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REPORTS

DATE:

3/27/2006

RICE Operating Company

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Phone: (505)393-9174 • Fax: (505) 397-1471

1R0423

CERTIFIED MAIL
RETURN RECEIPT NO. 7005 1820 0001 6804 8132

March 27, 2006

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

RE: JUNCTION BOX UPGRADE REPORT for 2005
JUSTIS SWD SYSTEM
Lea County, New Mexico

Mr. Price:

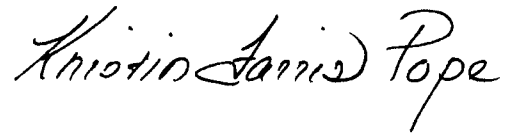
Rice Operating Company (ROC) takes this opportunity to submit the Junction Box Upgrade results for the year 2005. Enclosed is a disclosure report for the junction box completed in 2005. This box is located in the Justis Salt Water Disposal (SWD) System. Junction box upgrades in 2006 will be conducted in conjunction with scheduled line replacements; 4 boxes are expected to be replaced.

Enclosed are the 2005 results from the PID/BTEX study described in the NMOCD-approved Revised Junction Box Upgrade Work Plan (July 16, 2003). This comparison study is ongoing and data will continue to be collected in 2006. From the data collected thus far, no definitive conclusions can be drawn from the composite methods analyzed. An analysis of ROC's 2005 chloride field tests compared to chloride laboratory analysis is also enclosed. The study of this data continues to validate the accuracy of the chloride field tests employed by ROC.

ROC is the service provider (operator) for the Justis SWD System and has no ownership of any portion of the pipeline, well, or facility. The System is owned by a consortium of oil producers, System Partners, who provide all operating capital on a percentage ownership/usage basis. Replacement/closure projects of this magnitude require System Partner AFE approval and work begins as funds are received.

Thank you for your consideration of this Junction Box Upgrade Report for 2005.

RICE OPERATING COMPANY

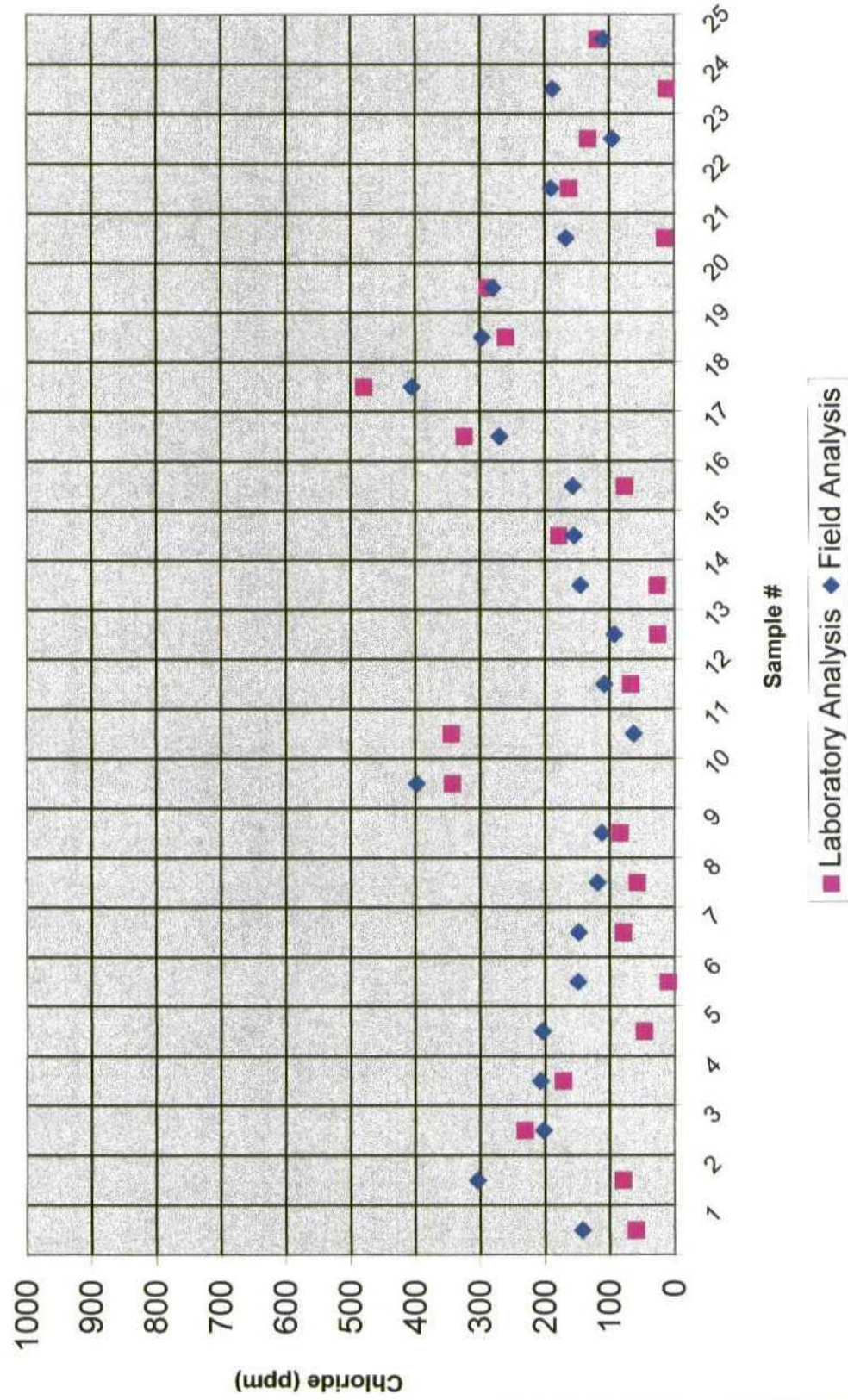
A handwritten signature in cursive script that reads "Kristin Farris Pope".

Kristin Farris Pope
Project Scientist

enclosures as stated

cc: LBG, CDH, Rob Roy Industries, file, Mr. Chris Williams
NMOCD, District I Office
1625 N. French Drive
Hobbs, NM 88240

Chloride Field Test vs. Laboratory Analysis 2005



Laboratory vs. Field Chloride Test Results 2005

Sample #	Location	Date	Location of Sample	LABORATORY analysis (ppm)	FIELD analysis (ppm)
1	Vacuum jct. M-25	7/13/05	grab @ 8 ft	59.3	142
2	Vacuum Southwestern VC EOL	8/11/05	bottom grab @ 12 ft	79.2	304
3	Vacuum Exxon St. 'J' EOL	7/13/05	grab @ 9 ft	231	202
4	Vacuum jct. F-30	7/13/05	grab @ 8 ft	172	207
5	EME Amerada Mattern EOL	6/17/05	bottom comp. @ 12 ft	46.9	204
6	Vacuum K-33 vent	9/1/05	bottom grab @ 7 ft	9.63	149
7	Vacuum Chevron 4-27 EOL	7/28/05	bottom grab @ 10 ft	78.9	148
8	EME jct. G-5-1	6/22/05	vertical Grab @ 12 ft	57.4	119
9	EME El Paso EOL	6/22/05	vertical @ 12 ft	83.7	112
10	Vacuum Mack Energy EOL	8/29/05	bottom comp. @ 12 ft	343	398
11	BD jct. A-35	10/4/05	vertical @ 8 ft	344	63
12	Vacuum jct. G-33	9/13/05	vertical @ source 6 ft	67.1	108
13	Vacuum Phillips 'B' Santa Fe EOL	9/6/05	vertical @ source 6 ft	25.7	93
14	Vacuum jct. N-30	9/6/05	vertical @ 13 ft	26.3	145
15	Vacuum OXY Swigart EOL	9/19/05	vertical @ 3 ft	178	155
16	EME jct. K-4	10/11/05	grab @ 7 ft	76.8	157
17	Vacuum jct. C-36	3/16/05	vertical @ 9 ft	324	270
18	EME Amerada St. 'Q' EOL	11/29/04	bottom comp. @ 12 ft	479	405
19	EME Burleson St. 'A' EOL	2/16/05	bottom comp. @ 12 ft	260	297
20	BD jct. K-21-1	6/11/03	vertical @ 12 ft	288	280
21	BD jct. P-26-3	10/25/05	grab @ 9 ft	14.6	167
22	EME jct. P-31	11/9/05	vertical @ source 12 ft	162	190
23	EME jct. P-2	11/7/05	bottom comp @ 12 ft	133	95.5
24	EME Conoco St. A-2A EOL	11/9/05	vertical @ 12 ft	11.6	188
25	Vacuum jct. H-27	7/29/05	vertical @ 7 ft	118	110

DIFFERENT COLORS INDICATE DIFFERENT TECHNICIAN SAMPLERS

2005 BTEX Study

Revised Junction Box Upgrade Plan (2003)

System: EME
 Site: Amerada St. 'Q' EOL

Date: 11/29/2004
 Sampler: Joe Gatts

Laboratory: Environmental Lab
 of Texas

Location	Component Sample	PID reading (ppm)	FIELD COMPOSITE (mg/kg)			
			Benzene	Toluene	Ethyl Benzene	Total Xylenes
bottom composite at 12 ft BGS	1	102.6	0.0223	0.280	0.806	3.104
	2	104.7				
	3	468.0				
	4	172.0				
	5	16.6				
			LAB COMPOSITE (mg/kg)			
			0.0201	0.243	0.811	2.706

Field PID tests <100 ppm are considered final for BTEX. If PID is >100 ppm, the components of the BTEX composite sample will be collected individually and will be composited under laboratory conditions to prevent excessive volatilization. A 15-box, 30-sample study will be made to compare field-compositing with lab-compositing BTEX samples. Composite components are collected in a skewed 'W' pattern.
 Revised Junction Box Upgrade Work Plan (July 16, 2003)

2005 BTEX Study

Revised Junction Box Upgrade Plan (2003)

System: EME
 Site: jct. A-2-1

Date: 3/2/2004
 Sampler: Gary Stark (ETGI-Hobbs)

Laboratory: Environmental Lab
 of Texas

Location	Component	PID reading (ppm)	FIELD COMPOSITE (mg/kg)			
			Benzene	Toluene	Ethyl Benzene	Total Xylenes
bottom composite at 12 ft BGS	1	1424	0.425	1.20	11.90	22.140
	2	682				
	3	1910				
	4	1869				
	5	842				

LAB COMPOSITE (mg/kg)	
1.17	28.73
1.87	17.7

4-wall composite	FIELD COMPOSITE (mg/kg)	
	1402	5.958
	0.122	4.05
	0.486	

LAB COMPOSITE (mg/kg)	
0.492	13.27
1.09	10.4

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Revised Junction Box Upgrade Work Plan (July 16, 2003)

2005 BTEX Study

Revised Junction Box Upgrade Plan (2003)

System: EME
 Site: Gilluly 'B' boot

Date: 9/16/2004
 Sampler: Joe Gatts

Laboratory: Environmental Lab
 of Texas

Location	Component Sample	PID reading (ppm)	FIELD COMPOSITE (mg/kg)			
			Benzene	Toluene	Ethyl Benzene	Total Xylenes
bottom composite at 12-18 ft BGS	1	16.9				
	2	150.0				
	3	331.0	<0.025		0.554	0.2029
	4	363.0				
	5	34.3				
			LAB COMPOSITE (mg/kg)			
			<0.025	<0.025	0.0626	0.2368

Field PID tests <100 ppm are considered final for BTEX. If PID is >100 ppm, the components of the BTEX composite sample will be collected individually and will be composited under laboratory conditions to prevent excessive volatilization. A 15-box, 30-sample study will be made to compare field-compositing with lab-compositing BTEX samples. Composite components are collected in a skewed 'W' pattern.
 Revised Junction Box Upgrade Work Plan (July 16, 2003)

2005 BTEX Study

Revised Junction Box Upgrade Plan (2003)

System: Justis
 Site: D-1 vent

Date: 12/7/2004
 Sampler: Joe Gatts

Laboratory: Environmental Lab
 of Texas

Location	Component	PID reading (ppm)	FIELD COMPOSITE (mg/kg)			
			Benzene	Toluene	Ethyl Benzene	Total Xylenes
bottom composite at 12 ft BGS	1	1523.0	0.0435	0.740	4.62	10.82
	2	18.2				
	3	219.0				
	4	0.1				
	5	0.1				

LAB COMPOSITE (mg/kg)	
0.0942	18.56

FIELD COMPOSITE (mg/kg)	
0.0181	4.023

LAB COMPOSITE (mg/kg)	
<0.025	1.555

Field PID tests <100 ppm are considered final for BTEX. If PID is >100 ppm, the components of the BTEX composite sample will be collected individually and will be composited under laboratory conditions to prevent excessive volatilization. A 15-box, 30-sample study will be made to compare field-compositing with lab-compositing BTEX samples. Composite components are collected in a skewed 'W' pattern.

Revised Junction Box Upgrade Work Plan (July 16, 2003)

2005 BTEX Study

Revised Junction Box Upgrade Plan (2003)

System: EME
 Site: Conoco A-17 EOL

Date: 10/21/2004
 Sampler: Roy Rascon

Laboratory: Environmental Lab
 of Texas

Location	Component	PID reading (ppm)	FIELD COMPOSITE (mg/kg)			
			Benzene	Toluene	Ethyl Benzene	Total Xylenes
bottom composite at 13 ft BGS	1	1433.0	<0.025	0.286	0.449	1.814
	2	55.4				
	3	4.4				
	4	2.4				
	5	4.5				

LAB COMPOSITE (mg/kg)	
<0.025	1.326

FIELD COMPOSITE (mg/kg)	
<0.025	1.551

LAB COMPOSITE (mg/kg)	
<0.025	2.073

Field PID tests <100 ppm are considered final for BTEX. If PID is >100 ppm, the components of the BTEX composite sample will be collected individually and will be composited under laboratory conditions to prevent excessive volatilization. A 15-box, 30-sample study will be made to compare field-compositing with lab-compositing BTEX samples. Composite components are collected in a skewed 'W' pattern.

Revised Junction Box Upgrade Work Plan (July 16, 2003)