

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

HOBBSOCD

FEB 13 2015

RECEIVED

State of New Mexico  
Energy, Minerals and Natural Resources  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-103  
Revised July 18, 2013

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)		WELL API NO. 30-025-01462 ✓
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other INJECTION		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> ✓
2. Name of Operator LINN OPERATING, INC.		6. State Oil & Gas Lease No.
3. Address of Operator 600 TRAVIS STREET, STE. 5100, HOUSTON, TX 77002		7. Lease Name or Unit Agreement Name CAPROCK MALJAMAR UNIT
4. Well Location Unit Letter <u>B</u> : <u>660</u> feet from the <u>N</u> line and <u>1980</u> feet from the <u>E</u> line Section <u>18</u> Township <u>17S</u> Range <u>33E</u> NMPM LEA County		8. Well Number <u>001</u> ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4226' GR		9. OGRID Number 269324
		10. Pool name or Wildcat GRAYBURG -SAN ANDRES

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"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: MIT & BRADENHEAD TEST <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.

PLEASE SEE THE ATTACHED BRADENHEAD TEST REPORT AND FAILED MIT CHART FOR THE ABOVE MENTIONED WELL.

> Letter of Violation AS/OC  
11/27/2015/GB/OCB

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 Alex Bolanos TITLE Reg. Compl. Spec. 2 DATE 2/10/15

Type or print name Alex Bolanos E-mail address: abolanos@linenergy.com PHONE: 281-840-4352

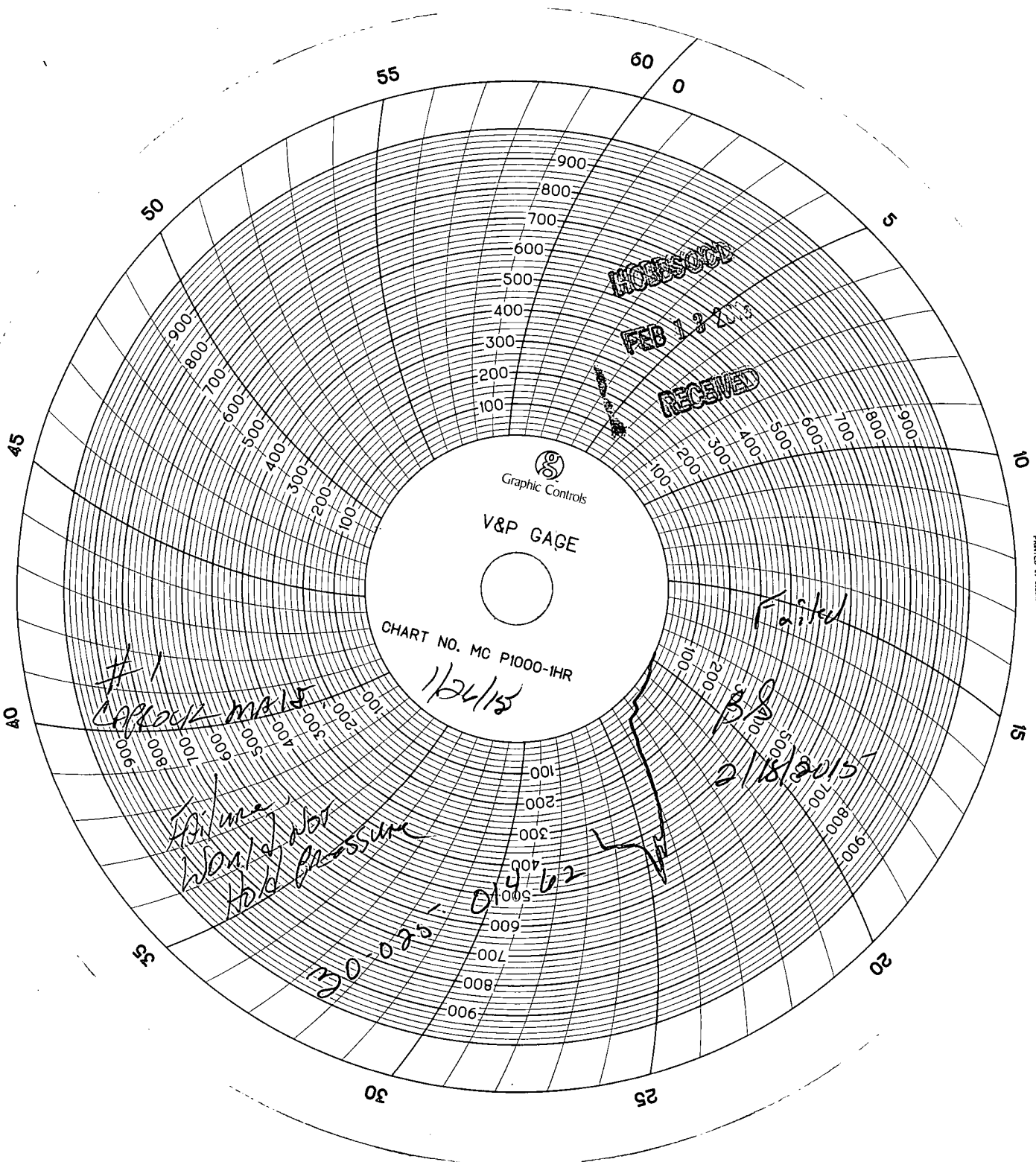
**For State Use Only**

APPROVED BY: Billemann TITLE Staff Manager DATE 2/18/2015

Conditions of Approval (if any):

FEB 20 2015

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State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

David Martin  
Cabinet Secretary

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

David Catanach, Division Direct  
Oil Conservation Division



**\*Response Required - Deadline Enclosed\***

*Underground Injection Control Program*

*"Protecting Our Underground Sources of Drinking Water"*

27-Jan-15

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.019**

**30-025-01455-00-00** ✓

L-17-17S-33E

Test Date:	1/27/2015	Active Injection - (All Types)	Permitted Injection PSI:	Actual PSI:
Test Reason:	Annual IMIT	Test Result:	F	Repair Due:
Test Type:	Std. Annulus Pres. Test	FAIL TYPE:	Other Internal Failure	FAIL CAUSE:
Comments on MIT:	FAILED-MIT. RULE: 19.15.26.11			

**CAPROCK MALJAMAR UNIT No.007**

**30-025-01461-00-00** ✓

G-18-17S-33E

Test Date:	1/27/2015	Active Injection - (All Types)	Permitted Injection PSI:	Actual PSI:
Test Reason:	Annual IMIT	Test Result:	F	Repair Due:
Test Type:	Std. Annulus Pres. Test	FAIL TYPE:	Other Internal Failure	FAIL CAUSE:
Comments on MIT:	MIT-FAILED. RULE 19.15.26.11			

29  
JAN 28 2015

FEB 20 2015

**CAPROCK MALJAMAR UNIT No.001****30-025-01462-00-00**

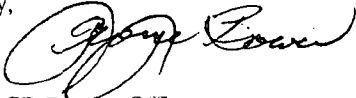
Active Injection - (All Types)

B-18-17S-33E

Test Date:	1/27/2015	Permitted Injection PSI:		Actual PSI:	
Test Reason:	Annual IMIT	Test Result:	F	Repair Due:	5/2/2015
Test Type:	Std. Annulus Pres. Test	FAIL TYPE:	Other Internal Failure	FAIL CAUSE:	
Comments on MIT:	MIT-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, INC.  
600 TRAVIS SUITE 5100  
HOUSTON TX, 77002



HASLER  
015H14150977  
**\$0.48**  
01/27/15  
Mailed From 88240  
US POSTAGE