

AP - 83

ANNUAL MONITORING REPORT

YEAR(S):
2007

RECEIVED

L. Peter Galusky, Jr. Ph.D., P.G.

2008 APR 7 PM 3 32

Texerra

March 31st, 2008

Mr. Edward Hansen

New Mexico Energy, Minerals, & Natural Resources
Oil Conservation Division, Environmental Bureau
1220 S. St. Francis Drive
Santa Fe, New Mexico 87504

RE: **Annual Report**
Rice Operating Company –EME SWD System
C-16(1) Leak – OCD Case No. 1R0476
UL-C, Sec 16 T20S R37E **AA-83**

Sent via E-mail and U.S. Certified Mail: No. 7006 0100 0001 2438 3883

Dear Mr. Hansen:

This letter summarizes the results of investigative work completed by Texerra and Rice Operating Company (ROC) over the course of the past year in accordance with the Investigation and Characterization Plan and the subsequent Corrective Action Plan, both of which were approved by NMOCD.

ROC discovered an accidental discharge of an estimated 35 bbls of produced water at the referenced location (Figure 1) on October 12th, 2005. The surface area affected by this release was approximately 3,700 sq ft (less than 1/10th of an acre). Soil sampling undertaken by ROC on October 25th, 2005 encompassed the area of the release. Approximately 120 cu yds of chloride-contaminated soil material from the upper 6 inches of the affected area was subsequently removed and taken to the Sundance Disposal facility in Eunice, NM in February, 2006. The site was re-graded to original contours using clean soil material as backfill.

Near source and down gradient monitor wells were drilled in December, 2006 and October, 2007 (Figure 2). Soil cuttings indicated moderately elevated (640 ppm) chloride levels at the water table surface. Groundwater chloride concentrations in the near-source monitor well (MW-1) have persisted above 8,000 ppm since December, 2006 and have measured above 7,000 ppm in down gradient (MW-2) and up gradient (MW-3) monitor wells (Figure 3).

ROC submitted a Stage I Abatement Plan to NMOCD for this site on May 25th, 2007 (Figure 4) in response to NMOCD's request of March 26th (Figure 5). The key component of the proposed Plan is to evaluate the efficacy of reducing groundwater chloride mass through the limited extraction of water from the near-source monitor well, as is presently being done at Rice's Vacuum N-6-1 project (NMOCD Case No. 1R0470)

Texerra

near Buckeye, New Mexico (Figure 7). In the meantime ROC continues to monitor groundwater chloride and BTEX levels at the EME C16(1) site on a quarterly basis.

We look forward to NMOCD's review of the previously submitted Stage I Abatement Plan so that we may move forward with this measure.

Please contact either myself or Kristin Pope of ROC if you have any questions or would like to discuss any aspect of this project.

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to be 'L. Peter Galusky, Jr.', written in a cursive style.

L. Peter Galusky, Jr. Ph.D.
Principal

Encl: Site maps, soil and groundwater data, OCD correspondence

Copy: Kristin Pope, Rice Operating Company

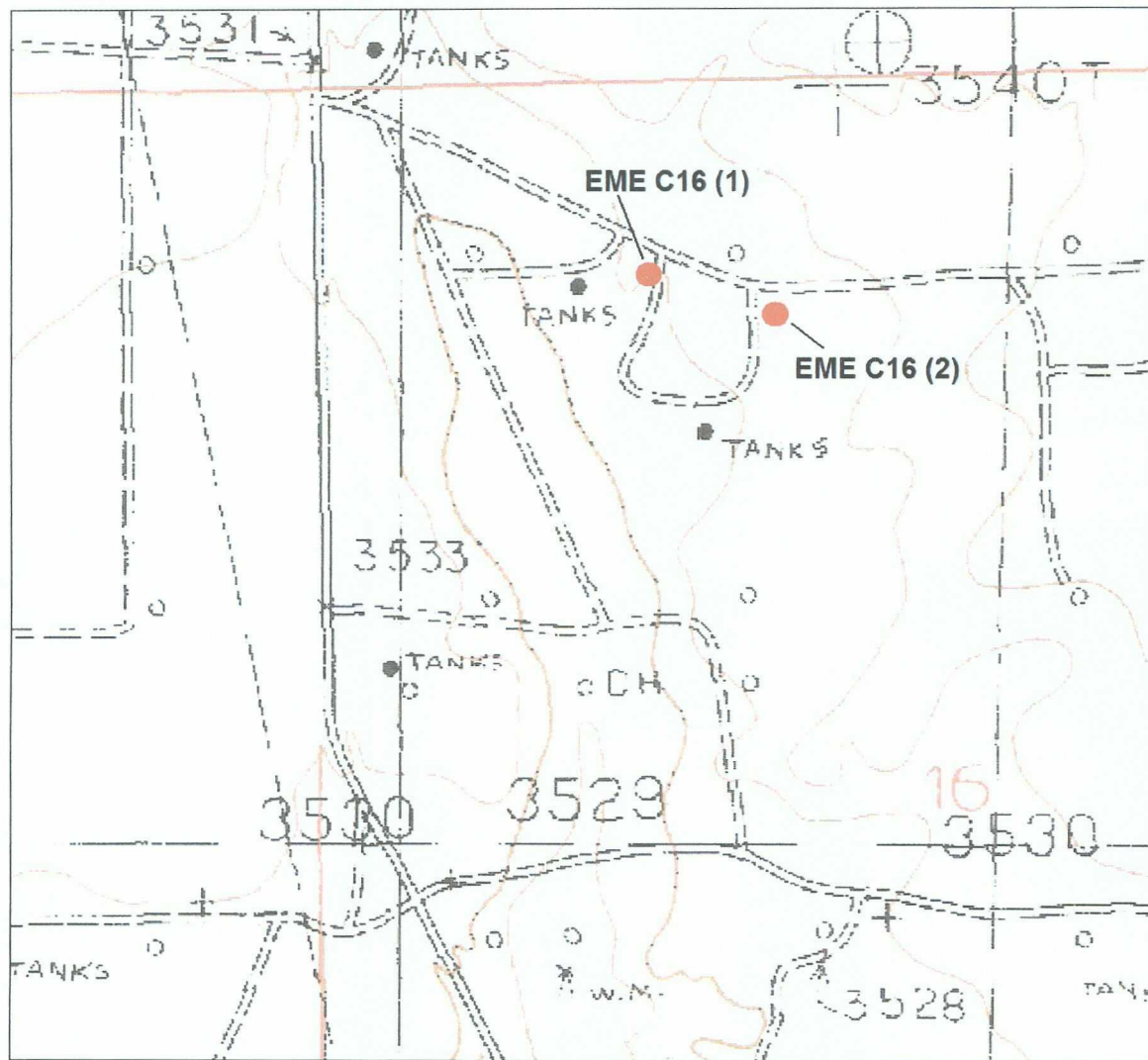


Figure 1- EME C16 (1&2) pipeline release locations. Not to scale.

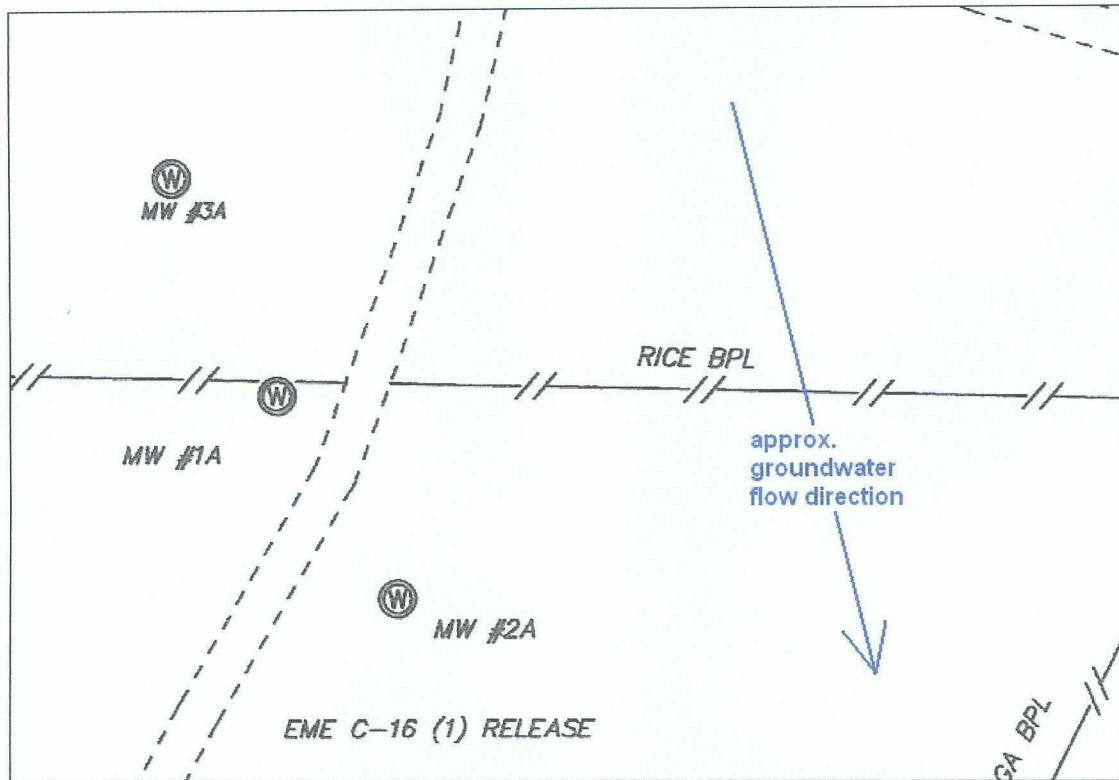


Figure 2 – EME C16(1) pipeline release monitor well locations. Not to scale.

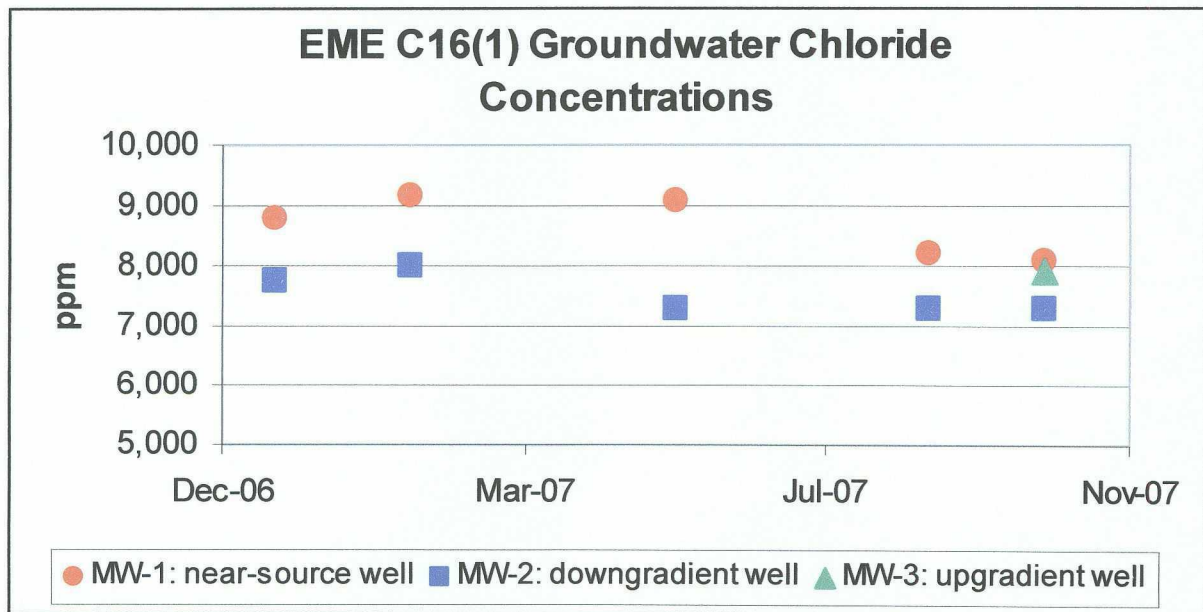
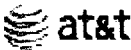

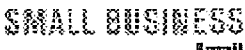


Figure 3 – EME C16(1) groundwater chloride concentrations.

Figure 4 – Record of submittal of Stage I Abatement Plan to OCD.

AT&T Yahoo! Mail - lpg@texerra.comPage 1 of 1

  
MAIL ClassicEmail

Print - Close Window

Date: Fri, 25 May 2007 14:13:20 -0700 (PDT)
From: "L. Peter Galusky, Jr. P.E." <lpg@texerra.com>
Subject: Rice Operating Company - Submittal of Stage I Abatement Plans
To: "Edward J. Hansen" <edwardj.hansen@state.nm.us>
CC: "Kristin Pope" <kpope@riceswd.com>, "Carolyn Haynes" <chaynes@riceswd.com>

Dear Edward,

Please find attached, in .pdf format, Stage I Abatement Plans for two Rice Operating Company projects: EME C16(1) and EME C16(2).

I will forward hard copies of these in the mail next week.

Thank you for your consideration.


Sincerely,


Pete G.


L. Peter Galusky, Jr. Ph.D.
Principal
Texerra
Energy Square
505 N. Big Spring, Suite 404
Midland, Texas 79701
E-mail: lpg@texerra.com
Web: www.texerra.com
Office Telephone/Fax: 877-534-9001


Attachments

Files:

 EME_C_16_1__Stage_I_Abatement_Plan_submittal_letter_05_25_.pdf (44k)


 EME_C16_1__Stage_1_Abatement_Plan.pdf (1.6MB)

 EME_C_16_2__Stage_I_Abatement_Plan_submittal_letter_05_25_.pdf (44k)

 EME_C16_2__Stage_1_Abatement_Plan.pdf (1.6MB)

http://b4.mail.yahoo.com/ym/texerra.com/ShowLetter?box=Sent&MsgId=7600_0_304929... 3/13/2008

Figure 5 – Record of OCD request for Stage I Abatement Plan.



**NEW MEXICO ENERGY, MINERALS and
NATURAL RESOURCES DEPARTMENT**

BILL RICHARDSON
Governor
Joanna Brinkup
Cabinet Secretary

Mark E. Pesumac, P.E.
Director
Oil Conservation Division

**CERTIFIED MAIL
RETURN RECEIPT NO: 3929 4432**

March 26, 2007

Kristin Farris Pope
Kee Operating Company
122 West Taylor
Hobbs, New Mexico 88340

RE: REQUIREMENT TO SUBMIT ABATEMENT PLAN

Dear Ms. Pope:

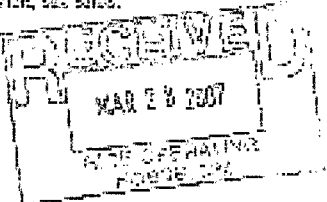
The New Mexico Oil Conservation Division (OCD) has determined after reviewing your Notification of Groundwater Impact for each of the following, as stated:

1) Rice EME Sarah Phillips EOL
Unit E, Section 33, T19N, R37E
Lee County, New Mexico
OCD Case #1R0427-17

2) Rice EME A-2
Unit A, Section 2, T20S, R36E
Lee County, New Mexico
OCD Case #1R0427-62

3) Rice EME Jn. A-2-1
Unit A, Section 2, T20S, R36E
Lee County, New Mexico
OCD Case #1R0427-157

4) Rice BE K-4
Unit E, Section 4, T19S, R36E
Lee County, New Mexico
OCD Case # 1R0450



Oil Conservation Division • 1920 State St., Santa Fe, New Mexico 87505
Phone (505) 456-5145 • Fax (505) 456-5467 • <http://www.oilconservation.state.nm.us>

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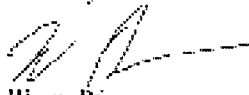
- 5) Rice EME C-16 (1)
Unit C, Section 16, 1205, R37E
Lea County, New Mexico
OCD Case #, R0476
- 6) Rice EME C-16 (2)
Unit C, Section 16, 1205, R37E
Lea County, New Mexico
OCD Case #, R0477

For the Rice Operating Company (ROC) must submit for each of the sites a separate Stage 1 Abatement Plan in accordance with OCD Rule 19 (19.15.1.19 NMAC) to investigate the ground water contamination at each of these sites. The Stage 1 Abatement Plan must be submitted to the OCD Santa Fe Office with a copy provided to the OCD Hobbs District Office and must meet all the requirements specified in OCD Rule 19 (19.15.1.15 NMAC), including, but not limited to, the public notice and participation requirements specified in Rule 19G. The Stage 1 Abatement Plan is due sixty (60) days from the receipt by ROC of this written notice.

ROC's Stage 1 Abatement Plans must specifically meet all of the requirements specified in OCD Rule 19E.3, including, but not limited to, a site investigation work plan and monitoring program that will enable it to characterize the release using an appropriate number of isoc concentration maps and cross sections that depict the contamination that has been released from the sites and to provide the data necessary to select and design an effective abatement option. ROC may, if it chooses, concurrently submit a Stage 2 Abatement Plan that addresses appropriate proactive abatement options.

ROC should submit one paper copy and an electronic copy on CD for each of the Plans and for all future work plans and/or reports for each of the Plans. Please be sure to include the site and corresponding OCD Case # on each of the respective Abatement Plans. An Abatement Plan # will be assigned to each of the Plans are submitted to the OCD. If you have any questions, please contact Edward J. Hansen of my staff at (505) 476-3439 or edward.hansen@santa-fe.nm.gov.

Sincerely,



Wayne Price
Environmental Bureau Chief

WPEJH:ajh

cc: Chris Williams, OCD Hobbs District Supervisor
Larry Johnson, OCD Hobbs



Figure 6- Solar powered groundwater recovery¹ system at Rice Vacuum SWD N-6-1 location.

¹ Recovered groundwater is used for Rice Operating Company SWD system maintenance.