

New Mexico Energy, Minerals and Natural Resources Department

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Response Required – Deadline Enclosed

Underground Injection Control Program

"Protecting Our Underground Sources of Drinking Water"

Mailed: 5/3/2011

LOVNO. 02-09-197

May 2, 2011

LINN OPERATING, INC.
600 TRAVIS SUITE 5100
HOUSTON TX 77002

30-015-05085

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.

Linn Operating, Inc. (Linn) has 19 injection wells that failed their Mechanical Integrity Tests performed last year in 2010. As of today, twelve of these wells have not been repaired even though there was a deadline of 7/11 to 7/25/2010 to repair these wells. LOV 02-09-148 was issued on April 22, 2010 informing Linn that these wells had to be shut-in and could not be used until they were repaired and tested.

During inspections performed on the wells mentioned above, Inspector Richard Inge observed that Linn was actively injecting into the following wells:

H E WEST A 6	api#30015050650000	H E WEST B 16	api#30015050560000
J L KEEL A 4	api#30015050920000	J L KEEL B 34	api#30015254470000
J L KEEL B 38	api#30015259190000	J L KEEL B 77	api#30015282790000
TURNER A 15	api#30015052400000	TURNER A 35	api#30015200970000

The following wells were shut-in, but have not yet been repaired:

H E WEST B 26	api#30015050600000	J L KEEL B 22	api#30015050820000
J L KEEL B 32	api#30015246940000	J L KEEL B 37	api#30015259340000

Due to Linn's disregard for the rules and directives of the OCD, Linn must immediately cease injection into the wells listed in this LOV. Linn must also disconnect each of these wells from their injection line. Inspector Inge will conduct an inspection within the next few weeks. If he finds these wells connected to an injection line, he will assume that Linn is still injecting into these wells and will pursue further action which may include a hearing to determine if Linn Energy should lose the injection authority of their wells.

Oil Conservation Division
1301 W. Grand Avenue • Artesia, New Mexico 88210
Phone (575) 748-1283 • Fax (575) 748-9720 • www.emnrd.state.nm.us/OCD



MECHANICAL INTEGRITY TEST DETAIL SECTION

H E WEST B No.016

Active Injection - (All Types)

Test Date: 4/26/2011 Permitted Injection PSI: Actual PSI:
Test Reason: Post Workover Test Test Result: F Repair Due: 6/1/2011
Test Type: Std. Annulus Pres. Test FAIL TYPE: Permit Violation FAIL CAUSE:
Comments on MIT: Actively injecting into a well that has not been repaired from previous failure.

30-015-05056-00-00
M-3-17S-31E

H E WEST B No.026

Active Injection - (All Types)

Test Date: 4/28/2011 Permitted Injection PSI: Actual PSI:
Test Reason: Annual IMIT Test Result: F Repair Due: 6/1/2011
Test Type: Std. Annulus Pres. Test FAIL TYPE: Permit Violation FAIL CAUSE:
Comments on MIT: Well not repaired from previous failure. Not tested. Well is shut-in.

30-015-05060-00-00
I-3-17S-31E

H E WEST A No.006

Active Injection - (All Types)

Test Date: 4/26/2011 Permitted Injection PSI: Actual PSI:
Test Reason: Post Workover Test Test Result: F Repair Due: 6/1/2011
Test Type: Std. Annulus Pres. Test FAIL TYPE: Permit Violation FAIL CAUSE:
Comments on MIT: Actively injecting into a well that has not been repaired from previous failure.

30-015-05065-00-00
H-4-17S-31E

H E WEST B No.011

Active Injection - (All Types)

Test Date: 4/26/2011 Permitted Injection PSI: Actual PSI:
Test Reason: Annual IMIT Test Result: F Repair Due: 7/30/2011
Test Type: Bradenhead Test FAIL TYPE: Permit Violation FAIL CAUSE:
Comments on MIT: Injection pressure over limit. Permitted max pressure is 2064.

30-015-05073-00-00
K-4-17S-31E

J L KEEL B No.019

Active Injection - (All Types)

Test Date: 4/29/2011 Permitted Injection PSI: Actual PSI:
Test Reason: Annual IMIT Test Result: F Repair Due: 8/2/2011
Test Type: Bradenhead Test FAIL TYPE: Other External Failure FAIL CAUSE:
Comments on MIT: Intermediate valve not closed. Unable to test.

30-015-05081-00-00
J-5-17S-31E

J L KEEL B No.022

Active Injection - (All Types)

Test Date: 4/29/2011 Permitted Injection PSI: Actual PSI:
Test Reason: Annual IMIT Test Result: F Repair Due: 6/1/2011
Test Type: Bradenhead Test FAIL TYPE: Permit Violation FAIL CAUSE:
Comments on MIT: Well not repaired from previous failure. Not tested. Well is shut-in.

30-015-05082-00-00
L-5-17S-31E

J L KEEL B No.001

Active Injection - (All Types)

Test Date: 4/29/2011 Permitted Injection PSI: Actual PSI:
Test Reason: Annual IMIT Test Result: F Repair Due: 8/2/2011
Test Type: Bradenhead Test FAIL TYPE: Other External Failure FAIL CAUSE:
Comments on MIT: Unable to open Bradenhead valve. Unable to test.

30-015-05083-00-00
D-6-17S-31E

J L KEEL B No.020

Active Injection - (All Types)

Test Date: 4/18/2011 Permitted Injection PSI: Actual PSI:
Test Reason: 5-year Test Test Result: F Repair Due: 7/22/2011
Test Type: Std. Annulus Pres. Test FAIL TYPE: Other Internal Failure FAIL CAUSE:
Comments on MIT: Well will not hold pressure. Unable to pressure up on casing.

30-015-05085-00-00
P-6-17S-31E

J L KEEL B No.026

Active Injection - (All Types)

Test Date: 4/29/2011 Permitted Injection PSI: Actual PSI:
Test Reason: Annual IMIT Test Result: F Repair Due: 8/2/2011
Test Type: Bradenhead Test FAIL TYPE: Permit Violation FAIL CAUSE:
Comments on MIT: Injection pressure over limit. Permitted max pressure is 1650.

30-015-05089-00-00
M-6-17S-31E

J L KEEL A No.004

Active Injection - (All Types)

30-015-05092-00-00
K-7-17S-31E

Test Date:	4/29/2011	Permitted Injection PSI:	Actual PSI:	1350
Test Reason:	Annual IMIT	Test Result:	Repair Due:	6/1/2011
Test Type:	Bradenhead Test	FAIL TYPE:	FAIL CAUSE:	
Comments on MIT: Actively injecting into a well that has not been repaired from previous failure.				

J L KEEL A No.007

Active Injection - (All Types)

30-015-05095-00-00
L-7-17S-31E

Test Date:	4/29/2011	Permitted Injection PSI:	Actual PSI:	1020
Test Reason:	Annual IMIT	Test Result:	Repair Due:	8/2/2011
Test Type:	Bradenhead Test	FAIL TYPE:	FAIL CAUSE:	
Comments on MIT: Intermediate valve not closed. Unable to test.				

J L KEEL A No.010

Active Injection - (All Types)

30-015-05098-00-00
I-7-17S-31E

Test Date:	4/29/2011	Permitted Injection PSI:	Actual PSI:	1250
Test Reason:	Annual IMIT	Test Result:	Repair Due:	8/2/2011
Test Type:	Bradenhead Test	FAIL TYPE:	FAIL CAUSE:	
Comments on MIT: Intermediate valve not closed. Unable to test.				

J L KEEL B No.003

Active Injection - (All Types)

30-015-05104-00-00
N-8-17S-31E

Test Date:	4/29/2011	Permitted Injection PSI:	Actual PSI:	2260
Test Reason:	Annual IMIT	Test Result:	Repair Due:	8/2/2011
Test Type:	Bradenhead Test	FAIL TYPE:	FAIL CAUSE:	
Comments on MIT: Injection pressure over limit. Permitted max pressure is 1665.				

J L KEEL B No.006

Active Injection - (All Types)

30-015-05107-00-00
F-8-17S-31E

Test Date:	4/29/2011	Permitted Injection PSI:	Actual PSI:	1700
Test Reason:	Annual IMIT	Test Result:	Repair Due:	8/2/2011
Test Type:	Bradenhead Test	FAIL TYPE:	FAIL CAUSE:	
Comments on MIT: Intermediate valve not closed. Unable to test.				

J L KEEL B No.007

Active Injection - (All Types)

30-015-05108-00-00
C-8-17S-31E

Test Date:	4/29/2011	Permitted Injection PSI:	Actual PSI:	
Test Reason:	Annual IMIT	Test Result:	Repair Due:	8/2/2011
Test Type:	Bradenhead Test	FAIL TYPE:	FAIL CAUSE:	
Comments on MIT: A workover rig was on location - unable to test. An MIT Pressure Test must be performed and witnessed before this well can be returned to injection.				

H E WEST B No.014

Active Injection - (All Types)

30-015-05123-00-00
K-10-17S-31E

Test Date:	4/26/2011	Permitted Injection PSI:	Actual PSI:	1950
Test Reason:	Annual IMIT	Test Result:	Repair Due:	7/30/2011
Test Type:	Bradenhead Test	FAIL TYPE:	FAIL CAUSE:	
Comments on MIT: Blow of fluid from casing.				

TURNER B No.002

Active Injection - (All Types)

30-015-05182-00-00
M-17-17S-31E

Test Date:	4/27/2011	Permitted Injection PSI:	Actual PSI:	1820
Test Reason:	Annual IMIT	Test Result:	Repair Due:	7/31/2011
Test Type:	Bradenhead Test	FAIL TYPE:	FAIL CAUSE:	
Comments on MIT: Unable to open intermediate valve.				

C A RUSSELL No.006

Active Injection - (All Types)

30-015-05219-00-00
C-18-17S-31E

Test Date:	4/27/2011	Permitted Injection PSI:	Actual PSI:	1880
Test Reason:	Annual IMIT	Test Result:	Repair Due:	7/31/2011
Test Type:	Bradenhead Test	FAIL TYPE:	FAIL CAUSE:	
Comments on MIT: Blow of fluid from casing.				

C A RUSSELL No.008

Active Injection - (All Types)

Test Date: 4/27/2011
Test Reason: Annual IMIT
Test Type: Bradenhead Test
Comments on MIT: Unable to open casing valve.

Permitted Injection PSI:
Test Result: F
FAIL TYPE: Other External Failure

30-015-05221-00-00
G-18-17S-31E
Actual PSI: 1780
Repair Due: 7/31/2011
FAIL CAUSE:

TURNER A No.002

Active Injection - (All Types)

Test Date: 4/27/2011
Test Reason: Annual IMIT
Test Type: Bradenhead Test
Comments on MIT: Unable to open intermediate valve. Valve stem twisted.

Permitted Injection PSI:
Test Result: F
FAIL TYPE: Other External Failure

30-015-05227-00-00
L-18-17S-31E
Actual PSI: 1670
Repair Due: 7/31/2011
FAIL CAUSE:

TURNER A No.012

Active Injection - (All Types)

Test Date: 4/27/2011
Test Reason: Annual IMIT
Test Type: Bradenhead Test
Comments on MIT: Casing valve not closed. Unable to test.

Permitted Injection PSI:
Test Result: F
FAIL TYPE: Operational Violation

30-015-05238-00-00
A-19-17S-31E
Actual PSI:
Repair Due: 7/31/2011
FAIL CAUSE:

TURNER A No.015

Active Injection - (All Types)

Test Date: 4/28/2011
Test Reason: Post Workover Test
Test Type: Std. Annulus Pres. Test
Comments on MIT: Actively injecting into a well that has not been repaired from previous failure.

Permitted Injection PSI:
Test Result: F
FAIL TYPE: Permit Violation

30-015-05240-00-00
F-19-17S-31E
Actual PSI:
Repair Due: 6/1/2011
FAIL CAUSE:

FREN OIL COMPANY No.005

Active Injection - (All Types)

Test Date: 4/27/2011
Test Reason: Annual IMIT
Test Type: Bradenhead Test
Comments on MIT: Casing valve buried. Unable to open. Bradenhead valve not visible.

Permitted Injection PSI:
Test Result: F
FAIL TYPE: Other External Failure

30-015-05253-00-00
P-19-17S-31E
Actual PSI: 1030
Repair Due: 7/31/2011
FAIL CAUSE:

TURNER B No.072

Active Injection - (All Types)

Test Date: 4/29/2011
Test Reason: 5-year Test
Test Type: Std. Annulus Pres. Test
Comments on MIT: Unable to test. Per Operator - road work required before a truck can get to location. The well must be shut-in and an MIT Pressure Test must be performed and witnessed before this well can be returned to

Permitted Injection PSI:
Test Result: F
FAIL TYPE: Other External Failure

30-015-05302-00-00
O-20-17S-31E
Actual PSI:
Repair Due: 8/2/2011
FAIL CAUSE:

TURNER B No.055

Active Injection - (All Types)

Test Date: 4/18/2011
Test Reason: Annual IMIT
Test Type: Bradenhead Test
Comments on MIT: Operator reports well is down for repair. Not tested. An MIT Pressure Test must be performed and witnessed before this well can be returned to injection.

Permitted Injection PSI:
Test Result: F
FAIL TYPE: Other Internal Failure

30-015-05444-00-00
H-29-17S-31E
Actual PSI:
Repair Due: 7/22/2011
FAIL CAUSE:

MAX FRIESS MA No.004

Active Injection - (All Types)

Test Date: 4/27/2011
Test Reason: Annual IMIT
Test Type: Bradenhead Test
Comments on MIT: Intermediate valve not closed. Unable to test.

Permitted Injection PSI:
Test Result: F
FAIL TYPE: Other External Failure

30-015-05471-00-00
H-30-17S-31E
Actual PSI: 1320
Repair Due: 7/31/2011
FAIL CAUSE:

H E WEST B No.029

Active Injection - (All Types)

Test Date: 4/26/2011
Test Reason: Annual IMIT
Test Type: Bradenhead Test
Comments on MIT: Unable to open bradenhead valve.

Permitted Injection PSI:
Test Result: F
FAIL TYPE: Other External Failure

30-015-10376-00-00
C-9-17S-31E
Actual PSI:
Repair Due: 7/30/2011
FAIL CAUSE:

TURNER A No.035

Active Injection - (All Types)

30-015-20097-00-00
H-19-17S-31E

Test Date:	4/27/2011	Permitted Injection PSI:	Actual PSI:
Test Reason:	Post Workover Test	Test Result:	Repair Due:
Test Type:	Std. Annulus Pres. Test	FAIL TYPE: Permit Violation	FAIL CAUSE:
Comments on MIT:	Actively injecting into a well that has not been repaired from previous failure.		

J L KEEL B No.030

Active Injection - (All Types)

30-015-21460-00-00
O-6-17S-31E

Test Date:	4/18/2011	Permitted Injection PSI:	Actual PSI:
Test Reason:	5-year Test	Test Result:	Repair Due:
Test Type:	Std. Annulus Pres. Test	FAIL TYPE: Other Internal Failure	FAIL CAUSE:
Comments on MIT:	Blow of oil from the casing valve.		

J L KEEL B No.032

Active Injection - (All Types)

30-015-24694-00-00
B-6-17S-31E

Test Date:	4/29/2011	Permitted Injection PSI:	Actual PSI:
Test Reason:	Annual IMIT	Test Result:	Repair Due:
Test Type:	Bradenhead Test	FAIL TYPE: Permit Violation	FAIL CAUSE:
Comments on MIT:	This well was not yet repaired from a previous failure. A workover rig was on location - unable to test. An MIT Pressure Test must be performed and witnessed before this well can be returned to injection.		

J L KEEL B No.034

Active Injection - (All Types)

30-015-25447-00-00
H-6-17S-31E

Test Date:	4/29/2011	Permitted Injection PSI:	Actual PSI:
Test Reason:	Annual IMIT	Test Result:	Repair Due:
Test Type:	Bradenhead Test	FAIL TYPE: Permit Violation	FAIL CAUSE:
Comments on MIT:	Injecting into a well that has not been repaired from previous failure. Not injecting during time of test, but injection line was open.		

J L KEEL B No.035

Active Injection - (All Types)

30-015-25448-00-00
C-6-17S-31E

Test Date:	4/29/2011	Permitted Injection PSI:	Actual PSI:
Test Reason:	Annual IMIT	Test Result:	Repair Due:
Test Type:	Bradenhead Test	FAIL TYPE: Permit Violation	FAIL CAUSE:
Comments on MIT:	Operator doing an acid job on well. Due to safety concerns, the well was not tested.		

J L KEEL B No.038

Active Injection - (All Types)

30-015-25919-00-00
I-6-17S-31E

Test Date:	4/29/2011	Permitted Injection PSI:	Actual PSI:
Test Reason:	Annual IMIT	Test Result:	Repair Due:
Test Type:	Bradenhead Test	FAIL TYPE: Permit Violation	FAIL CAUSE:
Comments on MIT:	Actively injecting into a well that has not been repaired from previous failure.		

J L KEEL B No.037

Active Injection - (All Types)

30-015-25934-00-00
E-5-17S-31E

Test Date:	4/29/2011	Permitted Injection PSI:	Actual PSI:
Test Reason:	Post Workover Test	Test Result:	Repair Due:
Test Type:	Std. Annulus Pres. Test	FAIL TYPE: Permit Violation	FAIL CAUSE:
Comments on MIT:	Well not repaired from previous failure. Not tested. Well is shut-in.		

J L KEEL A No.017

Active Injection - (All Types)

30-015-25938-00-00
C-7-17S-31E

Test Date:	4/18/2011	Permitted Injection PSI:	Actual PSI:
Test Reason:	5-year Test	Test Result:	Repair Due:
Test Type:	Std. Annulus Pres. Test	FAIL TYPE: Other Internal Failure	FAIL CAUSE:
Comments on MIT:	Well will not hold pressure		

J L KEEL B No.040

Active Injection - (All Types)

30-015-25940-00-00
E-6-17S-31E

Test Date:	4/29/2011	Permitted Injection PSI:	Actual PSI:
Test Reason:	Annual IMIT	Test Result:	Repair Due:
Test Type:	Bradenhead Test	FAIL TYPE: Other External Failure	FAIL CAUSE:
Comments on MIT:	Casing valve not closed. Unable to test. Injection pressure is over max limit. Limit is 1752.		

H E WEST B No.033

Active Injection - (All Types)

Test Date: 4/26/2011
Test Reason: Annual IMIT
Test Type: Bradenhead Test
Comments on MIT: Surface valve not visible. Unable to test.

Permitted Injection PSI:
Test Result: F
FAIL TYPE: Other External Failure

30-015-25944-00-00
L-3-17S-31E
Actual PSI: 2000
Repair Due: 7/30/2011
FAIL CAUSE:

HUDSON FEDERAL No.006

Active Injection - (All Types)

Test Date: 4/19/2011
Test Reason: 5-year Test
Test Type: Std. Annulus Pres. Test
Comments on MIT: Well will not hold pressure

Permitted Injection PSI:
Test Result: F
FAIL TYPE: Other Internal Failure

30-015-26008-00-00
H-18-17S-31E
Actual PSI: 1200
Repair Due: 7/23/2011
FAIL CAUSE:

H E WEST B No.044

Active Injection - (All Types)

Test Date: 4/26/2011
Test Reason: Annual IMIT
Test Type: Bradenhead Test
Comments on MIT: Blow of fluid from casing valve.

Permitted Injection PSI:
Test Result: F
FAIL TYPE: Other Internal Failure

30-015-26574-00-00
N-3-17S-31E
Actual PSI: 1900
Repair Due: 7/30/2011
FAIL CAUSE:

J L KEEL B No.077

Active Injection - (All Types)

Test Date: 4/29/2011
Test Reason: Annual IMIT
Test Type: Bradenhead Test
Comments on MIT: Actively injecting into a well that has not been repaired from previous failure.

Permitted Injection PSI:
Test Result: F
FAIL TYPE: Permit Violation

30-015-28279-00-00
H-8-17S-31E
Actual PSI: 1750
Repair Due: 6/1/2011
FAIL CAUSE:

J L KEEL A No.030

Active Injection - (All Types)

Test Date: 4/29/2011
Test Reason: Annual IMIT
Test Type: Bradenhead Test
Comments on MIT: Intermediate valve not closed. Unable to test.

Permitted Injection PSI:
Test Result: F
FAIL TYPE: Other External Failure

30-015-28306-00-00
O-7-17S-31E
Actual PSI: 600
Repair Due: 8/2/2011
FAIL CAUSE:

TURNER A No.058

Active Injection - (All Types)

Test Date: 4/27/2011
Test Reason: Annual IMIT
Test Type: Bradenhead Test
Comments on MIT: Injection pressure over limit. Permitted max pressure is 1635.

Permitted Injection PSI:
Test Result: F
FAIL TYPE: Permit Violation

30-015-29001-00-00
O-18-17S-31E
Actual PSI: 3600
Repair Due: 7/31/2011
FAIL CAUSE:

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. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Sincerely,

Richard Inge
Artesia OCD District Office