

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

HOBBS OGD State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
October 13, 2009

JUN 19 2014

RECEIVED

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

| |
|---|
| WELL API NO. 30-025-00528 ✓ |
| 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 CAPROCK MALJAMAR UNIT ✓ |
| 8. Well Number: 013 |
| 9. OGRID Number 269324 ✓ |
| 10. Pool name or Wildcat MALJAMAR;GRAYBURG-SAN ANDRES ✓ |

| | |
|--|--|
| 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 <input checked="" type="checkbox"/> INJECTION | |
| 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> ; 1980 feet from the <u>S</u> line and <u>1980</u> feet from the <u>E</u> line ✓ Section <u>13</u> Township <u>17S</u> Range <u>32E</u> NMPM LEA County | |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4,110' GL | |

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 checked="" 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: <input type="checkbox"/> | | OTHER: RETURN TO INJECTION <input checked="" 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. | | | |

The Caprock Maljamar Unit #13 has a Letter of Violation was returned to injection on June 8, 2014.

Please see attached for completed operations.

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 12, 2014

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

E-mail address: tcallahan@linnenergy.com

PHONE: 281-840-4272

APPROVED BY: Mary Brown TITLE: Dist. Supervisor DATE 6/19/2014
Conditions of Approval (if any)

JUN 19 2014

CAPROCK MALJAMAR UNIT #13
API # 30-025-00528
ATTACHMENT TO FORM C-103

4/24/2014 - MIRUPU; RU FLOW BACK TANK, STARTED FLOWING BACK, LEFT WELL BACK FLOWING FOR NIGHT

4/25/2014 - WO WELL TO STOP BACK FLOWING

4/28/2014 - NDWH, NUBOP & CATCH PAN. ATTEMPTED TO RLSE PKR, STANDBY FOR ROTARY, RU WL, RAN FREEPOINT, WORKED TBG UP & DOWN, FREE @ 3975', STUCK @ 3982'. RIH W/ CHEMICAL CUTTER, MADE CUT @ 3967', RD WL. TOOH W/ 2-3/8 IPC, CAME OUT W/ 131 & 1/2 JTS, LEFT WELL OPEN TO FLOW BACK OVERNIGHT

4/29/2014 - RIH W/ 3-1/8" O/S W/ CUT-RITE, 1 JT 3-1/8" WASHPIPE, 6- 2-3/8" J-55 WORKSTRING, 6' OVER FISH. RU SWIVEL, TAG UP @ 3975', BREAK CIRC. CUTTING, GETTING BACK IRON SULFIDE, THEN METAL @ 3983'. LD SWIVEL, POOH TO CHECK SHOE, GOT OUT OF HOLE W/ SHOE, INSIDE CUT-RITE WAS GONE. SDFN AND LEFT WELL BACK FLOWING TO FRAC TANK.

4/30/2014 - TIH W/ NEW SHOE, BREAK CIRC & START CUTTING, PKR FELL TO 4004', CIRC CLEAN & PUSHED TO BTM, 4037' WAS AS FAR DOWN AS FISH COULD BE PUSHED, POOH, LD WASH PIPE, WO CONNECTION FOR OVERSHOT, TIH W/ OVERSHOT W/ 2-3/8 GRAPPLE, CROSSOVER SUB, JARS, 6- 2-3/8 OD COLLARS, 121 - 3/8 JTS, 1 JT CAME OFF OF FISH, SDFN. LEFT WELL BACK FLOWING TO FRAC TANK.

5/01/2014 - PU 1 JT 2 3/8, ATTEMPTED TO FISH PKR, TOH w/ 122 JTS 2 3/8, 6- 2 3/8 COLLARS, CROSSOVER, OVERSHOT, w/ NO PKR, STAND BY WO EXTENSION, TIH w/ OVERSHOT, 3' EXTENSION, CROSSOVER, JARS, 6- 2 3/8 COLLARS, 122- 2 3/8 JTS, TRIED TO FISH PKR, TOH w/ 122- 2 3/8 JTS, 6- 2 3/8 COLLARS, JARS CROSSOVER, EXTENSION, OVERSHOT, w/ NO PKR, PU 4" AS1X PKR, TIH w/ 125- 2 3/8 JTS, TRIED TO SET PKR THRU 60', WOULD NOT SET, TOH w/ 125- 2 3/8 JTS & LD AS1X PKR, SDFN, LEFT WELL BACKFLOWING TO FRAC TANK.

5/02/2014 - ND STRIPPERHEAD, LD 6- 2 3/8 OD COLLARS, TIH w/ 122 - 2 3/8 JTS WORKSTRING, LD 122- 2 3/8 JTS ON PIPE RACKS, TIH w/ 130- 2 4/8 JTS PRODUCTION TBG, LD 130- 2 3/8 PRODUCTION TBG, ON PIPE RACKS, RD TBG EQUIPMENT, FLOOR, ND CATCH PAN, BOP, FLANGED UP WELL, SI WELL, RDPU, WELL PRESSURED UP FAST, PUSHED UP JTS TBG IN WELL, RUPU, CHANGED OUT 1 JT 2 3/8 TBG, TO 4" SUB, FLANGED UP WELL, RDPU

5/07/2014 - DUG OUT CELLAR, RUPU, 4 1/2" CSG HAD 1750#, STARTED BLEEDING DWN WELL, BLED DWN TO 300#, SI WELL,

5/08/2014 - 4 1/2" CSG 1750#, BLED DWN WELL, BUT WELL STILL FLOWED, TIH w/ 4" PKR TO 300', COULDN'T GET PKR TO SET, TOH & TIH w/ 4 1/2" PKR TO 3930', SET PKR & PRESSURE TESTED INTEGRITY OF 4 1/2" CSG FROM SURFACE TO 3930', CSG HELD 500#, 5 1/2" CSG HAD 0 PSI, 8 5/8" CSG HAD 0 PSI, THE TBG HAD 850 PSI, HELD FOR THIRTY MINUTES, BLED OFF 4 1/2" CSG, ESTABLISHED INJECTION RATE INTO THE PEFORATIONS @ 4029', 1 BBL A MINUTE @ 1000 PSI, AS PER ORDERS FROM E.L. GONZALES, SISDFN

5/09/2014 - TBG HAD 1650#, 4 1/2, 5 1/2, 8 5/8" CSG HAD 0 PSI, BLED WELL DWN, STILL HAD WATERFLOW, RELEASED PKR, LD TBG, ND BOP, NU WELLHEAD w/ 4' SUB, RDPUMO

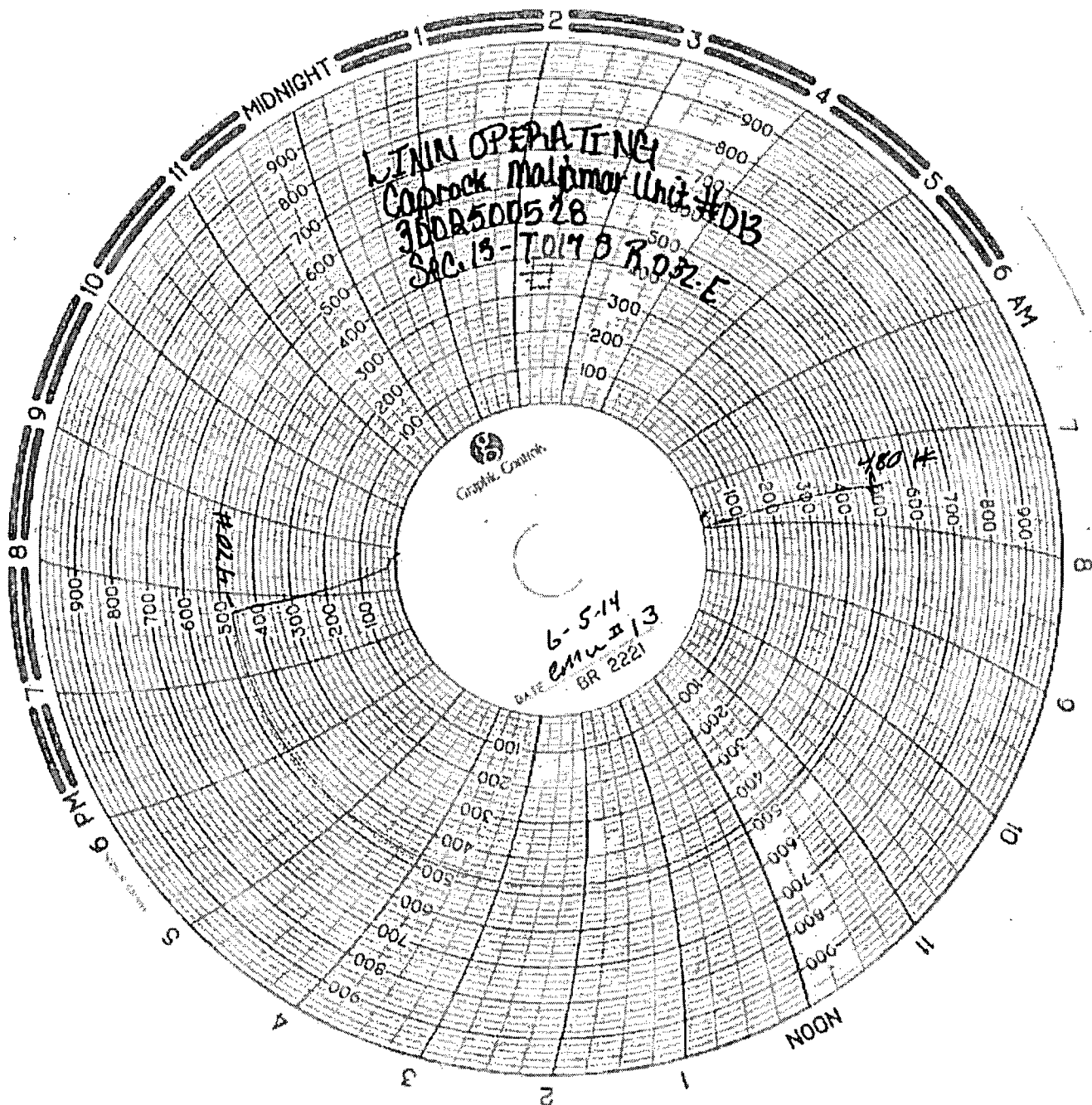
6/04/2014 - WELL FLOWED FOR A WEEK. MOVE IN PIPE AND RACK. MIRU

6/05/2014 - NU BOP & CATCH PAN CHANGE RAMS TO 2 3/8". TALLEY IPC TBG. RU TIH W/ D&L 4 1/2" 9.5-13# AS 1X PACKER, W/ 4 1/2"X 2 3/8"X1.50 F ON-OFF TOOL @ 3969' 130-JTS OF 2 3/8" IPC, SET PKR @ 3969' W/ 30-PTS TENSION OFF OF PACKER, CIRC PACKER FLUID TO SURFACE (2 1/2" GAL PKR FLUID 5GAL BIOCID) J BACK ONTO PKR. RU TIE ONTO TBG, BLEW OUT PLUG @ 2000# INJECT 1-BPM @1200# 1 1/2"-BPM @1800# SWH. RUN CONTACTED MAXEY BROWN (OCD) TO RUN MIT CHART; START 480# 30 MINUTES, END 470#. GOOD CHART.

6/08/2014 - RTI

T. Perf 4029' ✓
PKR @ 3969'

h



h

From Hot oil
Albino Membrane
Unit # 39
1000 x 6m
April 01, 2014

Started
480#
stop.
420#
3d min.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

SUSANA MARTINEZ
Governor

David Martin
Cabinet Secretary

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

Jami Bailey
Director
Oil Conservation Division

Response Required – Deadline Enclosed

Underground Injection Control Program

"Protecting Our Underground Sources of Drinking Water"

07-Mar-14

LINN OPERATING, INC.
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

CAPROCK MALJAMAR UNIT No.013

Active Injection - (All Types)

30-025-00528-00-00
J-13-17S-32E

| | | | |
|------------------|--|-----------------------------------|----------------------|
| Test Date: | 3/6/2014 | Permitted Injection PSI: | Actual PSI: |
| Test Reason: | Annual IMIT | Test Result: | Repair Due: 6/9/2014 |
| Test Type: | Std. Annulus Pres. Test | FAIL TYPE: Other Internal Failure | FAIL CAUSE: |
| Comments on MIT: | Failed under State Rule 19.15.26.11. Started at 540 # and dropped to 380 # in 7 minutes. | | |

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.