

1R - 426-03

**GENERAL
CORRESPONDENCE**

1
YEAR(S):
2006



Infrastructure, environment, facilities

2006 JUN 14 PM 12 52

Wayne Price
New Mexico Oil Conservation Division
Director, Environmental Bureau
1220 So. Saint Francis Drive
Santa Fe, New Mexico 87505

ARCADIS G&M, Inc.
1004 North Big Spring Street
Suite 300
Midland
Texas 79701
Tel 432 687 5400
Fax 432 687 5401
www.arcadis-us.com

Sent Certified Return Receipt # 7002 2410 0001 5812 9688

ENVIRONMENTAL

Subject:

Rice Operating Company Blinebry-Drinkard Junction Box Sites K-27-1 and K-27-N,
Proposed Monitor Wells

Date:
12 June 2006

Dear Wayne:

Contact:
Sharon E. Hall

On behalf of Rice Operating Company (ROC), ARCADIS is respectfully notifying you of our intent to drill two additional monitor wells at each of the above-referenced locations. We also request your approval to combine these two sites into one site due to their close proximity to each other (Figure 1). The combined sites will be known as the K-27 sites.

Phone:
432 687-5400

Email:
shall@arcadis-us.com

Based on the evaluation of the monitor well data for these sites further delineation of groundwater impacts is necessary before developing and submitting a corrective action plan. As indicated in the annual reports for these sites submitted in March 2006, soils were excavated at each site, a 20-mil plastic liner installed at a depth of 3 feet below ground surface and the excavation backfilled and contoured. While soil impacts have been addressed, elevated concentrations of chlorides and total dissolved solids are detected in the monitor well at each site. ARCADIS proposes to install two additional monitoring wells at each of the former junction box locations for a total of four additional monitoring wells at the combined K-27 site (Figure 2). The monitor wells will be constructed, developed and sampled in accordance with United States Environmental Protection Agency and New Mexico Oil Conservation Division standards. It is our intent to drill these wells in conjunction with other drilling scheduled to begin on May 30, 2006.

Our ref:
MT000834

Imagine the result

ARCADIS

Mr. Wayne Price
12 June 2006

Your consideration of and concurrence with this request is appreciated. If you have any questions or comments please call me at (432) 687-5400 or Kristin Farris Pope at (505) 393-9174 or contact us via e-mail.

Sincerely,

ARCADIS G&M, Inc.

Sharon E. Hall

Sharon E. Hall

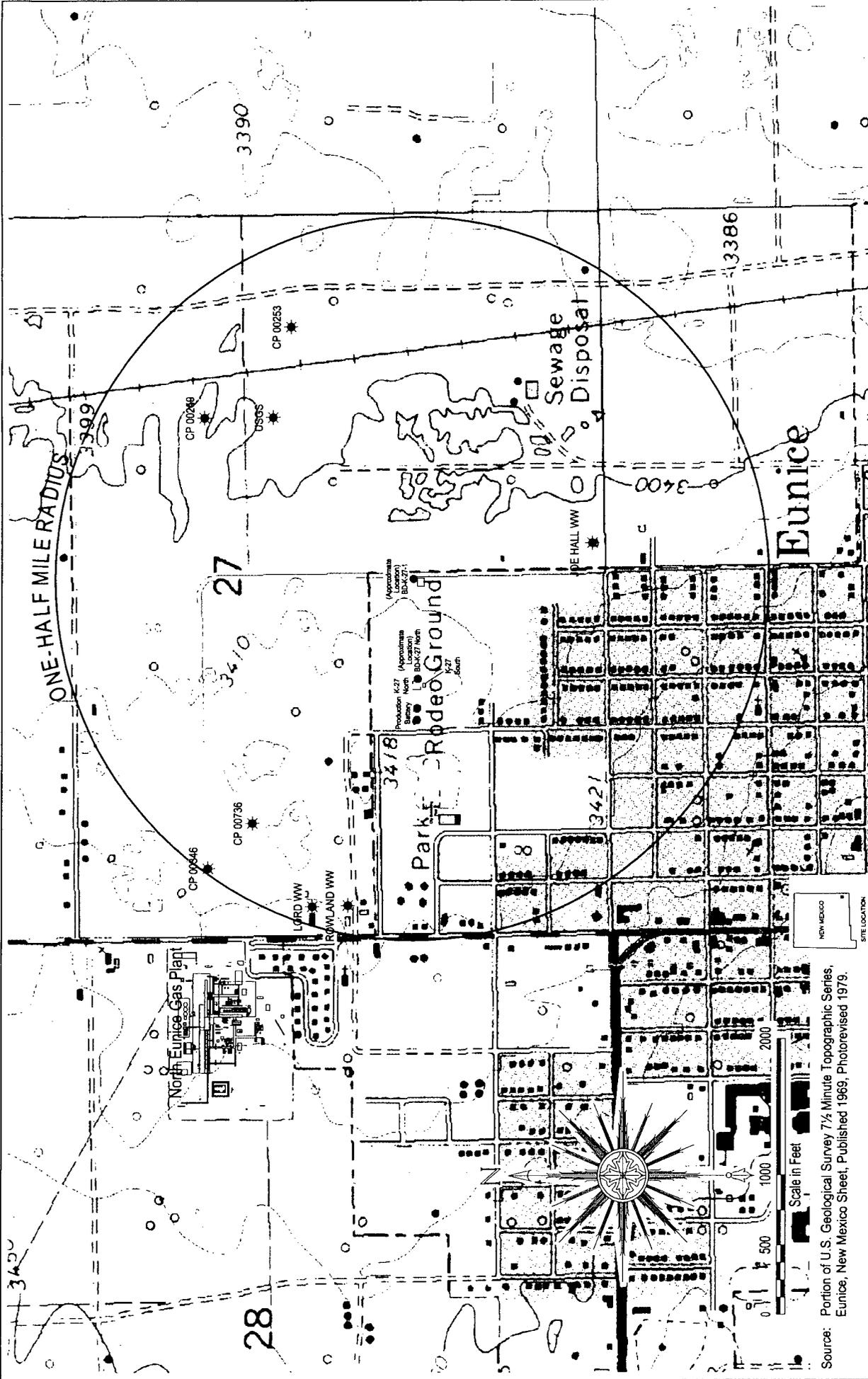
Site Evaluation Department Manager

Copies:

Kristin Farris Pope- ROC

Attachments:

Figures 1 and 2



Source: Portion of U.S. Geological Survey 7 1/2 Minute Topographic Series, Eunice, New Mexico Sheet, Published 1969; Photorevised 1979.

Area Manager
A. Schmidt
Project Manager
S. Hall
Task Manager
K. Lowrie
Technical Review
K. Lowrie



1004 North Big Spring Street
Suite 300
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www.arcadis-us.com

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Rice Operating Company
Blinbery-Drinkard K-27-1 and K-27 North Junction Box Sites

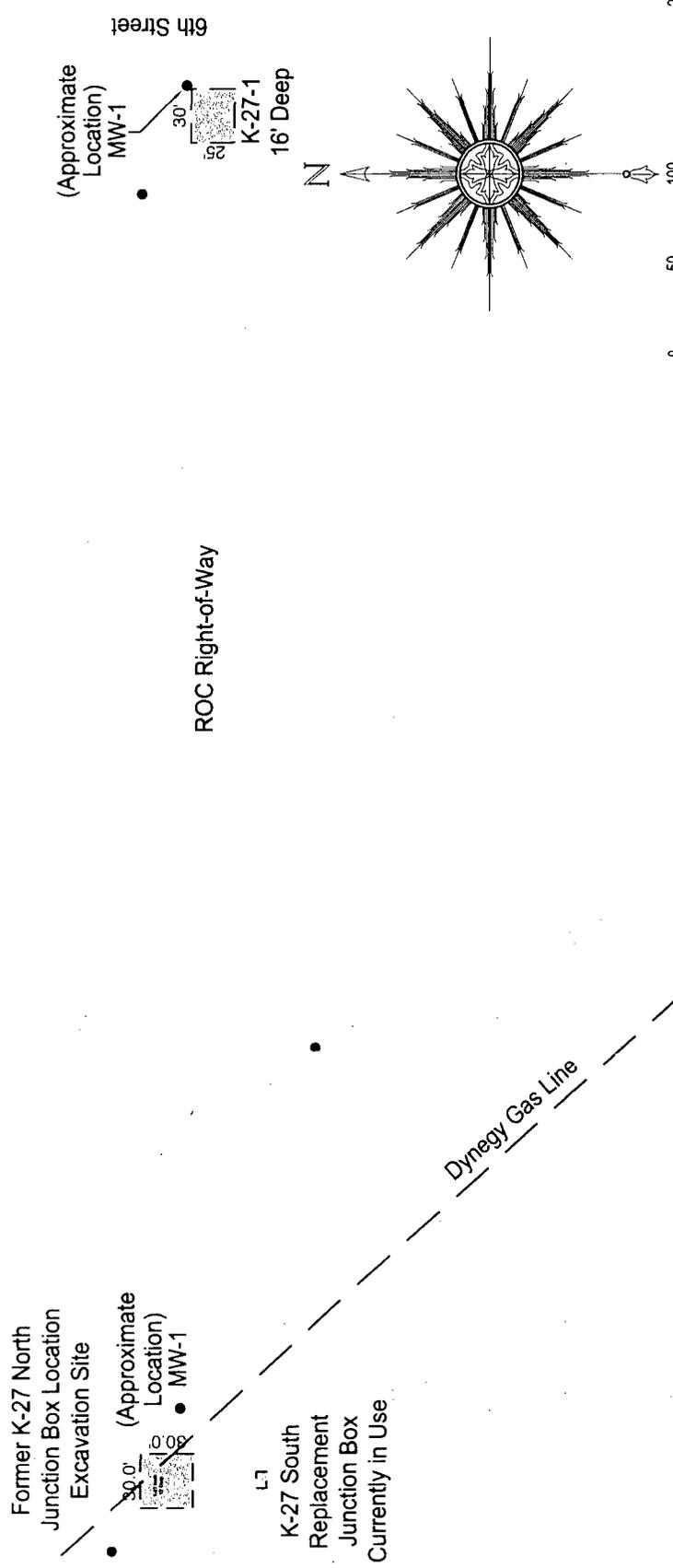
Site Location Map

Lea County, New Mexico

Project Number
MT000834.0001

Drawing Date
15 February 2006

Figure



Explanation
● Proposed Monitor Well Location

ARCADIS
 1004 North Big Spring Street
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 www.arcadis-us.com

Area Manager A. Schmidt
Project Manager S. Hall
Task Manager K. Lowrie
Technical Review S. Tischler

Rice Operating Company
 Blimebry-Drinkard K-27-1 and K-27 North Junction Box Sites

Extent and Depth of Excavations and Monitor Well Locations

Lea County, New Mexico

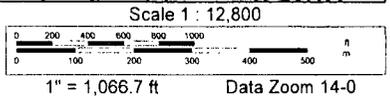
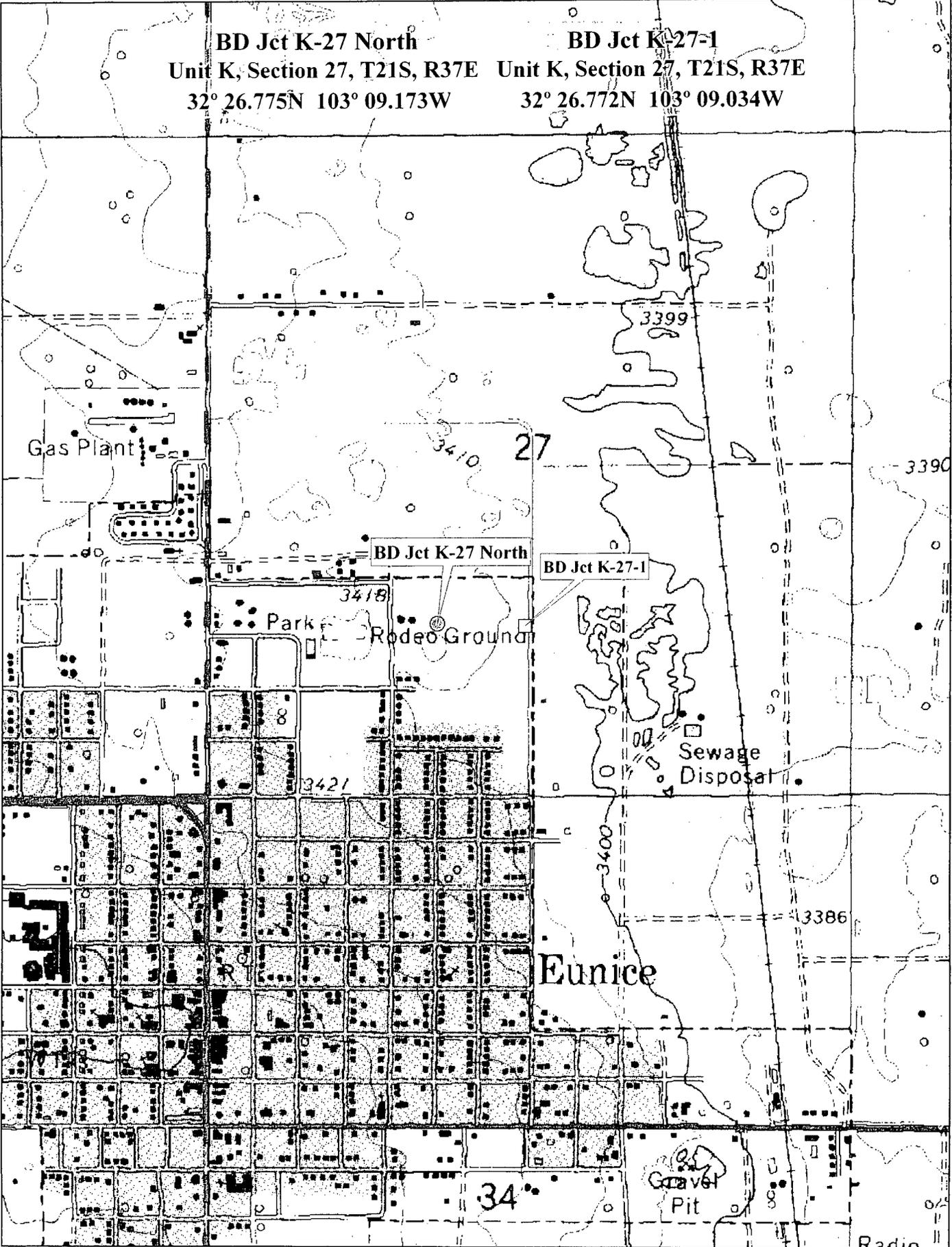
Project Number MT000834.0001
Drawing Date 15 February 2006
Figure 2



Source: Portion of U.S. Geological Survey 7 1/2 Minute Topographic Series, Eunice, New Mexico Sheet, Published 1969, Photorevised 1979.

BD Jet K-27 North
Unit K, Section 27, T21S, R37E
32° 26.775'N 103° 09.173'W

BD Jet K-27-1
Unit K, Section 27, T21S, R37E
32° 26.772'N 103° 09.034'W



RICE Operating Company

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

CERTIFIED MAIL
RETURN RECEIPT NO. 7000 1530 0005 9895 4848

RECEIVED
JUL 29 2005
OIL CONSERVATION
DIVISION

July 27, 2005

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

RE: NOTIFICATION OF GROUNDWATER IMPACT
BD JCT. K-27-1
UNIT 'K', SEC. 27, T21S, R37E

Mr. Anderson:

Rice Operating Company (ROC) hereby notifies the Director of the NMOCD, Environmental Bureau of groundwater impact in accordance with NM Rule 116. The remediation of this site may be subject to New Mexico Rule 19 procedures.

ROC is the service provider (operator) for the Blinebry-Drinkard (BD) Salt Water Disposal System and has no ownership of any portion of the pipelines, wells, or facilities. The BD System is owned by a consortium of oil producers, System Partners, who provide all operating capital on a percentage ownership/usage basis.

The K-27-1 junction box site was first investigated in May of 2003 under the NMOCD-approved Junction Box Upgrade Work Plan. Delineation activities suggested potential groundwater impact for which notice was submitted to NMOCD on June 10, 2003. On April 1, 2004 the consulting firm of Arcadis G&M, Inc. (Arcadis) of Midland, Texas submitted an Investigation Work Plan to further characterize the site and address potential groundwater concerns. NMOCD approved this work plan on November 18, 2004. Due to a close proximity, this site will be addressed in conjunction with the BD K-27 North junction box site.

Environmental remediation projects of this magnitude require System Partner AFE approval and work begins as funds are received. In general, project funding is not forthcoming until NMOCD approves the work plan. Because this Work Plan was

approved late in the calendar year, funding for this project was assigned to the 2005 AFE, which was approved by System Partners in March of 2005. At the time of approval, a drilling rig was scheduled for the soonest availability.

A delineation soil bore was initiated on May 10, 2005 where groundwater was encountered at 32.5 feet and a 2-inch monitoring well was installed to a depth of 40 feet as chloride impact was indicated by field tests. The well was sampled pursuant to NMOCD guidelines by Arcadis on July 15, 2005. Environmental Lab of Texas performed the analysis. Quarterly sampling of this monitoring well will continue.

Please accept this notification for the above-referenced site. Should you have any questions or concerns regarding this site, please do not hesitate to contact me.

RICE OPERATING COMPANY

A handwritten signature in cursive script that reads "Kristin Farris Pope".

Kristin Farris Pope
Project Scientist

cc: LBG, CDH, Arcadis G&M, file,

Mr. Chris Williams
NMOCD, District 1 Office
1625 N. French Drive
Hobbs, NM 88240

enclosures: groundwater analysis, well log, location map



WELL LOG

WELL NO.

BD K 27-1**ARCADIS**

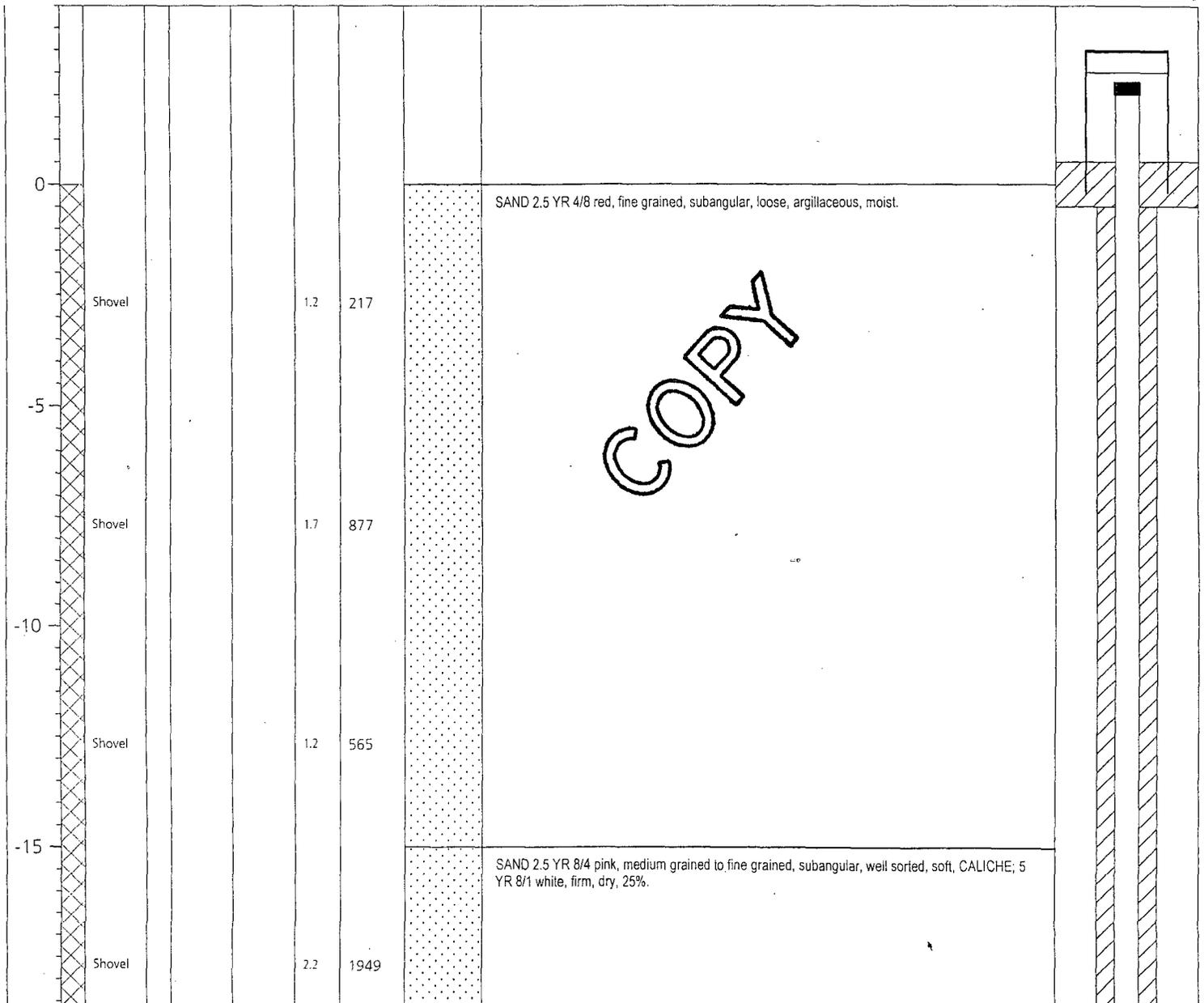
1004 N. Big Spring St. Suite 300, Midland, TX 79701-3383

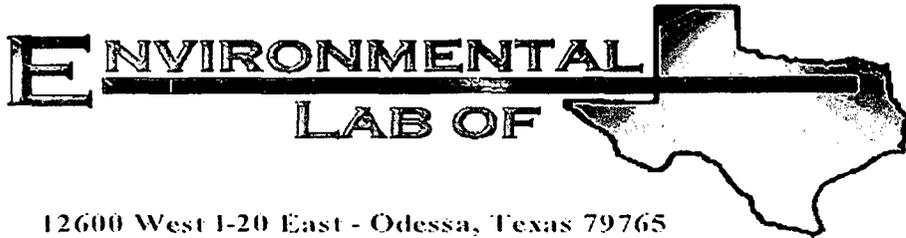
Tel: 432/687-5400 Fax: 432/687-5401

Page 1 of 2

PROJECT NUMBER: MT000834.0001	STATIC WATER LEVEL: —	MEAS. PT.: T.O.C.	DATE: —
CLIENT NAME: Rice Operating	HOLE SIZE(S): 7-7/8"	TOTAL DEPTH: -40.0'	
PROJECT NAME: Junction Boxes Investigation	SURFACE COMPLETION: 8" Locking Steel Sleeve; 4' x 4' x 6" Concrete Slab		
SITE LOCATION: Lea County, New Mexico	TYPES		
DRILLING CO: White Drilling Company	GROUT TYPE: Portland Cement	DEPTHS	
DRILLING METHOD: Rotary/Air	SEAL TYPE: Bentonite Chips	-20.0' to Surface	
SAMPLE METHOD: Shovel	SCREEN PACK: 8/16 Sand	-22.0' to -20.0'	
DATE BEGUN: 5/10/05	CASING TYPE: 4" Diameter Sch. 40 PVC Blank	-24.0' to 2.00'	
DRILLER: Bo Atkins	ELEVATION (SURF.): —	WELL SCREEN: 4" Dia. Sch. 40 PVC, 0.020" slots	-39.0' to -24.0'
LOGGER: R. Lang	ELEVATION (T.O.C.): —	PLUG BACK: —	-40.0' to -39.0'
FILE NAME: BD K 27-1.dat	UNIQUE NUMBER: 31-014-00723		

DEPTH	SAMPLED	SAMPLING METHOD	ANALYZED	MOISTURE	RECOVERY	PID READING	CHLORIDES	LITHOLOGY	DESCRIPTION	WELL INSTALLATION
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12600 West I-20 East - Odessa, Texas 79765

Analytical Report

Prepared for:

Sharon Hall

ARCADIS

1004 N. Big Spring Street

Midland, TX 79701

Project: MT000834.0001

Project Number: MT000834.0001

Location: BD-K-27-1

Lab Order Number: 5G15018

Report Date: 07/26/05

ARCADIS
1004 N. Big Spring Street
Midland TX, 79701

Project: MT000834.0001
Project Number: MT000834.0001
Project Manager: Sharon Hall

Fax: (432) 687-5401

Reported:
07/26/05 08:15

ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
MW-1	5G15018-01	Water	07/15/05 11:15	07/15/05 16:50

ARCADIS
1004 N. Big Spring Street
Midland TX, 79701

Project: MT000834.0001
Project Number: MT000834.0001
Project Manager: Sharon Hall

Fax: (432) 687-5401

Reported:
07/26/05 08:15

Organics by GC
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
MW-1 (5G15018-01) Water									
Benzene	ND	0.00100	mg/L	1	EG52101	07/20/05	07/20/05	EPA 8021B	
Toluene	ND	0.00100	"	"	"	"	"	"	
Ethylbenzene	ND	0.00100	"	"	"	"	"	"	
Xylene (p/m)	ND	0.00100	"	"	"	"	"	"	
Xylene (o)	ND	0.00100	"	"	"	"	"	"	
<i>Surrogate: a,a,a-Trifluorotoluene</i>		84.5 %	80-120		"	"	"	"	
<i>Surrogate: 4-Bromofluorobenzene</i>		85.5 %	80-120		"	"	"	"	

ARCADIS
1004 N. Big Spring Street
Midland TX, 79701

Project: MT000834.0001
Project Number: MT000834.0001
Project Manager: Sharon Hall

Fax: (432) 687-5401
Reported:
07/26/05 08:15

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

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
MW-1 (5G15018-01) Water									
Total Alkalinity	319	2.00	mg/L	1	EG51802	07/18/05	07/18/05	EPA 310.2M	
Chloride	975	25.0	"	50	EG52510	07/23/05	07/23/05	EPA 300.0	
Total Dissolved Solids	2800	5.00	"	1	EG52202	07/21/05	07/22/05	EPA 160.1	
Sulfate	624	25.0	"	50	EG52510	07/23/05	07/23/05	EPA 300.0	

Total Metals by EPA / Standard Methods
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
MW-1 (5G15018-01) Water									
Calcium	298	0.500	mg/L	50	EG52102	07/21/05	07/21/05	EPA 6010B	
Magnesium	94.5	0.0500	"	"	"	"	"	"	
Potassium	15.6	0.500	"	10	"	"	"	"	
Sodium	538	0.500	"	50	"	"	"	"	

Organics by GC - Quality Control
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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Batch EG52101 - EPA 5030C (GC)

Prepared & Analyzed: 07/20/05										
Blank (EG52101-BLK1)										
Benzene	ND	0.00100	mg/L							
Toluene	ND	0.00100	"							
Ethylbenzene	ND	0.00100	"							
Xylene (p/m)	ND	0.00100	"							
Xylene (o)	ND	0.00100	"							
<i>Surrogate: a,a,a-Trifluorotoluene</i>	19.5		ug/l	20.0		97.5	80-120			
<i>Surrogate: 4-Bromofluorobenzene</i>	17.0		"	20.0		85.0	80-120			

Prepared & Analyzed: 07/20/05										
LCS (EG52101-BS1)										
Benzene	102		ug/l	100		102	80-120			
Toluene	105		"	100		105	80-120			
Ethylbenzene	96.7		"	100		96.7	80-120			
Xylene (p/m)	190		"	200		95.0	80-120			
Xylene (o)	90.7		"	100		90.7	80-120			
<i>Surrogate: a,a,a-Trifluorotoluene</i>	19.7		"	20.0		98.5	80-120			
<i>Surrogate: 4-Bromofluorobenzene</i>	19.6		"	20.0		98.0	80-120			

Prepared: 07/20/05 Analyzed: 07/21/05										
Calibration Check (EG52101-CCV1)										
Benzene	103		ug/l	100		103	80-120			
Toluene	106		"	100		106	80-120			
Ethylbenzene	92.9		"	100		92.9	80-120			
Xylene (p/m)	190		"	200		95.0	80-120			
Xylene (o)	88.8		"	100		88.8	80-120			
<i>Surrogate: a,a,a-Trifluorotoluene</i>	19.0		"	20.0		95.0	80-120			
<i>Surrogate: 4-Bromofluorobenzene</i>	22.7		"	20.0		114	80-120			

Source: 5G15016-07 Prepared: 07/20/05 Analyzed: 07/21/05										
Matrix Spike (EG52101-MS1)										
Benzene	107		ug/l	100	ND	107	80-120			
Toluene	110		"	100	ND	110	80-120			
Ethylbenzene	96.4		"	100	ND	96.4	80-120			
Xylene (p/m)	196		"	200	ND	98.0	80-120			
Xylene (o)	94.8		"	100	ND	94.8	80-120			
<i>Surrogate: a,a,a-Trifluorotoluene</i>	19.5		"	20.0		97.5	80-120			
<i>Surrogate: 4-Bromofluorobenzene</i>	23.6		"	20.0		118	80-120			

ARCADIS
 1004 N. Big Spring Street
 Midland TX, 79701

Project: MT000834.0001
 Project Number: MT000834.0001
 Project Manager: Sharon Hall

Fax: (432) 687-5401
 Reported:
 07/26/05 08:15

Organics by GC - Quality Control
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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Batch EG52101 - EPA 5030C (GC)

Matrix Spike Dup (EG52101-MSD1)

Source: 5G15016-07

Prepared: 07/20/05 Analyzed: 07/21/05

Benzene	104		ug/l	100	ND	104	80-120	2.84	20	
Toluene	108		"	100	ND	108	80-120	1.83	20	
Ethylbenzene	93.3		"	100	ND	93.3	80-120	3.27	20	
Xylene (p/m)	192		"	200	ND	96.0	80-120	2.06	20	
Xylene (o)	87.1		"	100	ND	87.1	80-120	8.47	20	
Surrogate: a,a,a-Trifluorotoluene	18.3		"	20.0		91.5	80-120			
Surrogate: 4-Bromofluorobenzene	19.4		"	20.0		97.0	80-120			

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

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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Batch EG51802 - General Preparation (WetChem)

Blank (EG51802-BLK1)					Prepared & Analyzed: 07/18/05					
Total Alkalinity	ND	2.00	mg/L							

Calibration Check (EG51802-CCV1)					Prepared & Analyzed: 07/18/05					
Bicarbonate Alkalinity	230		mg/L	200		115	80-120			

Duplicate (EG51802-DUP1)					Source: 5G15018-01 Prepared & Analyzed: 07/18/05					
Total Alkalinity	320	2.00	mg/L		319			0.313	20	

Batch EG52202 - Filtration Preparation

Blank (EG52202-BLK1)					Prepared: 07/21/05 Analyzed: 07/22/05					
Total Dissolved Solids	ND	5.00	mg/L							

Duplicate (EG52202-DUP1)					Source: 5G15018-01 Prepared: 07/21/05 Analyzed: 07/22/05					
Total Dissolved Solids	2900	5.00	mg/L		2800			3.51	5	

Batch EG52510 - General Preparation (WetChem)

Blank (EG52510-BLK1)					Prepared & Analyzed: 07/23/05					
Sulfate	ND	0.500	mg/L							
Chloride	ND	0.500	"							

LCS (EG52510-BS1)					Prepared & Analyzed: 07/23/05					
Sulfate	11.4		mg/L	10.0		114	80-120			
Chloride	10.9		"	10.0		109	80-120			

ARCADIS
 1004 N. Big Spring Street
 Midland TX, 79701

Project: MT000834.0001
 Project Number: MT000834.0001
 Project Manager: Sharon Hall

Fax: (432) 687-5401

Reported:
 07/26/05 08:15

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

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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Batch EG52510 - General Preparation (WetChem)

Calibration Check (EG52510-CCV1)

Prepared & Analyzed: 07/23/05

Sulfate	10.8		mg/L	10.0		108	80-120			
Chloride	11.1		"	10.0		111	80-120			

Duplicate (EG52510-DUP1)

Source: 5G15018-01

Prepared & Analyzed: 07/23/05

Chloride	1040	25.0	mg/L		975			6.45	20	
Sulfate	660	25.0	"		624			5.61	20	

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Reported:
 07/26/05 08:15

Total Metals by EPA / Standard Methods - Quality Control
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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Batch EG52102 - 6010B/No Digestion

Blank (EG52102-BLK1)

Prepared & Analyzed: 07/21/05

Calcium	ND	0.0100	mg/L							
Magnesium	ND	0.00100	"							
Potassium	ND	0.0500	"							
Sodium	ND	0.0100	"							

Calibration Check (EG52102-CCV1)

Prepared & Analyzed: 07/21/05

Calcium	1.94		mg/L	2.00		97.0	85-115			
Magnesium	1.79		"	2.00		89.5	85-115			
Potassium	2.04		"	2.00		102	85-115			
Sodium	1.86		"	2.00		93.0	85-115			

Duplicate (EG52102-DUP1)

Source: 5G15018-01

Prepared & Analyzed: 07/21/05

Calcium	311	0.500	mg/L		298			4.27	20	
Magnesium	92.9	0.0500	"		94.5			1.71	20	
Potassium	15.4	0.500	"		15.6			1.29	20	
Sodium	549	0.500	"		538			2.02	20	

ARCADIS
1004 N. Big Spring Street
Midland TX, 79701

Project: MT000834.0001
Project Number: MT000834.0001
Project Manager: Sharon Hall

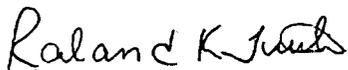
Fax: (432) 687-5401

Reported:
07/26/05 08:15

Notes and Definitions

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

Report Approved By:



Date: 7/26/2005

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

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

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

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

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

Client: ARCADIS

Date/Time: 7/15/05 16:00

Order #: 5615018

Initials: CR

Sample Receipt Checklist

	Yes	No	
Temperature of container/cooler?			-2.0 C
Shipping container/cooler in good condition?	<input checked="" type="checkbox"/>	No	
Custody Seals intact on shipping container/cooler?	<input checked="" type="checkbox"/>	No	Not present
Custody Seals intact on sample bottles?	<input checked="" type="checkbox"/>	No	Not present
Chain of custody present?	<input checked="" type="checkbox"/>	No	
Sample Instructions complete on Chain of Custody?	<input checked="" type="checkbox"/>	No	
Chain of Custody signed when relinquished and received?	<input checked="" type="checkbox"/>	No	
Chain of custody agrees with sample label(s)	<input checked="" type="checkbox"/>	No	
Container labels legible and intact?	<input checked="" type="checkbox"/>	No	
Sample Matrix and properties same as on chain of custody?	<input checked="" type="checkbox"/>	No	
Samples in proper container/bottle?	<input checked="" type="checkbox"/>	No	
Samples properly preserved?	<input checked="" type="checkbox"/>	No	
Sample bottles intact?	<input checked="" type="checkbox"/>	No	
Preservations documented on Chain of Custody?	<input checked="" type="checkbox"/>	No	
Containers documented on Chain of Custody?	<input checked="" type="checkbox"/>	No	
Sufficient sample amount for indicated test?	<input checked="" type="checkbox"/>	No	
All samples received within sufficient hold time?	<input checked="" type="checkbox"/>	No	
VOC samples have zero headspace?	<input checked="" type="checkbox"/>	No	Not Applicable

Other observations:

Variance Documentation:

Contact Person: - _____ Date/Time: _____ Contacted by: _____

Regarding:

Corrective Action Taken:

Jeanne McMurrey

From: "Hall, Sharon E." <Shall@arcadis-us.com>
To: "Jeanne McMurrey" <jeanne@elabtxas.com>
Sent: Monday, July 18, 2005 8:03 AM
Subject: RE: BD-K-27-1 sample

Yes, TDS also. Thank you!

From: Jeanne McMurrey [mailto:jeanne@elabtxas.com]
Sent: Friday, July 15, 2005 4:27 PM
To: Hall, Sharon E.
Subject: Re: BD-K-27-1 sample

Hi Sharon,
We received your sample for BD-K-27-1. I just wanted to check to see if you needed TDS on this as well.
Let me know when you have the chance.
Thanks,
Jeanne

Jeanne McMurrey
Environmental Lab of Texas I, Ltd.
12600 West I-20 East
Odessa, Texas 79765
432-563-1800

--
This message has been scanned for viruses and dangerous content by MailScanner at BasinBroadBand.com, and is believed to be clean.

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