

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. 30-025-24919
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 DOWNES B
8. Well Number: 03
9. OGRID Number 269324
10. Pool name or Wildcat BLINEBRY OIL AND GAS (OIL)

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 ☒ Gas Well ☐ Other ☐

HOBBS OCD

2. Name of Operator
LINN OPERATING, INC.

JUN 11 2014

3. Address of Operator
600 TRAVIS, SUITE 5100, HOUSTON, TEXAS 77002

RECEIVED

4. Well Location

Unit Letter D: 560 feet from the N line and 810 feet from the W line
Section 05 Township 22S Range 37E NMPM LEA County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3454' GR

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☒
DOWNHOLE COMMINGLE ☐

OTHER: LETTER OF VIOLATION NOTICE ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

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 would like to permanently abandon the active Blinbry interval and recomplete three uphole intervals (Glorieta, San Andres & Grayburg).

IF CIBP IS @ 4321' CAP W/ 25 SXS CMT OR 35' by W.L.

1. Set CIBP @ 5474' above active perfs (Blinebry). Cap w/ 28' cmt.
2. Perf & swab Glorieta interval (-75' net).
3. Perf & sand frac San Andres Interval (-250' net).
4. Set RBP above San Andres perfs.
5. Perf & swab Grayburg interval (-20' net).
6. POOH w/ RBP.
7. Return well to Production.

OIL CONSERVATION DIVISION
CONDITION OF APPROVAL Approval for drilling/workover
ONLY -- CANNOT produce Downhole Commingled until
DHC is approved in the OCD Santa Fe office.

*Current Wellbore Diagram Attached

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 Terry B. Callahan TITLE: Regulatory Compliance Specialist III DATE: June 11, 2014

Type or print name Terry B. Callahan
For State Use Only

E-mail address: tcallahan@linnenergy.com

PHONE: 281-840-4272

APPROVED BY: Mahy Brown TITLE: Dist. Supervisor DATE: 6/12/2014

Conditions of Approval (if any):

JUN 12 2014



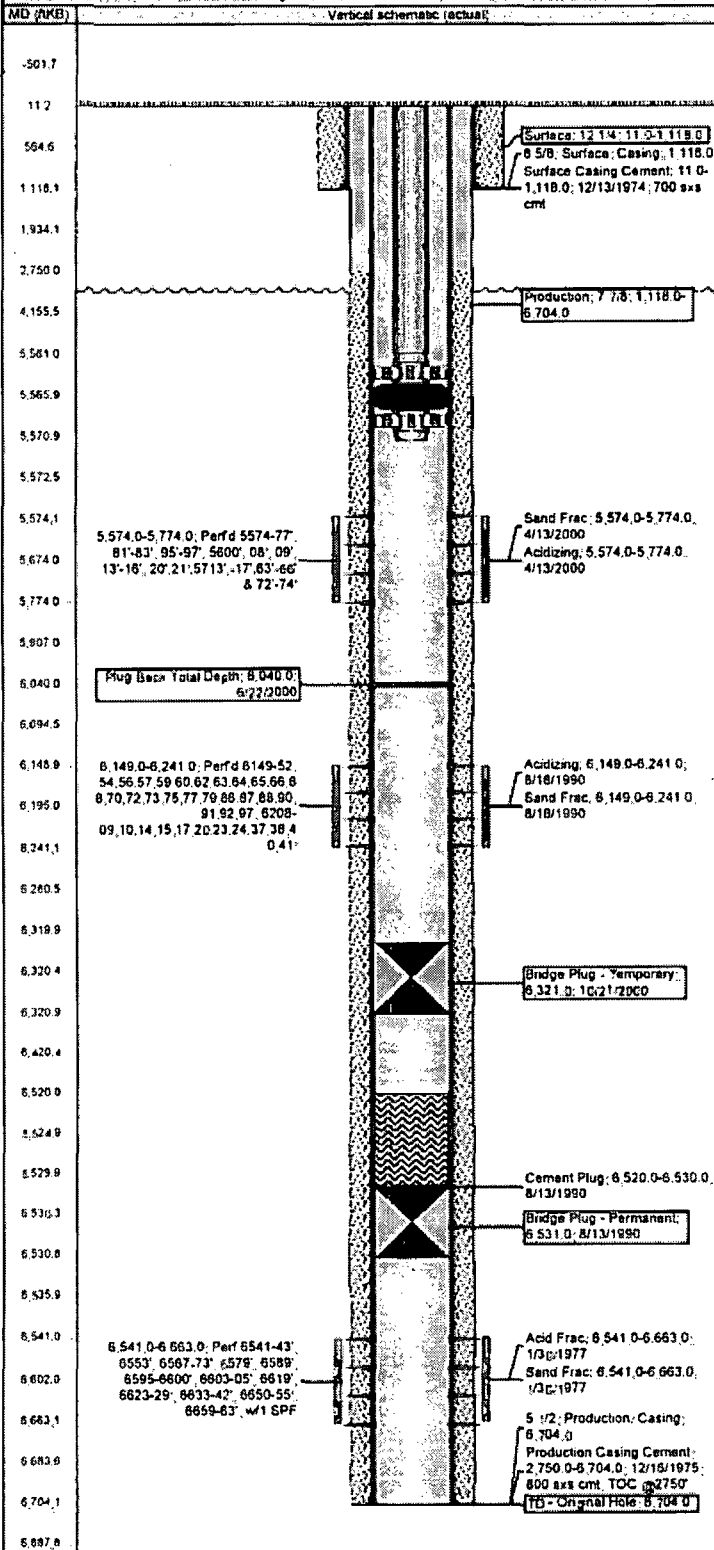
Schematic

Well Name: DOWNES B 03

API/UVI	Field Name	County	State/Prov	Section	Township	Range	Survey	Block
3002524919	PB - Seven Rivers Queen	Lea	NM	5	022-S	037-E		
Ground Elevation (ft)	Orig KB Elev (ft)	KB-Grd (ft)	Initial Spud Date	Rig Release Date	TD Date	Latitude ()	Longitude ()	Operated ?
3,454.00	3,465.00	11.00	12/3/1974		12/16/1975	32° 25' 35.616" N	103° 11' 27.446" W	Yes

Original Hole: 8/11/2014 1:27:15 PM

Verbal schematic (actual)



Casing Strings

Casing Description	Set Depth (ftKB)	Run Date
Surface	1,118.0	12/13/1974

Casing Components

Item Description	OD Nominal (in)
Casing Joints	8 5/8

Casing Description	Set Depth (ftKB)	Run Date
Production	6,704.0	12/16/1975

Casing Components

Item Description	OD Nominal (in)
Casing Joints	5 1/2

Tubing String: Tubing set at 5,571.0ftKB on 6/22/2000 00:00

Run Date	Full Date	Tubing Description	Set Depth (ftKB)
6/22/2000		Tubing	5,571.0

Comment

Item Des	Len (ft)	Jts	OD (in)	ID (in)	Grade	Wt (lb/ft)
Tubing	5,550.00	197	2 3/8	1.867	L-80	4.70
Packer	10.00		2 3/8	1.867	L-80	4.70

General Notes

Date	Comment

Perforations

Top (ftKB)	Btm (ftKB)	Date	Com
5,574.0	5,774.0	4/13/2000	Perf'd 5574-77', 81'-83', 95'-97', 5600', 08', 09', 13'-16', 20', 21', 5713', -17', 63'-66' & 72'-74'
6,149.0	6,241.0	8/18/1990	Perf'd 6149-52, 54,56,57,59,60,62,63,64,65,66,68,70,72,73,75,77,79,86,87,88,90,91,92,97,6208-09,10,14,15,17,20,23,24,37,38,40,41'
6,541.0	6,663.0	2/5/1977	Perf'd 6541-43', 6553', 6567-73', 6579', 6589', 6595-6600', 6603-05', 6619', 6623-29', 6633-42', 6650-55', 6659-63', w/1 SPF

Other In Hole

Description	Icon	Top (ftKB)	Btm (ftKB)
Bridge Plug - Permanent	Casing bridge plug	6,530.0	6,531.0
Bridge Plug - Temporary	Casing bridge plug	6,050.0	6,051.0
Bridge Plug - Temporary	Casing bridge plug	6,320.0	6,321.0

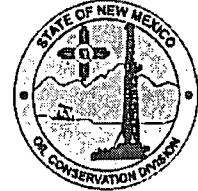
State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

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

Jami Bailey, Division Director
Oil Conservation Division



Response Required - Deadline Enclosed

30-Jan-14

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

LETTER OF VIOLATION - Inactive Well(s)

Dear Operator:

A review of our records and recent inspection(s) indicate that the subject well(s) has been shut-in for an extended period of time. Rule 201 of the Rules and Regulation of the Oil Conservation Division provides that a well may be shut-in no longer than sixty days after suspension of drilling operations, upon determining that the well is no longer usable (e.g., a dry hole), or one year after last production. To comply with guidelines as established in the Rules and Regulations, corrective actions must be taken immediately and the well(s) brought into compliance.

The detail section below indicates preliminary findings and/or probable nature of the violation.

The following options are available:

1. Immediately restore the well(s) to production, injection or disposal as applicable.
2. Request 'Temporary Abandoned' status pursuant to Rule 203, which requires that you set a plug and conduct a mechanical integrity test.
3. Submit a proposal to 'Plug and Abandon' the well(s) pursuant to Rule 202, proceed with plugging procedures on a timely basis after the proposal has been evaluated, amended and/or approved.

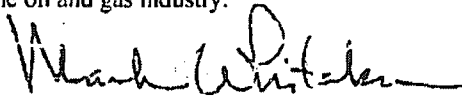
In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

IDLE WELL INSPECTION DETAIL SECTION

DOWNES B 003	D-5-22S-37E	30-025-24919-00-00	Inspection No. iMAW1402840931
Inspection Date:	1/28/2014 11:22:08 AM	Corrective Action Due by: 5/3/2014	
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?
Routine/Periodic	Mark Whitaker	Yes	No
Comments on Inspection:	Idle Well (Rule 19.15.25.8). No production reported in over 130 months. Operator should return well to production, test for T/A status, or plug and abandon. 1st notice.		

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infrastructure of the oil and gas industry.

Sincerely,


COMPLIANCE OFFICER

Hobbs OCD District Office

* Significant Non-Compliance events are reported directly to the U.S. Environmental Protection Agency, Region VI, Dallas, Texas.