State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Ken McOueen

Cabinet Secretary

Matthias Saver

Deputy Cabinet Secretary

Heather Riley Division Director



Response Required - Deadline Enclosed

Underground Injection Control Program "Protecting Our Underground Sources of Drinking Water"

HOBBS OCD

04-Apr-18

APR 0 4 2018

LINN OPERATING, LLC. 600 TRAVIS SUITE 5100 HOUSTON TX 77002RECEIVED

LETTER OF VIOLATION and SHUT-IN DIRECTIVE **Failed Mechanical Integrity Test**

Dear Operator:

The following test(s) were performed on the listed dates on the following well(s) shown below in the test detail section.

The test(s) indicates that the well or wells failed to meet mechanical integrity standards of the New Mexico Oil Conservation Division. To comply with guidelines established by the U.S. Environmental Protection Agency, the well(s) must be shut-in immediately until it is successfully repaired. The test detail section which follows indicates preliminary findings and/or probable causes of the failure. This determination is based on a test of your well or facility by an inspector employed by the Oil Conservation Division. Additional testing during the repair operation may be necessary to properly identify the nature of the well failure.

Please notify the proper district office of the Division at least 48 hours prior to the date and time that the well(s) will be retested so the test may be witnessed by a field representative.

MECHANICAL INTEGRITY TEST DETAIL SECTION

EAST HOBBS SAN ANDRES UNIT No.905 30-025-07960-00-00 Active Injection - (All Types) B-31-18S-39E Permitted Injection PSI: **Actual PSI: Test Date:** 4/4/2018 Test Reason: 5-year Test **Test Result:** Repair Due: 7/8/2018 FAIL TYPE: Other Internal Failure Test Type: FAIL CAUSE: Std. Annulus Pres. Test Comments on MIT: MIT-FAILURE. RULE: 19.15.26.11 MESCALERO RIDGE UNIT No.358 30-025-20695-00-00 Active Injection - (All Types) K-35-19S-34E **Test Date:** 4/3/2018 Permitted Injection PSI: **Actual PSI:** Test Result: Test Reason: Annual IMIT Repair Due: 7/7/2018 Test Type: FAIL TYPE: Other Internal Failure Bradenhead Test **FAIL CAUSE:** Comments on MIT: BHT-FAILURE. RULE: 19.15.26.11

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Response Required - Deadline Enclosed

Underground Injection Control Program "Protecting Our Underground Sources of Drinking Water"

22-Mar-18

LINN OPERATING, LLC. 600 TRAVIS SUITE 5100 HOUSTON TX 77002-

LETTER OF VIOLATION and SHUT-IN DIRECTIVE **Failed Mechanical Integrity Test**

Dear Operator:

The following test(s) were performed on the listed dates on the following well(s) shown below in the test detail section.

The test(s) indicates that the well or wells failed to meet mechanical integrity standards of the New Mexico Oil Conservation Division. To comply with guidelines established by the U.S. Environmental Protection Agency, the well(s) must be shut-in immediately until it is successfully repaired. The test detail section which follows indicates preliminary findings and/or probable causes of the failure. This determination is based on a test of your well or facility by an inspector employed by the Oil Conservation Division. Additional testing during the repair operation may be necessary to properly identify the nature of the well failure.

Please notify the proper district office of the Division at least 48 hours prior to the date and time that the well(s) will be retested so the test may be witnessed by a field representative.

MECHANICAL INTEGRITY TEST DETAIL SECTION

LANGLIE MATTIX QUEEN UNIT No.019

30-025-11601-00-00

Active Injection - (All Types)

J-15-25S-37E

3/22/2018 Test Reason: 5-year Test Permitted Injection PSI:

Test Result:

Actual PSI: Repair Due:

6/25/2018

Test Type:

Test Date:

Std. Annulus Pres. Test

FAIL TYPE: Other Internal Failure

FAIL CAUSE:

Comments on MIT: UIC-MIT & BHT-FAILURE. RULE:19.15.26.11

In the event that a satisfactory response is not received to this letter of direction by the "Repair Due:" date shown above, or if the well(s) are not immediately shut-in, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

Sincerely

Hobbs OCD District Office

Note: Pressure Tests are performed prior to initial injection, after repairs and otherwise, every 5 years; Bradenhead Tests are performed annually. Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data. "Failure Type" and "Failure Cause" and any Comments are not to be interpreted as a diagnosis of the condition of the wellbore. Additional testing should be conducted by the operator to accurately determine the nature of the actual failure. * Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



LINN OPERATING, LLC 600 TRAVIS STREET SUITE 5100 HOUSTON TX. 77002