

AP - 65

**STAGE 1 & 2
WORKPLANS**

DATE:

July 26, 2001

RICE Operating Company

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

CERTIFIED MAIL
RETURN RECEIPT NO. 7099 3220 0001 9928 4560

July 26, 2001

Mr. Wayne Price
NM Energy, Minerals, and Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 S. St. Francis Drive
Santa Fe, NM 87504

1R0331

01 JUL 30 PM 1:21
OIL CONSERVATION DIV

RE: REDWOOD TANK REPLACEMENT/CLOSURE PLAN FOR EME SWD SITE M-9
Unit Letter M, Sec. 9, T20S, R37E NMPM
Lea County, NM

Dear Mr. Price:

Rice Operating Company (ROC) takes this opportunity to submit the replacement/closure plan for the below-grade redwood tanks at the Eunice-Monument-Eumont (EME) Salt Water Disposal Well M-9, located in Unit M, Sec. 9, T20S, R37E, Lea County, NM. This facility is located on Fee Land owned by the S & W Cattle Company.

ROC is the service provider (operator) for the EME Salt Water Disposal System and has no ownership of any portion of pipeline, well or facility. The EME 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.

The Project AFE for the SWD M-9 Facility has been approved by the System Partners and work will commence in September 2001.

The EME SWD Well M-9 facility is included in the ROC generic closure plan for emergency pits and below-grade redwood tanks and is the ninth ROC-operated facility to apply under the generic plan. The EME SWD System will replace the below-grade redwood tanks with above-ground, fiberglass tanks (including an emergency overflow tank) set within secondary containment (poly-liner). There is no emergency overflow pit at this facility. ROC expects to close the tank area pursuant to NMOCD guidelines and the ROC generic work plan for below-

grade redwood tanks. The enclosed C-103 form addresses this intention and defines the site-specific assessment for OCD guidelines. Supporting documentation is also enclosed.

A temporary tank system will be installed at this site, and some of the disposal fluid will be diverted to an alternate disposal facility. The below-grade redwood tanks will be cleaned, dismantled and removed. The tank materials will be properly disposed at an approved oilfield waste facility and documentation will be included in the Final Closure Report.

ROC will schedule all major events with a 48-hour advance notice to the NMOCD. The Final Closure Report will follow at the end of the project.

Thank you for your consideration of this below grade redwood tank closure plan.

RICE OPERATING COMPANY



Carolyn Doran Haynes
Operations Engineer

Enclosures
cc: LBG, DA, file

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

S & W Cattle Company
P. O. Box 1800
Hobbs, NM 88241

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 87240
 District II
 811 South First, Artesia, NM 87210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised March 25, 1999

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

WELL API NO. 30-025-12801
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: Eunice Monument-Eumont (EME)
8. Well No. M-9
9. Pool name or Wildcat SAN ANDRES

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
 Oil Well Gas Well Other SWD Well

2. Name of Operator
 RICE OPERATING COMPANY

3. Address of Operator
 122 W. TAYLOR, HOBBS, NM 88240

4. Well Location
 Unit Letter M : 100 feet from the SOUTH line and 250 feet from the WEST line
 Section 9 Township 20S Range 37E NMPM LEA County

10. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3525' GL; 3537' KB

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST / CEMENT JOB <input type="checkbox"/>	
OTHER: <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

Proposed work according to NMOCD approved generic closure plan for below-grade redwood tanks: Delineate site for contamination, install temporary tank system, remove redwood tanks and clean-up location pursuant to NMOCD guidelines. Replace redwood tanks with fiberglass tanks within secondary containment. Work to begin early in September, 2001. All major events including boring, sampling events, will be coordinated to allow 48 hrs notice to NMOCD.

Information from the USGS groundwater database estimated depth to ground water at <50' and indicate closest water well to be in Unit Letter "I" of Sec. 8, T20S, R37E which is more than 1000' from the facility at SWD Well M-9. Topographic maps show no indication of surface water bodies within 1000' of the M-9 facility. A site review indicated no water sources within 1000' of M-9.

Depth to GroundWater: <50' = 20; Water source within 1000' = 0; No surface water body within 1000' = 0
 Site Assessment = 20

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Carolyn Doran Haynes TITLE OPERATIONS ENGINEER DATE 7-26-01

Type or print name CAROLYN DORAN HAYNES Telephone No. 505-393-9174
 (This space for State use)

APPROVED BY _____ TITLE _____ DATE _____
 Conditions of approval, if any:

RICE *Operating Company*

122 West Taylor · Hobbs, NM 88240

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

SITE PROFILE

Location

The Eunice Monument Eumont (EME) SWD Facility M-9 is situated approximately 3 miles south of Monument, NM. A map of the area is included in this report.

Site History

The site is used as a flow-through collection and injection facility for salt-water disposal of the EME Salt Water Disposal System. The facility used two 28' diameter below-grade redwood tanks as flow-through collection vessels. There is not an emergency overflow pit at this site because any excess water automatically diverted to SWD Well H-2. The SWD Well M-9 is located at this site. A map of the facility is included in this report.

A temporary tank system will be installed at the M-9 facility and then the two below-grade redwood tanks will be removed and properly disposed. The new fiberglass tank facility will be installed after the site vadose zone has been adequately remediated. A 30-mil polyethylene liner will provide secondary containment for the two 21.5' diameter flow-through fiberglass tanks. A 21.5' diameter fiberglass overflow tank will also be set to provide for extra containment. This upgrade is scheduled to start in September 2001 and be completed by February 2002.

Land Use

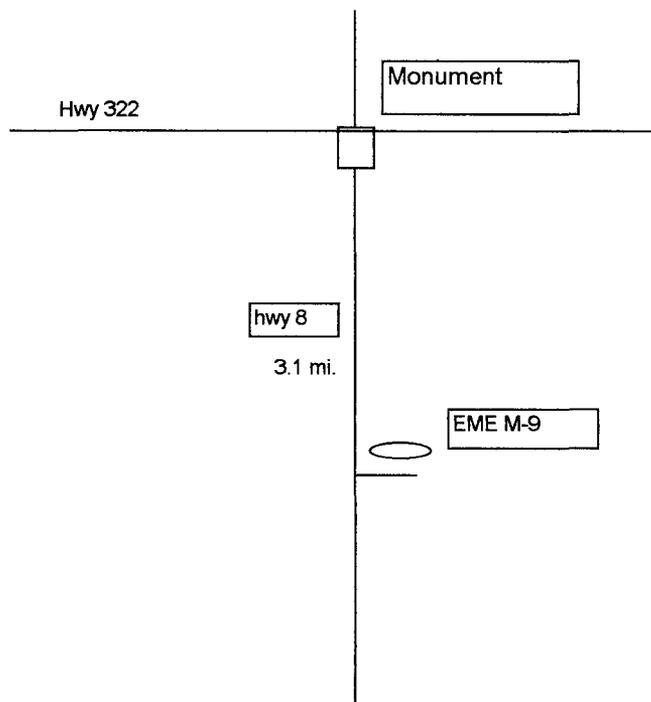
This facility is on Fee Land. The 2-acre disposal facility site lease agreement with landowner SW Cattle Company has been in effect since 1989 and will continue until 2009. The primary use of this land is oil and gas production. The topography is unremarkable.

Distance to Surface and Ground Water

There are no domestic water wells within 200' of the facility. There is an old windmill 1100' northeast of the facility. The vertical distance to groundwater at this site is estimated to be 13-40' BGS.

System: EME
Well: M-9
Legals: 9-20S-37E

From the junction of Hwy 322 and Hwy 8 in Monument go south on Hwy 8 for 3.1 miles. Turn left at cattle guard to location on left.





District I - (505) 393-6161
P. O. Box 1980
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Boscon Road
Artesia, NM 87410
District IV - (505) 827-7131

New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

Originated 6/27/97

Submit Original
Plus 1 Copy
to Santa Fe

PIT INVENTORY FORM

Operator: RICE OPERATING COMPANY

Address: 122 WEST TAYLOR

HOBBS, NEW MEXICO 88240

Phone Number: (505) 393-9174

Previous Operator(s): None

Is the pit permitted: Yes No

Unit Letter: M Sections: 9 Township: 20S Range: 37E

County: Lea County

Location Name: Eunice-Monument-Eumont Salt Water Disposal Well M-9

Number of wells to the pit: System Terminal Tanks (Varies)

Are the wells to the pit operated by one operator or multiple operators

Total daily volume (in barrels) to the pit: 4,400

Pit Type: 2-Below ground redwood terminal tanks

(Emergency Production, Workover, Reserve/Drilling (greater than 6 months old), Flame, Blowdown, Separator, Dehydrator, Line Drip, BSW/Tank Bottoms, Compressor, Pigging, Washdown, or other)

What types of wastes are accepted in the pit (Exempt, Non-exempt, Both, None): Exempt (production water)

Pit age (years): 35

Is the pit lined or unlined

Type of liner (None, Synthetic, Clay): Redwood tank resting on concrete pad

Is leak detection present: Yes No Observation boxes around tanks

Is the pit netted: Yes No Covered with redwood top

Pit dimensions (LxWxD): two-28'diaX8'Ht

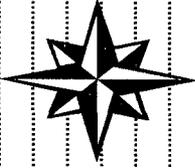
CERTIFICATION

I hereby certify that the information submitted is true and correct to the best of my knowledge and belief.

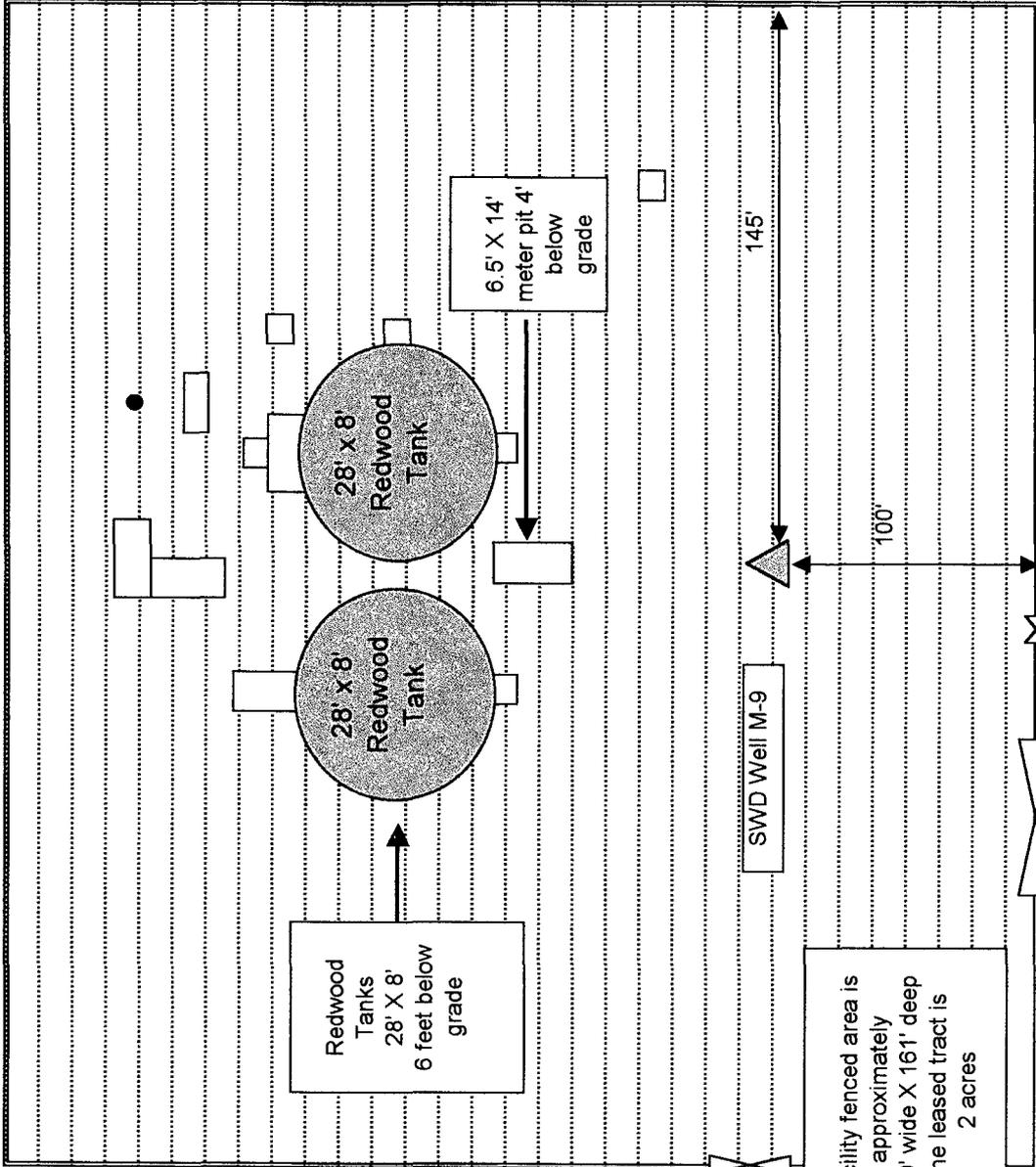
Name: Roger Hall Title: Operations Engineer

Signature: Roger Hall Date: 10/31/97

A pit is defined as any below grade or surface feature which receives any materials other than fresh water



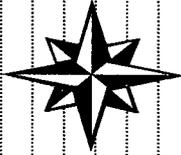
NORTH



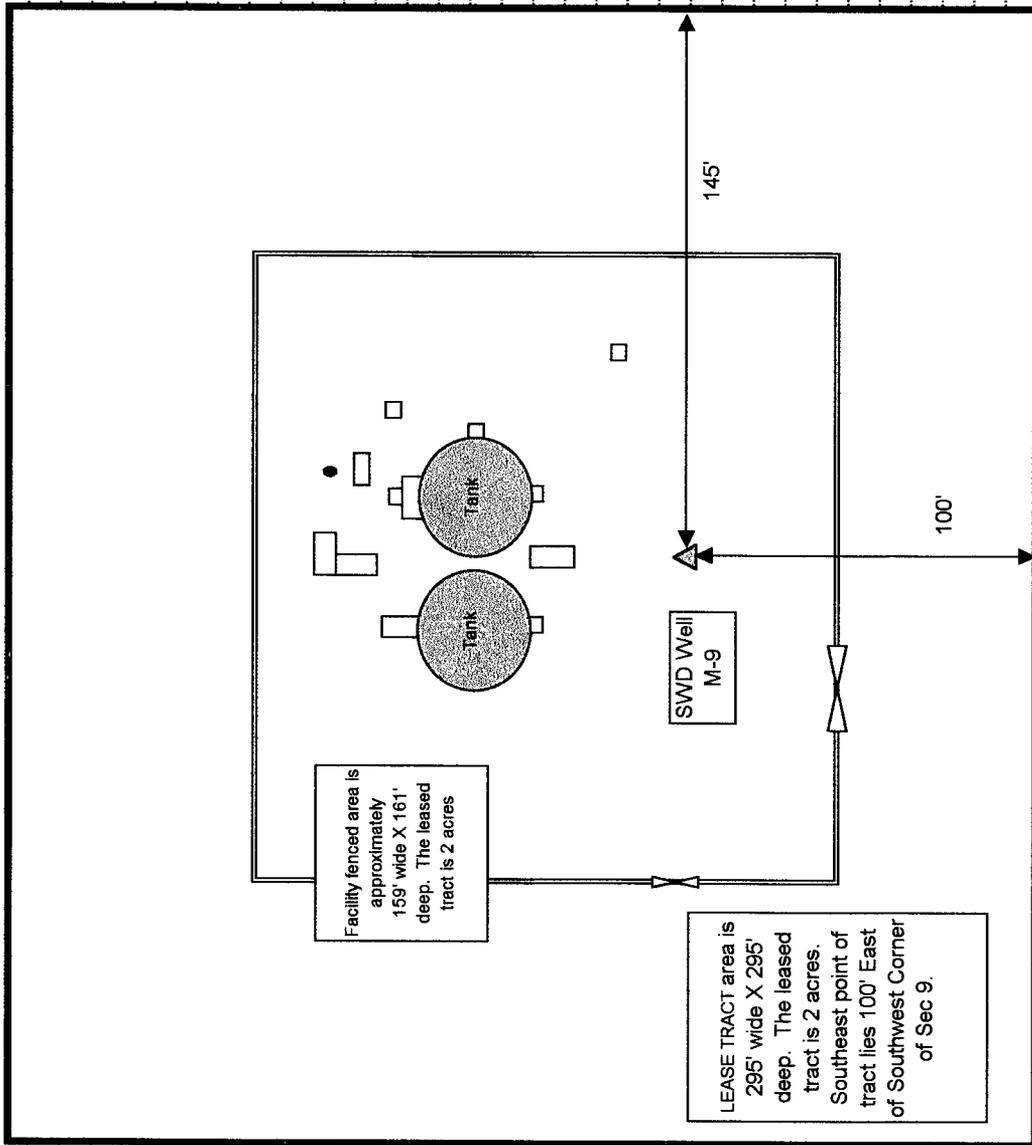
Rice Operating Company
122 West Taylor
Hobbs, NM 88240
(505) 393-9174

Original
Layout

Disposal Facility and Unloading Tank
EME SWD Well M-9
Unit Letter M, Sec 9-T20S-R37E
Lea County, New Mexico



NORTH



Facility fenced area is approximately 158' wide X 161' deep. The leased tract is 2 acres

LEASE TRACT area is 295' wide X 295' deep. The leased tract is 2 acres. Southeast point of tract lies 100' East of Southwest Corner of Sec 9.

Disposal Facility and Unloading Tank
 EME SWD Well M-9
 Unit Letter M, Sec 9-T20S-R37E
 Lea County, New Mexico

LEASE TRACT

Rice Operating Company
 122 West Taylor
 Hobbs, NM 88240
 (505) 393-9174

50282

SALT WATER DISPOSAL LEASE

THIS AGREEMENT, made and entered into this 3rd day of April, 1989, between SW CATTLE COMPANY, hereinafter called Lessor, and RICE ENGINEERING CORPORATION, hereinafter called Lessee,

WITNESSETH:

That Lessor, for and in consideration of TWO THOUSAND AND NO/100 (\$2,000.00) Dollars per annum, the receipt of which is hereby acknowledged, does hereby demise, lease and let unto Lessee, its successors or assigns, the following tract of land located in Lea County, New Mexico:

All that certain parcel or tract of land in the SW/4 of SW/4 of Section 9, Township 20 South, Range 37 East, N.M.P.M., being fully described as follows:
Beginning at a point on the section line 100 feet East of the Southwest corner of said Section 9; thence North 295 feet; thence East 295 feet; thence South 295 feet; thence West 295 feet to the point of beginning and containing two (2) acres, more or less.

together with the right of ingress and egress to and from the leased premises, for the uses and terms hereinafter set forth:

1. Lessee shall have the exclusive right to use the leased premises and a disposal well located thereon, in connection with the injection and disposal of oilfield brine and other waste water and their injection into the substrata of land; and for the digging of pits; for the erection of tanks and receptacles necessary in receiving, treating and disposing of said brine and waste water, and for the erection of structures, appliances, engines, and machinery necessary in connection with the operation of the well as a salt water disposal well. Lessor further grants Lessee the right to lay such pipelines as may be necessary to accomplish the purpose for which this lease is executed.

2. This lease shall be for a period of twenty (20) years from this date and shall terminate on the 3rd day of April, 2009, after which date the Lessee shall have the option to renew so long thereafter as the tract is used for salt water disposal. Said lease payment to be made annually and tendered by draft or check of Lessee, by U. S. Mail addressed to the Lessor at P. O. Box 1799, Hobbs, New Mexico 88241.

3. Lessee shall have the right to use the leased premises and the disposal well for the injection of oilfield brine and waste water into the substrata of said lands, whether produced on lands operated for oil and gas by Lessee or those sooperated by others.

4. Lessee agrees to pay Lessor for damages to growing crops or grasslands or livestock arising out of or incident to the exercise of the rights granted by this lease.

5. Lessee shall have the right, during the term of this lease or within six (6) months thereafter, to remove from the leased premises all materials, equipment, and personal property placed thereon by Lessee.

6. Lessee, in operating the disposal well, shall not inject the brine or other waste water into fresh water bearing sands and shall conduct its operations in accordance with rules and regulations of the Oil Conservation Division or other proper authority.

7. Counterparts of this lease or ratifications thereof may be executed by one or more parties, with the same force and effect as if all parties had joined in the execution of the same instrument.

8. The terms of this lease shall extend to and be binding on the parties hereto, their heirs, successors or assigns.

EXECUTED this 7th day of August, 1989,

W. Trent Stradley
W. Trent Stradley
President

S W CATTLE COMPANY

STATE OF NEW MEXICO }
COUNTY OF Lea }

BEFORE ME, Notary Public in and for said County and State, on this 7th day of August, 1989, personally appeared W. T. Stradley, President of S W Cattle Company, to me known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth, and in the capacity therein stated.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this date and year last above written.

GLENN V. RANNELS
NOTARY
My Commission Expires:
May 8, 1990

Glenn V. Rannels
Notary Public

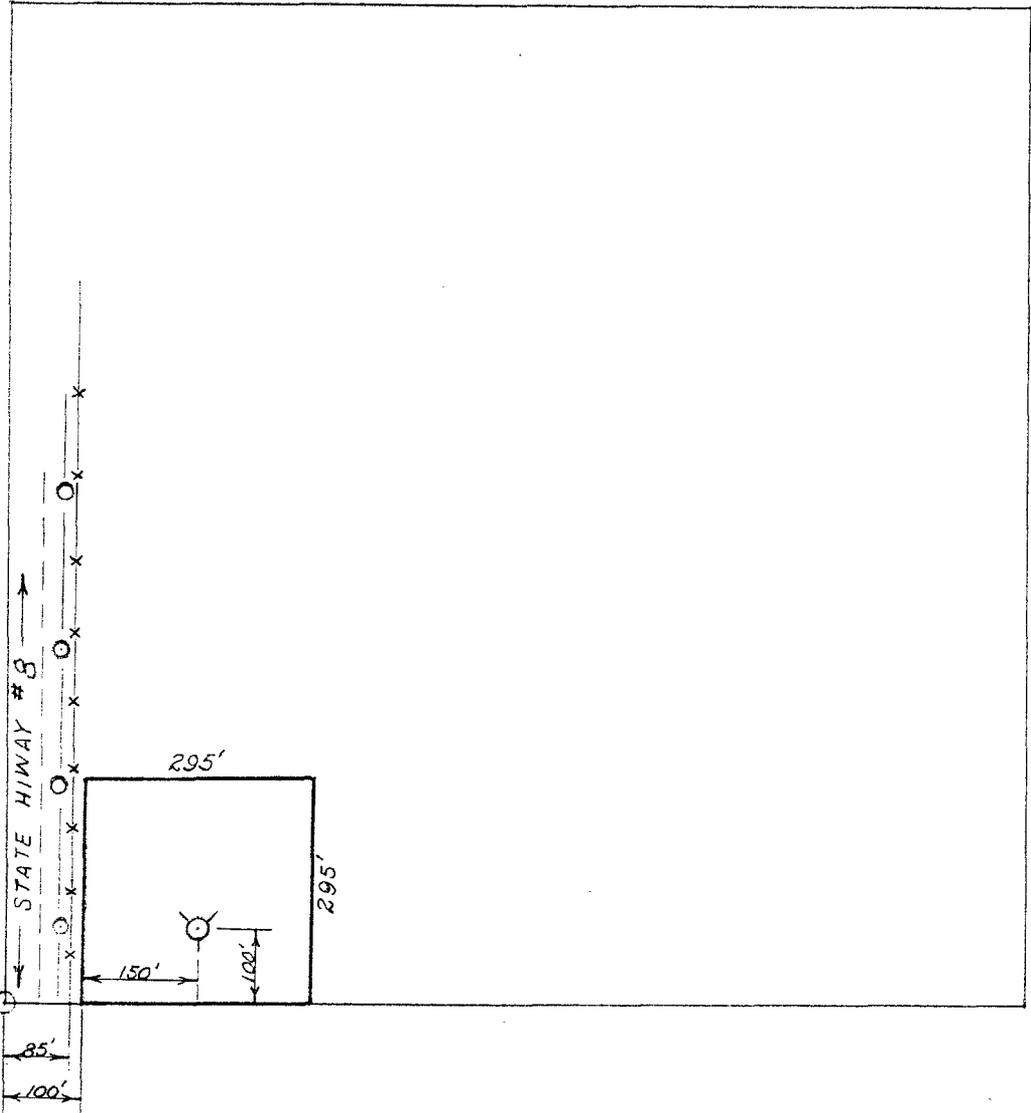
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STATE OF NEW MEXICO
COUNTY OF LEA
FILED

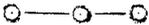
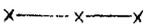
AUG 8 1989

-2-

at 12:24 o'clock P
and recorded in Book 516
Page 27
Shirley Hooper, Lea County Clerk
By Shirley Hooper Deputy



SW CORNER OF
SEC. 9 (RELOCATED)

-  PROPOSED SWD WELL M-9
-  POWER LINE
-  FENCE LINE
-  PROPOSED LEASE BOUNDARY

DWN	LBG	4/4/59	SW 1/4, SW 1/4, SECTION 9, T20S, R37E PROPOSED SWD WELL M-9	SCALE 1" = 250'
			Rice Engineering & Operating, Inc. Hobbs, New Mexico	DWG NO.