

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



December 3, 2013

Ms. Terry Callahan
C/O Linn Operating, Inc.
600 Travis, Suite 5100
Houston, TX 77002

RE: Packer Setting Depth Exception

Injection Authority: Order No. R-10094; Caprock Maljamar Waterflood Unit
Pool: Maljamar; Grayburg-San Andres Pool
Caprock Maljamar Unit Well No. 53 API 30-025-01477
Unit H, Sec 19, T17S, R33E, NMPM, Lea County, New Mexico

Ms. Callahan:

Reference is made to your request on behalf of Linn Energy (OGRID 269324; the "operator") received by the Division on December 2, 2013, for the above named well. The operator applied for exception for setting the packer within 100 feet of the top of the approved injection interval.

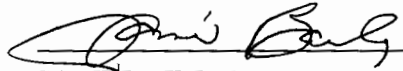
It is our understanding that mechanical integrity testing conducted on this well following the replacement of tubing and packer system was only successful with the packer set at a depth of 3945 feet. This location of the packer is approximately 135 feet above the top of the perforations injection interval that begins at 4080 feet. The approved injection interval is perforations from 4080 feet to 4346 feet and open-hole completion from 4420 feet to 4595 feet.

For the reasons stated in the application and because it appears that correlative rights are protected, waste will not occur and this modification will not endanger any fresh water aquifer or the environment, the exception is granted. The packer location within this well shall not be set higher than 135 feet unless the operator receives written approval from the Division Director.

The Division Director may rescind this exception if it becomes apparent that the injected fluid is not being confined to the permitted interval or is endangering any fresh water aquifer.

Packer Setting Depth Exception
Linn Operating, Inc.
December 3, 2013
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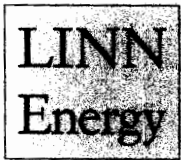
Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey", written over a horizontal line.

JAMI BAILEY
Director

JB/prg

cc: Oil Conservation Division – Hobbs Office
Case File 10932
Well File API 30-025-01477



NASDAQ:LINE

600 Travis Street, Suite 5100
Houston, Texas 77002
Phone: (281) 840-4000
Fax: (281) 840-4001

RECEIVED OCD

2013 DEC -2 A 11:47

November 25, 2013

EMNRD
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Attn: Mr. Phillip Goetze

Re: Caprock Maljamar Unit #53
API # 30-025-01477
Lea County, New Mexico

Dear Mr. Goetze,

Per our conversation earlier today, below is a recap of the setting of the injection packer after completing the workover on the Caprock Maljamar Unit #53.

As per the regulations, the injection packer must be set no more than 100' from the top perforation. The packer that LINN pulled out of the hole was set at 3,939' and the top is at 4,080' (which was set by the previous operator and not in compliance). LINN attempted to set the packer at 3,976' but it did not hold. We came up hole one joint and set the packer at 3,945' and it held. LINN (Jess Hayes) called Maxey Brown at the Hobbs OCD District office and he recommended that we circulate packer fluid and prepare it for injection. On 11/18/2013, we notified the Hobbs OCD and was given approval to test the well and run an MIT chart that passed; Start 500#, Final 500#.

On 11/25/2013, I spoke to Phillip Goetze, EMNRD Santa Fe and received verbal approval to make an exception to set the packer at 3,945' and commence operations and return the well to injection.

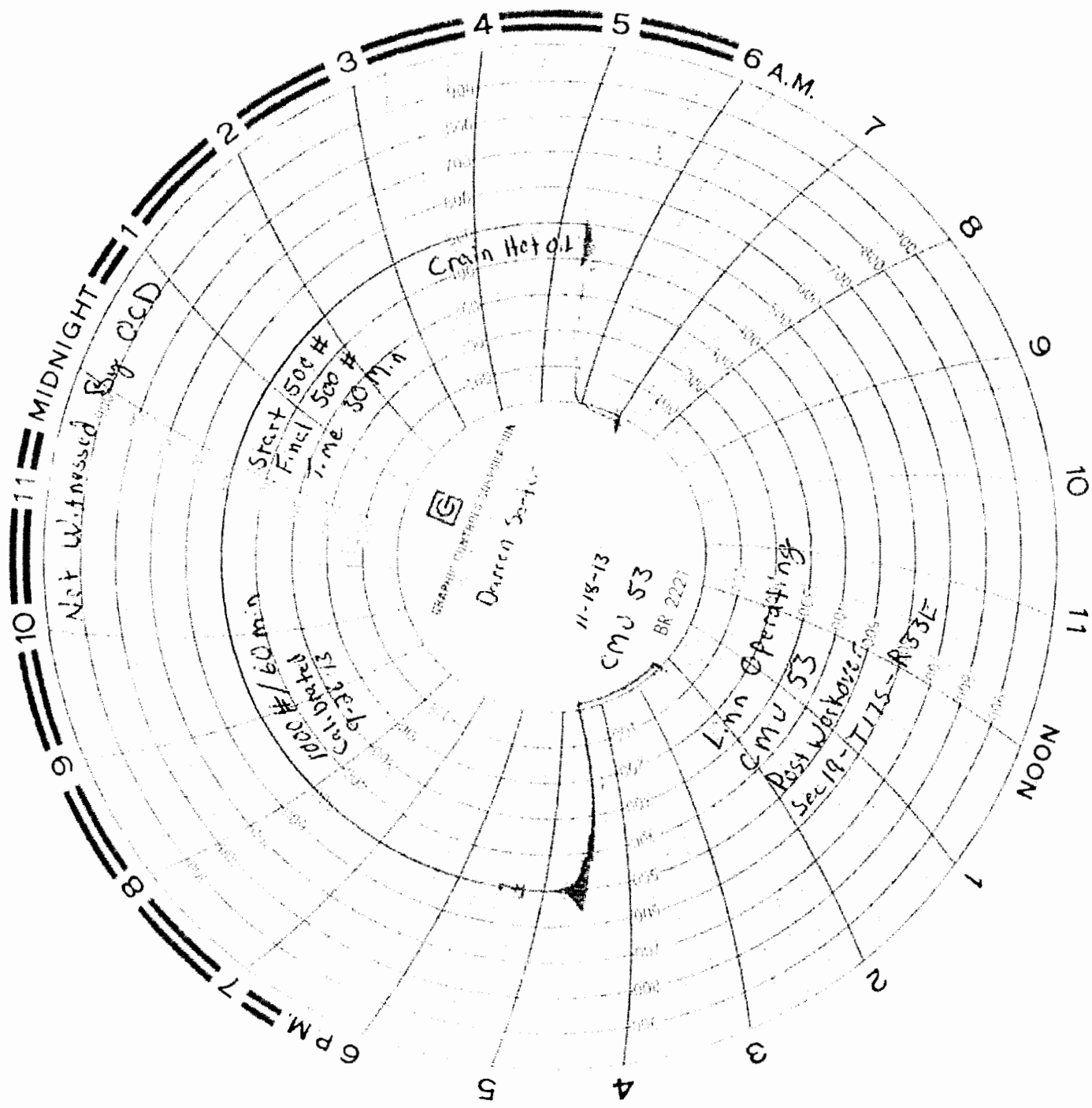
Thank you for your help in this matter and please feel free to contact me at 281-840-4272.

Sincerely,

A handwritten signature in black ink that reads "Terry B. Callahan". The signature is written in a cursive, flowing style.

Terry B. Callahan
Regulatory Compliance Specialist, III

Cc: Debra Gordon
Wellfile



Well Name: CMU #53

Location:	
Location	1980 FNL & 660 FEL
Section:	H-19-175-33E
Block:	
Survey:	
County:	Lea
Lat/Long:	
Field:	Maljamar Grayburg San Andres
Elevations:	
GT:	4159'
DF:	4166'
KB-GL Calc:	
ck w/log?	

Logging Requirements:

Date	
12/21/1957	Spudded well. Drilled to 345' Set 8-5/8" 24# J-55 surf csg @338'. Circ'd 175sx to surf TD @4421'. 7-3/4" hole. LDDP, ran 137 jts of 5-1/2", 15.5#, J-55 ST&C prod csg set @4420' Cmt'd w/550 gals cmt. Ran temp survey, TOC@3625'
1/13/1958	Perf'd 4080-4252' and Frac'd w/25K gal acid and 12.5# sand
2/11/1958	Bradenhead pressure survey
3/1/1959	Cleaned & deepened to 4597'. Acidized perfs 4080-4346' and OH 4420-4595 w/2500 gal 15% NEFE acid. Set
3/15/1995	Dri new formation from 4560-4597'. TD @4597'
6/16/1999	Well shut in
8/27/2001	NU BOP. POH w/AD-1 pkr, 2-3/8" TBG. Found hole in 23rd jt. TIH w/4-3/4" bit on 2-3/8" work string. Tag fill
8/28/2001	TIH w/pkr & 2-3/8" IPC tbg. Replaced 5 jts. Set pkr@3987'.

8/21/2002 Hole in tbg. POH w/2-3/8" tby & RIH w/redressed AD-1 pkr@3965' & 2-3/8" IPC tbg

8/22/2002	MIT
7/22/2003	MIRU. ND WH. RU BOP. POH w/2-3/8" tbg. Repair leak at pkr. Tested in hole w/redressed 2-3/8" x 5-1/2"
3/12/2013	MIT performed
11/5/2013	Tag fill @ 3970'. CO to 4431'. Worked through tight spot in casing @ 4150'
11/7/2013	Perform 3-stage block acid job, 5320 gal NeFe (details to the right).
11/8/2013	Recovered 531 bbl. Set pkr @ 3976', would not hold pressure. Set pkr @ 3945', held pressure.

Current Wellbore Diagram

8-5/8", 24#, J-55 set @338'

TOC @3,625'

Old Pkr Setting @ 3939'
New Pkr Setting @ 3945'

4080-92'

4113-28'

4144-54'
4150'-Tight Spot In Casing
4168-73'

4180-90'

4214-26

4247-52'

4261-68

4287-4300

4304-10

4338-46

OH: 4,595'

TD: 4,597'

Well Name:	CMU #53
API No:	30-025-01477
Spud Date:	12/21/1957
WBD Update:	11/12/13 K. Pena

Hole Size:	11"
Surf Csg:	8-5/8", 24#, J-55
Cement Blend:	175sxs
Depth:	338'
TOC:	

Hole Size:
Int Csg:

Cement Blend:

Returns:
Depth

Details of Perforations

(2/11/1958) Perf'd 4080-4252' and Frac'd w/25K gal acid and 12.5# sand

5-22-62 - new perfs shot b/t 4214-4346, completed w/ 1000 gal acid, 14K gal water, and 14K# sand

115' net perforated + 175' open hole

Acid or Fracture Treatment

(2/11/1958) Frac'd (Perfs 4080-4252') w/25K gal acid and 12.5# sand
(5/25/1962) Treated perfs with 10K gals wtr, 500 gals acid, 10K# 20/40 sd

(3/17/95) Acidized perfs 4080-4346' and OH 4420-4595 w/2500 gal 15% NEFE acid
(11/7/2013) 3-stage acid job over perfs 4080-4346' w/ 5320 gal NEFE acid w/ 1750#
Stage #1 1774 gal @ 4 BPM @ 2900 psi w/ 750# rock salt, saw 200 psi increase.
Stage #2 1774 gal @ 4 BPM @ 3200 psi w/ 1000# rock salt, saw 200 psi increase.
Stage #3 1774 gal @ 4 BPM @ 3300 psi flush w/ 25 bbl.

Tubing Detail	
Joints	Description
	2-3/8" IPC
Pkr Depth	

Rod Detail (top to bottom)	
Rods	Description

Pumping Unit:

Hole Size:	7 7/8"
Prod Csg:	5-1/2", 15.5#, J-55
Capacity (bbl/ft):	
Cement Blend:	100 sx + 450 gals cealment
Returns:	
TOC:	Temp Survey @ 3,625'
Depth:	4420'

Hole Size:
Liner

Cement Blend: