

RICE *Operating Company*

122 West Taylor • Hobbs, New Mexico 88240
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October 27, 2000

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

Re: P&A Procedure for Hobbs SWD Well P-16
Sec 16, T19S, R38E, Lea County, NM

Dear Mr. Williams:

Pursuant to the NMOCD UIC Director, David Catanach, ordering the installation of plastic-lined tubing and packers in the SWD wells presently utilizing an oil-blanket, Rice Operating Company (ROC) would like to submit for approval the C-103 form for Hobbs SWD Well P-16 P&A. This well is not essential to the Hobbs SWD System and the Hobbs System Partners have elected to plug and abandon the well rather than install an injection packer.

This P&A procedure has been discussed with Gary Wink of the NMOCD Hobbs Office. The AFE for the P&A has been distributed to Hobbs System Partners and is scheduled to be funded mid-December. ROC pleads for a 60-day extension of the December 1, 2000 deadline issued by the UIC Director in order to complete the P&A of Hobbs SWD Well P-16.

ROC is the service provider (operator) for Seven Salt Water Disposal Systems in Lea County, NM: Eunice-Monument-Eumont (EME) SWD System, Blinbry Drinkard (BD) SWD System, Justis SWD System, Abo SWD System, Vacuum SWD System, Hobbs SWD System, and Hobbs East SWD System. ROC has no ownership of any portion of pipelines, wells, equipment or facilities. Each System is owned by a unique consortium of oil producers called System Partners, who provide all operating capital on a percentage ownership/usage basis. Major projects, such as this well work, require System Partner AFE approval and work begins as funds are received.

Sincerely,

RICE OPERATING COMPANY



Carolyn Doran Haynes
Operations Engineer

Cc: LBG, TG, file;

Mr. David Catanach
OIL CONSERVATION DIVISION - UIC
2040 South Pacheco Street
Santa Fe, NM 87505