

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB NO 1004-0135  
Expires July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*

OCD Artesia

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other INJECTION		5. Lease Serial No. NMLC029418B
2. Name of Operator LINN OPERATING INC		6. If Indian, Allottee or Tribe Name
3a. Address 600 TRAVIS, SUITE 5100 HOUSTON, TX 77002		7. If Unit or CA/Agreement, Name and/or No
3b. Phone No. (include area code) Ph: 281-840-4266		8. Well Name and No. LEA D 002
4. Location of Well (Footage, Sec., T, R, M., or Survey Description) Sec 26 T17S R31E Mer NMP 710FNL 660FEL		9. API Well No. 30-015-05412
		10. Field and Pool, or Exploratory GRAYBURG JACKSON;SR-Q-G-S
		11. County or Parish, and State EDDY COUNTY, NM

## 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

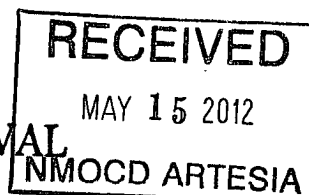
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

NOTICE OF INTENT:

**SUBJECT TO LIKE  
APPROVAL BY STATE**

LINN PROPOSES TO MIRU AND TEST CASING. IF CASING TEST GOOD THEN ACIDIZE, RIH WITH TUBING AND PACKER TO 3250' AND PUT WELL ON INJECTION.

CURRENT WELLBORE SCHEMATIC HAS BEEN ATTACHED.

Accepted for record  
NMOCD  
5/15/12SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #136665 verified by the BLM Well Information System For LINN OPERATING INC, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 04/30/2012 ()	
Name (Printed/Typed) NANCY FITZWATER	Title SUPERVISOR
Signature (Electronic Submission)	Date 04/30/2012
THIS SPACE FOR FEDERAL OR STATE OFFICE USE	
Approved By	Title
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	
Office	

APPROVED

MAY 11 2012

WESLEY W. INGRAM  
PETROLEUM ENGINEER

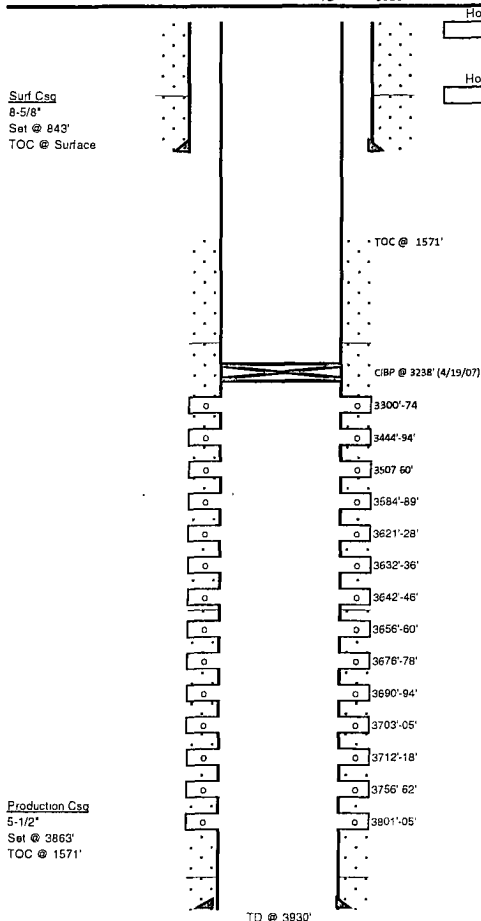
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\*

Well Name: Lea D #2  
 Location: A26-17S-31E 710 FNL 660 FEL  
 API #: 30-015-05412  
 Elevations: GROUND DF 3855'  
 Depths (KB): PBTD 3836'  
 TD 3930'

# Current Wellbore Schematic

Date Prepared: 4/3/2012 DK  
 Last Updated:  
 Spud Date: 17-Jul 60  
 RR Date:  
 Spud Date to RR Date:  
 Completion Start Date:  
 Completion End Date:  
 Completion Total Days:  
 Co-ordinates:



Hole Size

Hole Size

Surface Casing (I)  
 8-5/8" OD 24# J-55 csg set at 843'  
 Cmt'd w/ 100 xxs cmt  
 Circulated cmt to surface  
 Production Casing (I)  
 5-1/2" OD 15 5# J-55 set @ 3863'  
 Cmt'd W/385 xxs cmt  
 TOC @ 1571' - temp survey

## Tubing

Length (ft)

## Notes

Top of Salt -  
 Base of Salt -

## Perforations

Initial Completion 3584-89, 3621-28, 3632-36, 3642-46, 3656-60, 3676-78, 3690-94, 3703-05, 3712-18, 3756-62, 3801-05

(11/1972) Per'd with one 1/2" hole at 3300, 3312, 3341, 3355, 3364, 3374, 3444, 3456, 3466, 3486, 3494, 3507, 3516, 3538, 3549, and 3560

Production Csg  
 5-1/2"  
 Set @ 3863'  
 TOC @ 1571'

TD @ 3930'

## Conditions of Approval

**Linn Operating Inc.**

**Lea D - 002**

**API 3001505412**

**May 11, 2012**

- 1. If casing does not test satisfactorily, operator shall obtain BLM approval prior to a casing repair or addition of a liner. Use notice of intent Form 3160-5.**
- 2. Submit documentation of the NMOCD Administrative Order stipulating injection interval and maximum injection pressure.**
- 3. Provide BLM with an electronic copy (Adobe Acrobat Document) cement bond log record from 3200' or below to top of cement. Less than 500' between the proposed top perforation and top of cement or lack of a 500' overlap above next casing shoe may require correction. The CFO BLM on call engineer may be reached at 575-706-2779.**
- 4. Surface disturbance beyond the existing pad shall have prior approval.**
- 5. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.**
- 6. Functional H<sub>2</sub>S monitoring equipment shall be on location.**
- 7. A 2000 (2M) BOPE to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 (attachment 1, 2M diagrams of choke manifold equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.**
- 8. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.**
- 9. Workover approval is good for 90 days (completion to be within 90 days of approval). A legitimate request is necessary for extension of that date.**

### Well with a Packer – Operations

- 1) Conduct a Mechanical Integrity Test of the tubing/casing annulus after a tubing, packer or casing seal is established. Repair that seal any time more than five barrels of packer fluid is replaced within 30 days.
- 2) The minimum test pressure should be 500 psig for 30 minutes or 300 psig for 60 minutes, with 200 psig differentials between tubing and casing pressure (at test time) but no more than 70% of casing burst pressure as described by Onshore Order 2.III.B.1.h. (The tubing or reservoir pressure may need to be reduced). An alternate method for a BLM approved MIT is to have the fluid filled system open to atmospheric pressure and have a loss of less than five barrels in 30 days witnessed by a BLM authorized officer.
- 3) Document the pressure test on a calibrated recorder chart registering within 25 to 85 per cent of its full range. Greater than 10% pressure leakoff will be viewed as a failed MIT. Less than 10% pressure leakoff will be evaluated site specifically and may restrict injection approval.
- 4) At least 24 hours before the test: In Eddy County 575-361-2822, if there is no response email Paul R. Swartz [pswartz@blm.gov](mailto:pswartz@blm.gov) or phone 575-200-7902. Note the contact notification method, time, & date in your subsequent report.
- 5) Submit a subsequent Sundry Form 3160-5 relating the MIT activity. Include a copy of the recorded MIT pressure chart. List the name of the BLM witness, or the notified person and date of notification. NMOCD is to retain the original recorded MIT chart.
- 6) Use of tubing internal protection, tubing on/off equipment just above the packer, a profile nipple, and an in line tubing check valve below the packer or between the on/off tool and packer is a “Best Management Practice”. The setting depths and descriptions of each are to be included in the subsequent sundry. List (by date) descriptions of daily activity of any previously unreported wellbore workover.
- 7) **Submit the original subsequent sundry with three copies to BLM Carlsbad.**
- 8) Compliance with a NMOCD Administrative Order is required, submit documentation of that authorization.
  - a) Approved injection pressure compliance is required.
  - b) If injection pressure exceeds the approved pressure you are required to reduce that pressure and notify the BLM within 24 hours.
  - c) When injection pressure is within 50 psig of the maximum pressure, install automation equipment that will prevent exceeding that maximum. Submit a subsequent report (Sundry Form 3160-5) describing the installed automation equipment within 30 days.
- 9) Unexplained significant variations of rate or pressure to be reported within 5 days of notice.
- 10) The casing/tubing annulus is required to be monitored for communication with injection fluid or loss of casing integrity. A BLM inspector may request verification of the annular fluid level at any time.

- 11) A “Best Management Practice” is to maintain the annulus full of packer fluid at atmospheric pressure. Equipment that will display on site, continuous open to the air fluid level is necessary to achieve this goal.
- 12) Loss of packer fluid above five barrels per month indicates a developing problem. Notify BLM Carlsbad Field Office, Petroleum Engineering within 5 days.
- 13) A suggested format for monthly records documenting that the casing annulus is fluid filled is available from the BLM Carlsbad Field Office.
- 14) Gain of annular fluid requires notification within 24 hours. Cease injection and maintain a production casing pressure of 0psia. Notify the BLM’s authorized officer (“Paul R. Swartz” <[pswartz@blm.gov](mailto:pswartz@blm.gov)>, cell phone 575-200-7902). If there is no response phone 575-361-2822.
- 15) Submit a (Sundry Form 3160-5) subsequent report (daily reports) describing all wellbore activity and Mechanical Integrity Test as per item 1) above. Include the date(s) of the well work, and the setting depths of equipment: internally corrosive protected tubing, tubing on/off equipment just above the packer, and an in line tubing check valve below the packer or between the on/off tool and packer. The setting depths and descriptions of each are to be included in the subsequent sundry. List (by date) descriptions of daily activity of any previously unreported wellbore workover.

**NM Fed Regs & Forms - [http://www.blm.gov/nm/st/en/prog/energy/oil\\_and\\_gas.html](http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html)**

Use of Form 3160-5 “Sundry Notices and Reports on Wells”

**§ 43 CFR 3162.3-2 Subsequent Well Operations.**

**§ 3162.4-1 (c) Well records and reports.**