-2	8/14/2001		XXX	340	1385	XXX	XXX	XXX	XXX	XXX
Hobbs F-29 SWD	MW-2	12/29/2001	3594.58	51.13		XXX	XXX	XXX	XXX	XXX	XXX
Hobbs F-29 SWD	MW-2	1/4/2002	3594.55	51.16	308	1114	XXX	XXX	XXX	XXX	XXX
Hobbs F-29 SWD	MW-2	6/6/2002		XXX	221	XXX	<0.001	<0.001	<0.001	<0.001	135
Hobbs F-29 SWD	MW-2	8/14/2002	3593.64	52.07	186	806	<0.001	<0.001	<0.001	<0.001	144
Hobbs F-29 SWD	MW-2	12/11/2002	3593.13	52.58	172	738	<0.002	<0.002	<0.002	<0.006	106
Hobbs F-29 SWD	MW-2	3/21/2003	3592.77	52.94	230	XXX	<0.001	<0.001	<0.001	<0.001	140
Hobbs F-29 SWD	MW-2	5/28/2003	3592.56	53.15	257	804	<0.001	<0.001	<0.001	<0.001	138
Hobbs F-29 SWD	MW-2	9/22/2003	3592	53.71	151	700	<0.001	<0.001	<0.001	<0.001	173
Hobbs F-29 SWD	MW-2	12/18/2003	3591.61	54.10	208	815	<0.002	0.003	<0.002	0.014	71
Hobbs F-29 SWD	MW-2	3/15/2004	3591.38	54.33	186	607	<0.001	<0.001	<0.001	<0.001	103
Hobbs F-29 SWD	MW-2	5/27/2004		XXX	213	830	<0.001	<0.001	<0.001	<0.001	138
Hobbs F-29 SWD	MW-2	9/8/2004	3591.11	54.60	248	946	0.00464	0.000412	0.000979	0.001199	129
Hobbs F-29 SWD	MW-2	11/23/2004	3591.51	54.20	139	888	0.00448	<0.001	<0.001	0.000714	125
Hobbs F-29 SWD	MW-2	3/22/2005	3592.32	53.39	214	914	<0.001	<0.001	<0.001	<0.001	196
Hobbs F-29 SWD	MW-2	5/18/2005	3592.36	53.35	223	930	<0.001	<0.001	<0.001	<0.001	131
Hobbs F-29 SWD	MW-2	8/8/2005	3592.16	53.55	210	799	<0.001	<0.001	<0.001	<0.001	130
Hobbs F-29 SWD	MW-2	10/31/2005	3591.9	53.81	185	762	<0.001	<0.001	<0.001	<0.001	100
Hobbs F-29 SWD	MW-2	1/30/2006	3591.82	53.89	198	904	<0.001	<0.001	<0.001	<0.001	89.4
Hobbs F-29 SWD	MW-2	5/1/2006	3591.8	53.91	212	904	<0.001	<0.001	<0.001	<0.001	91.3
Hobbs F-29 SWD	MW-2	8/9/2006	3591.48	54.23	221	914	<0.001	<0.001	<0.001	<0.001	109
Hobbs F-29 SWD	MW-3	1/4/2001		XXX	136	1013	XXX	XXX	XXX	XXX	XXX
Hobbs F-29 SWD	MW-3	12/29/2001	3594.56	51.20		XXX	XXX	XXX	XXX	XXX	XXX
Hobbs F-29 SWD	MW-3	1/4/2002	3594.52	51.24	136	1013	XXX	XXX	XXX	XXX	XXX
Hobbs F-29 SWD	MW-3	5/24/2002		XXX	137	917	<0.001	<0.001	<0.001	<0.001	158
Hobbs F-29 SWD	MW-3	8/14/2002	3593.64	52.12	151	998	<0.001	<0.001	<0.001	<0.001	284
Hobbs F-29 SWD	MW-3	12/11/2002	3593.12	52.64	136	1069	0.005	<0.002	<0.002	<0.006	201
Hobbs F-29 SWD	MW-3	3/21/2003	3592.78	52.98	133	XXX	<0.001	<0.001	<0.001	<0.001	266
Hobbs F-29 SWD	MW-3	5/28/2003	3592.06	53.70	124	1120	<0.001	<0.001	<0.001	<0.001	240
Hobbs F-29 SWD	MW-3	9/22/2003	3592.02	53.74	120	881	<0.001	<0.001	<0.001	<0.001	238

Site Name	Well Name	sampledate	GWelev	depthtowater	cl	tds	benzene	toluene	ethylbenzene	totalxylenes	sulfate
Hobbs F-29 SWD	MW-3	3/15/2004	3591.41	54.35	115	1140	<0.001	<0.001	<0.001	<0.001	248
Hobbs F-29 SWD	MW-3	5/27/2004		XXX	111	810	<0.001	<0.001	<0.001	<0.001	171
Hobbs F-29 SWD	MW-3	9/8/2004	3591.16	54.60	230	937	<0.001	<0.001	<0.001	<0.001	186
Hobbs F-29 SWD	MW-3	11/23/2004	3591.36	54.40	115	925	<0.001	<0.001	<0.001	<0.001	183
Hobbs F-29 SWD	MW-3	12/18/2004	3591.17	54.59	124	852	<0.002	<0.002	<0.002	<0.006	73
Hobbs F-29 SWD	MW-3	3/22/2005	3592.36	53.40	162	796	<0.001	<0.001	<0.001	<0.001	126
Hobbs F-29 SWD	MW-3	5/18/2005	3592.38	53.38	272	1050	<0.001	<0.001	<0.001	<0.001	92
Hobbs F-29 SWD	MW-3	8/8/2005	3591.86	53.90	203	945	<0.001	<0.001	<0.001	<0.001	122
Hobbs F-29 SWD	MW-3	10/31/2005	3592.19	53.57	113	732	<0.001	<0.001	<0.001	<0.001	116
Hobbs F-29 SWD	MW-3	1/30/2006	3591.84	53.92	97.3	650	<0.001	<0.001	<0.001	j[0.000562]	120
Hobbs F-29 SWD	MW-3	5/1/2006	3591.78	53.98	85.3	704	<0.001	<0.001	<0.001	<0.001	111
Hobbs F-29 SWD	MW-3	8/9/2006	3591.47	54.29	80	594	<0.001	<0.001	<0.001	<0.001	150
Hobbs F-29 SWD	MW-4	1/4/2001			464	1781	XXX	XXX	XXX	XXX	XXX
Hobbs F-29 SWD	MW-4	12/29/2001	3594.25	51.51		XXX	XXX	XXX	XXX	XXX	XXX
Hobbs F-29 SWD	MW-4	1/4/2002	3594.2	51.56	464	1781	XXX	XXX	XXX	XXX	XXX
Hobbs F-29 SWD	MW-4	5/24/2002			461	1520	<0.001	<0.001	<0.001	<0.001	286
Hobbs F-29 SWD	MW-4	8/14/2002	3593.26	52.50	416	1660	<0.001	<0.001	<0.001	<0.001	303
Hobbs F-29 SWD	MW-4	12/11/2002	3592.76	53.00	336	1302	0.003	<0.002	<0.002	<0.006	170
Hobbs F-29 SWD	MW-4	3/21/2003	3592.35	53.41	346	XXX	<0.001	<0.001	<0.001	<0.001	289
Hobbs F-29 SWD	MW-4	5/28/2003	3592.51	53.25	301	742	<0.001	<0.001	<0.001	<0.001	269
Hobbs F-29 SWD	MW-4	9/22/2003	3591.55	54.21	425	1640	<0.001	<0.001	<0.001	<0.001	271
Hobbs F-29 SWD	MW-4	12/18/2003	3591.64	54.12	660	1902	<0.002	<0.002	<0.002	<0.006	123
Hobbs F-29 SWD	MW-4	3/15/2004	3590.92	54.84	452	1510	<0.001	<0.001	<0.001	<0.001	290
Hobbs F-29 SWD	MW-4	5/27/2004			461	1600	<0.001	<0.001	<0.001	<0.001	174
Hobbs F-29 SWD	MW-4	9/8/2004	3590.96	54.80	372	1300	<0.001	<0.001	<0.001	<0.001	260
Hobbs F-29 SWD	MW-4	11/23/2004	3591.36	54.40	401	1550	<0.001	<0.001	<0.001	<0.001	217
Hobbs F-29 SWD	MW-4	3/22/2005	3592	53.76	392	1220	<0.001	<0.001	<0.001	<0.001	196
Hobbs F-29 SWD	MW-4	5/18/2005	3591.98	53.78	336	1230	<0.001	<0.001	<0.001	<0.001	169
Hobbs F-29 SWD	MW-4	8/8/2005	3591.78	53.98	370	1230	<0.001	<0.001	<0.001	<0.001	171
Hobbs F-29 SWD	MW-4	10/31/2005	3591.94	53.82	411	1560	<0.001	J[0.000774]	J[0.000385]	J[0.000842]	156
Hobbs F-29 SWD	MW-4	1/30/2006	3591.45	54.31	523	1780	<0.001	<0.001	j[0.000332]	j[0.001064]	182
Hobbs F-29 SWD	MW-4	5/1/2006	3591.4	54.36	501	1800	<0.001	<0.001	<0.001	<0.001	144
Hobbs F-29 SWD	MW-4	8/9/2006	3591.06	54.7	493	1870	<0.001	<0.001	<0.001	<0.001	185

Well Pump Test

Company	RICE Operating
Well ID	Hobbs F-29
Date	October 16, 2006
Field Personnel	Rozanne
Well Size	4-inch

WELL INFORMATION

Depth of Well	59.80
Depth to Water	54.13
Water Column in	5.67
Gallons in Well	3.69

FIELD PARAMETERS

Time	Gallons Pumped	Depth to Water	Drawdown/ft	Time	Gallons Pumped	Depth to Water	Drawdown/ft
BEGINNING PUMPING RATE 0.5 GPM				INCREASED			
	Start Pumping	54.13	0.00	>1 Minute	>1 Gallons	59.36	5.23
1 Minute	0.5 Gallons	54.51	0.38	Well Pumped Off			
2 Minute	1 Gallons	54.48	0.35				
3 Minute	1.5 Gallons	54.46	0.33				
4 Minute	2 Gallons	54.42	0.29				
5 Minute	2.5 Gallons	54.41	0.28				
6 Minute	3 Gallons	54.41	0.28	WELL RECHARGE RATE			
7 Minute	3.5 Gallons	54.41	0.28	15 Seconds		58.45	4.32
8 Minute	4 Gallons	54.41	0.28	30 Seconds		58.26	4.13
9 Minute	4.5 Gallons	54.41	0.28	45 Seconds		57.10	2.97
10 Minute	5 Gallons	54.41	0.28	1 Minute		55.30	1.17
INCREASED RATE				INCREASED RATE			
1 Minute	6 Gallons	54.70	0.57	1 Minute 15 Sec.		55.10	0.97
2 Minute	7 Gallons	54.73	0.60	1 Minute 30 Sec.		55.00	0.87
3 Minute	8 Gallons	54.75	0.62	1 Minute 45 Sec.		54.70	0.57
4 Minute	9 Gallons	54.77	0.64	2 Minutes		54.60	0.47
5 Minute	10 Gallons	54.77	0.64	2 Minutes 25 Sec.		54.65	0.52
6 Minute	11 Gallons	54.77	0.64	2 Minutes 45 Sec.		54.50	0.37
7 Minute	12 Gallons	54.77	0.64	3 Minutes		54.46	0.33
8 Minute	13 Gallons	54.77	0.64	3 Minutes 15 Sec.		54.43	0.30
9 Minute	14 Gallons	54.77	0.64	3 Minutes 30 Sec.		54.40	0.27
9 Minute	14 Gallons	54.77	0.64	3 Minutes 45 Sec.		54.38	0.25
10 Minute	15 Gallons	54.77	0.64	4 Minutes		54.37	0.24
INCREASED RATE				INCREASED RATE			
1 Minute	17 Gallons	55.10	0.97	4 Minutes 15 Sec.		54.36	0.23
2 Minute	19 Gallons	55.50	1.37	4 Minutes 30 Sec.		54.35	0.22
3 Minute	21 Gallons	55.90	1.77	4 Minutes 45 Sec.		54.34	0.21
4 Minute	23 Gallons	56.19	2.06	5 Minutes		54.33	0.20
5 Minute	25 Gallons	56.30	2.17	5 Minutes 30 Sec.		54.30	0.17
6 Minute	27 Gallons	56.39	2.26	6 Minutes		54.27	0.14
7 Minute	29 Gallons	56.45	2.32	6 Minutes 30 Sec.		54.23	0.10
8 Minute	31 Gallons	56.53	2.40	7 Minutes		54.19	0.06
9 Minute	33 Gallons	56.60	2.47	8 Minutes		54.14	0.01
10 Minute	35 Gallons	56.69	2.56	9 Minutes		54.13	0
11 Minute		56.74	2.61				
12 Minute		56.81	2.68				
13 Minute		56.85	2.72				
14 Minute		56.87	2.74				
15 Minute	45 Gallons	56.88	2.75				
16 Minute		56.89	2.76				
17 Minute		56.89	2.76				
18 Minute		56.89	2.76				
19 Minute		56.90	2.77				
20 Minute	55 Gallons	56.90	2.77				

Appendix A

RICE Operating Company

122 West Taylor • Hobbs, New Mexico 88240
Phone: (505)393-9174 • Fax: (505) 397-1471

CERTIFIED MAIL
RETURN RECEIPT NO. Z 577 009 524

November 4, 1999

Mr. Wayne Price
State of NM Energy and Minerals Dept.
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, NM 87505

Re: PIT REMEDIATION AND CLOSURE REPORT
Emergency Overflow Pit (Permit No. H-64)
Below-Ground Redwood Tank Excavation
SWD F-29 Facility
NW/4, Unit Letter F, Sec. 29, T18S, R38E
Lea County, NM

Dear Mr. Price:

Rice Operating Company (ROC) sincerely appreciates your consideration and response concerning finalizing the closure plans for the emergency overflow pit and the below-ground redwood tanks that are located at the F-29 Facility.

ROC has completed the clay layer installation as per NMOCD specifications and has backfilled the excavation and installed a berm around the storage tank area. The site pad has been graded and the facility has been returned to full service.

A sample of the clay used for the moisture barrier was submitted to Trinity Engineering Testing Corporation for the Proctor Test and permeability test. Trinity also conducted the field test of the in-situ clay layer. These results are attached to the Pit Remediation and Closure Report.

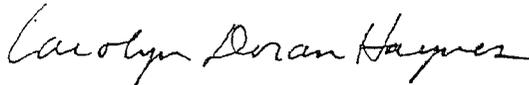
ROC has committed to a two-year, quarterly sampling plan to monitor groundwater at this site with results reported annually to the NMOCD. The ground water will be tested for BTEX, pH, TDS, Conductivity, T-Alkalinity, and routine major cations and anions: Na, Ca, Mg, K, Cl, SO₄, CO₃, HCO₃. The completed wellbore in the west part of the excavation has been extended to the surface, with a concrete pad poured around the well casing and a protective locking device installed on the casing. The well will be sampled pursuant to NMOCD specifications.

ROC F29 Closure Report
11/04/99

The source of contamination is removed, the moisture-barrier will be in place to prevent any percolation of contaminants downward, and natural attenuation will be relied upon to remediate the hydrocarbons remaining in the vadose zone over the foreseeable future.

At this time, ROC applies for closure at this facility and submits the Pit Remediation and Closure final report. As always, Rice Operating Company will appreciate timely consideration in this matter.

If you have any questions, please call.



Carolyn Doran Haynes
Operations Engineer

Enclosures: Pit Remediation and Closure Report
Clay Test Data
Property Deed Copy
Photos of Clay Layer Installation
Proposal of June 25, 1999 consisting of:
Revised Closure Plan Emergency Overflow Pit (Permit H-64) SWD F-29
Revised Closure Plan Below Ground Redwood Tanks SWD F-29
Pit Inventory Permit H-64
Maps and Analytical Data
Disposal Manifests

Cc: KH, LBG, file, Donna Williams
OCD Hobbs District
1625 N. French Drive
Hobbs, NM 88240

District I
 1625 N. French Drive, Hobbs, NM 88240
 District II
 811 South First, Artesia, NM 88210
 District III
 1000 Rio Brazos, Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

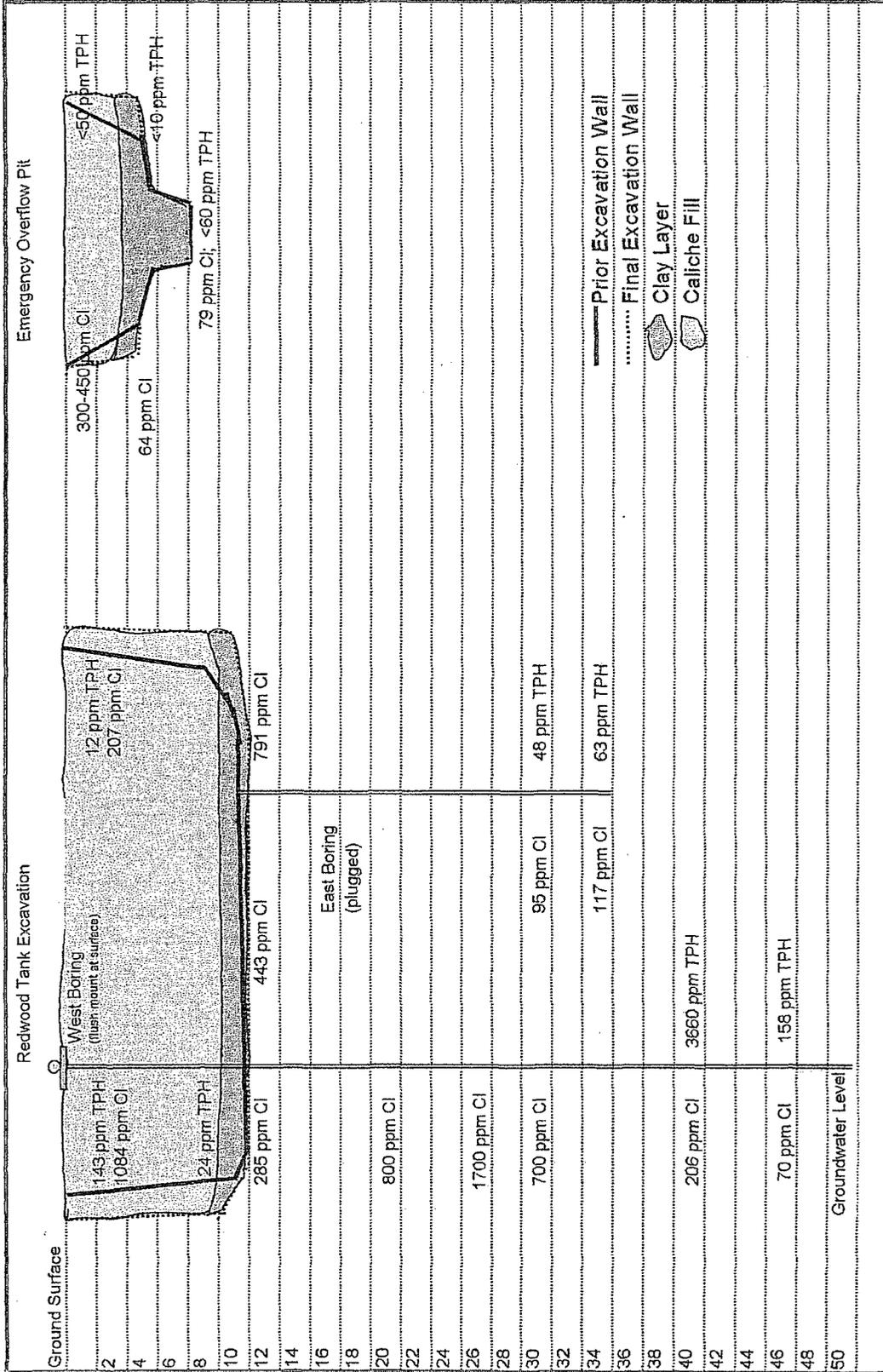
State of New Mexico
 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

*Nov 4 mailing
 also included
 copy of 6-25-99
 report*

PIT REMEDIATION AND CLOSURE REP

Operator: <u>RICE OPERATING COMPANY</u>		Telephone: <u>505-393-9174</u>	
Address: <u>122 West Taylor, Hobbs, NM 88240</u>			
Facility or: <u>SWD F-29</u>			
Well Name _____			
Location: Unit or Qtr/Qtr Sec <u>SE/4 NW/4</u> Sec <u>29</u> T <u>18S</u> R <u>38E</u> County <u>Lea</u>			
Pit type: <u>Emergency Overflow Pit Permit # H-64; 2 Below-Ground Redwood Terminal Tanks (not permitted)</u>			
Land Type: BLM _____ State _____ Fee _____ Other <u>Owned by Rice Operating Company</u>			
Pit Location Pit Dimensions: length <u>63'</u> width <u>29'</u> depth <u>3'</u>			
(Attach diagram)			
Reference: wellhead <u>yes</u> other _____			
Footage from reference: <u>Center of pit is 60' West and then 30' North of wellhead</u>			
Direction from reference: _____ Degrees _____ East North _____ of _____ West South _____			
Depth to Ground Water (Vertical distance from contaminants to seasonal high water elevation of ground water)	Less than 50 feet	(20 points)	
	50 feet to 99 feet	(10 points)	
	Greater than 100 feet	(0 points)	<u>20</u>
Wellhead Protection Area (Less than 200 feet from a private domestic water source, or, less than 1000 feet from all other water sources)	Yes	(20 points)	
	No	(0 points)	<u>0</u>
Distance to Surface Water: (Horizontal distance to perennial lakes, ponds, rivers, streams, creeks, irrigation canals and ditches)	Less than 200 feet	(20 points)	
	200 feet to 1000 feet	(10 points)	
	Greater than 1000 feet	(0 points)	<u>0</u>
RANKING SCORE (TOTAL POINTS):			<u>20</u>

Date Remediation Started: <u>January 1999</u>		Date Completed: <u>October 12, 1999</u>	
Remediation Method: (Check all appropriate sections)	Excavation <u>Yes</u>	Approx. cubic yards <u>534</u>	
	Landfarmed <u>No</u>	In-situ Bioremediation _____	
	Other <u>Natural Attenuation</u>		
Remediation Location: Onsite _____ Offsite <u>Sundance Services, East of Eunice, NM</u> (i.e.: landfarmed onsite, name and location of offsite facility)			
General Description of Remedial Action: <u>Replaced below-grade redwood tanks with above ground steel tanks.</u>			
<u>Excavated and disposed of highly impacted soil at the redwoods site and the overflow pit site. Installed clay layer as moisture barrier to prevent downward migration of contaminants remaining in place. Groundwater will be sampled quarterly for two years in order to ascertain if contaminants in place impact groundwater quality.</u>			
<u>Clay layer compaction meets the criteria requested in NMOCD letter from Wayne Price dated September 2, 1999, with test results and color photo reproductions attached. Backfilled excavations with caliche.</u>			
Ground Water Encountered: No _____ Yes <u>monitor well</u> Depth <u>50 feet BGS</u>			
Final Pit Closure Sampling (if multiple samples, attach sample results and diagram of sample locations and depths)	Sample location <u>See attached diagram. All analytical reports, CoC, etc., are included in the accompanying copy of the June 25, 1999 submitted report.</u>		
	Sample depth _____		
	Sample date _____		Sample time _____
	Sample Results		
Benzene (ppm) _____			
Total BTEX (ppm) _____			
Field headspace (ppm) _____			
TPH _____			
Ground Water Sample: Yes <u>Yes</u> No _____ (If yes, attach sample results)			
I HEREBY CERTIFY THAT THE INFORMATION ABOVE IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF.			
DATE <u>November 4, 1999</u>		PRINTED NAME <u>CAROLYN DORAN HAYNES</u>	
SIGNATURE <u>Carolyn Doran Haynes</u>		TITLE <u>OPERATIONS ENGINEER</u>	



Rice Operating Company
 122 West Taylor
 Hobbs, NM 88240
 (505) 393-9174

Chloride and TPH Delineation
 Clay Layer and Caliche Backfill

Redwood Tank Excavation and Emergency Overflow Pit
 SWD Well F-29
 Unit Letter F, Sec 29-T18S-R38E
 Lea County, New Mexico

Appendix B

WELL RECORD

INSTRUCTIONS: This form should be executed in triplicate, preferably typewritten, and submitted to the nearest district office of the State Engineer. All sections, except Section 5, shall be answered as completely and accurately as possible when any well is drilled, repaired or deepened. When this form is used as a plugging record, only Section 1A and Section 5 need be completed.

Section 1

Table with 4 columns and 4 rows, likely for recording well location or survey data.

(A) Owner of well MOBAN OIL PROP. & DRILLING CORP. Street and Number BOX 1919 City HOBBES State N.M. Well was drilled under Permit No. L-6660(E) and is located in the NW 1/4 SW 1/4 SW 1/4 of Section 19 Twp. 18 S Rge. 38E (B) Drilling Contractor ABBOTT BRCS. License No. 4D-46 Street and Number BOX 637 City HOBBES State N.M. Drilling was commenced MARCH 23 19 70 Drilling was completed MARCH 23 19 70

(Plat of 640 acres) Elevation at top of casing in feet above sea level Total depth of well 120' State whether well is shallow or artesian shallow Depth to water upon completion 4F

Section 2

PRINCIPAL WATER-BEARING STRATA

Table with 4 columns: No., Depth in Feet (From, To), Thickness in Feet, Description of Water-Bearing Formation. Contains data for sand water layers at depths 49-92 and 114-120.

Section 3

RECORD OF CASING

Table with 9 columns: Dia in., Pounds ft., Threads in., Depth (Top, Bottom) Feet, Type Shoe, Perforations (From, To). Contains data for casing with 7 inch diameter and 10 threads per foot.

Section 4

RECORD OF MUDDING AND CEMENTING

Table with 6 columns: Depth in Feet (From, To), Diameter Hole in in., Tons Clay, No. Sacks of Cement, Methods Used.

Section 5

PLUGGING RECORD

Name of Plugging Contractor License No. Street and Number City State Tons of Clay used Tons of Roughage used Type of roughage Plugging method used Date Plugged 19 Plugging approved by: Cement Plugs were placed as follows:

Table with 3 columns: No., Depth of Plug (From, To), No. of Sacks Used.

FOR USE OF STATE ENGINEER ONLY Date Received Basin Supervisor File No. L-6660(E) Use OWD Location No. 18.38.19.33.23

WELL RECORD

INSTRUCTIONS: This form should be executed in triplicate, preferably typewritten, and submitted to the nearest district office of the State Engineer. All sections, except Section 5, shall be answered as completely and accurately as possible when any well is drilled, repaired or deepened. When this form is used as a plugging record, only Section 1A and Section 5 need be completed.

Section 1

Grid for well location details (Section 1A)

(A) Owner of well MORAN OIL PROD. & DRILLING CO. Street and Number BOX 1919 City HOBBS State N.M. Well was drilled under Permit No. L-6660(E) and is located in the NW 1/4 SW 1/4 SW 1/4 of Section 19 Twp. 18 S Rge. 38E (B) Drilling Contractor ABBOTT BRCS. License No. WD-46 Street and Number BOX 637 City HOBBS State N.M. Drilling was commenced MARCH 23 19 70 Drilling was completed MARCH 23 19 70

Elevation at top of casing in feet above sea level Total depth of well 120' State whether well is shallow or artesian shallow Depth to water upon completion 48'

Section 2

PRINCIPAL WATER-BEARING STRATA

Table with 5 columns: No., Depth in Feet (From, To), Thickness in Feet, Description of Water-Bearing Formation. Data: 1. 48-92, 44, sand water; 2. 114-120, 6, sand water.

Section 3

RECORD OF CASING

Table with 9 columns: Dia in., Pounds ft., Threads in., Depth (Top, Bottom) Feet, Type Shoe, Perforations (From, To). Data: 7, 23, 10, 1, 120, 120, none, 75', 120'.

Section 4

RECORD OF MUDDING AND CEMENTING

Table with 5 columns: Depth in Feet (From, To), Diameter Hole in in., Tons Clay, No. Sacks of Cement, Methods Used.

Section 5

PLUGGING RECORD

Name of Plugging Contractor License No. Street and Number City State Tons of Clay used Tons of Roughage used Type of roughage Plugging method used Date Plugged 19 Plugging approved by: Cement Plugs were placed as follows:

Table with 3 columns: No., Depth of Plug (From, To), No. of Sacks Used.

FOR USE OF STATE ENGINEER ONLY Date Received Basin Superintendent File No. L-6660(E) Use OWD Location No. 18.38.19.33.23

Date Received _____

Section 6

LOG OF WELL

Depth in Feet from Top	Thickness in Feet	Color	Type of Material Encountered
0	2	brown	surface soil
2	22	gray	caliche
24		brown	sand (fine)
44		brown	sand (water)
64	2	brown	sand (rock)
66	18	brown	sand tight
84	2	brown	sand rock
112	6	brown	sand water

RECORD OF FINDINGS AND OBSERVATIONS

RECORD OF MATERIALS

DESCRIPTION OF ADJACENT SURROUNDINGS

The undersigned hereby certifies that, to the best of his knowledge and belief, the foregoing is a true and correct record of the above described well.

Signature: _____
 Title: Well Driller
 Date: _____

L-660-Back

SECTION 1

RECORD OF SECTION 1 AND SECTION 2 SHALL BE COMPLETED

SECTION 3 AND SECTION 4 SHALL BE COMPLETED WHEN THE WELL IS USED AS A WATER

SECTION 5 SHALL BE COMPLETED WHEN THE WELL IS USED AS A WATER

WELL RECORD

FIELD ENGR. LOG

WELL RECORD

INSTRUCTIONS: This form should be executed in triplicate, preferably typewritten, and submitted to the nearest district office of the State Engineer. All sections, except Section 5, shall be answered as completely and accurately as possible when any well is drilled, repaired or deepened. When this form is used as a plugging record, only Section 1A and Section 5 need be completed.

Section 1

		0	

(A) Owner of well CAPITAN DRILLING COMPANY, Inc.
 Street and Number P.O. Box 6725
 City ODESSA 79766 State Texas
 Well was drilled under Permit No. L-6337 and is located in the
SW 1/4 NE 1/4 SE 1/4 of Section 19 Twp. 18 S Rge. 38 E
 (B) Drilling Contractor Abbott Brothers License No. ED-46
 Street and Number P.O. Box 637
 City Hobbs 88240 State New Mexico
 Drilling was commenced June 10 19 68
 Drilling was completed June 10 19 68

(Plat of 640 acres)

Elevation at top of casing in feet above sea level _____ Total depth of well 110
 State whether well is shallow or artesian shallow Depth to water upon completion 40

Section 2 PRINCIPAL WATER-BEARING STRATA

No.	Depth in Feet		Thickness in Feet	Description of Water-Bearing Formation
	From	To		
1	<u>40</u>	<u>58</u>	<u>28</u>	<u>sand, water</u>
2	<u>92</u>	<u>110</u>	<u>18</u>	<u>sand</u>
3				
4				
5				

Section 3 RECORD OF CASING

Dia in.	Pounds ft.	Threads in	Depth		Feet	Type Shoe	Perforations	
			Top	Bottom			From	To
<u>7</u>	<u>21</u>	<u>10</u>	<u>0</u>	<u>91</u>	<u>91</u>	<u>open</u>	<u>49.8</u>	<u>91.0</u>

Section 4 RECORD OF MUDDING AND CEMENTING

Depth in Feet		Diameter Hole in in.	Tons Clay	No. Sacks of Cement	Methods Used
From	To				

Section 5 PLUGGING RECORD

Name of Plugging Contractor _____ License No. _____
 Street and Number _____ City _____ State _____
 Tons of Clay used _____ Tons of Roughage used _____ Type of roughage _____
 Plugging method used _____ Date Plugged _____ 19 _____
 Plugging approved by: _____ Cement Plugs were placed as follows:

No.	Depth of Plug		No. of Sacks Used
	From	To	

Basin Supervisor _____
FOR USE OF STATE ENGINEER ONLY
 Date Received 12:38 PM 71 NOV 68

File No L-6337 Use OWD Location No. 18-38-19-4-23

STATE ENGINEER OFFICE

WELL RECORD

FIELD ENGR. LOG

Section 1. GENERAL INFORMATION

(A) Owner of well Oil Field Rental Service Co. Owner's Well No. L-8716
 Street or Post Office Address 1312 Kiowa
 City and State Hobbs, New Mexico 88240

Well was drilled under Permit No. L-8716 and is located in the:

- a. $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 20 Township 18-S Range 38-E N.M.P.M.
- b. Tract No. 8 of Map No. _____ of the First Unit of College Park Industrial
- c. Lot No. _____ of Block No. _____ of the _____
 Subdivision, recorded in Lea County.
- d. X= _____ feet, Y= _____ feet, N.M. Coordinate System _____ Zone in
 the _____ Grant.

(B) Drilling Contractor Abbott Bros. Drilling License No. WD-46
 Address P.O. Box 637, Hobbs, New Mexico 88240
 Drilling Began 3/23/82 Completed 3/24/82 Type tools Cable Size of hole 8 $\frac{1}{2}$ in.
 Elevation of land surface or _____ at well is _____ ft. Total depth of well 130 ft.
 Completed well is shallow artesian. Depth to water upon completion of well 49 ft.

Section 2. PRINCIPAL WATER-BEARING STRATA

Depth in Feet		Thickness in Feet	Description of Water-Bearing Formation	Estimated Yield (gallons per minute)
From	To			
49	92	43	Sand	

Section 3. RECORD OF CASING

Diameter (inches)	Pounds per foot	Threads per in.	Depth in Feet		Length (feet)	Type of Shoe	Perforations	
			Top	Bottom			From	To
6 5/8	17	Welded	0	132	132	None	54	132

Section 4. RECORD OF MUDDING AND CEMENTING

Depth in Feet		Hole Diameter	Sacks of Mud	Cubic Feet of Cement	Method of Placement
From	To				

Section 5. PLUGGING RECORD

Plugging Contractor _____
 Address _____
 Plugging Method _____
 Date Well Plugged _____
 Plugging approved by: _____
 State Engineer Representative

No.	Depth in Feet		Cubic Feet of Cement
	Top	Bottom	
1			
2			
3			
4			

FOR USE OF STATE ENGINEER ONLY

Date Received March 26, 1982 Quad _____ FWL _____ FSL _____
 File No. L-8716 Use DTC Location No. 18.38.20.213344

STATE ENGINEER OFFICE
WELL RECORD

FIELD ENGR. LOG

Section 1. GENERAL INFORMATION

(A) Owner of well A A Oilfield Owner's Well No. _____
Street or Post Office Address 1416 W. Broadway
City and State Hobbs, NM 88240

Well was drilled under Permit No. L-8851 and is located in the:

- a. $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 20 Township 18S Range 38E N.M.P.M.
b. Tract No. 9 of Map No. _____ of the _____
c. Lot No. _____ of Block No. _____ of the 2 Unit College Park Industrial
Subdivision, recorded in Lea County.
d. X= _____ feet, Y= _____ feet, N.M. Coordinate System _____ Zone in
the _____ Grant.

(B) Drilling Contractor Larry's Drilling License No. WD882
Address 2601 W. Bender Hobbs, NM 88240

Drilling Began 7-1-82 Completed 7-2-82 Type tools tricone Size of hole 8 1/2 in.

Elevation of land surface or _____ at well is _____ ft. Total depth of well 120 ft.

Completed well is shallow artesian. Depth to water upon completion of well 54 ft.

Section 2. PRINCIPAL WATER-BEARING STRATA

Depth in Feet		Thickness in Feet	Description of Water-Bearing Formation	Estimated Yield (gallons per minute)
From	To			
54	120	66	sand & sandstone	28

Section 3. RECORD OF CASING

Diameter (inches)	Pounds per foot	Threads per in.	Depth in Feet		Length (feet)	Type of Shoe	Perforations	
			Top	Bottom			From	To
5 1/2	160PVC		-1	120	121		100	120

Section 4. RECORD OF MUDDING AND CEMENTING

Depth in Feet		Hole Diameter	Sacks of Mud	Cubic Feet of Cement	Method of Placement
From	To				

Section 5. PLUGGING RECORD

Plugging Contractor _____
Address _____
Plugging Method _____
Date Well Plugged _____
Plugging approved by: _____
State Engineer Representative

No.	Depth in Feet		Cubic Feet of Cement
	Top	Bottom	
1			
2			
3			
4			

FOR USE OF STATE ENGINEER ONLY

Date Received July 9, 1982 Quad _____ FWL _____ FSL _____
File No. L-8851 Use D & S Location No. 18.38.20.23141
Temp. on N. E. Corner _____

STATE ENGINEER OFFICE
WELL RECORD

FIELD ENGR. LOG

Section 1. GENERAL INFORMATION

(A) Owner of well Big Horn Tank Rental Owner's Well No. _____
Street or Post Office Address 2139 French Dr.
City and State Hobbs, NM 88240

Well was drilled under Permit No. L-8867 and is located in the:

- a. _____ $\frac{1}{4}$ _____ $\frac{1}{4}$ NE _____ $\frac{1}{4}$ NE _____ of Section 29 Township 18S Range 38E N.M.P.M.
- b. Tract No. _____ of Map No. _____ of the _____
- c. Lot No. _____ of Block No. _____ of the _____
Subdivision, recorded in Lea County.
- d. X= _____ feet, Y= _____ feet, N.M. Coordinate System _____ Zone in
the _____ Grant.

(B) Drilling Contractor Larry's Drilling License No. WD882
Address 2601 W. Bender Hobbs, NM 88240
Drilling Began 7-9-82 Completed 7-10-82 Type tools button bit Size of hole 8 1/2 in.
Elevation of land surface or _____ at well is _____ ft. Total depth of well 120 ft.
Completed well is shallow artesian. Depth to water upon completion of well 52 ft.

Section 2. PRINCIPAL WATER-BEARING STRATA

Depth in Feet		Thickness in Feet	Description of Water-Bearing Formation	Estimated Yield (gallons per minute)
From	To			
60	108	48	sand & sandstone	28

Section 3. RECORD OF CASING

Diameter (inches)	Pounds per foot	Threads per in.	Depth in Feet		Length (feet)	Type of Shoe	Perforations	
			Top	Bottom			From	To
5 1/2	160PVC		0	120	120		100	120

Section 4. RECORD OF MUDDING AND CEMENTING

Depth in Feet		Hole Diameter	Sacks of Mud	Cubic Feet of Cement	Method of Placement
From	To				

Section 5. PLUGGING RECORD

Plugging Contractor _____
Address _____
Plugging Method _____
Date Well Plugged _____
Plugging approved by: _____
State Engineer Representative

No.	Depth in Feet		Cubic Feet of Cement
	Top	Bottom	
1			
2			
3			
4			

FOR USE OF STATE ENGINEER ONLY

Date Received August 23, 1982 Quad _____ FWL _____ FSL _____
File No. L-8867 Use D & S Location No. 18.38.29.22244

WELL RECORD

INSTRUCTIONS: This form should be executed in triplicate, preferably typewritten, and submitted to the nearest district office of the State Engineer. All sections, except Section 5, shall be answered as completely and accurately as possible when any well is drilled, repaired or deepened. When this form is used as a plugging record, only Section 1A and Section 5 need be completed.

Section 1

(A) Owner of well Two State Tank Rental Co.
 Street and Number Box 2305
 City Hobbs, State New Mexico
 Well was drilled under Permit No. L-7005 and is located in the
 NW 1/4 SW 1/4 SE 1/4 of Section 29 Twp. 18S Rge. 38E
 (B) Drilling Contractor C. R. Musslerwhite License No. 3899
 Street and Number Box 56
 City Hobbs, State New Mexico
 Drilling was commenced Oct. 14, 1972
 Drilling was completed Oct. 18, 1972

(Plat of 640 acres)

Elevation at top of casing in feet above sea level _____ Total depth of well 150
 State whether well is shallow or artesian Shallow Depth to water upon completion 50

Section 2

PRINCIPAL WATER-BEARING STRATA

No.	Depth in Feet		Thickness in Feet	Description of Water-Bearing Formation
	From	To		
1	60	150	90	Sand, sand rock
2				
3				
4				
5				

Section 3

RECORD OF CASING

Dia in.	Pounds ft.	Threads in	Depth		Feet	Type Shoe	Perforations	
			Top	Bottom			From	To
5	17	8	0	150	150	none	110	150

Section 4

RECORD OF MUDDING AND CEMENTING

Depth in Feet		Diameter Hole in in.	Tons Clay	No. Sacks of Cement	Methods Used
From	To				

Section 5

PLUGGING RECORD

Name of Plugging Contractor _____ License No. _____
 Street and Number _____ City _____ State _____
 Tons of Clay used _____ Tons of Roughage used _____ Type of roughage _____
 Plugging method used _____ Date Plugged _____ 19____
 Plugging approved by: _____ Cement Plugs were placed as follows:

Basin Supervisor

FOR USE OF STATE ENGINEER ONLY

Date Received 1972 OCT 24 AM 8:51

File No. L-7005 Use DTC Location No. 18-38-29-331

No.	Depth of Plug		No. of Sacks Used
	From	To	

STATE ENGINEER OFFICE
WELL RECORD

FIELD ENGR. LOG

Section 1. GENERAL INFORMATION

(A) Owner of well Southwestern Drilling Mud Owner's Well No. _____
Street or Post Office Address P.O. Box 2477
City and State Midland, Texas 79701

Well was drilled under Permit No. L-7570 and is located in the:
a. $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ SW of Section 29 Township 18S Range 38E N.M.P.M.
b. Tract No. _____ of Map No. _____ of the _____
c. Lot No. _____ of Block No. _____ of the _____
Subdivision, recorded in Lea County.
d. X= _____ feet, Y= _____ feet, N.M. Coordinate System _____ Zone in
the _____ Grant.

(B) Drilling Contractor Abbott Bros. License No. WD-46
Address P.O. Box 637, Hobbs, New Mexico 88240
Drilling Began 6/21/76 Completed 6/22/76 Type tools Cable Size of hole 8 $\frac{1}{2}$ in.
Elevation of land surface or _____ at well is _____ ft. Total depth of well 122 ft.
Completed well is shallow artesian. Depth to water upon completion of well 48 ft.

Section 2. PRINCIPAL WATER-BEARING STRATA

Depth in Feet		Thickness in Feet	Description of Water-Bearing Formation	Estimated Yield (gallons per minute)
From	To			
48	122	74		

Section 3. RECORD OF CASING

Diameter (inches)	Pounds per foot	Threads per in.	Depth in Feet		Length (feet)	Type of Shoe	Perforations	
			Top	Bottom			From	To
6 5/8	15	welded	0	122	122	none	79	122

Section 4. RECORD OF MUDDING AND CEMENTING

Depth in Feet		Hole Diameter	Sacks of Mud	Cubic Feet of Cement	Method of Placement
From	To				

Section 5. PLUGGING RECORD

Plugging Contractor _____
Address _____
Plugging Method _____
Date Well Plugged _____
Plugging approved by: _____
State Engineer Representative

No.	Depth in Feet		Cubic Feet of Cement
	Top	Bottom	
1			
2			
3			
4			

FOR USE OF STATE ENGINEER ONLY

Date Received _____ Quad _____ FWL _____ FSL _____
File No. 25600 Use 25600 Location No. 25600

STATE ENGINEER OFFICE

WELL RECORD

Section 1. GENERAL INFORMATION

(A) Owner of well Texland Petroleum- Hobbs LLC Owner's Well No. 1
 Street or Post Office Address 777 main street suite 3200
 City and State Fort Worth Tx 76102

Well was drilled under Permit No. L-11 176 Explore and is located in the:

- a. SE $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 29 Township 18 south Range 38 east N.M.P.M.
- b. Tract No. _____ of Map No. _____ of the _____
- c. Lot No. _____ of Block No. _____ of the _____
 Subdivision, recorded in Lea County.
- d. X= _____ feet, Y= _____ feet, N.M. Coordinate System _____ Zone in the _____ Grant.

(B) Drilling Contractor Robinson Drilling License No. W D 1498
 Address PO BOX 1495 Seminole TX 79360

Drilling Began 7-31-01 Completed 8-3-01 Type tools Rotary Size of hole 18 in.
 Elevation of land surface or _____ at well is _____ ft. Total depth of well 220 ft.
 Completed well is shallow artesian. Depth to water upon completion of well 65 ft.

Section 2. PRINCIPAL WATER-BEARING STRATA

Depth in Feet		Thickness in Feet	Description of Water-Bearing Formation	Estimated Yield (gallons per minute)
From	To			
111	210	99	Sand & Gravel	Unknown

Section 3. RECORD OF CASING

Diameter (inches)	Pounds per foot	Threads per in.	Depth in Feet		Length (feet)	Type of Shoe	Perforations	
			Top	Bottom			From	To
12 3/4		Welded	+1	220	221	none	125	215

Section 4. RECORD OF MUDDING AND CEMENTING

Depth in Feet		Hole Diameter	Sacks of Mud	Cubic Feet of Cement	Method of Placement
From	To				

Section 5. PLUGGING RECORD

Plugging Contractor N/A
 Address _____
 Plugging Method _____
 Date Well Plugged _____
 Plugging approved by: _____
 State Engineer Representative

No.	Depth in Feet		Cubic Feet of Cement
	Top	Bottom	
1			
2			
3			
4			

FOR USE OF STATE ENGINEER ONLY

Date Received 08/10/01

Quad _____ FWL _____ FSL _____

File No. L-11,176 Use SRD Location No. 18.38.29.41443

212224

(This form to be executed in triplicate)

WELL RECORD

Date of Receipt _____ Permit No. L-2395

Name of permittee, Anderson Petroleum Corp.

Street or P. O. Lawyer Bldg, City and State Montreal, N.B.

1. Well location and description: The shallow well is located in N. 1/4, N. 2/4,
(shallow or artesian)
N. 1/4 of Section 20, Township 18 S., Range 38 E.; Elevation of top of casing above sea level, _____ feet; diameter of hole, 7 inches; total depth, 87 feet; depth to water upon completion, 30 feet; drilling was commenced 8-31-53, 19____, and completed 8-31-53, 19____; name of drilling contractor J. E. Musiolowite; Address, Box 56, Humber, N.B.; Driller's License No. 11139

2. Principal Water-bearing Strain:

	Depth in Feet		Thickness	Description of Water-bearing Formation
	From	To		
No. 1	35	70	35	Red sand course
No. 2	70 55	65	10	Red sand course hard
No. 3	85	87	3	Red sand course hard
No. 4				
No. 5				

3. Casing Record:

Diameter in inches	Pounds per ft.	Threads per inch	Depth of Casing or Liner		Feet of Casing	Type of Shoe	Perforation	
			Top	Bottom			From	To
7	20	10			87	none	57	87

4. If above construction replaces old well to be abandoned, give location: _____, _____, _____ of Section _____, Township _____, Range _____; name and address of plugging contractor, _____

date of plugging _____, 19____; describe how well was plugged: _____

SEP 21 1953

L-2395 CR-6UP

18.38.30.123

FIELD ENGR. LOG

WELL RECORD

INSTRUCTIONS: This form should be executed in triplicate, preferably typewritten, and submitted to the nearest district office of the State Engineer. All sections, except Section 5, shall be answered as completely and accurately as possible when any well is drilled, repaired or deepened. When this form is used as a plugging record, only Section 1A and Section 5 need be completed.

Section 1

(A) Owner of well Amerada Petroleum Corp.
 Street and Number Drawer D City Monument, State New Mexico
 Well was drilled under Permit No. L-5849 and is located in the
 SE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 30 Twp. 18S Rge. 38E
 (B) Drilling Contractor O. R. Musslewhite License No. WD99
 Street and Number Box 56 City Hobbs, State New Mexico
 Drilling was commenced Feb. 10, 1966
 Drilling was completed Feb. 12, 1966

(Plat of 640 acres)

Elevation at top of casing in feet above sea level Unknown Total depth of well 38
 State whether well is shallow or artesian Shallow Depth to water upon completion 34

Section 2

PRINCIPAL WATER-BEARING STRATA

No.	Depth in Feet		Thickness in Feet	Description of Water-Bearing Formation
	From	To		
1	34	38	4	Sand & sand rock
2				
3				
4				
5				

Section 3

RECORD OF CASING

Dia. in.	Pounds ft.	Threads in	Depth		Feet	Type Shoe	Perforations	
			Top	Bottom			From	To
6 5/8	18	none	0	20	20	None	None	

Section 4

RECORD OF MUDDING AND CEMENTING

Depth in Feet		Diameter Hole in in.	Tons Clay	No. Sacks of Cement	Methods Used
From	To				
0	20	8		1 1/2 yds.	Dump remix around casing

Section 5

PLUGGING RECORD

Name of Plugging Contractor _____ License No. _____
 Street and Number _____ City _____ State _____
 Tons of Clay used _____ Tons of Roughage used _____ Type of roughage _____
 Plugging method used _____ Date Plugged _____ 19____
 Plugging approved by: _____ Cement Plugs were placed as follows:

No.	Depth of Plug		No. of Sacks Used
	From	To	

Basin Supervisor	
FOR USE OF STATE ENGINEER ONLY	
Date Received _____	1966 APR - 7 AM 11:30 ✓

File No. L-5849 Use Qued Location No. 18.38.30.144

WELL RECORD

INSTRUCTIONS: This form should be executed in triplicate, preferably typewritten, and submitted to the nearest district office of the State Engineer. All sections, except Section 5, shall be answered as completely and accurately as possible when any well is drilled, repaired or deepened. When this form is used as a plugging record, only Section 1A and Section 5 need be completed.

Section 1

(A) Owner of well Baker Oil Tools, Inc.
 Street and Number Box 1295
 City Hobbs, State New Mexico
 Well was drilled under Permit No. L-2984 and is located in the
E. E. 1/4 S. W. 1/4 S. N. 1/4 of Section 32 Twp. 18S Rge. 38E
 (B) Drilling Contractor O. R. Musslewhite License No. WD 99
 Street and Number Box 56
 City Hobbs, N State New Mexico
 Drilling was commenced Sept. 10 19 55
 Drilling was completed Sept. 11 19 55

(Plat of 640 acres)

Elevation at top of casing in feet above sea level _____ Total depth of well 100
 State whether well is shallow or artesian shallow Depth to water upon completion 30

Section 2

PRINCIPAL WATER-BEARING STRATA

No.	Depth in Feet		Thickness in Feet	Description of Water-Bearing Formation
	From	To		
1	<u>40</u>	<u>80</u>	<u>40</u>	<u>Sand & sand rock</u>
2				
3				
4				
5				

Section 3

RECORD OF CASING

Dia in.	Pounds ft.	Threads in	Depth		Feet	Type Shoe	Perforations	
			Top	Bottom			From	To
<u>6 5/8</u>	<u>18</u>	<u>8</u>	<u>0</u>	<u>100</u>	<u>100</u>	<u>Collar</u>	<u>70</u>	<u>100</u>

Section 4

RECORD OF MUDDING AND CEMENTING

Depth in Feet		Diameter Hole in in.	Tons Clay	No. Sacks of Cement	Methods Used
From	To				

Section 5

PLUGGING RECORD

Name of Plugging Contractor _____ License No. _____
 Street and Number _____ City _____ State _____
 Tons of Clay used _____ Tons of Roughage used _____ Type of roughage _____
 Plugging method used _____ Date Plugged _____ 19 _____
 Plugging approved by: _____ Cement Plugs were placed as follows:

No.	Depth of Plug		No. of Sacks Used
	From	To	

Basin Supervisor

FOR USE OF STATE ENGINEER ONLY

Date Received SEP 10 1955

OFFICE
 GEORGE WATER PERMITS
 1000 B. B. B. B.

File No. L-2984 Use Spur Location No. 18 N 32 339

WELL RECORD

Date of Receipt Permit No. L-2555

Name of permittee, Skelly Oil Co.

Street or P. O. Drawer D City and State Hobbs, New Mexico

1. Well location and description: The Shallow well is located in SW $\frac{1}{4}$, SW $\frac{1}{4}$,
(shallow or artesian)
SW $\frac{1}{4}$ of Section 32, Township 18 S, Range 38 E; Elevation of top of
casing above sea level, feet; diameter of hole, 8 inches; total depth, 116 feet;
depth to water upon completion, 34 feet; drilling was commenced June 25, 1954,
and completed June 25, 1954; name of drilling contractor Ed. B. Burke
Box 306; Address, Hobbs, New Mexico; Driller's License No. WD-111

2. Principal Water-bearing Strata:

	Depth in Feet		Thickness	Description of Water-bearing Formation
	From	To		
No. 1	54	85	31	Water Sand
No. 2	101 116	116	15	Water Sand
No. 3				
No. 4				
No. 5				

3. Casing Record:

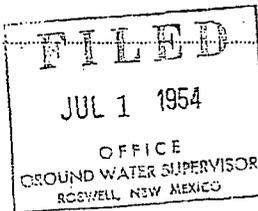
Diameter in inches	Pounds per ft.	Threads per inch	Depth of Casing or Liner		Feet of Casing	Type of Shoe	Perforation	
			Top	Bottom			From	To
6 5/8	20	10	0	113	113	collar	85	113

Cemented from 0 to 57

4. If above construction replaces old well to be abandoned, give location: $\frac{1}{4}$, $\frac{1}{4}$, $\frac{1}{4}$

of Section Township Range; name and address of plugging contractor,

date of plugging 19.....; describe how well was plugged:



L-2555

18.37.32.333

(This form to be executed in triplicate)

WELL RECORD

Date of Receipt July 9, 1953

Permit No. L-2232

Name of permittee, Joe P. Dutton

Street or P.O. Continental Tank Co. City and State Hobbs, New Mexico

1. Well location and description: The shallow well is located in S₂ (shallow or artesian)

SW $\frac{1}{4}$ of Section 33 Township 18 South Range 38 East; Elevation of top of

casing above sea level, _____ feet; diameter of hole, 7 inches; total depth, 112 feet;

depth to water upon completion, 56 feet; drilling was commenced June 23, 1953,

and completed June 23, 1953; name of drilling contractor, Ed. B. Burke

Box 637 Address, Hobbs, New Mexico; Driller's License No. WD-111

2. Principal Water-bearing Strata:

	Depth in Feet		Thickness	Description of Water-bearing Formation
	From	To		
No. 1	63	70	7	Water sand
No. 2	76	88	12	Water sand
No. 3	102	112	10	Water sand
No. 4				
No. 5				

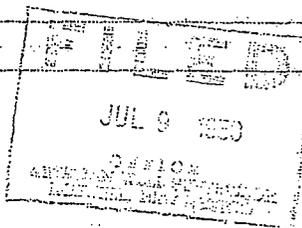
3. Casing Record:

Diameter in inches	Pounds per ft.	Threads per inch	Depth of Casing or Liner		Feet of Casing	Type of Shoe	Perforations	
			Top	Bottom			From	To
<u>5$\frac{1}{2}$</u>	<u>17</u>	<u>8</u>	<u>0</u>	<u>111</u>	<u>111</u>	<u>none</u>	<u>89</u>	<u>111</u>

4. If above construction replaces old well to be abandoned, give location: _____

of Section _____ Township _____ Range _____; name and address of plugging contractor, _____

date of plugging _____, 19____; describe how well was plugged: _____



L-2232

18.38.33.300

Appendix C

RICE Operating Company

122 West Taylor • Hobbs, New Mexico 88240
Phone: (505)393-9174 • Fax: (505) 397-1471

CERTIFIED MAIL

RETURN RECEIPT NO. 7099 3220 0001 9928 4591

September 7, 2001

Mr. Wayne Price
NM Energy and Minerals Dept.
OCD Environmental Bureau
1220 S. St. Francis Drive
Santa Fe, NM 87504

Re: SWD F-29 Facility – Groundwater Monitoring
NW/4, Unit Letter F, Sec. 29, T18S, R38E
Lea County, NM

Dear Mr. Price:

Rice Operating Company (ROC) appreciates your consideration and response concerning the groundwater monitoring at the F-29 SWD Facility.

A brief background review: this facility operated with below-grade redwood tanks and an emergency overflow pit until 1999 when the facility was upgraded with fiberglass tanks and the overflow pit was closed. Site vertical delineation revealed that salt impact was arrested at 40' BGS at the west-redwood tank and 30' BGS at the east-redwood tank. The initial water analysis indicated no saltwater impact to the groundwater. ROC agreed to sample the monitor well for two years because an unexplained TPH pocket was found 40' BGS at the west-redwood location. (A full report of the delineation and closure activities was submitted to NMOCD June 25, 1999.)

A quarterly monitoring schedule was initiated and MW-1 was discovered to be full of sand, and the water analysis indicated an elevated chloride concentration. ROC received permission to complete an alternate well, MW-2, which also exhibited elevated chloride concentration. ROC verbally notified the NMOCD Santa Fe Office of this occurrence on August 1, 2000 and through email on September 11, 2000. After discussion on August 1, it was suggested that ROC drill and complete an up-gradient well to reference the groundwater quality in the area. ROC contacted the adjacent landowner, Mr. Gary Schubert of Grimes Land Company, for permission to drill and complete a monitor well, but Mr. Schubert respectfully declined permission.

As result of discussion with NMOCD in March 2001 of the F-29 Facility Annual Monitoring Report, ROC contracted with Safety & Environmental Solutions, Inc. (SESI) to "pump and

ROC F29 GW Monitoring
Sept. 7, 2001

dispose" to attempt to remove the elevated-chloride groundwater in MW-2. A reduction in TDS concentration from 3470 ppm to 1385 ppm was realized from a purge of 18,355 gallons. At several points during the intensified effort (daily purge and test July 16 through July 30), the groundwater chloride concentration fell to 223ppm, below the WQCC level (250ppm). Enclosed with this letter is the fluid recovery report of F-29 Facility site activity and analytical results prepared by David Boyer of SESI.

Because the groundwater chloride concentration has fluctuated between 223 and 480ppm, depending on purge volume, ROC would like to expand the groundwater investigation with an up-gradient monitor well and a down-gradient monitor well, as depicted on the attached facility site map. Both of these wells will be located within the ROC property boundaries. All fluid produced from the monitor wells will be measured for volume and then disposed into the SWD Well F-29 Facility, a commercial disposal well owned and operated by ROC.

The monitor wells will be completed pursuant to NMOCD guidelines and sampled pursuant to NMOCD specifications for BTEX, pH, TDS, Conductivity, T-Alkalinity, and routine major cations and anions: Na, Ca, Mg, K, Cl, SO₄, CO₃, HCO₃. Upon receipt of the analytical results, ROC will contact the NMOCD for discussion of further action.

ROC would like to reiterate that this location is surrounded by the Occidental Permian North Hobbs Waterflood Unit and is adjacent to the historical "Windmill Oil Company" production and recovery area. ROC believes that because extensive vertical delineation results at this facility revealed salt-water impact to the vadose zone was arrested before groundwater was contacted, the elevated chloride and TDS concentrations are most likely the result of off-site historical events consistent with seventy-plus years of petroleum production.

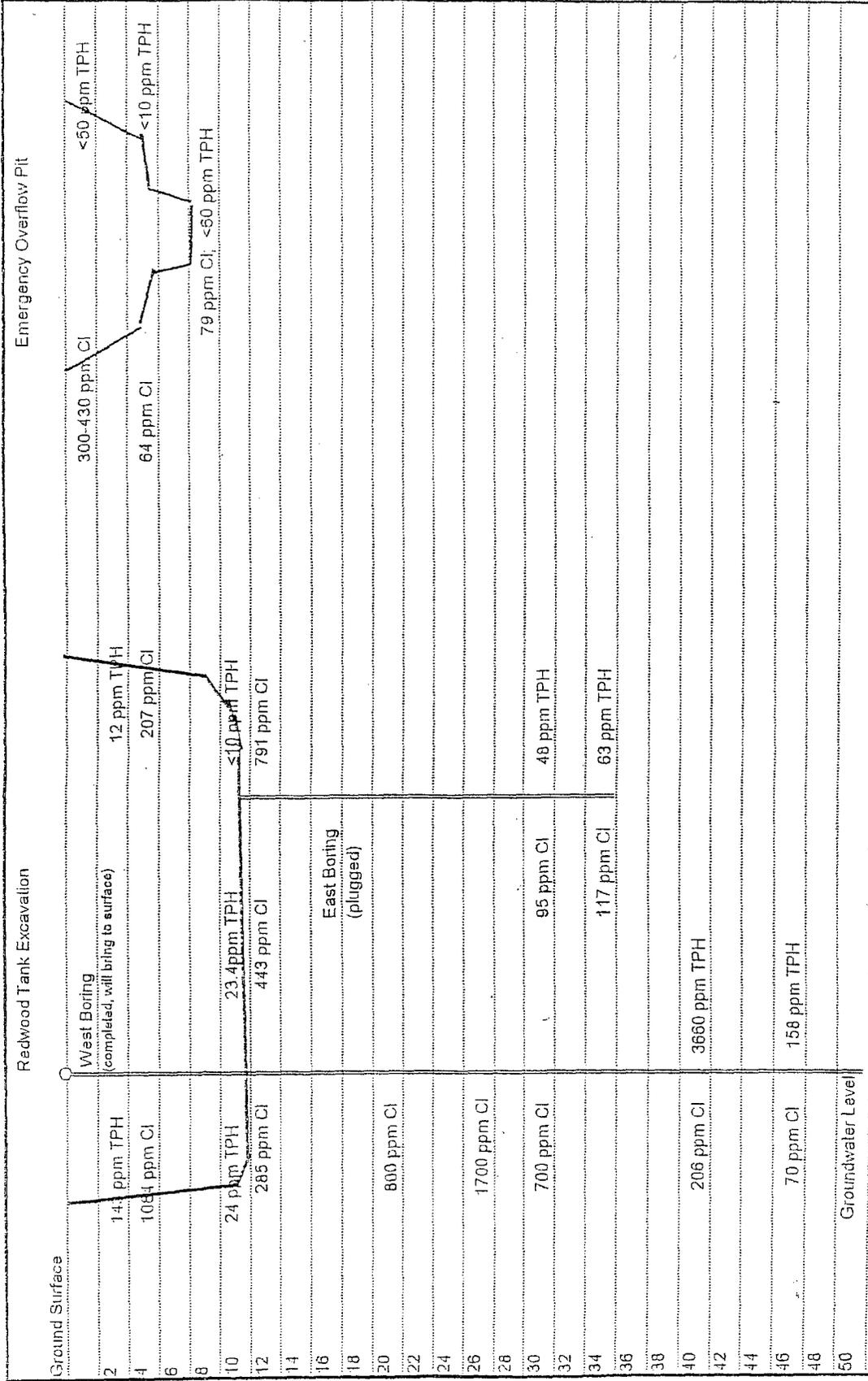
If you have any questions, please call. ROC looks forward to your reply.

RICE OPERATING COMPANY



Carolyn Doran Haynes
Operations Engineer

cc: LBG, file, Chris Williams
NMOCD Hobbs District 1
1625 N. French Drive
Hobbs, NM 88240

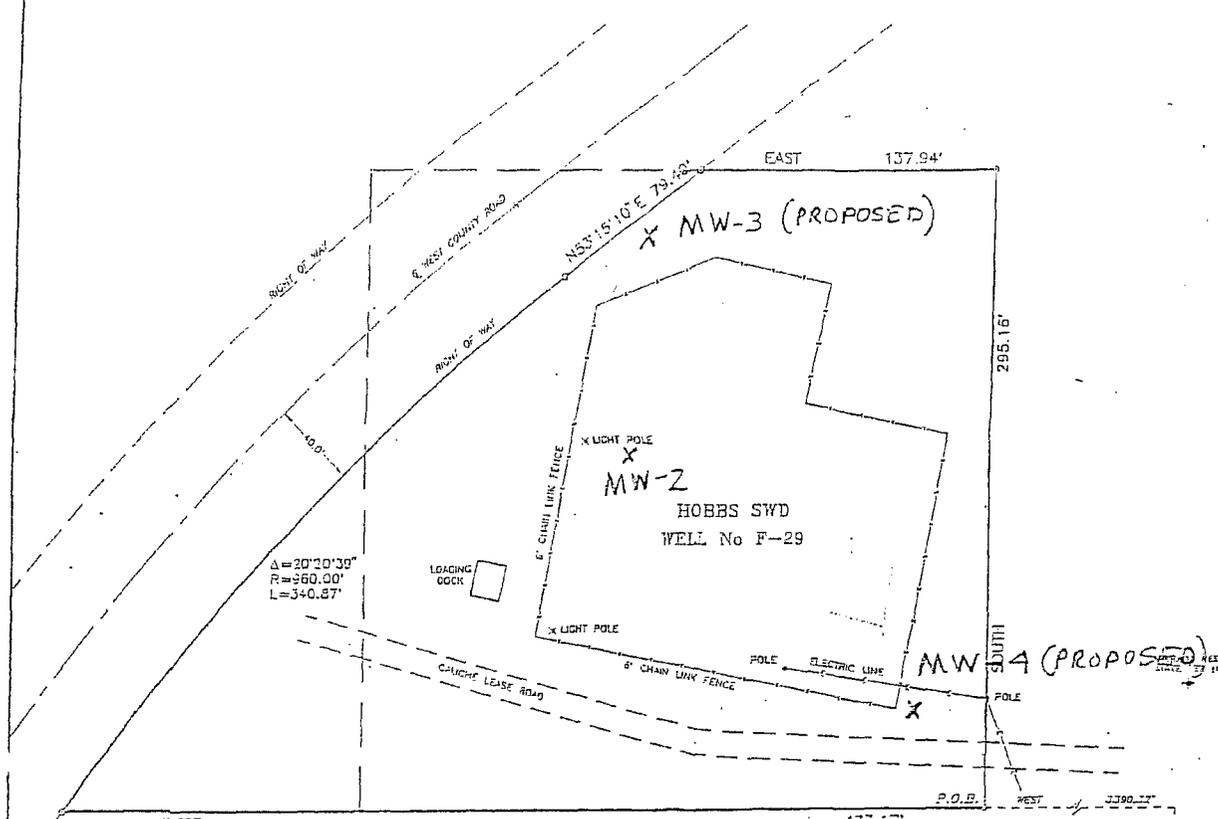
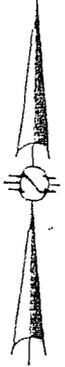


Rice Operating Company
 122 West Taylor
 Hobbs, NM 88240
 (505) 393-9174

Chloride and TPH
 Delineation

Redwood Tank Excavation and Emergency Overflow Pit
 SWD Well F-29
 Unit Letter F, Sec 29-T16S-R38E
 Lea County, New Mexico

SECTION 29, TOWNSHIP 18 SOUTH, RANGE 38 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO



NOTES
 O = SET 1/2\"/>

LEGAL DESCRIPTION

A TRACT OF LAND IN THE SE/4 OF THE NW/4 OF SECTION 29, TOWNSHIP 18 SOUTH, RANGE 38 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO, BEING FULLY DESCRIBED AS FOLLOWS:
 BEGINNING AT A POINT BEING INTERSECTION, 3254.44 FEET AND WEST, 2390.32 FEET FROM SOUTHWEST CORNER OF SAID SECTION 29, THENCE WEST, 420.17 FEET TO A POINT ON THE EAST RIGHT OF WAY LINE OF WEST COUNTY ROAD STYPASS, ALSO A POINT ON A CURVE TO THE NORTHEAST, THENCE ALONG THIS CURVE (HAVING A CENTRAL ANGLE OF 39°20'31\"/>

29/28
 32/33

0 40 80 120 Feet

I HEREBY CERTIFY THAT THIS PLAN WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.



John West
 JOHN W. WEST, N.M. P.E. & P.S. No. 576
 2005 P.L.L.C. No. 1133
 RONALD J. BIRDSON, N.M. L.L.C. No. 2029
 TEXAS P.L.L.C. No. 1883
 GARY L. JONES, N.M. P.E. No. 7277

RICE ENGINEERING CORP.

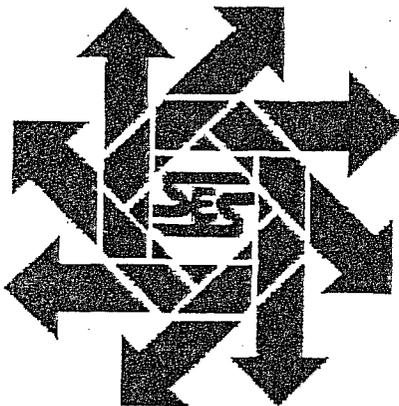
A TRACT OF LAND LOCATED IN SECTION 29, TOWNSHIP 18 SOUTH, RANGE 38 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO

JOHN WEST ENGINEERING CO.
 CONSULTING ENGINEERS & SURVEYORS - HOBBS, NEW MEXICO

Surveyed By: JWB	Drawn By: JWB	Last Rev. Date:	Drawing Number:
Date Exam: 4-20-03	Color: 4-27-03	Scale: 1/4\"/>	
Date Exp: 4-30-03	Approved By:	Sheet: 21	Total Sheets: 21
W.O. Number: 33-11-355	File Name: DRAWINGS/RICE/155		

*Rice Operating Company
F-29 Monitor Well Fluid Recovery Report
Section 29, T19S, R38E
Lea County, New Mexico*

August 29, 2001



Prepared for:

*Rice Operating Company
122 W. Taylor
Hobbs, New Mexico 88240*

By:

*Safety & Environmental Solutions, Inc.
703 E. Clinton, Suite 102
Hobbs, New Mexico 88240
(505) 397-0510*

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I. Background

Safety & Environmental Solutions, Inc. (SESI) was engaged to perform sampling and data collection on a Rice Operating SWD System Well. The well is referred to as the F-29 monitor well. The subject area is located in Section 29, Township 19 S Range 38 E in Lea County, New Mexico. (See Figure 1. Location Map).

II. Work Performed

The well was scheduled for pumping by SESI for 8-hour periods every other day with a small capacity (~1 gpm) submersible pump. The fluid recovered from the well was placed in a holding provided by Rice Operating Company. Due to equipment problems, the pumping schedule was not met in June. Beginning in mid-July, a larger submersible pump capable of pumping 7-10 gpm was utilized. On July 31, generator and wiring problems prevented pumping that day. Due to an August 1 OCD deadline, no further pumping was performed. Table 1 provides the pumping record for July including field measurement of chloride concentrations using Hach Quantabs. A total of 3,280 gallons of fluid was removed during the current test period ending July 31. An approximate total of 18,355 gallons has been removed since the beginning of the pumping period on March 9, 2001.

On August 14, 2001 a SESI technician performed sampling of the well. Samples were taken from the well after pumping a short period with the repaired generator. The samples were obtained and placed in appropriate containers, preserved and transported under chain of custody to Cardinal Laboratories of Hobbs, New Mexico for analysis. The analysis performed on these samples was for detection of Major Cations and Anions. (See Analytical Results)

III. Analytical Results

Comparison tables of the analytical data are provided in Table 2 to show the differences before and after pumping fluid from the F-29 well. Analysis of the groundwater samples performed by Cardinal Laboratories are compared and summarized as shown in the table. A negative number indicates a decrease in constituent concentration from the previous sampling date.

The final sampling on August 14 shows chloride concentration (340 mg/L) exceeding the NM Water Quality Control Commission (WQCC) groundwater standard¹ (250 mg/L) by 90 mg/L. Although the chloride concentration exceeds the standard, it has decreased by an order of magnitude from sampling conducted in March of 2000. Figure 2 shows the decline in concentration from March 2000 to August 2001. The decline stopped and became generally asymptotic beginning in March of this year.

¹ The NM Oil Conservation Division (OCD) utilizes the NM WQCC groundwater standards in administration of OCD rules and regulations.

In July, heavy pumping of the monitor well did not substantially change the concentration of chloride in the well and might have caused a slight increase (Figure 3). The fact that daily pumping could cause chloride concentration to fluctuate between 250 and 480 mg/L as it did on July 29 indicates the likelihood of a nearby source.

IV. Report Tables, Figures and Laboratory Results

Table 1. July 2001 Rice F-29 Monitor Well Pumping

Date	Sample Time	Tank Start (ft)	Tank Finish (ft)	Difference (ft.)	Approx. Volume Change (gal)	Time Pumped (min)	Avg. Pumping Rate (gpm)	Avg. Chloride (ppm)
07/05/01	--	--	--	--	410	8 hr	0.85	--
07/06/01	--	1.92	2.14	0.22	336	8 hr	0.7	--
07/16/01	12:00 PM	2.14	2.88	0.74 (?)	--	20	--	--
07/19/01	12:45 PM	--	--	--	--	--	--	333
07/20/01	8:36 AM	6.23	6.08	0.15	229	22	10.4	298
07/20/01	7:24 PM	7.12	6.99	0.13	198	25	7.9	298
07/21/01	10:24 AM	7.47	7.34	0.13	198	25	7.9	359
07/22/01	12:34 PM	7.35	7.26	0.09	137	20	6.9	258
07/23/01	8:49 AM	7.26	7.18	0.08	122	20	6.1	258
07/23/01	5:34 PM	7.18	7.09	0.09	137	20	6.9	321
07/24/01	8:29 AM	7.09	7.02	0.07	107	15	7.1	384
07/25/01	7:26 AM	7.03	6.96	0.07	107	16	6.7	414
07/26/01	7:20 AM	7.37	7.26	0.11	168	25	6.7	321
07/26/01	7:34 AM	--	--	--	--	--	--	445
07/27/01	7:07 AM	6.89	6.75	0.14	214	30	7.1	288
07/27/01	7:15 AM	--	--	--	--	--	7.0	249, 258
07/27/01	7:24 AM	--	--	--	--	--	--	398
07/27/01	7:34 AM	--	--	--	--	--	--	480
07/29/01	10:17 AM	7.24	7.02	0.22	336	60	5.6	384
07/29/01	10:25 AM	--	--	--	--	--	--	429
07/29/01	10:34 AM	--	--	--	--	--	--	223
07/29/01	10:44 AM	--	--	--	--	--	--	357
07/29/01	10:54 AM	--	--	--	--	--	--	258
07/29/01	11:04 AM	--	--	--	--	--	--	223
07/29/01	11:14 AM	--	--	--	--	--	--	398
07/29/01	7:20 PM	7.01	6.88	0.13	198	30	6.6	429
07/29/01	7:29 PM	--	--	--	--	--	--	278
07/29/01	7:39 PM	--	--	--	--	--	--	398
07/30/01	6:55 AM	7.53	7.41	0.12	183	30	6.1	298
07/30/01	7:04 AM	--	--	--	--	--	--	333
07/30/01	1:42 PM	--	--	--	--	--	--	462
07/30/01	7:20 PM	7.41	7.28	0.13	198	30	6.6	429
07/30/01	7:29 PM	--	--	--	--	--	--	370
07/30/01	7:39 PM	--	--	--	--	--	--	345
					July Total Volume Pumped:	3,280		

Tank strapped 7/25. Circumference 50.65 ft., radius 8.06 ft., area 204.12 ft²

Table 2. Summary of F-29 Chemical Analyses December 2000 to August 2001

F-29 Monitor Well	Na (mg/L)	Ca (mg/L)	Mg (mg/L)	K (mg/L)	Conductivity (µmhos/cm)	T-Alkalinity (mg CaCO ₃ /L)
December 12, 2000	500	250	51	15.16	4,239	246
March 16, 2001	167	142	49	12.65	2,146	228
Change	-333	-108	-2	-2.51	-2,093	-18
	Cl (mg/L)	SO ₄ (mg/L)	CO ₃ (mg/L)	HCO ₃ (mg/L)	pH (s.u.)	TDS (mg/L)
December 12, 2000	1,027	127	0	300	7.32	2,586
March 16, 2001	396	221	0	279	7.32	1,373
Change	-631	94	0	-21	0	-1,213

F-29 Monitor Well	Na (mg/L)	Ca (mg/L)	Mg (mg/L)	K (mg/L)	Conductivity (µmhos/cm)	T-Alkalinity (mg CaCO ₃ /L)
March 16, 2001	167	142	49	12.65	2,146	228
March 23, 2001	226	142	41	11.00	1,823	228
Change	59	0	-8	-1.65	-323	0
	Cl (mg/L)	SO ₄ (mg/L)	CO ₃ (mg/L)	HCO ₃ (mg/L)	pH (s.u.)	TDS (mg/L)
March 16, 2001	396	221	0	279	7.32	1,373
March 23, 2001	368	271	0	279	6.98	1,312
Change	-28	50	0	0	-0.34	-61

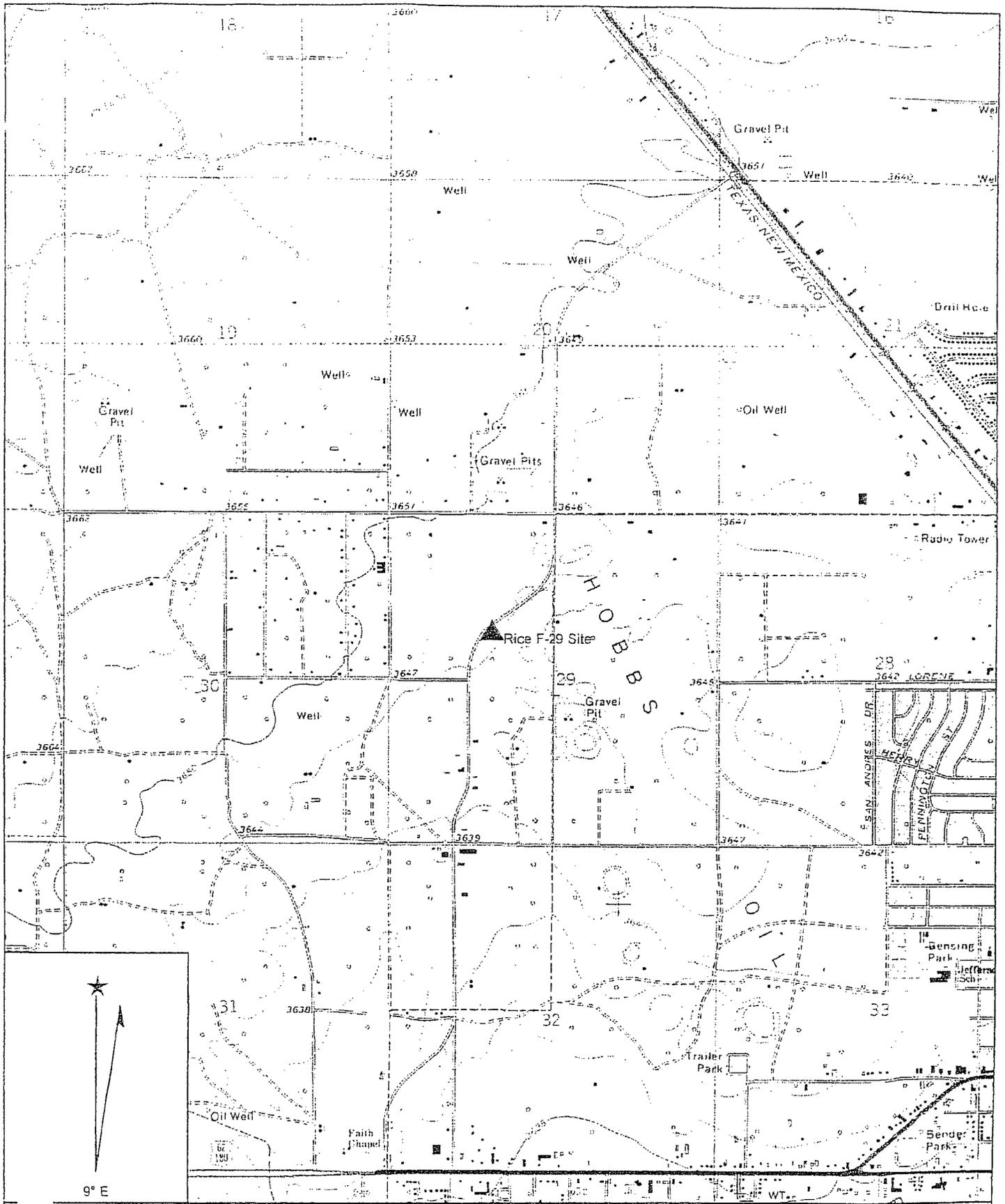
F-29 Monitor Well	Na (mg/L)	Ca (mg/L)	Mg (mg/L)	K (mg/L)	Conductivity (µmhos/cm)	T-Alkalinity (mg CaCO ₃ /L)
March 23, 2001	226	142	41	11.00	1,823	228
May 7, 2001	219	139	37	9.31	1,846	230
Change	-7	-3	-4	-1.69	23	2
	Cl (mg/L)	SO ₄ (mg/L)	CO ₃ (mg/L)	HCO ₃ (mg/L)	pH (s.u.)	TDS (mg/L)
March 16, 2001	368	271	0	279	6.98	1,312
May 7, 2001	365	234	0	280	7.01	1,272
Change	-3	-37	0	1	0.03	-40

Table 2. Summary of F-29 Chemical Analyses December 2000 to August 2001 (concluded)

F-29 Monitor Well	Na (mg/L)	Ca (mg/L)	Mg (mg/L)	K (mg/L)	Conductivity (µmhos/cm)	T-Alkalinity (mg CaCO ₃ /L)
May 7, 2001	219	139	37	9.31	1,846	230
June 8, 2001	256	184	37	14.3	2,289	243
Change	37	45	0	4.99	443	13
	Cl (mg/L)	SO ₄ (mg/L)	CO ₃ (mg/L)	HCO ₃ (mg/L)	pH (s.u.)	TDS (mg/L)
May 7, 2001	365	234	0	280	7.01	1,272
June 8, 2001	513	212	0	297	6.92	1,796
Change	148	-22	0	17	-0.09	524

F-29 Monitor Well	Na (mg/L)	Ca (mg/L)	Mg (mg/L)	K (mg/L)	Conductivity (µmhos/cm)	T-Alkalinity (mg CaCO ₃ /L)
June 8, 2001	256	184	37	14.3	2,289	243
August 14, 2001	171	124	31	7.46	1,854	217
Change	-85	-60	-6	-6.8	-435	-26
	Cl (mg/L)	SO ₄ (mg/L)	CO ₃ (mg/L)	HCO ₃ (mg/L)	pH (s.u.)	TDS (mg/L)
June 8, 2001	513	212	0	297	6.92	1,796
August 14, 2001	340	133	0	264	6.76	1,385
Change	-173	-79	0	-33	-0.16	-411

Figure 1
Location Map



Name: HOBBS WEST
 Date: 8/30/2001
 Scale: 1 inch equals 2000 feet

Location: 032° 43' 17.1" N 103° 10' 23.0" W
 Caption: Rice Operation Company
 F-29 Monitor Well
 Section 29, T19S, R38E

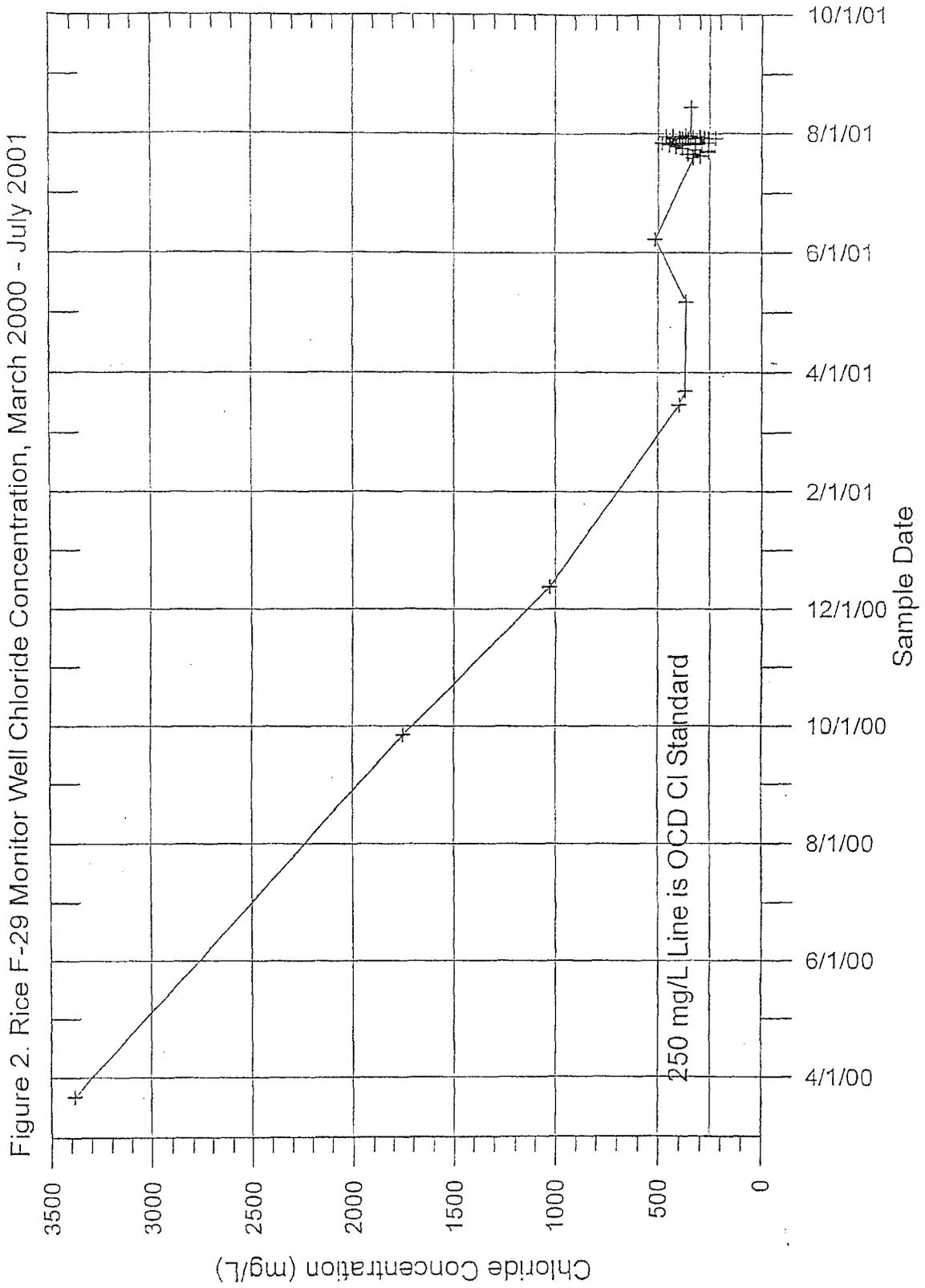
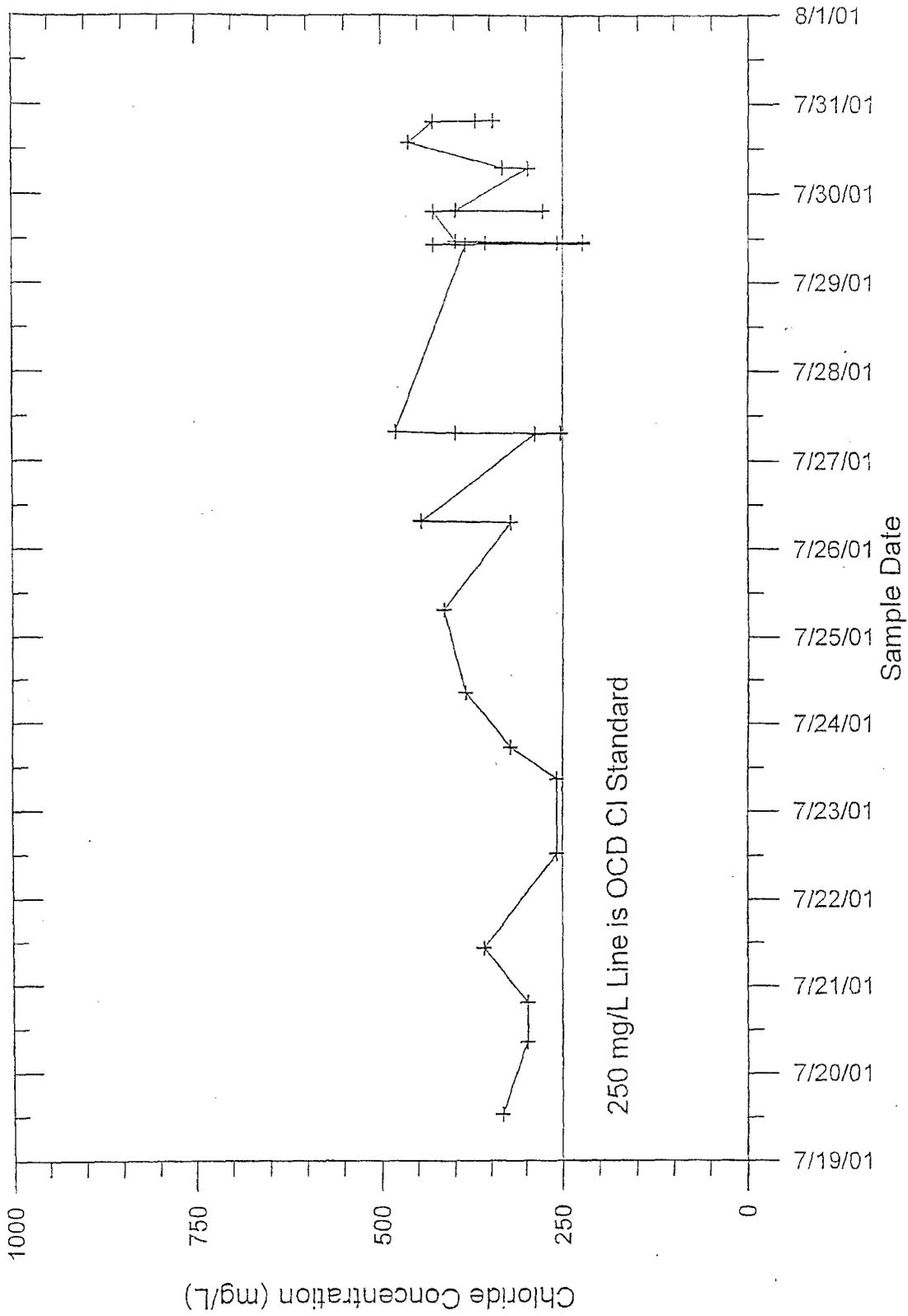


Figure 3. Rice F-29 Monitor Well Chloride Concentration, July 2001



Copies of Laboratory Analytical Results



PHONE (915) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
SAFETY & ENVIRONMENTAL SOLUTIONS, INC.
ATTN: BOB ALLEN
703 E. CLINTON, STE 103
HOBBS, NM 88240
FAX TO: (505) 393-4388

Receiving Date: 08/14/01
Reporting Date: 08/16/01
Project Owner: RICE
Project Name: F-29
Project Location: WEST COUNTY ROAD

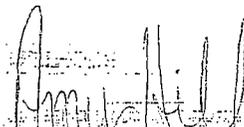
Sampling Date: 08/14/01
Sample Type: GROUNDWATER
Sample Condition: COOL & INTACT
Sample Received By: GP
Analyzed By: AH

LAB NUMBER	SAMPLE ID	Na (mg/L)	Ca (mg/L)	Mg (mg/L)	K (mg/L)	Conductivity (μ S/cm)	T-Alkalinity (mgCaCO ₃ /L)
ANALYSIS DATE:		08/15/01	08/15/01	08/15/01	08/15/01	08/15/01	08/15/01
H6077-1	WATER WELL	171	124	31	7.46	1854	217
Quality Control		1.076	47	44	5.02	1489	NR
True Value QC		1.000	50	50	5.00	1413	NR
% Recovery		108	94.9	88.5	100	105	NR
Relative Percent Difference		1.5	8.5	13.6	5.2	0.3	NR

METHODS:	273.1	8500-Ca-D	8500-Mg E	8049	120.1	310.1
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	Cl ⁻ (mg/L)	SO ₄ (mg/L)	CO ₃ (mg/L)	HCO ₃ (mg/L)	pH (s.u.)	TDS (mg/L)
ANALYSIS DATE:	08/15/01	05/12/00	08/15/01	08/15/01	08/15/01	08/15/01
H6077-1	340	133	0	264	6.76	1385
Quality Control	1001	51.06	NR	1011	6.86	NR
True Value QC	1000	50.00	NR	1000	7.00	NR
% Recovery	100	102	NR	101	98.0	NR
Relative Percent Difference	6.5	0	NR	0	0.6	NR

METHODS:	SM4500-Cl-B	375.4	310.1	310.1	150.1	160.1
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Chemist

8-16-01

Date

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.

APPENDIX D

Appendix D: Test Pumping Data Collection and Analysis

On October 16, 2006 Arc Environmental performed a step-drawdown and recovery test on MW-2, the 4-inch monitoring well at the Hobbs F-29 SWD site. The results of the testing program are provided on the attached table.

The test results show that this well can maintain a pumping rate of no more than 2 gallons per minute. MW-2 had been pumped for many years and we do not believe that any well inefficiencies associated with clogging of the filter pack or screen affects the data. The fact that the well is partially penetrating and the observed drawdown reduces the saturated thickness exposed to the well will have an effect. We conclude that a partially-penetrating well screened across the water table will exhibit a specific capacity of no less than 0.7 gallons/foot of drawdown.

Based upon these data, a recovery well completed in the upper portion of the aquifer pumping 50 barrels per day (about 1.4 GPM) will create a cone of depression commensurate with a 2-foot drawdown in the pumping well.

Using Arc Environmental's data from the recovery test as input, we implement the software package Aquifer Test Professional (Versions 3.5, Waterloo Hydrogeologic) to estimate the hydraulic conductivity of the upper portion of the aquifer. The Cooper-Bredehoeft-Papadopoulos test yielded the following results:

Hydraulic Conductivity: $3.84E-4$ m/s (108.8 ft/day)

Transmissivity: $6.63E-4$ m²/s

Storativity: $2.31E-5$

The value derived from the Cooper-Bredehoeft-Papadopoulos method agrees closely with the data employed in the Numerical simulation of groundwater flow for water rights administration in the Lea County underground water basin New Mexico (Musharrafi and Chudnoff, 1999). Musharrafi and Chudnoff estimates hydraulic conductivity of the general area at 81 to 100 feet/day. Fetter (2001) estimates hydraulic conductivities for silty to fine sands at $2.8E-2$ to 2.8 ft/day and 2.83 to 283 ft/day for medium to coarse sands. The fact that the Ogallala is generally coarser-grained near the base of the formation and finer grained near the top of the formation supports a lower estimate of hydraulic conductivity for the uppermost portion of the aquifer. We conclude that the hydraulic conductivity of the upper portion of the aquifer beneath the Hobbs F-29 SWD site is approximately 75 ft/day.

References:

Fetter, C.W., 2001. Applied Hydrogeology, 4th Edition. Page 85, Table 3.7 Prentice Hall.
Musharrafi, G., and Chudnoff, M. 1999. Numerical simulation of groundwater flow for water rights administration in the Lea County underground water basin New Mexico. New Mexico Office of the State Engineer. Technical Report 99-1.