

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM 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.***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. NMLC029435B
2. Name of Operator LINN OPERATING INC		6. If Indian, Allottee or Tribe Name
3a. Address 600 TRAVIS, STE 5100 HOUSTON, TX 77002		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 432-366-1557		8. Well Name and No. J.L. KEEL "B" 76
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 8 T17S R31E 2030FNL 1980FEL		9. API Well No. 30-015-28255
		10. Field and Pool, or Exploratory GRAYBURG JACKSON
		11. County or Parish, and State EDDY COUNTY 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 type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input checked="" type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" 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 that we have returned this well to production  
Re-delivery:

3-23-11 Pumped 4000 gals of 15% HCl, flowed well back prior to acid job and after acid job.  
Established injection rate on 3-26-11 - 242 @ 1800 psi. Passed MIT.

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

Accepted for record  
NMOCD RF

4/14/11



14. I hereby certify that the foregoing is true and correct. Electronic Submission #105694 verified by the BLM Well Information System For LINN OPERATING INC, sent to the Carlsbad	
Name (Printed/Typed) TAMMY SCARBOROUGH	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 03/31/2011

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <i>J.D. Whitlock</i>	Title <i>CFO</i>	Date <i>4/8/11</i>
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 <i>CFO</i>

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 \*\***

# Conditions of Approval

## LINN OPERATING INC

J. L. KEEL B #76

APRIL 08, 2011

1. Conduct a Mechanical Integrity Test of the tubing/casing annulus any time the packer or tubing is pulled.
  - a. The test pressure should be 500 psig, 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/reservoir pressure may need to be reduced). Trap that pressure and record it on a chart for 30 minutes. Document the MIT on a calibrated recorder chart within 25 to 85 per cent of its full range.
  - b. Notify Paul R. Swartz at 575-234-5985 and/or 575-200-7902 at least 24 hours before the test. If there is no response, notify the BLM on call drilling phone, 575-361-2822.
  - c. Less than a 10% leakoff may not restrict injection approval. Any leak-off will be evaluated.
  - d. Submit the recorded MIT chart with a subsequent Sundry Form 3160-5 relating the MIT activity. List the name of the BLM witness, or the notified person and date of notification.
  - e. Descriptions of tubing, on/off equipment, profile nipple installation, and packer setting depth are required. List (by date) descriptions of daily activity of any previously unreported wellbore work.
  - f. **Include the original and three copies of the recorded chart and Sundry** (the original will be returned to the operator).
2. Submit the NMOC permit number and its approved maximum tubing injection pressure.
  - a. Approved injection pressure compliance is required.
  - b. Display real time tubing pressure values onsite. A bourdon tube gauge registering 25% to 85% of its full range is acceptable.
  - c. If injection pressure exceeds the approved pressure you are required to reduce that pressure and notify the BLM within 24 hours.
  - d. When injection pressure is within 50 psig of the maximum pressure, install automation equipment that will prevent exceeding that maximum.
    - i. Submit a subsequent report (Sundry Form 3160-5) describing the installed automation equipment.
  - e. Other unexplained significant variations of rate or pressure to be reported within 5 days of notice.

3. The casing/tubing annulus is required to be monitored for communication with injection fluid or loss of casing integrity.
  - a. The annulus is to be maintained full of packer fluid at atmosphere pressure. Installation of equipment that will display on site, open to the air fluid level is required. A BLM inspector may request verification of this fluid level at any time.
  - b. Loss of packer fluid above five barrels per month requires notification of the BLM authorized officer within 5 days.
  - c. Gain of annular fluid requires notification within 24 hours. Cease injection and maintain a production casing pressure of Opsig. Notify the BLMs authorized officer (Paul R. Swartz at 575-200-7902). If there is no response, notify the BLM on call drilling phone, 575-361-2822.
  - d. The use of automation equipment that will monitor and alarm is required when a well's packer, tubing, or casing competence is questionable.
  - e. Also submit to this office a (Sundry Form 3160-5) Notice of Intent (NOI) for approval by BLM and NMOCD a plan for correction and the anticipated date of correction. The lack of records documenting a continuous fluid packed casing will require rapid correction. Verbal approval for the plan may be given from a BLM authorized officer, with the NOI filed soon after.
  - f. After the repairs submit a (Sundry Form 3160-5) Subsequent report, describing the repair(s) and Mechanical Integrity Test as per item 1 above.