

RICE Operating Company

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June 25, 2002

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

Re: Mechanical Integrity Test (MIT)
Hobbs East SWD Well F-30
Sec 30, T18S, R39E
Lea County, New Mexico

Dear Mr. Williams:

Rice Operating Company (ROC) would like to submit for approval the final C-103 form for recent well service of Hobbs East SWD Well F-30. Authorization for perforating the P-1 Zone of the San Andres was granted by NMOCD on January 4, 2002 and the procedure was approved March 7, 2002.

The remedial work was completed June 21, 2002 with a successful MIT. The NMOCD was notified of a probable test time on June 20, but unforeseen delay caused the test to be conducted Friday, June 21. An NMOCD representative visited the site on June 20, but was not on-site to witness the MIT. The completed MIT chart accompanies the final C-103 form.

ROC is the service provider (operator) for the Hobbs East SWD System. ROC has no ownership of any portion of pipelines, wells, equipment or facilities. The Hobbs East SWD 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 or special permission and work begins as funds are received.

Sincerely,

RICE OPERATING COMPANY



Carolyn Doran Haynes
Engineering Manager

Enclosures: C-103 Form
MIT Chart

Cc: LBG, SC, file

