

1R - 426-150

REPORTS

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Texerra

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February 5th, 2010

2010 FEB -8 P 1:29

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: Remediation Termination Request - Addendum
Rice Operating Company – BD SWD System: BD Jct. P-35-1
Unit P, Section 35, T21S, R37E
NMOCD Case Number 1R426-150**

Sent via E-mail & U.S. Certified Mail w/ Return Receipt 7007 0710 0003 0305 3804

Mr. Hansen:

In follow-up to the ICP Report and Termination Request that we submitted for this project on July 27, 2009, Rice Operating Company (ROC) has withdrawn groundwater from the near-source monitor well (MW-1) at this location and sampled for chlorides, total dissolved solids (TDS) and petroleum hydrocarbons (as BTEX). In the June 8, 2009 meeting between ROC and the NMOCD, OCD requested that the site be pumped in order to better understand the source of the slightly elevated chloride levels that have been observed (averaging 339 ppm since October 2008). The site location is given in Figures 1 & 2, below.

A total of 208 bbls of groundwater were withdrawn from August through November 2009 (Figure 3). Assuming an aquifer porosity of 30% and a mixing depth of 10 ft, the amount of water withdrawn is equivalent to the removal of all of the groundwater within an 11 ft radius of the well. The location of this monitor well is at/near the up-gradient edge of the former junction box (Figure 4). It would be reasonable to expect that the withdrawal of this much water would entrain a substantial volume of up (and lateral/side) gradient groundwater. Therefore, the analysis of this water would serve to provide an indication of the quality of groundwater that is flowing onto and across the site.

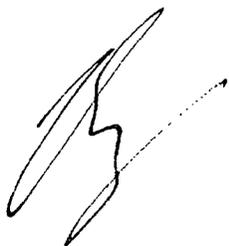
Groundwater chloride concentrations remained relatively constant over the course of groundwater withdrawal, fluctuating within the typically observed range of variation of field sampling and laboratory analysis (Figure 5). This indicates that the former junction box location is not impacting groundwater. It may also be noted that BTEX has never been detected from this site since groundwater sampling was initiated in August of 2008.

We believe that these results support the case for “remediation termination” or similar closure status and respectfully submit these findings for your consideration.

Rice Operating Company is the service provider (agent) for the BD Salt Water Disposal (SWD) System and has no ownership of any portion of pipeline, well or facility. The BD SWD System is owned by a consortium of oil producers, System Parties, who provide all operating capital on a percentage ownership/usage basis.

We greatly appreciate your consideration of this request.

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.

Copy: Rice Operating Company

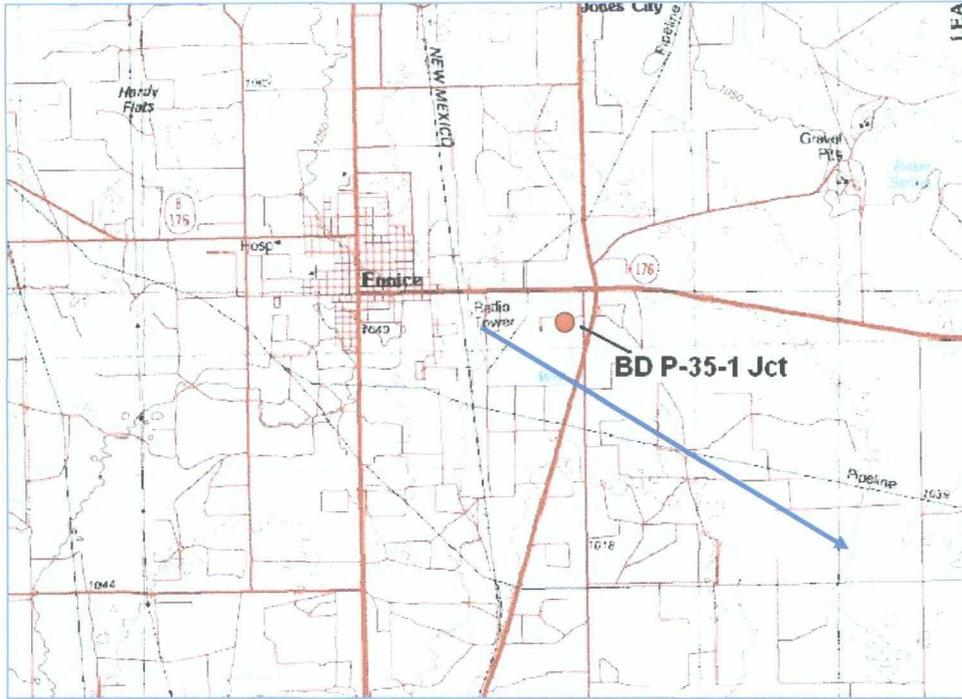


Figure 1 – BD Jct. P-35-1 location on 1:100,000 scale USGS topographic map. The blue arrow shows the presumed direction of groundwater flow (toward the southeast).



Figure 2 – BD Jct. P-35-1 location shown (white arrow) on aerial photograph.

BD P-35-1

DATE: As Listed	WELL # /SAMPLE LOCATION	Water Removed (gallons)
8/9/2009	MW1	390
8/15/2009	MW1	390
8/22/2009	MW1	390
8/29/2009	MW1	390
9/7/2009	MW1	390
9/12/2009	MW1	390
9/20/2009	MW1	420
9/26/2009	MW1	420
10/5/2009	MW1	195
10/9/2009	MW1	215
10/12/2009	MW1	115
10/14/2009	MW1	270
10/16/2009	MW1	300
10/19/2009	MW1	240
10/21/2009	MW1	120
10/23/2009	MW1	315
10/26/2009	MW1	300
10/28/2009	MW1	120
10/30/2009	MW1	300
11/2/2009	MW1	400
11/4/2009	MW1	280
11/9/2009	MW1	300
11/11/2009	MW1	300
11/13/2009	MW1	600
11/16/2009	MW1	300
11/18/2009	MW1	200
11/20/2009	MW1	300
11/23/2009	MW1	200
11/25/2009	MW1	200

Total 8,750 gals
" 208 bbls

Figure 3 – BD Jct. P-35-1 MW-1 pumping log.

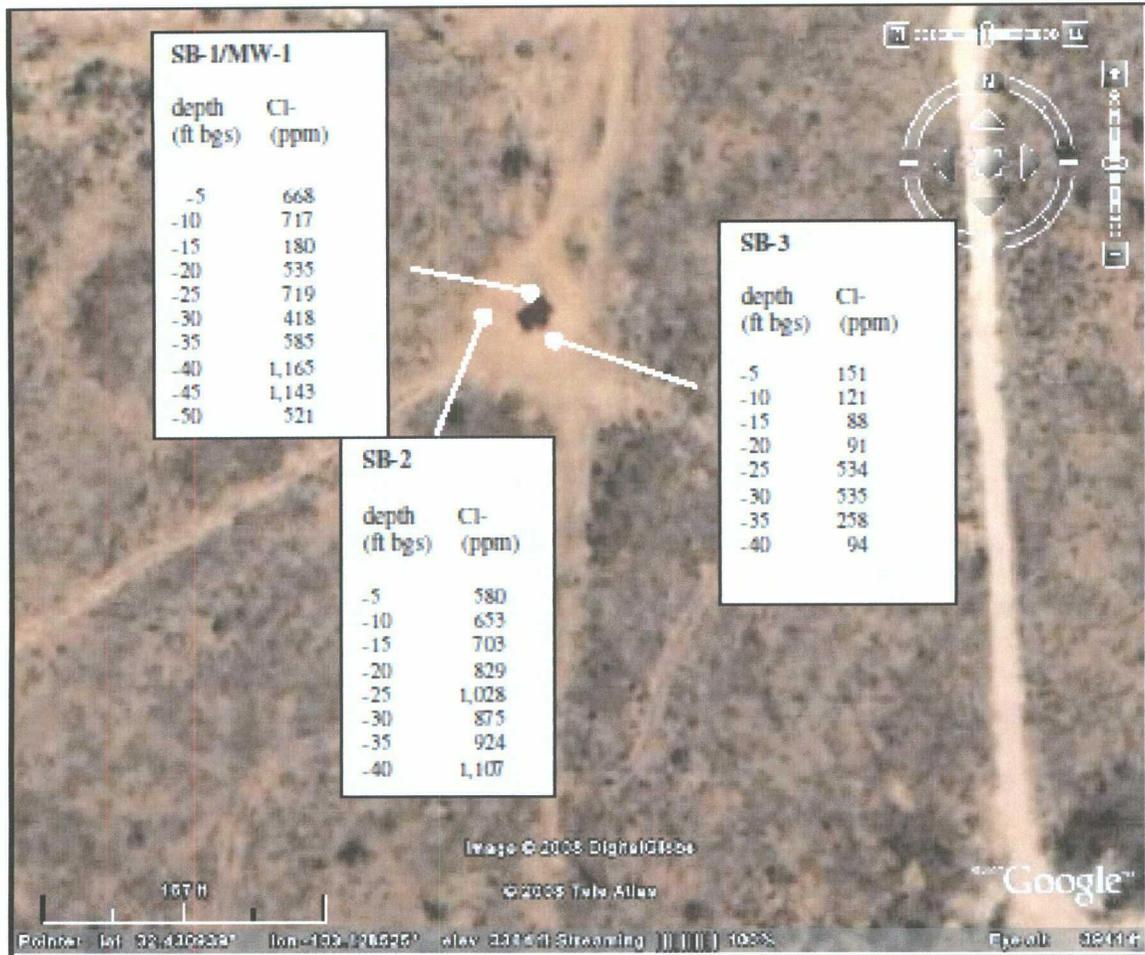


Figure 4 – BD Jct. P-35-1 locations of soil borings and monitor well. Residual soil chloride values measured in September 2008 are shown versus their respective depths.

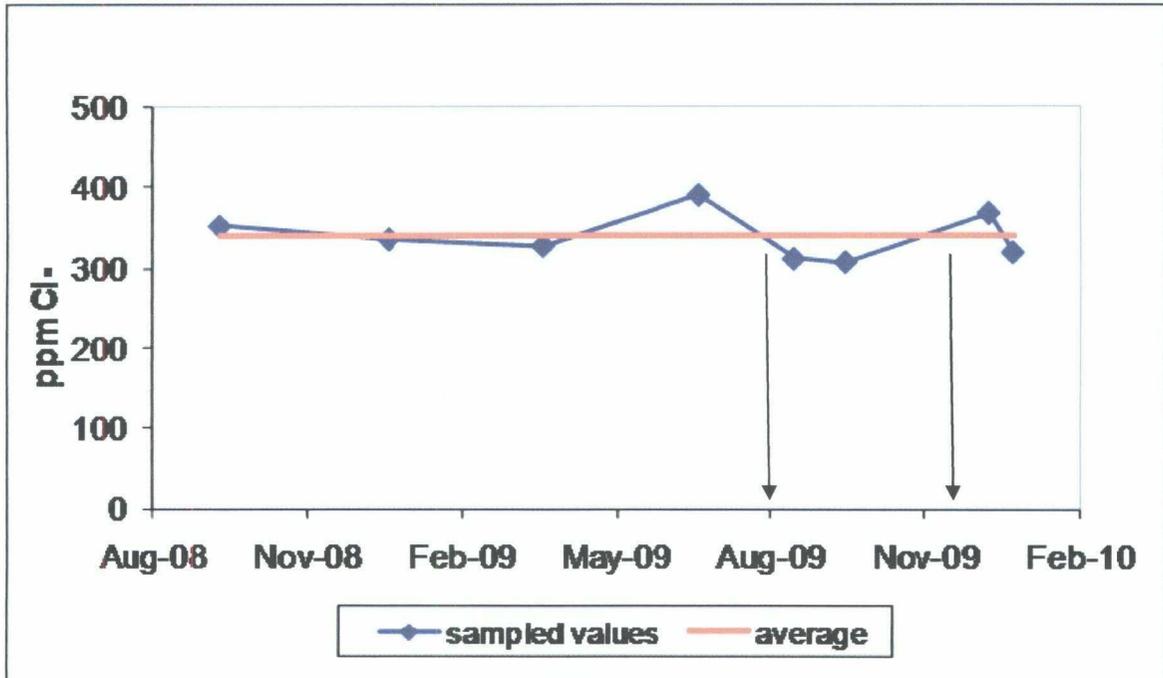


Figure 5 – BD Jct. P-35-1 groundwater chloride concentrations. Arrows indicate dates during which a total of 208 bbls of groundwater were extracted.