

16-8-33

RICE Engineering Corporation

122 WEST TAYLOR TELEPHONE (505) 393-9174

HOBBS, NEW MEXICO 88240

January 24, 1992

Oil Conservation Division
P. O. Box 1980
Hobbs, NM 88240
Attn: Jerry Sexton

Re: Tobac SWD System
Chaves County, NM

Gentlemen:

Rice Engineering Corporation is resigning as operator of the Tobac Salt Water Disposal System effective February 1, 1992. As of that date, the new operator will be:

Dakota Resources, Inc.
310 W. Wall, Suite 814
Midland, TX 79701

Dakota will assume responsibility for all aspects of the System, including gathering facilities and the disposal well.

If there are any questions, please feel free to contact either party.

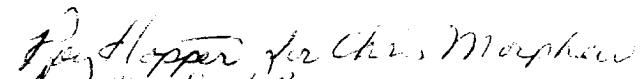
Yours very truly,

RICE ENGINEERING CORPORATION



Jerry D. Hillard
Division Manager

DAKOTA RESOURCES, INC.



Chris Morphey
President

JDH/cp