



EOG Resources, Inc.
P.O. Box 2267
Midland, TX 79702
(915) 686-3600

July 14, 2000

New Mexico Energy, Minerals & Natural Resources Department
Ms. Lori Wrotenbery, Director
2040 South Pacheco Street
Santa Fe, New Mexico 87505

REF: Sand Tank "32" S.C. No. 2 Order SWD-684 Extension
(Sec.32-T17S-R30E, Eddy Co., NM)

Dear Ms. Wrotenbery:

EOG Resources, Inc. would like to request an extension for the permission to complete the Sand Tank "32" S.C. No. 2 well into a Salt Water Disposal in Eddy County, New Mexico. No wells have been drilled within the area of review since the application was filed in October of 1997. EOG Resources, Inc. is currently in the beginning process of converting the well by selling it to another entity as a state approved SWD. EOG Resources, Inc. request a one-year extension to permit SWD-684.

If you have any questions, please contact me at (915)686-3608.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Lee Roark", written in a cursive style.

M. Lee Roark
Engineer Tech

cc: OCD-District 2



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

CORRECTED ADMINISTRATIVE ORDER SWD-684

***APPLICATION OF ENRON OIL & GAS COMPANY FOR SALT WATER DISPOSAL,
EDDY COUNTY, NEW MEXICO.***

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Rule 701(B), Enron Oil & Gas Company made application to the New Mexico Oil Conservation Division on October 27, 1997, for permission to complete for salt water disposal its Sand Tank '32' State Com Well No.2 located 1650 feet from the South line and 1650 feet from the East line (Unit J) of Section 32, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

- (1) The application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators and surface owners have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met; and
- (4) No objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED THAT:

The applicant herein, Enron Oil & Gas Company is hereby authorized to complete its Sand Tank '32' State Com Well No.2 located 1650 feet from the South line and 1650 feet from the East line (Unit J) of Section 32, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico, in such manner as to permit the injection of salt water for disposal purposes into the Wolfcamp formation at approximately 8,600 feet to 8,900 feet through 2 3/8-inch plastic-lined tubing set in a packer located at approximately 8,500 feet.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

Prior to commencing injection operations into the well, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing, or packer.

The injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 1720 psi.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Wolfcamp formation. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Artesia district office of the Division of the date and time of the installation of disposal equipment and of the mechanical integrity test so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Artesia district office of the Division of the failure of the tubing, casing, or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

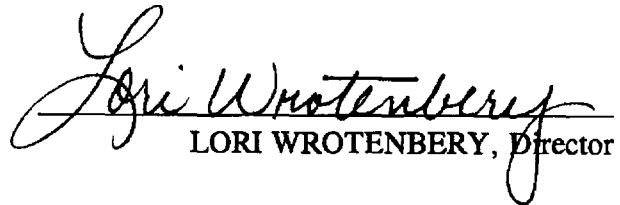
The operator shall submit monthly reports of the disposal operations in accordance with Division Rules and Regulations on Form C-115, Operator's Monthly Report.

PROVIDED FURTHER THAT, jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh water or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the injection authority granted herein.

Corrected Administrative Order SWD-684
Enron Oil & Gas Company
June 1, 1998
Page 3

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

Approved at Santa Fe, New Mexico, on this 1st day of June, 1998.


LORI WROTENBERY, Director

LW/BES/kv

xc: Oil Conservation Division - Artesia
State Land Office - Oil & Gas Division



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

July 17, 2000

Enron Oil & Gas Company
P.O. Box 2267
Midland, Texas 79702

Attention: Mr. Lee Roark

Re: Request for Extension of Implementation Period for Division Order SWD-684.

Dear Mr. Roark:

My staff has reviewed your request to extend the implementation period on the above referenced Division Order. Providing that all conditions contained in the order remain the same and there are no new wells drilled in the area of review, the expiration date of the SWD-684 is hereby extended to July 17, 2001.

In the event any drilling activity occurs in the subject area of review, Enron Oil & Gas Company will notify the supervisor of the Artesia district office and the Division office. An administrative review of the permit will be conducted, and the status of the permit will be determined.

All other provisions and conditions of SWD-684 and Division Rules 706 and 1120 shall remain in full force and effect.

Sincerely,

Lori Wrotenbery
Director

LW/MWA/kv

cc: Oil Conservation Division - Artesia
SWD-684