

12/16/2013 DATE	SUSPENSE	MAM ENGINEER	LOGGED IN	CTB TYPE	PMAM1335132537 APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☒ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A]** ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B]** ☐ Offset Operators, Leaseholders or Surface Owner
- [C]** ☐ Application is One Which Requires Published Legal Notice
- [D]** ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E]** ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F]** ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Laura A. Moreno

Print or Type Name

Laura A. Moreno
Signature

Reg. Compliance Advisor

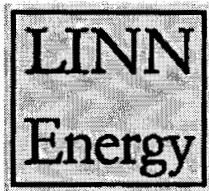
Title

Dec. 12, 2013

Date

lmoreno@linenergy.com
e-mail Address

2013 DEC 16 P 2:05
RECEIVED OOD



LINN OPERATING, INC

A wholly owned subsidiary of LINN Energy, LLC

JP Morgan Chase Tower

600 Travis, Suite 5100

Houston, TX 77002

Phone: 281-840-4000

Fax: 281-840-4001

www.linnenergy.com

December 13, 2013

Mr. Phillip Goetze
State of New Mexico
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Reference: Application for Surface Commingling, Grayburg Jackson;SR-Q-G-SA Pool (Code 28509)

Dear Mr. Goetze

Linn Operating, Inc. respectfully requests administrative approval to surface commingle production from the two new drill wells, State B #604 (API # 30-015-41712) and State A #612 (30-015-41715), to Linn's existing State A & B Battery. These wells will be drilled this month. They are located in Eddy County, section 16, T17S-R31E. Also, the following 3 wells need to be added to this battery, since it appears that the previous operator did not request the commingling of these wells. They are as follows: State A #004 (API # 30-015-32917), State B #005 (API # 30-015-32874) and State B #012 (API # 30-015-36256).

The working interest, royalty interest and overriding royalty interest owners in the leases are uniformed, so no additional notification is required. Please find attached initial Surface Commingle Application filed by the previous operator for your reference.

Should you require any additional information or have any questions, please contact me at 713-904-6657 or lmoreno@linnenergy.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Laura A. Moreno".

Laura A. Moreno
Regulatory Compliance Advisor

Enclosures:
Form C-103
Administrative Application Coversheet
Land Ownership Letter
Original Surface Commingle Application Packet

Submit 1 Copy To Appropriate District
Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
October 13, 2009

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-41712 & 30-015-41715
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name STATE B STATE A
8. Well Number: 604 612
9. OGRID Number 269324
10. Pool name or Wildcat GRAYBURG JACKSON;SR-Q-G-SA

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.)	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	
2. Name of Operator LINN OPERATING, INC.	
3. Address of Operator 600 TRAVIS, SUITE 5100, HOUSTON, TEXAS 77002	
4. Well Location Unit Letter <u>J</u> ; <u>1646</u> feet from the <u>S</u> line and <u>2580</u> feet from the <u>E</u> line Unit Letter <u>E</u> ; <u>2198</u> feet from the <u>N</u> line and <u>836</u> feet from the <u>W</u> line Section <u>16</u> Township <u>17S</u> Range <u>31E</u> NWSE & SWNW EDDY County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,812' GR & 3,829' GR	

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: SURFACE COMMINGLING <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

LINN Energy respectfully requests administrative approval to surface commingle new drill wells State B #604 (API # 30-015-41712) and State A #612 (API# 30-015-41715) through LINN's existing State A & B Battery. We also request that the following wells also be added to the existing State A & B Battery: State B #005 (API# 30-015-32874) and State B #012 (30-015-36256 and State A #004 (API# 30-015-32917). The wells producing in this battery are as follows: State A #001 (API # 30-015-05168), State A #002 (API# 30-015-05169), State A #003 (API# 30-015-10840), State B #001 (API# 30-015-05170), State B #002 (API# 30-015-05171), State B #003 (API# 30-015-05172), State B #004 (API# 30-015-05173). These wells are located in section 16, township 17S, range 31E in Eddy County. They are all located in the Grayburg Jackson;SR-Q-G-SA pool (code 28509). Attached is the initial Surface Commingle Application filed for the State A & B Battery for reference.

Spud Date:

Rig Release Date:

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

SIGNATURE _____ TITLE REG COMPLIANCE ADVISOR DATE 12-12-13

Type or print name LAURA A. MORENO E-mail address: lmoreno@linnenergy.com PHONE: 713-904-6657
For State Use Only

APPROVED

BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):



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

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87506
(505) 827-7131

COMMINGLING ORDER CTB-475

Trinity University & Closuit
P.O. Box 40
Loco Hills, New Mexico 88255

Attention: Mr. Sonny Hope

The above named company is hereby authorized to commingle Grayburg Jackson SR-Q-G-SA (28509) production from the following leases:

Lease: State A Lease B3014 Well Nos. 1, 2, and 3
Description: SE/4 NW/4 and N/2 SW/4 of Section 16; and,

Lease: State B Lease B2613 Well Nos. 1,2,3, and 4
Description: SE/4 of Section 16,

all located Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico.

Production shall be allocated to each lease by well test. Further, all commingled production must be of identical ownership including working interest, royalty interest and overriding royalty interest.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: The commingled production shall be stored in State B central tank battery facility located in Unit Letter 'J' of Section 16, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico.

FURTHER: The operator shall notify the Artesia district office of the Division prior to implementation of the commingling process.

PROVIDING: Validation of this authority shall be accomplished by like approval from the Commissioner of Public Lands, State Land Office.

DONE at Santa Fe, New Mexico, on this 3rd day of August, 1998.

LORI WROTENBERY,
Division Director

LW/MWA/kv

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

CTB 475



JUL 29 1998

OIL CONSERVATION DIVISION

COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5793

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772

State of New Mexico
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.
310 Old Santa Fe Trail, P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS
(505)-827-5765
ADMINISTRATIVE MGMT.
(505)-827-5700

LEGAL
(505)-827-5715

PLANNING
(505)-827-5752

July 27, 1998

Trinity University & Closuit
P.O. Box 40
Loco Hills, New Mexico 88255

Attn: Mr. Sonny Hope

Re: Application to Surface Commingle Production
State A Lease B3014 Consisting of Wells Nos. 1, 2, and 3 Producing From the SR-Q-G-SA Pool
State B Lease B2613 Consisting of Wells Nos. 1, 2, 3 and 4 Producing From the SR-Q-G-SA Pool
Sections 16-17S-31E
Eddy County, New Mexico

Dear Mr. Hope:

We are in receipt of your letter of July 10, 1998, requesting our approval to surface commingle the production from the above-captioned leases. It is our understanding that the production will be commingled at the State B Battery located in the NW/4SE/4 of Section 16-17S-31E.

Since it appears that all the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request is hereby approved. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Your \$30.00 filing fee has been received.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY:

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm
Enclosure
pc: Reader File

OCD-Mr. David Catanach, Mr. Ben Stone

BLM

"WE WORK FOR EDUCATION"

7/8/98 - 7/29/98 - BS - NJ - CTB

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

475

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
[DD-Directional Drilling] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling

☐ NSL ☐ NSP ☐ DD ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☒ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or.

[F] ☐ Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Sonny Hope
Print or Type Name

Signature

Production Supervisor
Title

6/23/98
Date

TRINITY UNIVERSITY & CLOSUIT

**P O BOX 40
LOCO HILLS, NM 88255**

June 23, 1998

**ATTN: David Catanach
New Mexico Oil Conservation Division
2040 S. Pacheco Str.
P.O. Box 6429
Santa Fe, NM 87505**

RE: Application to surface commingle production from

Trinity & Closuit

**State A Lease B3014 Consisting of wells #1,2 & 3 producing from the SR-Q-G-SA
Pool**

**State B Lease B2613 Consisting of wells #1,2,3 & 4 producing from the SR-Q-G-SA
Pool**

GRAYBARK JACKSON;

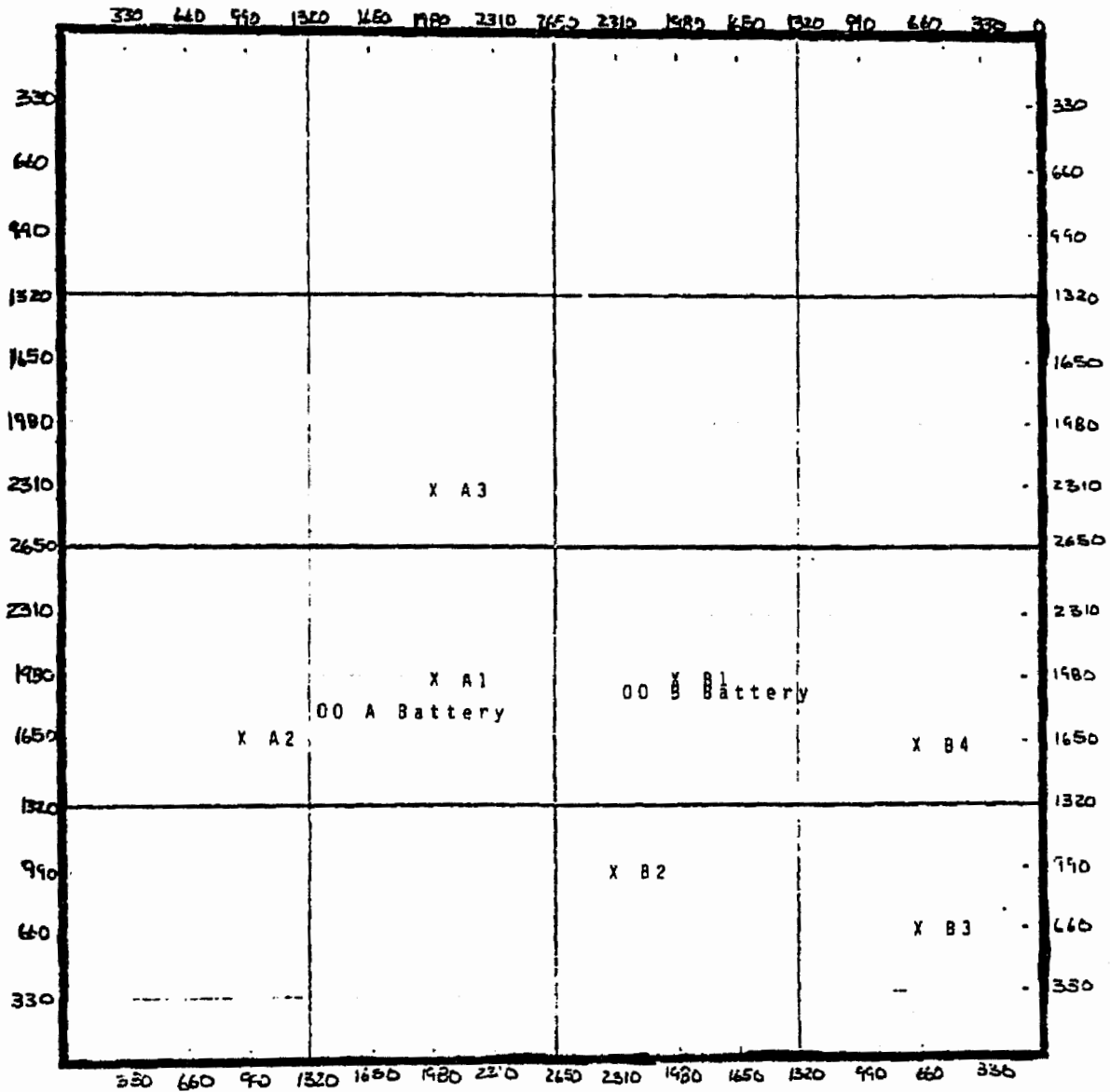
Trinity & Closuit hereby requests administrative approval to surface commingle production from the State A Lease B3014 and the State B Lease B2613. These wells are located in Section 16, Township 17 South, Range 31 East, Eddy County, New Mexico. In support of this application, we state the following

- 1 Trinity & Closuit is the operator of both leases**
- 2 The ownership (WI, RI, ORRI) is common for the leases which are proposed for surface commingling. All owners have been notified by letter of this change**
- 3 These leases have operated from separate batteries. Due to Texas-New Mexico Pipeline's efforts to reduce their facilities and environmental responsibilities, they will no longer haul from the State A battery due to marginal production. Therefore, we would like to commingle these leases to a single battery which would also reduce our surface impact and allow for more efficient operations. Production allocation will be done on a well test basis. These tests will be done on a bi-yearly average**
- 4 Current POD's for these leases are as follows:
State A Lease B3014 - Oil POD 2541810
Gas POD 2541830

State B Lease B2613 - Oil POD 2541910
Gas POD 2541930**

Trinity University & Closuit

Sec 16 Township No. 17S of Range No. 31E

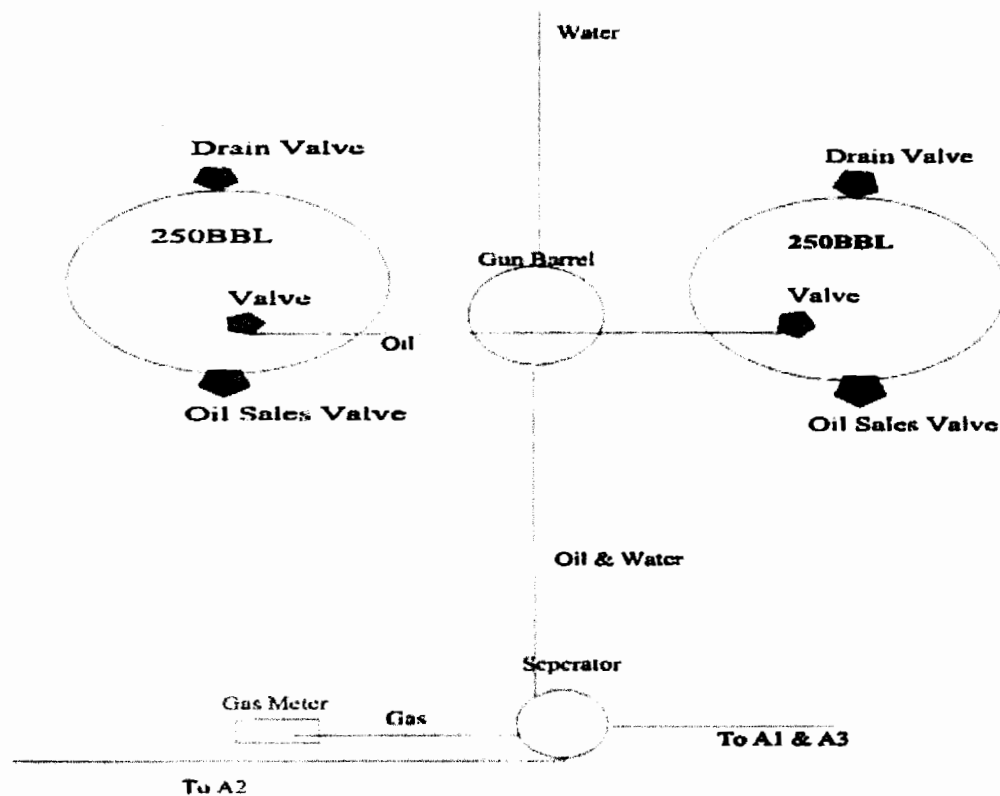


Trinity & Closuit

State A Battery

S 16 T17S R31E

Eddy, County

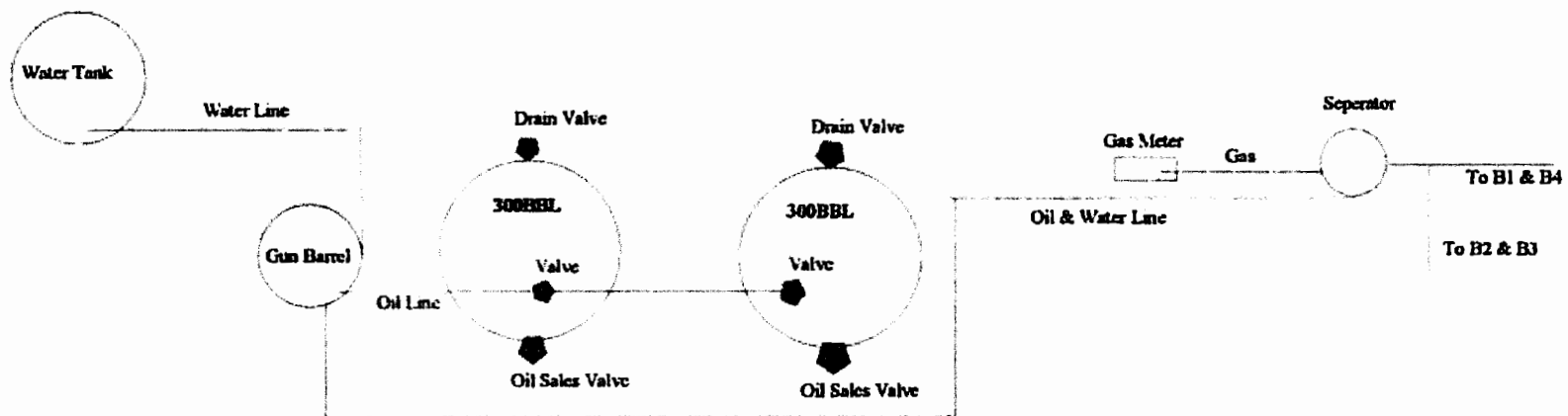


Trinity & Closuit

State B Battery

S 16 T17S R31E

Eddy, County



McMillan, Michael, EMNRD

From: McMillan, Michael, EMNRD
Sent: Tuesday, December 17, 2013 11:03 AM
To: 'lmoreno@linnenergy.com'
Cc: Goetze, Phillip, EMNRD
Subject: CTB application Eddy County New Mexico
Attachments: linnenergyctb12172013.xlsx

Ms. Moreno:

I have started to process your CTB order for the central tank battery for the State A and State B leases section 16, T17S31E Eddy County, NM. Linn Energy requested that two additional wells be added to the existing CTB that was issued in August 3, 1998. For a total of 12 wells. The problem is that the December 17, 2013 CTB requested 2 new wells added to the nine existing wells. The August 3, 1998 requested seven wells. So you will need to amend your request for the three additional wells not listed in the August 3, 1998 CTB order.

See attached spreadsheet that shows the wells in the 2013 request and the 1998 request.

Michael A. McMillan

Engineering and Geological Services Bureau, Oil conservation Division
1220 South St. Francis Dr., Santa Fe NM 87505
O: 505.476.3448 F. 505.476.3462