Submit 3 Copies to Appropriate District Office

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT I
P.O. Drawer DD, Artesia, NM 88210

DISTRICT I
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Departmen

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, New Mexico 87505

Form C-103
Revised 1-1-89

WELL API NO.

5. Indicate Type of Lease STATE [ ] FEE [X]

6. State Oil & Gas Lease No.

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)

7. Lease Name or Unit Agreement Name
Disposal

1. Type of Well: OIL WELL [ ] GAS WELL [ ] OTHER *Salt Water Disposal*

2. Name of Operator
Basin Disposal

8. Well No.
#1

3. Address of Operator
c/o Walsh Engineering, 7415 East Main Street, Farmington, NM 87402

9. Pool name or Wildcat
Undesignated Mesa Verde

4. Well Location
Unit Letter *F* : *2207* Feet From The *North* Line and *1870'* Feet From The *West* Line

Section *3* Township *29N* Range *11W* NMPM County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
5722' KB

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

11.

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK [ ]	PLUG AND ABANDO [ ]	REMEDIAL WORK [ ]	ALTERING CASING [ ]
TEMPORARILY ABANDON [ ]	CHANGE PLANS [ ]	COMMENCE DRILLING OPNS. [ ]	PLUG & ABANDONMEN [ ]
PULL OR ALTER CASING [ ]		CASING TEST AND CEMENT JOB [ ]	
OTHER: *See Below* [x]		OTHER: *See Below* [x]	

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent date, including estimated date of starting any proposed work). SEE RULE 1103.

Basin Disposal proposes to change the 2-7/8" tubing to 3-1/2" tubing as per the attached procedure. A step - rate injection test will be ru when the new tubing is installed.

MAR 2001
RECEIVED
OIL CON. DIV.
DIST. 3

mit use chart Recorded 1000# MAX SI psig
2 hour MAX clock

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

SIGNATURE *Paul C. Thompson* TITLE *Agent/Engineer* DATE *03/22/01*

TYPE OR PRINT NAME *Paul C. Thompson* TELEPHONE NO. *327-4892*

(This space for State Use)

APPROVED BY [illegible] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE MAR 2 [illegible]

CONDITIONS OF APPROVAL, IF ANY:

Walsh Engineering and Production

Workover Procedure for
Basin Disposal
Basin Disposal #1

Location: NW/4 Sec 3 T29N R11W
San Juan County, NM

Date: March 21, 2001

Field: Undesignated Mesa Verde
Surface: Fee
Minerals: Fee

Elev: GL 5710' KB 12'
5-1/2" @ 3913'
PBTD 3836'

Procedure:

1. MOL and RU completion rig. Hold safety meeting.

2. Rig up Cobra Slickline and run Model DD plug in 2-7/8" tubing. Set plug as close to the packer as possible. Halliburton Type R packer is set at 3606' KB. Bleed the pressure from the tubing to be sure the plug is set.

3. ND the tubing head. Pull the 2-7/8" up and remove the slips without releasing the packer. NU the BOP.

4. NU Cudd rig assisted snubbing unit to the top of the rig BOP. Pressure test the unit. Release the Model "R" packer by setting down and turning ¼ turn to the left, then pulling straight up. Packer was set with 10,000 tension. Snub out of the hole with 113 joints (3594.16') of 2-7/8" plastic lined tubing, Model "R" packer (4.08') and a tubing sub (3.52'). Stand the 2-7/8" tubing back in the derrick.

5. Snub in the hole with a 5-1/2" retrievable bridge plug and set at +/- 3000'. Release off from the RBP and bleed off the casing pressure. TOH and lay down the 2-7/8" tubing.

6. ND Cudd snubbing unit and rig BOP. Remove the tubing head. Remove the cap and packing from the 9-5/8" bradenhead. Pick up a 5-1/2" casing spear and catch the 5-1/2" casing. Pull on the 5-1/2" casing and remove the 5-1/2" casing slips. Remove the bradenhead.

7. Install new flanged bradenhead and tubing head. NU rig BOP and Cudd snubbing unit. Change rams in the BOP to 3-1/2".

8. Pick up the retrieving head on 3-1/2" tubing and snub in the hole. Release the RBP and snub out, standing the 3-1/2" tubing in the derrick.

9. Snub in the hole with a 5-1/2" Halliburton Model "G-6" packer with a 2.31" tubing plug in the Type "XL" On - Off tool on 3-1/2" tubing. The packer should be set within 50' of the top perf which is at 3652' KB. J off of the packer and circulate packer fluid and corrosion inhibitor in the casing annulus. Latch on to the packer and land the donut.

10. ND Cudd and the rig BOP. NU the wellhead. Retrieve the tubing plug with Cobra's slickline. Rig down and release the rig.

Conduct MIT

11. Pressure test the annulus to 750 psi. Run a bottom hole pressure gauge to 3650' and perform a step rate injection test as per NMOCD rules. Return well to service.

Paul C. Thompson, P.E.

Guidelines for conducting step-rate tests

The operator must submit a written procedure and rig-up diagram to the OCD at least 24 hours before starting the test. The procedure will contain the following information:

A description of the mechanical configuration of the well.
The history of injection pressures and volumes.
The history of any fracture treatments and pressures especially ISIP.

A bottom hole pressure recorder will be required for wells deeper than 2000' and injection rates greater than 1 BPM.

A pressure gauge and recorder of the appropriate range will be used during the test.

Wells currently injecting must be shut-in at least 24 hours before the test unless the shut-in pressures indicate that the well has not adequately stablized and a longer time is necessary.

Starting pump rates and pressures must be lower than the current rates and pressures if the well is currently injecting and there must be at least 3 steps below the .2psi/ft gradient and 3 steps above the breakover point.

Pumping equipment must be able to pump at the rates and pressures needed for the test.

Rate changes will be .5bpm or smaller unless the OCD witness determines that bigger rate changes are necessary due to small incremental increases in pressure.

Each step will be at least 15 minutes in duration unless otherwise determined by the OCD. Step duration must not be changed during the test.

The operator must have enough water on hand for the test.

The casing and bradenhead pressures will be monitored during the test.

All wellhead equipment must be rated for the anticipated pressures.