

State of New Mexico  
Energy, Minerals and Natural Resources Department

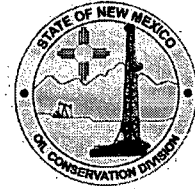
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**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary

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

**Jami Bailey, Division Director**  
Oil Conservation Division



July 10, 2014

Ms. Kristal Peña  
Linn Operating, Inc.  
600 Travis, Suite 5100  
Houston, TX 77002

**RE: Packer Setting Depth Exception**

Injection Authority: Division Order R-10094 and Administrative Order WFX-670  
Pool: Maljamar; Grayburg-San Andres  
Caprock Maljamar Unit Well No. 38                      API 30-025-01485  
Unit C, Sec 19, T17S, R33E, NMPM, Lea County, New Mexico

Ms. Peña:

Reference is made to your request on behalf of Linn Operating, Inc. (OGRID 269324; "Linn") received by the Division on July 9, 2014, for the referenced well. Linn applied for exception of setting the packer at a depth of 3918 feet. This packer depth is specified for the referenced well in Exhibit "A" of Administrative Order WFX-670 and is 100 feet above the uppermost perforation for the well.

It is our understanding that the injection well failed a mechanical integrity test conducted on March 6, 2015. Following this result, Linn identified and conducted remedial action on a hole found in the production casing above the packer location. Linn re-installed the injection tubing and packer, but was unable to obtain a proper seating of the packer at the approved depth. Linn was only able to achieve the proper seating of the packer with the current depth of 3870 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 148 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.

Sincerely,



JAMI BAILEY  
Director

JB/prg

cc: Oil Conservation Division – Hobbs Office  
Well File API 30-025-01485  
Administrative Order WFX-670



## LINN OPERATING, INC

*A wholly owned subsidiary of LINN Energy, LLC*

JP Morgan Chase Tower

600 Travis, Suite 5100

Houston, TX 77002

Phone: 281-840-4000

Fax: 281-840-4001

[www.linnenergy.com](http://www.linnenergy.com)

July 9, 2014

TO: Phillip Goetze

RE: Caprock Maljamar Unit #38 Packer Exemption Request

Dear Mr. Goetze:

Linn Operating, Inc. ("LINN") is the operator of the Caprock Maljamar Unit #38 well (30-025-01485) and would like to request an exemption to the packer setting depth beyond 100 feet of the top perforation.

The well in question failed an MIT that was being conducted as part of the annual UIC testing. A Sundry was filed and approved to rig up on the well and mitigate the source of pressure loss. The packer and tubing were pulled out of the hole. A casing leak was isolated between 355' and 485'. It was successfully squeezed with 150 sacks of cement. A cleanout run was made to PBTD at 4350' followed by an acid treatment. Upon running back in the hole with the injection tubing and packer, the rig crew was unable to set the packer at the original setting depth. The nearest depth at which the packer will hold is 148' above the top perforation.

There are two strings of casing in the well of which the surface string is cemented to surface and the production string has a lower top of cement @ 3610' and upper cement section from 485' to 10'. It is of our opinion that there is sufficient cement to provide zonal isolation in addition to protection of any groundwater. A wellbore diagram is attached for your reference.

Based on the current conditions of the wellbore, LINN requests the permission to set the packer @ 3870'.

Please feel free to contact me with any questions. I can be reached by email at [kpena@linnenergy.com](mailto:kpena@linnenergy.com) or by phone at (281)840-4050.

Sincerely,

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

Kristal Pena

Sr. Asset Engineer- Permian Basin New Mexico



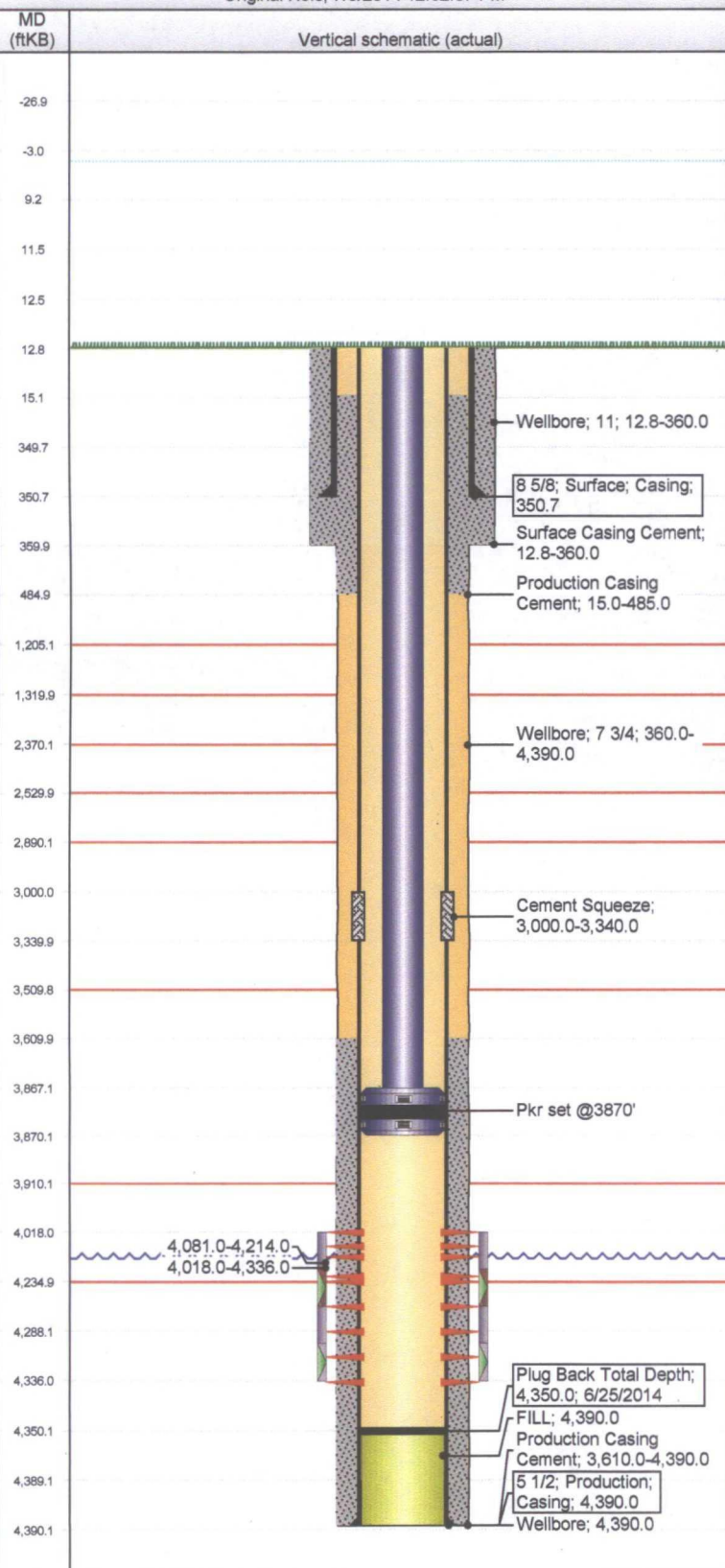
# NM Sundry Schematic

Well Name: CAPROCK MALJAMAR UNIT 038

API/UWI 3002501485	Field Name PB - Caprock Maljamar	County Lea	State/Prov NM	Section 19	Township 017-S	Range 033-E	Survey	Block
Ground Elevation (ft) 4,119.60	Orig KB Elev (ft) 4,132.40	KB-Grd (ft) 12.80	Initial Spud Date 6/16/1958	Rig Release Date	TD Date	Latitude (°) 32° 49' 31.661" N	Longitude (°) 103° 42' 16.723" W	Operated? Yes

Original Hole, 7/9/2014 12:32:57 PM

## Original Hole Data



Depth (ftKB)	Annotation					
4,100.0	5-1/2" CSG STICKY @4100'.					
Casing Strings						
Casing Description	OD (in)	Set Depth (ftKB)	Run Date			
Surface	8 5/8	350.8	6/17/1958			
Casing Description	OD (in)	Set Depth (ftKB)	Run Date			
Production	5 1/2	4,390.0	7/1/1958			
Cement Stages						
Description	Top Depth (ftKB)	Btm (ftKB)				
Surface Casing Cement	12.8	360.0				
Comment						
CMT W/175 SX REGULAR W/2% CACL. CIRC'D 15 SX TO PIT.						
Description	Top Depth (ftKB)	Btm (ftKB)				
Production Casing Cement	3,610.0	4,390.0				
Comment						
CMT W/100 SX OF INCOR & 600 GAL DOWELL CEALMENT. TOC @3610' FROM TEMP SURVEY 7-2-58.						
Description	Top Depth (ftKB)	Btm (ftKB)				
Production Casing Cement	15.0	485.0				
Comment						
Csg leak isolated between 355' and 485'. Cmt'd w/ 150 sx cmt.						
Description	Top Depth (ftKB)	Btm (ftKB)				
Cement Squeeze	3,000.0	3,340.0				
Comment						
PREVIOUSLY ENTERED. CANNOT VERIFY ENTRY FROM ONLINE REPORTS.						
Other In Hole						
Des	Btm (ftKB)	Run Date	Com			
FILL	4,390.0		PBTD@4350'			
Tubing Strings						
Tubing Description	Run Date	Set Depth (ftKB)				
Pkr Depth	11/12/2004	3,870.0				
Tubing Components						
Item Des	Len (ft)	Jts	OD (in)	ID (in)	Grade	Wt (lb/ft)
SUBS	24.00		2 3/8	1.995	J-55	4.60
Tubing	3,870.00	123	2 3/8	1.995	J-55	4.60
2-3/8" X 5-1/2" IPC AD-1 PKR	3.00	1	4.9			

**Goetze, Phillip, EMNRD**

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**From:** Pena, Kristal <KPena@linnenergy.com>  
**Sent:** Wednesday, July 09, 2014 11:37 AM  
**To:** Goetze, Phillip, EMNRD  
**Subject:** PACKER EXEMPTION REQUEST: Caprock Maljamar Unit #38 (30-025-01485)  
**Attachments:** OCD\_PACKER EXEMPTION REQUEST\_CMU #38.pdf; CMU 38 NM Sundry.pdf

Good afternoon Phillip,

Attached is the letter we discussed for the Caprock Maljamar Unit #38. Feel free to contact me with any questions.

Regards,  
Kristal Pena  
281-840-4050

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