



marbob
energy corporation

JUL - 5 2001

CONSERVATION DIVISION

July 2, 2001

New Mexico Energy, Minerals
& Natural Resources Department
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87504

Attention: Mr. David Catanach

RE: SWD-684
Sand Tank 32 State Com #2
1650' FSL - 1650' FEL
Section 32-17S-30E
Eddy County, New Mexico

Dear Mr. Catanach:

Marbob Energy Corporation has acquired the above described well from Enron and has commenced work under the extension granted to SWD-684. Enclosed are copies of the notices we have sent to the Artesia OCD for your files. The rig is still working on the well at this time.

If you have any questions or need anything else for your files, please contact me.

Sincerely,

Raye Miller

Raye Miller
Land Department

RM/mm
Enclosures

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

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

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

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

WELL API NO. 30-015-29513
Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE
State Oil & Gas Lease No. B-4108-58
Lease Name or Unit Agreement Name SAND TANK "32" ST COM
Well No. 2
Pool name or Wildcat SAND TANK MORROW

<p align="center">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.)</p>	
Type of Well: OIL WELL	GAS WELL <input checked="" type="checkbox"/> OTHER
Name of Operator MARBOB ENERGY CORPORATION	Well No. 2
Address of Operator PO BOX 227, ARTESIA, NM 88210	Pool name or Wildcat SAND TANK MORROW
<p>Well Location Unit Letter J : 1650 Feet From The SOUTH Line and 1650 Feet From The EAST Line Section 32 Township 17S Range 30E NMPM EDDY County</p>	
<p>Elevation (Show whether DF, RKB, RT, GR, etc.) 3567' GR</p>	

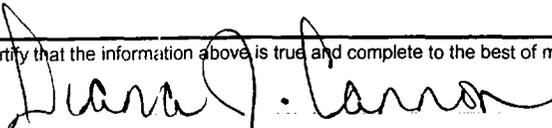
11 Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

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

PROPOSAL TO CONVERT THE ABOVE WELL TO SALT WATER DISPOSAL IN ACCORDANCE WITH OCD'S ADMINISTRATIVE ORDER SWD-684 (WORKOVER PROCEDURE ATTACHED).

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

SIGNATURE  TITLE **PRODUCTION ANALYST** DATE **07-02-01**

TYPE OR PRINT NAME **DIANA J. CANNON** TELEPHONE NO. **748-3303**

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

**Sand Tank 32-2 SWD
Sec. 32 T17S R30E
Eddy Co., NM**

**SWD Conversion
Wolfcamp Dolomite
6 June 2001**

Note:

See attached SWD Order 684. Notify OCD 24 hrs. in advance of installing injection tubing and packer. Procedure assumes that Enron did not leave any tubing in the hole.

Procedure:

1. RU packoff, run gauge ring/junk basket to 9000' and perf the Wolfcamp dolomite with 2 spf at 180 deg. phasing at the depths shown below using a 3-3/8" or 4" casing gun.

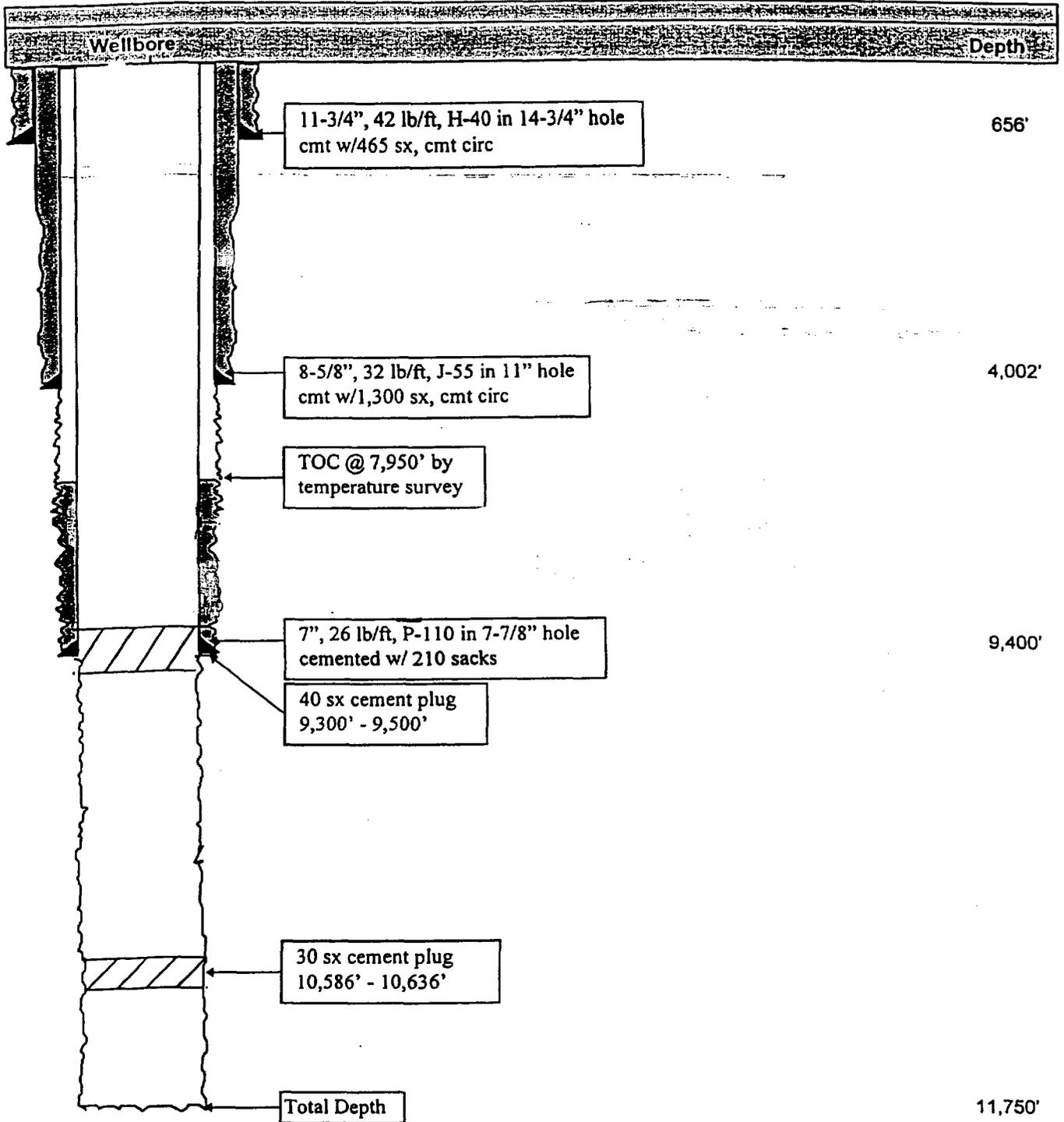
Wolfcamp: 8510-8530', 8536-8554', 8560-8566', 8618-8634', 8646-8662', 8678-8688',
8700-8706', 8780-8792', 8810-8842', 8866-8874', 8926-8950' (approx. 358 shots)

Perfs picked from Halliburton Spectral Density/Dual Spaced Neutron Log run on 7 March 2001

2. MIRU WSU, NU BOP, RIH with packer on 2-7/8"/6.5/N80/EUE work string, test annulus to 1000 psi, and RU treaters. Pump 25,000 gals. 20% HCl acid (no additives other than corrosion inhibitor) down tubing at 10-15 bpm (if can't get 10 bpm, pump at highest rate achievable while limiting treating pressure to 8000 psi). Drop a slug of blocking agent (each slug to be 1000 lbs graded rock salt in gelled 10 ppg brine) every 5000 gal acid pumped (4 x 1000 lbs = 4000 lbs salt). Flush acid with 5 frac tanks of produced water. Limit surface treating pressure to 8000 psi while holding 1000 psi on the annulus. RDMO WSU.
 - a) Corrosion inhibit acid for BHT of 150 deg. F
3. Depending on how the well takes the displacement water, decision will be made whether to run 2-7/8" or 3-1/2" injection tubing. This procedure assumes that 3-1/2" tubing will be used. GYS will need about a week to 10 days to procure tubing.
4. MIRU WSU. RIH with nickel plated 7" retrievable packer on 3-1/2"/9.3/J55/EUE internally plastic coated tubing (Tuboscope TK-69) from George Young Sales. Plastic coat all subs and crossovers used. Space out to set packer near 8450', pump 100 bbls clean fresh water containing corrosion inhibitor, biocide and oxygen scavenger down annulus, set packer, tree well up and load annulus the rest of the way to surface with clean fresh water containing corrosion inhibitor, biocide and oxygen scavenger (total annular volume is 225 bbls). Bleed air if/as necessary and test the annulus to 500 psi for 30 minutes using a chart recorder.
5. Plumb 3-1/2" x 7" annulus to surface and install a gauge so the annular pressure can be monitored. Build injection tree assembly and start water disposal. Limit injection pressure to 1700 psi.

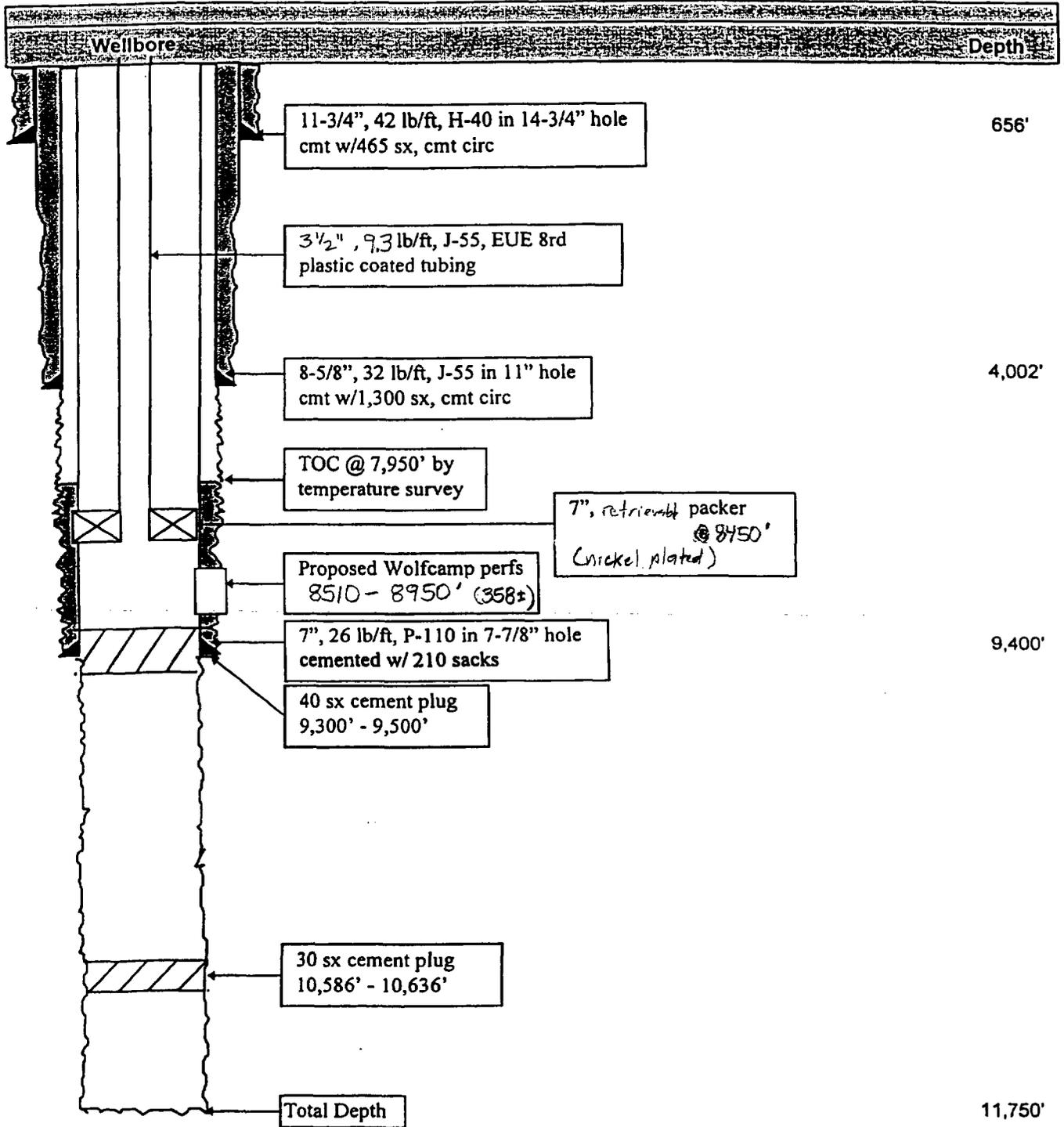
Kbc/sandtank 32 swd

III
EXHIBIT A
WELL SCHEMATIC



BEFORE

III
EXHIBIT A
WELL SCHEMATIC



AFTER



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

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

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

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

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NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK PLUG AND ABANDON
 TEMPORARILY ABANDON CHANGE PLANS
 PULL OR ALTER CASING
 OTHER:

SUBSEQUENT REPORT OF:

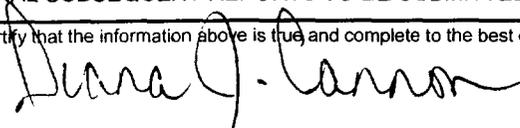
REMEDIAL WORK ALTERING CASING
 COMMENCE DRILLING OPNS. PLUG AND ANBANDONMENT
 CASING TEST AND CEMENT JOB
 OTHER:

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

6/20/01-MIRU WOU ND W/H NU BOP SWI SDFTD.
 6/21/01-RU HLS RIH W/ GAGE RING & JNK BSKT TO 8350' TAGGED UP. POOH TD WIRELINE, PU 6 1/8" BIT & 7" SCRAPER. RIH W/ L80 WORK STRING (2 7/8") TO 8392'. TAGGED UP. RU HUGHES KILL TRK & ATTEMPT TO WASH DOWN. WOULDN'T WASH. CIRC DRLG MUD OUT OF HOLE W/ PROD WTR. RD KILL TRK. POOH W/ 200 JTS TBG. SWI SDFTD.
 6/22/01-FINISH TOOH W/ TBG. LD BIT & SCRAPER. PU NEW 6 1/8" BIT, 4-4 3/4" DC'S. RIH & TAG @ 8392'. RU PWR SWIVEL & DRILL 8' CMT PLUG & FELL THRU. RIH TO 9107'. CLEAN OUT. STRINGERS OF CMT TO 9264' CIRC CLEAN. POOH LD DC'S & BT'S. SWI SDFTD.
 6/25/01-RU HLS RUN GAGE RNG & JNK BSKT TO 9200'. LOG F/ 9200-7850'. POOH LD JB & GR. PU CIBP RIH & SET @ 9200'. RU HUGHES KILL TRK LOAD & TEST CSG. NO TEST, RD WIRELINE. RD KILL TRK. PU 7" RTTS & RBP RIH TO 8500'. LEFT SWINGING SWI SDFTD.
 6/26/01-RU HALL CMT PMP TRK. SET RTTS TEST CIBP TO 1500 PSI. TEST OK. START HUNTING FOR HOLE IN CSG. FOUND HOLE @ 5227-5758'. EST INJ RATE & PMPD 180 BBL & BROKE PARTIAL CIRC. 3.5 BPM @ 2850 PSI. REL RTTS. RETRIEVED RBP. POOH LD RTTS & RBP. SWI SDFTD.
 6/27/01-PU HALL SVEZ DRILL RIH TO 4708', RU HALL & PUMP THRU TOOL. SET SUEZ DRILL. PRESS UP ON CSG 500 PSI. EST INJ RATE 43 BPM @ 2200 PSI. MIX & PUMP 300 SX INTERFILL C, TAIL IN W/ 330 SX P+ NEAT. 28 BBL INTO LEAD CMT. BROKE CIRC 30-50%. HALF WAY THRU TAIL CMT LOST RETURNS. FLUSH 20 BBLs 3.5 BPM @ 500 PSI. LAST 5 BBLs OF FLUSH 1 BPM VACUUM. STING OUT. REVERSE 2 1/2 BBLs CMT. POH. SWI SDFTD.
 6/28/01-PU 6 1/8" MTB 6-4 3/4" DC'S RIH TAG SUEZ DRILL RU PWR. SWVL DRILL CMT RTNR (6 1/2 HR). DRL CMT TO 4781'. CIRC CLN. SWI SDFTD.

ADDITIONAL SUBSEQUENT REPORTS TO BE SUBMITTED AS WORK IS COMPLETED.

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

SIGNATURE  TITLE PRODUCTION ANALYST DATE 07-02-01
 TYPE OR PRINT NAME DIANA J. CANNON TELEPHONE NO. 748-3303

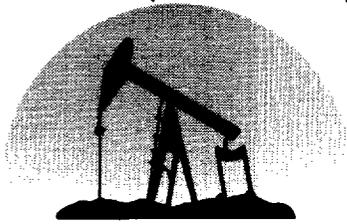
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APPROVED BY _____ TITLE _____ DATE _____
 CONDITIONS OF APPROVAL, IF ANY:

120137214

AMEND SWD-684

7/31/01



OIL CONSERVATION DIV.

01 JUL 16 PM 1:25

marbob
energy corporation

July 9, 2001

New Mexico Energy Minerals & Natural Resources Department
Oil and Gas Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Attention: Mr. David Catanach

RE: Sand Tank 32 State Com #2
Administrative Order SWD-684
Request for Approval to Modify Injection Interval
Section 32-175-30E – Eddy County, New Mexico

(30-015-29513)

Dear Mr. Catanach:

Marbob Energy Corporation has taken over operatorship of the captioned well from Enron Oil and Gas (EOG). Marbob is in the process of converting this well to salt water disposal service and requests approval to change the Wolfcamp disposal interval from 8600' – 8900' to 8510' – 9100'. The revised injection interval is still in the Wolfcamp and is necessary to ensure maximum injectivity at the lowest injection pressure. We propose to limit the maximum surface injection pressure to 1702 psi (0.2 psi/ft x 8510'). Everything else in the original application remains the same, and there is no change in the wells within the area of review.

Marbob Energy Corporation respectfully requests that Administrative Order SWD-684 be changed to reflect the new injection interval, new injection pressure limit, and new operator (Marbob).

Please call me at 505-748-3303 if you have any questions.

Sincerely,

Brian Collins
Engineer

BC/mm

Cc: Oil Conservation Division / Artesia
1301 West Grand
Artesia, NM 88210

Arrant, Bryan

From: Nelson, Linda
Sent: Thursday, August 23, 2001 7:59 AM
To: Arrant, Bryan
Subject: RE: Marbob

Bryan,

I did find the file this morning. On the inside of the folder it shows as follows:

Geol. Tops per/BGX

Queen	2380
Penrose	2555
San Andres	3100
Bone Spring	5216
3rd Sand	8078
Wolfcamp	8200
Strawn	9964
Atoka	10413
Morrow	10894

If this is not the info you're looking for let me know and we'll discuss what you need. You and Tim have a great day.

LN

-----Original Message-----

From: Arrant, Bryan
Sent: Wednesday, August 22, 2001 3:15 PM
To: Nelson, Linda
Cc: Catanach, David
Subject: FW: Marbob

Linda,

If you get a chance, can you go to the well file noted and see where I listed the top of the Wolfcamp formation and where the top of the next deeper formation is for David? Please e-mail me the tops I noted inside the well file.

Thanks, Bryan

-----Original Message-----

From: Catanach, David
Sent: Wednesday, August 22, 2001 1:39 PM
To: Arrant, Bryan
Subject: Marbob

Bryan, Marbob wants to amend SWD-684 to add additional disposal perms in the Wolfcamp formation. I can't find anything in the well file that shows the formation tops. Could you check the log on this well and see if the proposed injection interval is all in the Wolfcamp. Thanks.

Sand Tank "32" State Com No. 2
1650' FSL & 1650' FEL Section 32, T-17S, R-30E

Proposed injection interval: 8,510' - 9,100'