

DATE IN 10/21/13	SUSPENSE	ENGINEER DB	LOGGED IN 10/21/13	TYPE NSL	PPRG 1329458580
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



(Checking CTB)

NSL-6880

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

[A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] ~~Commingling - Storage - Measurement~~
☐ DHC ☒ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM (No)

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify producing oil well

[2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply**

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or Surface Owner (Approved Waiver Attached)

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or, State B well #604

[F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Laura A. Moreno Laura A. Moreno Reg. Compliance Advisor 10/18/13
 Print or Type Name Signature Title Date
lmoreno@linenergy.com
 e-mail Address

2013 OCT 21 P 2:59
 RECEIVED OOD

Operating
 Linn Energy
 30-015-41712



October 17, 2013

Mr. David K. Brooks
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Brooks:

Pursuant to Division Rule NMAC 19.15.15.13, LINN Operating, Inc. applies for approval of an unorthodox oil well location for the following vertical well in which Linn is 100% owner of the State B:

Well Name:	State B 604
Location:	1646 feet FSL & 2580 feet FEL
Well Unit:	Section 16, T17S, R31E, N.M.P.M. Eddy County, New Mexico

The well will test the Grayburg Jackson;SR-Q-G-SA formation. Under the Division's statewide rules, spacing is 40 acres with wells to be located no closer than 330 feet to a quarter-quarter section line and 467 feet as per the common corner. Attached you will find Form C-102 and Form C-101 as approved by District 2 on 9/27/2013. Also, attached is the faxed copy of the Approved Waiver of Protest for "Common Corner" Rule.

There are no adversely affected parties due to LINN being the Lessee of the State A Lease west of our proposed location.

Please contact me if you have any questions concerning this application.

Sincerely,

A handwritten signature in cursive script that reads "Laura A. Moreno".

Laura A. Moreno
Regulatory Compliance Advisor

Enclosures:
Form C-102
Form C-101
Waiver of Protest for "Common Corner" Rule
Administrative Application Checklist

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax (505) 334-6170
District IV
1230 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-41712		2 Pool Code		3 Pool Name	
4 Property Code		5 Property Name STATE B			6 Well Number 604
7 OGRID No. 269324		8 Operator Name LINN Operating, Inc.			9 Elevation 3812'

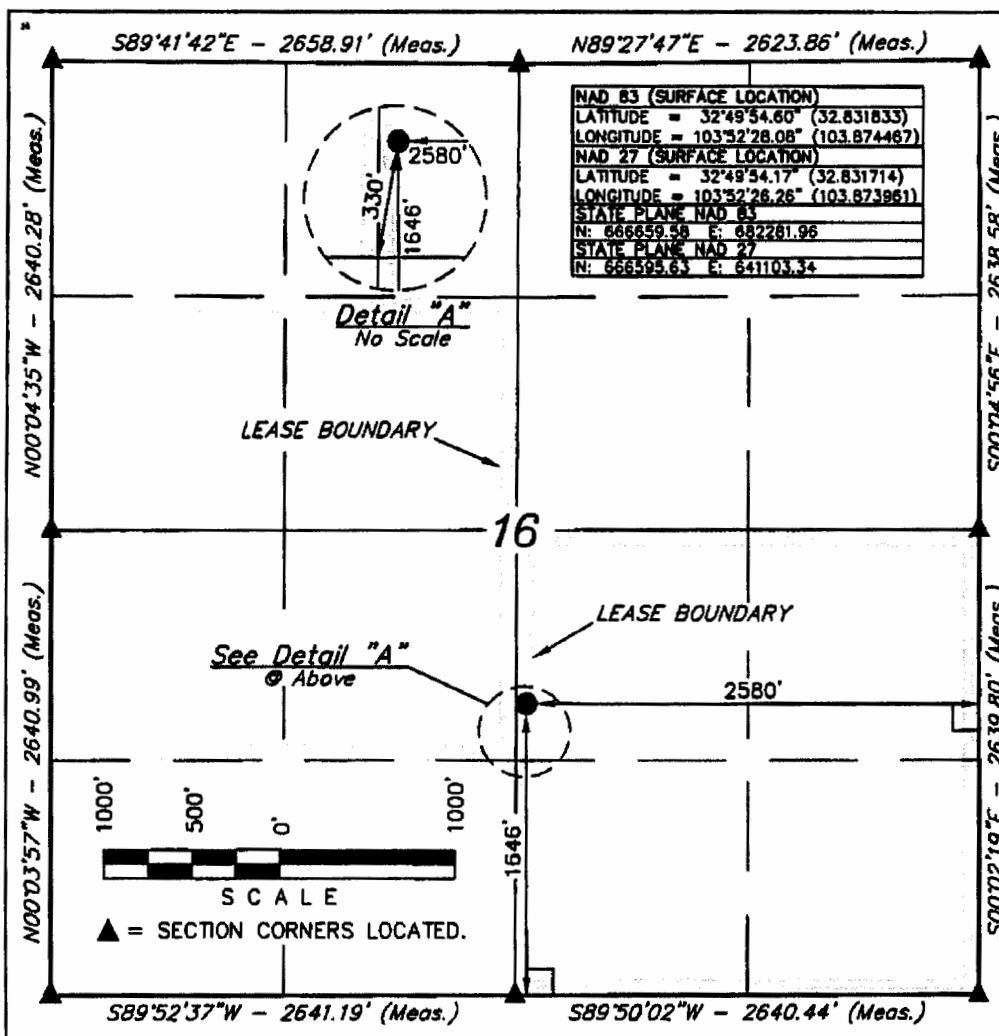
"Surface Location

U.L. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	16	17S	31E		1646	SOUTH	2580	EAST	EDDY

"Bottom Hole Location If Different From Surface

U.L. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
10 Dedicated Acres 40		11 Joint or Infill		12 Consolidation Code		13 Order No.			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



"OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: **Laura A. Moreno** Date: **9/6/13**

Printed Name: **Laura A. Moreno**

E-mail Address: **lmoreno@linnenergy.com**

"SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

August 27, 2013

Date of Survey
Signature and Seal of Professional Surveyor.



Certificate Number:

District I
1025 N. French Dr., Hobbs, NM 88240
Phone: (575) 383-6161 Fax: (575) 383-0720

District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1263 Fax: (575) 748-9720

District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3470 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
August 1, 2011
Permit 173719

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address LINN OPERATING, INC. 600 Travis Street Houston, TX 77002		2. OGRD Number 269324
4. Property Code 309563		3. API Number 30-015-41712
5. Property Name State B		6. Well No. 604

7. Surface Location									
UL - Lot J	Section 16	Township 17S	Range 31E	Lot Idn J	Feet From 1646	N/S Line S	Feet From 2580	E/W Line E	County Eddy

8. Proposed Bottom Hole Location									
UL - Lot J	Section 16	Township 17S	Range 31E	Lot Idn J	Feet From 1646	N/S Line S	Feet From 2580	E/W Line E	County Eddy

9. Pool Information	
GRAYBURG JACKSON;SR-Q-G-SA	28509

Additional Well Information				
11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3812
16. Multiple N	17. Proposed Depth 5000	18. Formation Grayburg	19. Contractor	20. Spud Date 11/15/2013
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program						
Type	Hole Size	Casing Size	Casing Weight/lb	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	364	235	0
Prod	7.875	5.5	15.5	5000	660	0

Casing/Cement Program: Additional Comments

22. Proposed Blowout Prevention Program			
Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	2000	3000	Cameron

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input type="checkbox"/> , if applicable.	OIL CONSERVATION DIVISION	
Signature:	Approved By: Randy Dade	
Printed Name: Electronically filed by Nancy Fitzwater	Title: District Supervisor	
Email Address: nfitzwater@linnenergy.com	Approved Date: 9/27/2013	Expiration Date: 9/27/2015
Date: 9/25/2013	Phone: 281-840-4266	Conditions of Approval Attached

District I
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Phone:(575) 748-1283 Fax:(575) 748-9720

District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 470-3470 Fax:(505) 470-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
August 1, 2011
Permit 173719

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-41712	2. Pool Code 28509	3. Pool Name GRAYBURG JACKSON,SR-O-G-SA
4. Property Code 309563	5. Property Name State B	6. Well No. 604
7. OGRID No. 269324	8. Operator Name LINN OPERATING, INC.	9. Elevation 3812

10. Surface Location

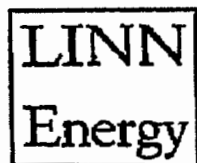
UL - Lot J	Section 16	Township 17S	Range 31E	Lot Idn J	Feet From 1646	N/S Line S	Feet From 2580	E/W Line E	County Eddy
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11. Bottom Hole Location if Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.00	13. Joint or Infill		14. Consolidation Code		15. Order No.				

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p align="center">OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>E-Signed By: Nancy Fitzwater Title: Regulatory Compliance Supervisor Date: 9/25/2013</p>
	<p align="center">SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Surveyed By: Nelson Marshall Date of Survey: 8/27/2013 Certificate Number: 12446</p>

**LINN OPERATING, INC***A wholly owned subsidiary of LINN Energy, LLC*

JP Morgan Chase Tower

600 Travis, Suite 5100

Houston, TX 77002

Phone: 281-940-4011

Fax: 282-426-5933

www.linnenergy.com**Waiver of Protest for "Common Corner" Rule**

On October 9, 2013, LINN Operating, inc. ("LINN") notified Kersey and Company of its intent to drill the following one well:

State B #804 NW/4 SE/4 (J) of Sec, 16, T17S, R31E Eddy County, New Mexico

LINN has notified Kersey and Company that this well is to be drilled only with the consent of all "Affected Parties" according to the "Common Corner" Rule of the New Mexico Oil Conservation Division.

LINN has further notified Kersey and Company that they are an "Affected Party" by virtue of being an operator of oil and gas lease(s) surrounding the State B lease and in addition provided Kersey and Company with satisfactory notice of their intent to drill the well detailed above.

NOW THEREFORE Kersey and Company acknowledges that they have been satisfactorily notified by LINN of their intent to drill the additional well shown above on LINN's State B lease in order to more effectively drain hydrocarbons from that lease.

By signing below, Kersey and Company hereby gives notice to the New Mexico Oil Conservation Division or any other Regulatory Body, to which it is necessary, that they will not protest LINN's "Common Corner" exception requests for the above described well.

Kersey and Company

Agreed and accepted this 17th day of Oct., 2013.

By: Kenneth R Wade

Name: Kenneth R Wade

Title: Owner-Manager Kersey & Co

Brooks, David K., EMNRD

From: Moreno, Laura <LMoreno@linnenergy.com>
Sent: Monday, October 21, 2013 10:08 AM
To: Brooks, David K., EMNRD
Subject: Unorthodox Oil Well Location - State B 604
Attachments: NSL Ammended Letter.docx

Importance: High

Mr. Brooks,

Please see revised letter requesting approval of unorthodox oil well location for the State B 604 as discussed this morning. Please let me know if you should have any further questions or need more information.

Thank You!
Laura

From: Moreno, Laura
Sent: Friday, October 18, 2013 5:07 PM
To: 'david.brooks@state.nm.us'
Subject: Unorthodox Oil Well Location

Mr. Brooks,

Linn Operating is requesting approval for an unorthodox oil well location for the State B 604 well. Attached you will find the letter requesting approval, Form C102, Form C101, Administrative Application Checklist and the Waiver of Protest for Common Corner Rule. Please let me know if I need to submit the originals via mail as well. Also, please let me know if I need to provide anything further.

Thank You!
Laura



Laura A. Moreno
Regulatory Compliance Advisor
600 Travis, Ste #5100
Houston, TX 77002
Phone: 713.904.6657
Fax: 832.209.4316
Cell: 281.520.1720
LMoreno@linnenergy.com

This electronic message, together with any attachments, contains information from LINN Energy that may be confidential and intended solely for the use of the addressee only. If you are not the intended recipient, please



Revised October 21, 2013

October 17, 2013

Mr. David K. Brooks
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Brooks:

Pursuant to Division Rule NMAC 19.15.15.13, LINN Operating, Inc. applies for approval of an unorthodox oil well location for the following vertical well in which Linn is 100% owner of the State B:

Well Name:	State B 604
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Well Unit:	Section 16, T17S, R31E, N.M.P.M. Eddy County, New Mexico

The well will test the Grayburg Jackson;SR-Q-G-SA formation. Under the Division's statewide rules, spacing is 40 acres with wells to be located no closer than 330 feet to a quarter-quarter section line and 467 feet as per the common corner. Attached you will find Form C-102 and Form C-101 as approved by District 2 on 9/27/2013. Also, attached is the faxed copy of the Approved Waiver of Protest for "Common Corner" Rule. Kersey and Company is the only affected party of the Common Corner Rule, as there are no adversely affected parties due to LINN being the Lessee of the State A Lease west of our proposed location.

Please contact me if you have any questions concerning this application.

Sincerely,

Laura A. Moreno
Regulatory Compliance Advisor

Enclosures:
Form C-102
Form C-101
Waiver of Protest for "Common Corner" Rule
Administrative Application Checklist