

1R - 1488

REPORTS

DATE:

7-31-06

RICE Operating Company

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

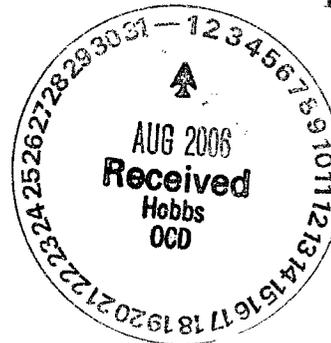
RECEIVED

AUG 11

July 31, 2006

Patricia Caperton
NMOCD Hobbs Office
1625 N. French Drive
Hobbs, New Mexico 88240

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505



RE: FINAL C-141 AND CLOSURE
I-31 Leak
BD Salt Water Disposal System
UL/I SEC 31 T22S R38E

Dear Ms. Caperton:

Rice Operating Company (ROC) discovered an accidental discharge on the above mentioned site on 9/26/2002. Due to Tex New Mex pipeline construction rocks punctured a hole in ROC's 2" PVC pipeline thus releasing 7 barrels of produced water.

An initial C-141 was submitted on 9/27/2002. Regional groundwater information shows that the approximate depth to groundwater is greater than 100 ft bgs. Vegetation appears healthy with little or no stress from this incident. No further action is warranted and ROC is requesting closure with this Final C-141.

ROC is the service provider (operator) for the BD SWD System and has no ownership of any portion of the pipe line, well or facility. The BD System is owned by a consortium of oil producers called System Partners who provide all operating capital on a percentage/usage basis.

If you have any questions regarding this closure request, please contact me at (505) 631-2532.

RICE OPERATING COMPANY

A handwritten signature in black ink that reads "Jennifer A. Johnson".

Jennifer Johnson
Environmental and Field Technician

CC: KP, file

Enclosed: Copy of initial C-141, Final C-141, and photos

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised October 10, 2003

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

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company: Rice Operating Company	Contact: Jennifer Johnson
Address: 122 West Taylor	Telephone No.: 505-393-9174
Facility Name: BD	Facility Type: Salt Water Gathering System

Surface Owner: D.K. Boyd	Mineral Owner:	Lease No.:
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
I	31	22S	38E					Lea

Latitude: _____ Longitude: _____

NATURE OF RELEASE

Type of Release: Produced Water	Volume of Release: 7 barrels	Volume Recovered:
Source of Release: PVC pipeline	Date and Hour of Occurrence: 9/26/02 4:30 pm	Date and Hour of Discovery: 9/26/02 4:30 pm
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour:	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse:	

If a Watercourse was Impacted, Describe Fully.*

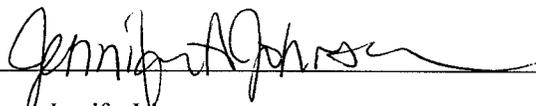
Describe Cause of Problem and Remedial Action Taken.*

Due to Tex New Mex pipeline construction ROC's PVC was cracked. A vacuum truck was used to pick up standing fluid.

Describe Area Affected and Cleanup Action Taken.*

1,100 square feet affected. The site has naturally attenuated.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: 	OIL CONSERVATION DIVISION	
Printed Name: Jennifer Johnson	Approved by District Supervisor:	
Title: Environmental and Field Technician	Approval Date:	Expiration Date:
E-mail Address: jjohnson@riceswd.com	Conditions of Approval:	
Date: 7/31/06	Phone: 505-393-9174	Attached <input type="checkbox"/>

* Attach Additional Sheets If Necessary

District I
P.O. Box 1980, Hobbs, NM 88241-1980
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
OPERATOR'S MONTHLY REPORT

Form C-141
Originated 2/13/97

Submit 2 copies to
Appropriate District
Office in accordance
with Rule 116 on
back side of form

**Release Notification and Corrective Action
OPERATOR**

Initial Report Final Report

Name Rice Operating Company	Contact Chris Rodriguez
Address 122 West Taylor Hobbs, NM 88240	Telephone No. 505-393-9174
Facility Name Blinebry Drinkard SWD System	Facility Type System line

Surface Owner D. K. Boyd	Mineral Owner	Lease No.
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South line	Feet from the	East/West Line	County
I	31	22S	38E					LEA

NATURE OF RELEASE

Type of Release Produced water	Volume of Release 7 bbls	Volume Recovered None
Source of Release 2" PVC pipe	Date and Hour of Occurrence 9-26-02 4:30 pm	Date and Hour of Discovery 9-26-02 4:30 pm
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully. (Attach Additional Sheets If Necessary)

Describe Cause of Problem and Remedial Action Taken. (Attach Additional Sheets If Necessary).

The padding around the line contained rocks that were backfilled from a pipeline crossing that belonged to Tex New Mex.
The rocks punctured a hole in the line releasing 7 bbls of produced water.

Describe Area Affected and Cleanup Action Taken. (Attach Additional Sheets If Necessary).

1,100 square feet was affected. The 2" PVC line was repaired.
No cleanup will be performed at the time due to a landowner dispute.
ROC will cleanup the site as soon as the matter is resolved.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and /or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and /or regulations.

Signature: 	OIL CONSERVATION DIVISION		
Printed Name: Chris Rodriguez	Approved by District Supervisor:		
Title: Environmental Technician	Approval Date:	Expiration Date:	
Date: September 27, 2002	505 393-9174	Conditions of Approval:	Attached <input type="checkbox"/>



BD I-31 TAKEN 7/17/06

