C15F

Form C-103
Revised 1-1-89

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

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

5 Indicate Type of Lease STATE X FEE

6 State Oil & Gas Lease No.
B-4108-58

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
SAND TANK "32" ST COM

1 Type of Well: OIL WELL / GAS WELL X / OTHER

8 Well No.
2

2 Name of Operator
MARBOB ENERGY CORPORATION

9 Pool name or Wildcat
SAND TANK MORROW

3 Address of Operator
PO BOX 227, ARTESIA, NM 88210

4 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

10 Elevation (*Show whether DF, RKB, RT, GR, etc.*)
3567' GR

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK	X	REMEDIAL WORK	ALTERING CASING
TEMPORARILY ABANDON		COMMENCE DRILLING OPNS.	PLUG AND ANBANDONMENT
PULL OR ALTER CASING		CASING TEST AND CEMENT JOB	
OTHER:		OTHER:	

12 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).

RECEIVED
2001
OCD - ARTESIA

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

SIGNATURE Diana J. Cannon 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 Mike Stubblefield TITLE Envir. Eng. Spec. I DATE 7/25/2001

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.

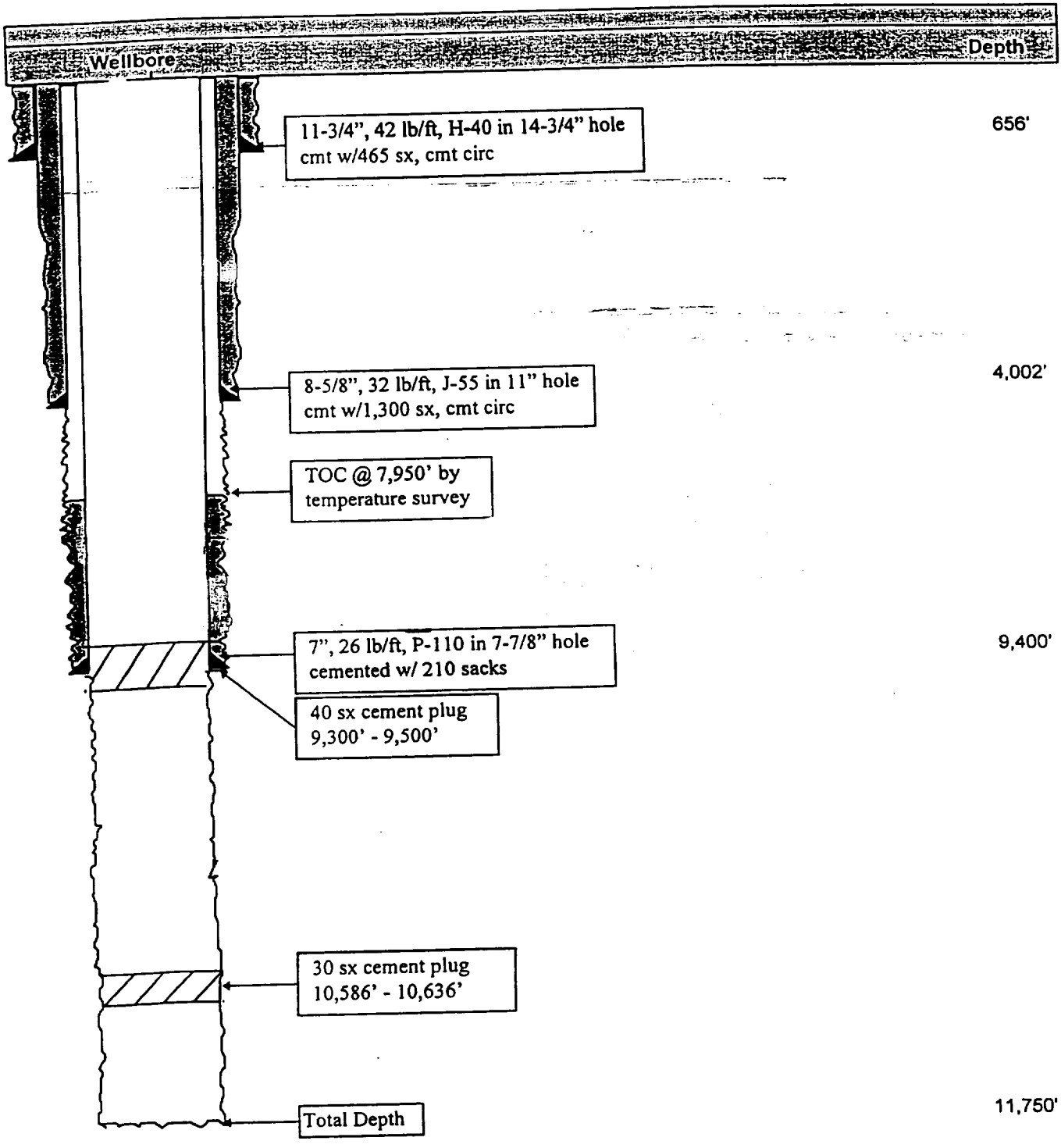
5. Plumb 3-1/2" x 7" annulus to surface and install a gauge so the annular pressure can be monitored. Build injection tree assembly and start water disposal. Limit injection pressure to 1700 psi.

Kbc/sandtank 32 swd

Enron Oil & Gas Com[illegible]

[illegible]d Tank "32" State Com No. 2
Eddy County, New Mexico
October 14, 1997

III
EXHIBIT A
WELL SCHEMATIC



BEFORE

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Enron Oil & Gas Com[illegible]

[illegible]nd Tank "32" State Com No. 2
Eddy County, New Mexico
October 14, 1997

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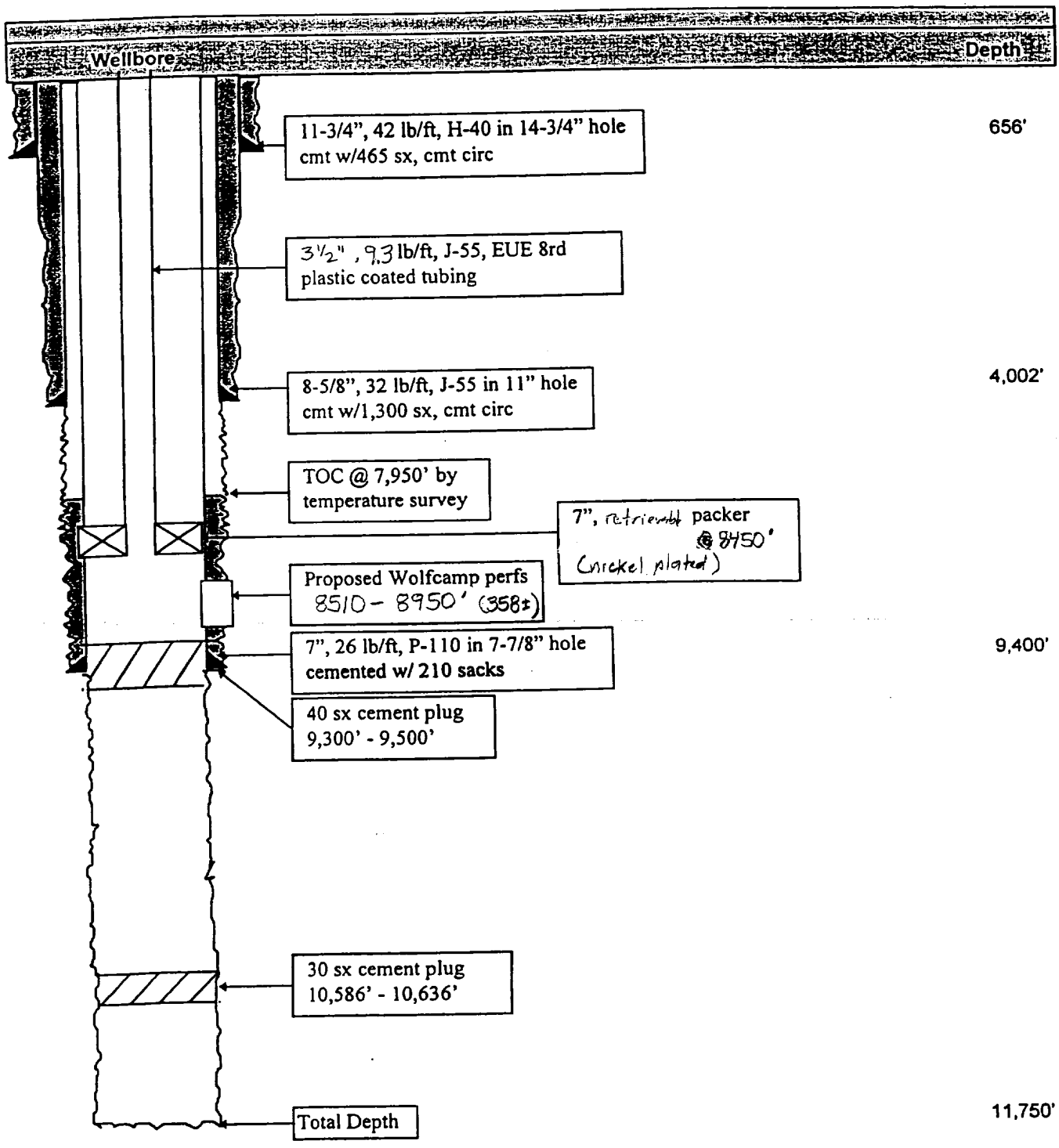

AFTER

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