New Mexico Energy, Minerals and Natural Resources Department

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Governor

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Jami Bailey
Division Director
Oil Conservation Division

Response Required – Deadline Enclosed
Underground Injection Control Program
"Protecting Our Underground Sources of Drinking Water"

Mailed: 5/3/2011 DS

May 2, 2011

LOVNO. 02-09-197

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

30-015-05104

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.

MECHANICAL INTEGRITY TEST DETAIL SECTION

H E WEST B No.016 — **30-015-05056-00-00**

Active Injection - (All Types) — M-3-17S-31E

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.

H E WEST B No.026 — **30-015-05060-00-00**

Active Injection - (All Types) — I-3-17S-31E

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.

H E WEST A No.006 — **30-015-05065-00-00**

Active Injection - (All Types) — H-4-17S-31E

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.

H E WEST B No.011 — **30-015-05073-00-00**

Active Injection - (All Types) — K-4-17S-31E

Test Date:	4/26/2011	**Permitted Injection PSI:**		**Actual PSI:**	2240
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.

J L KEEL B No.019 — **30-015-05081-00-00**

Active Injection - (All Types) — J-5-17S-31E

Test Date:	4/29/2011	**Permitted Injection PSI:**		**Actual PSI:**	1850
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.

J L KEEL B No.022 — **30-015-05082-00-00**

Active Injection - (All Types) — L-5-17S-31E

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.

J L KEEL B No.001 — **30-015-05083-00-00**

Active Injection - (All Types) — D-6-17S-31E

Test Date:	4/29/2011	**Permitted Injection PSI:**		**Actual PSI:**	1850
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.

J L KEEL B No.020 — **30-015-05085-00-00**

Active Injection - (All Types) — P-6-17S-31E

Test Date:	4/18/2011	**Permitted Injection PSI:**		**Actual PSI:**	1900
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.

J L KEEL B No.026 — **30-015-05089-00-00**

Active Injection - (All Types) — M-6-17S-31E

Test Date:	4/29/2011	**Permitted Injection PSI:**		**Actual PSI:**	1850
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.

J L KEEL A No.004 **30-015-05092-00-00**

Active Injection - (All Types) K-7-17S-31E

Test Date:	4/29/2011	**Permitted Injection PSI:**		**Actual PSI:**	1350
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: Actively injecting into a well that has not been repaired from previous failure.

J L KEEL A No.007 **30-015-05095-00-00**

Active Injection - (All Types) L-7-17S-31E

Test Date:	4/29/2011	**Permitted Injection PSI:**		**Actual PSI:**	1020
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.

J L KEEL A No.010 **30-015-05098-00-00**

Active Injection - (All Types) I-7-17S-31E

Test Date:	4/29/2011	**Permitted Injection PSI:**		**Actual PSI:**	1250
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.

J L KEEL B No.003 **30-015-05104-00-00**

Active Injection - (All Types) N-8-17S-31E

Test Date:	4/29/2011	**Permitted Injection PSI:**		**Actual PSI:**	2260
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 1665.

J L KEEL B No.006 **30-015-05107-00-00**

Active Injection - (All Types) F-8-17S-31E

Test Date:	4/29/2011	**Permitted Injection PSI:**		**Actual PSI:**	1700
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.

J L KEEL B No.007 **30-015-05108-00-00**

Active Injection - (All Types) C-8-17S-31E

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:**	Operational Violation	**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 **30-015-05123-00-00**

Active Injection - (All Types) K-10-17S-31E

Test Date:	4/26/2011	**Permitted Injection PSI:**		**Actual PSI:**	1950
Test Reason:	Annual IMIT	**Test Result:**	F	**Repair Due:**	7/30/2011
Test Type:	Bradenhead Test	**FAIL TYPE:**	Other Internal Failure	**FAIL CAUSE:**	

Comments on MIT: Blow of fluid from casing.

TURNER B No.002 **30-015-05182-00-00**

Active Injection - (All Types) M-17-17S-31E

Test Date:	4/27/2011	**Permitted Injection PSI:**		**Actual PSI:**	1820
Test Reason:	Annual IMIT	**Test Result:**	F	**Repair Due:**	7/31/2011
Test Type:	Bradenhead Test	**FAIL TYPE:**	Other External Failure	**FAIL CAUSE:**	

Comments on MIT: Unable to open intermediate valve.

C A RUSSELL No.006 **30-015-05219-00-00**

Active Injection - (All Types) C-18-17S-31E

Test Date:	4/27/2011	**Permitted Injection PSI:**		**Actual PSI:**	1880
Test Reason:	Annual IMIT	**Test Result:**	F	**Repair Due:**	7/31/2011
Test Type:	Bradenhead Test	**FAIL TYPE:**	Other Internal Failure	**FAIL CAUSE:**	

Comments on MIT: Blow of fluid from casing.

C A RUSSELL No.008 **30-015-05221-00-00**

Active Injection - (All Types) G-18-17S-31E

Test Date:	4/27/2011	**Permitted Injection PSI:**		**Actual PSI:**	1780
Test Reason:	Annual IMIT	**Test Result:**	F	**Repair Due:**	7/31/2011
Test Type:	Bradenhead Test	**FAIL TYPE:**	Other External Failure	**FAIL CAUSE:**	

Comments on MIT: Unable to open casing valve.

TURNER A No.002 **30-015-05227-00-00**

Active Injection - (All Types) L-18-17S-31E

Test Date:	4/27/2011	**Permitted Injection PSI:**		**Actual PSI:**	1670
Test Reason:	Annual IMIT	**Test Result:**	F	**Repair Due:**	7/31/2011
Test Type:	Bradenhead Test	**FAIL TYPE:**	Other External Failure	**FAIL CAUSE:**	

Comments on MIT: Unable to open intermediate valve. Valve stem twisted.

TURNER A No.012 **30-015-05238-00-00**

Active Injection - (All Types) A-19-17S-31E

Test Date:	4/27/2011	**Permitted Injection PSI:**		**Actual PSI:**	
Test Reason:	Annual IMIT	**Test Result:**	F	**Repair Due:**	7/31/2011
Test Type:	Bradenhead Test	**FAIL TYPE:**	Operational Violation	**FAIL CAUSE:**	

Comments on MIT: Casing valve not closed. Unable to test.

TURNER A No.015 **30-015-05240-00-00**

Active Injection - (All Types) F-19-17S-31E

Test Date:	4/28/2011	**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.

FREN OIL COMPANY No.005 **30-015-05253-00-00**

Active Injection - (All Types) P-19-17S-31E

Test Date:	4/27/2011	**Permitted Injection PSI:**		**Actual PSI:**	1030
Test Reason:	Annual IMIT	**Test Result:**	F	**Repair Due:**	7/31/2011
Test Type:	Bradenhead Test	**FAIL TYPE:**	Other External Failure	**FAIL CAUSE:**	

Comments on MIT: Casing valve buried. Unable to open. Bradenhead valve not visible.

TURNER B No.072 **30-015-05302-00-00**

Active Injection - (All Types) O-20-17S-31E

Test Date:	4/29/2011	**Permitted Injection PSI:**		**Actual PSI:**	
Test Reason:	5-year Test	**Test Result:**	F	**Repair Due:**	8/2/2011
Test Type:	Std. Annulus Pres. Test	**FAIL TYPE:**	Other External Failure	**FAIL CAUSE:**	

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

TURNER B No.055 **30-015-05444-00-00**

Active Injection - (All Types) H-29-17S-31E

Test Date:	4/18/2011	**Permitted Injection PSI:**		**Actual PSI:**	
Test Reason:	Annual IMIT	**Test Result:**	F	**Repair Due:**	7/22/2011
Test Type:	Bradenhead Test	**FAIL TYPE:**	Other Internal Failure	**FAIL CAUSE:**	

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.

MAX FRIESS MA No.004 **30-015-05471-00-00**

Active Injection - (All Types) H-30-17S-31E

Test Date:	4/27/2011	**Permitted Injection PSI:**		**Actual PSI:**	1320
Test Reason:	Annual IMIT	**Test Result:**	F	**Repair Due:**	7/31/2011
Test Type:	Bradenhead Test	**FAIL TYPE:**	Other External Failure	**FAIL CAUSE:**	

Comments on MIT: Intermediate valve not closed. Unable to test.

H E WEST B No.029 **30-015-10376-00-00**

Active Injection - (All Types) C-9-17S-31E

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:**	Other External Failure	**FAIL CAUSE:**	

Comments on MIT: Unable to open bradenhead valve.

TURNER A No.035 **30-015-20097-00-00**

Active Injection - (All Types) H-19-17S-31E

Test Date:	4/27/2011	**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.

J L KEEL B No.030 **30-015-21460-00-00**

Active Injection - (All Types) O-6-17S-31E

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: Blow of oil from the casing valve.

J L KEEL B No.032 **30-015-24694-00-00**

Active Injection - (All Types) B-6-17S-31E

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: 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 **30-015-25447-00-00**

Active Injection - (All Types) H-6-17S-31E

Test Date:	4/29/2011	**Permitted Injection PSI:**		**Actual PSI:**	300
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: 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 **30-015-25448-00-00**

Active Injection - (All Types) C-6-17S-31E

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: Operator doing an acid job on well. Due to safety concerns, the well was not tested.

J L KEEL B No.038 **30-015-25919-00-00**

Active Injection - (All Types) I-6-17S-31E

Test Date:	4/29/2011	**Permitted Injection PSI:**		**Actual PSI:**	1880
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: Actively injecting into a well that has not been repaired from previous failure.

J L KEEL B No.037 **30-015-25934-00-00**

Active Injection - (All Types) E-5-17S-31E

Test Date:	4/29/2011	**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: Well not repaired from previous failure. Not tested. Well is shut-in.

J L KEEL A No.017 **30-015-25938-00-00**

Active Injection - (All Types) C-7-17S-31E

Test Date:	4/18/2011	**Permitted Injection PSI:**		**Actual PSI:**	1700
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

J L KEEL B No.040 **30-015-25940-00-00**

Active Injection - (All Types) E-6-17S-31E

Test Date:	4/29/2011	**Permitted Injection PSI:**		**Actual PSI:**	2150
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: Casing valve not closed. Unable to test. Injection pressure is over max limit. Limit is 1752.

H E WEST B No.033 **30-015-25944-00-00**

Active Injection - (All Types) L-3-17S-31E

Test Date:	4/26/2011	**Permitted Injection PSI:**		**Actual PSI:**	2000
Test Reason:	Annual IMIT	**Test Result:**	F	**Repair Due:**	7/30/2011
Test Type:	Bradenhead Test	**FAIL TYPE:**	Other External Failure	**FAIL CAUSE:**	

Comments on MIT: Surface valve not visible. Unable to test.

HUDSON FEDERAL No.006 **30-015-26008-00-00**

Active Injection - (All Types) H-18-17S-31E

Test Date:	4/19/2011	**Permitted Injection PSI:**		**Actual PSI:**	1200
Test Reason:	5-year Test	**Test Result:**	F	**Repair Due:**	7/23/2011
Test Type:	Std. Annulus Pres. Test	**FAIL TYPE:**	Other Internal Failure	**FAIL CAUSE:**	

Comments on MIT: Well will not hold pressure

H E WEST B No.044 **30-015-26574-00-00**

Active Injection - (All Types) N-3-17S-31E

Test Date:	4/26/2011	**Permitted Injection PSI:**		**Actual PSI:**	1900
Test Reason:	Annual IMIT	**Test Result:**	F	**Repair Due:**	7/30/2011
Test Type:	Bradenhead Test	**FAIL TYPE:**	Other Internal Failure	**FAIL CAUSE:**	

Comments on MIT: Blow of fluid from casing valve.

J L KEEL B No.077 **30-015-28279-00-00**

Active Injection - (All Types) H-8-17S-31E

Test Date:	4/29/2011	**Permitted Injection PSI:**		**Actual PSI:**	1750
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: Actively injecting into a well that has not been repaired from previous failure.

J L KEEL A No.030 **30-015-28306-00-00**

Active Injection - (All Types) O-7-17S-31E

Test Date:	4/29/2011	**Permitted Injection PSI:**		**Actual PSI:**	600
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.

TURNER A No.058 **30-015-29001-00-00**

Active Injection - (All Types) O-18-17S-31E

Test Date:	4/27/2011	**Permitted Injection PSI:**		**Actual PSI:**	3600
Test Reason:	Annual IMIT	**Test Result:**	F	**Repair Due:**	7/31/2011
Test Type:	Bradenhead Test	**FAIL TYPE:**	Permit Violation	**FAIL CAUSE:**	

Comments on MIT: Injection pressure over limit. Permitted max pressure is 1635.

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