

District I – (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
District II – (575) 748-1283  
811 S. First St., Artesia, NM 88210  
District III – (505) 334-6178  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV – (505) 476-3460  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-103  
Revised July 18, 2013

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-015-05360
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other Injection <input checked="" type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Linn Operating, LLC		6. State Oil & Gas Lease No. NMNM71030A
3. Address of Operator 500 Travis St., Suite 1400, Houston, Texas 77002		7. Lease Name or Unit Agreement Name Skelly Unit
4. Well Location Unit Letter <u>D</u> : <u>660</u> feet from the <u>North</u> line and <u>660</u> feet from the <u>West</u> line Section <u>23</u> Township <u>17S</u> Range <u>31E</u> NMPM Eddy County		8. Well Number 40
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 269324
10. Pool name or Wildcat Grayburg Jackson:SR-Q-SA		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input checked="" type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Linn is respectfully submitting a Notice of Intent to complete remedial work to identify a hole in tubing or leaking packer.

On August 14, 2017 Linn received approval from Santa Fe (email attached) to use a single packer in the wellbore with the following conditions:

1. A well integrity log would be run on the well and filed with the Artesia Division;
2. The packer is to be set below the upper contact of the Seven Rivers formation with the Yates formation;
3. The injection pressure would be reduced to the pressure approved for the Seven Rivers formation (as determined by SRTs conducted previously in the Seven Rivers interval);
4. Linn would be required to monitor the bradenhead pressures for the 7" intermediate casing & provide a summary of these observations in a C103 on a quarterly cycle.

(continued on next page)

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Debra Gordon TITLE Regulatory Manager DATE 09/13/2017

Type or print name Debra Gordon E-mail address: dgordon@linenergy.com PHONE: 281.840.4010

For State Use Only

APPROVED BY: Richard Lange TITLE COMPLIANCE OFFICER DATE 9/14/17  
Conditions of Approval (if any):

C103 Notice of Intent-09/13/2017

Skelly Unit #40

API#: 30-015-05360

Page Two

Continued description:

If Linn proposes to continue with the use of a single packer, Santa Fe will contact the District with recommendations for monitoring. Additionally, if the well fails an MIT or if pressure starts to appear in the bradenhead monitoring, the continued use of the well as an injector will not be allowed without remedial action to resolve the current casing issues.

The proposed Operational summary and current and proposed wellbore diagrams are included in this submittal.

Linn can have a workover rig on location as early as Monday, 9/18/2017 if we receive approval.



SKELLY UNIT 40  
Eddy County, New Mexico

8/22/17

**Procedure to return well to injection**

**Project Description**

The Skelly 40 failed its MIT test and required corrective action by 7/25/17. The dual packer and tubing were removed from the well on 6/29/17. It is proposed to run a casing caliper log, commingle injection zones and run back with a single string and packer. The packer will be set below 2,136', the top of the Seven Rivers formation.

**Procedure**

1. MIRU wireline unit, pressure test lubricator
2. RIH w/ caliper logging tools to PBTD, POOH
3. RDMO WLU
4. MIRU WOR, Hold PJSM
5. ND tree, NU BOP
6. RIH w/ tbg as follows:

2-3/8" IPC tbg

8-5/8" x 2-3/8" On/Off Tool

2-3/8" x 1.875" ID "X" Profile Stinger

8-5/8" x 2-3/8" AS1-X Pkr @ +/- 2,224'

6' x 2-3/8" Pup Joint

2-3/8" WLRG

7. Set pkr, pressure test backside to 300 psi for 5 min to perform MIT test
8. Release pkr, circ pkr fluid, reset pkr
9. Pressure test backside, ND BOP, NU tree, RDMO WOR

**Current Tbg Detail**

1 jt 2-3/8" IPC tbg

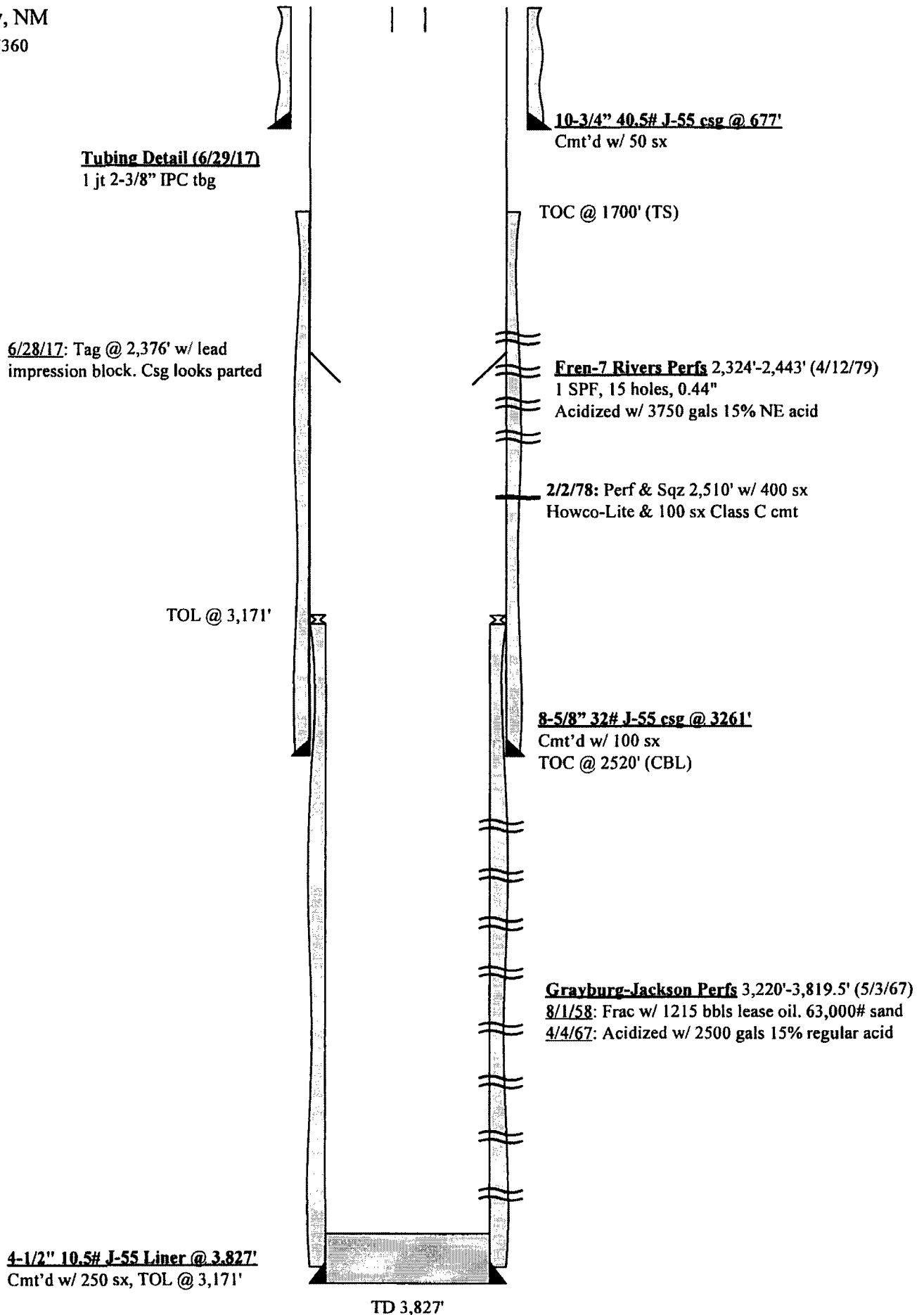
~ within 100' of top PGLF

## Skelly Unit 40

Eddy County, NM

API: 30-015-05360

## CURRENT



Updated 7/27/17

# Skelly Unit 40

Eddy County, NM

API: 30-015-05360

## Tubing Detail (Proposed)

73 jts 2-3/8" IPC tbg

7" x 2-3/8" On/Off Tool

2-3/8" x 1.875" ID "X" Profile Stinger

7" x 2-3/8" ASI-X Pkr @ +~ 2,214' ✓

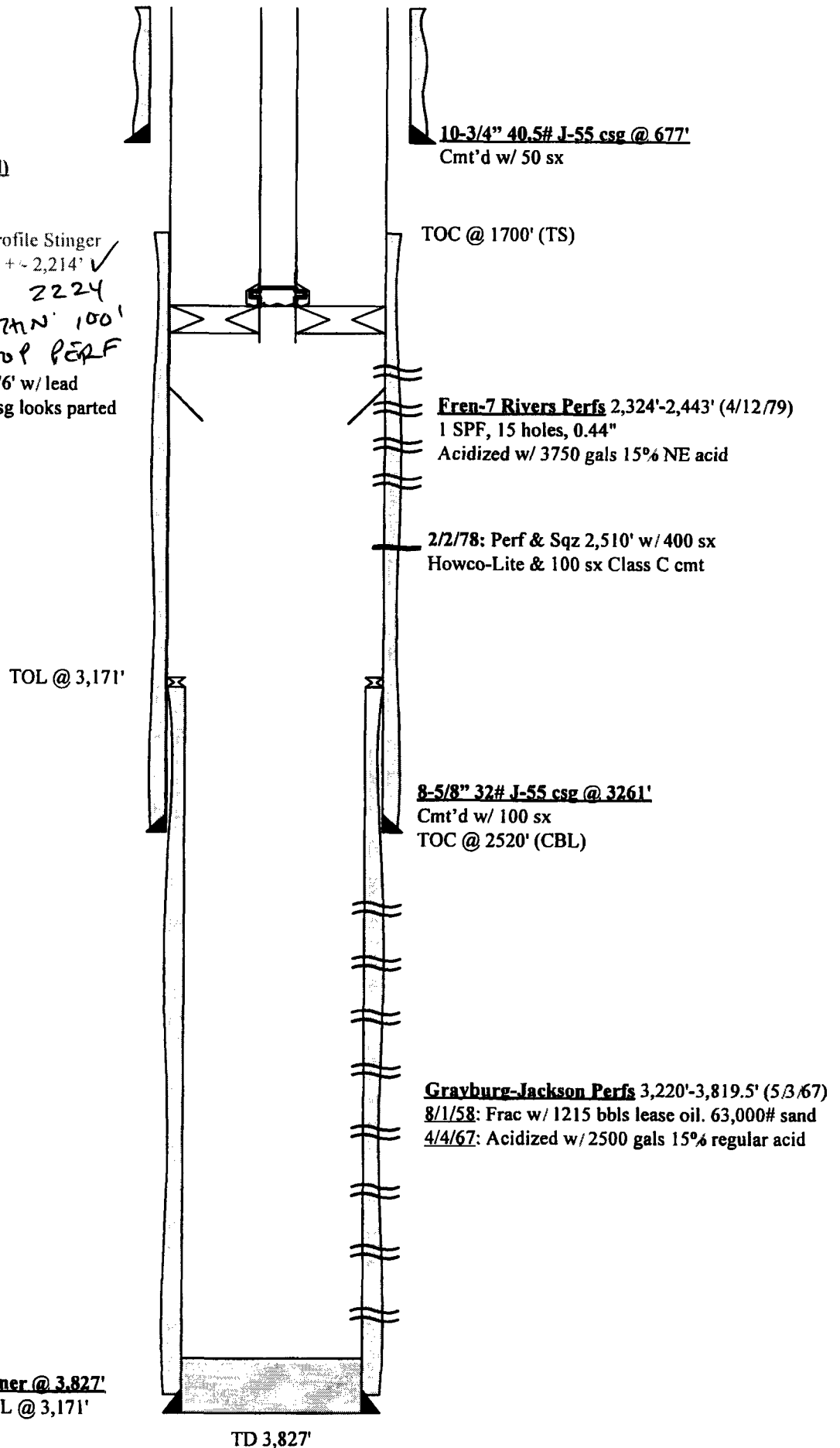
6' x 2-3/8" Pup Joint

2-3/8" WLRG

2224  
WITHIN 100'  
OF TOP PERF

6/28/17: Tag @ 2,376' w/ lead  
impression block. Csg looks parted

## PROPOSED



4-1/2" 10.5# J-55 Liner @ 3,827'  
Cmt'd w/ 250 sx, TOL @ 3,171'

TD 3,827'

Updated 7/27/17

**SANTA FE APPROVAL TO USE A SINGLE PACKER IN THE SKELLY UNIT #40 WELL**

**From:** Goetze, Phillip, EMNRD [mailto:Phillip.Goetze@state.nm.us]  
**Sent:** Monday, August 14, 2017 9:52 AM  
**To:** Gordon, Debra <DGordon@linenergy.com>  
**Cc:** Inge, Richard, EMNRD <richard.inge@state.nm.us>; Sanchez, Daniel J., EMNRD <daniel.sanchez@state.nm.us>; Podany, Raymond, EMNRD <Raymond.Podany@state.nm.us>; McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>  
**Subject:** RE: Linn's Skelly Unit #40 Injection Well \_ Eddy County

Debi:

After reviewing the records for this well and discussing the proposed completion with the Director, the Division would approve the use of the single packer in the Skelly Unit No. 40 with the following conditions:

1. A well integrity log would be run on the well and filed with the Division;
2. The packer is to be below the upper contact of the Seven Rivers formation with the Yates formation;
3. The injection pressure would be reduced to the pressure approved for the Seven Rivers formation (as determined by SRTs conducted previously in the Seven Rivers interval); and
4. Linn would be required to monitor the bradenhead pressures for the 7-inch intermediate casing and provide a summary of these observations in a C-103 on a quarterly cycle.

If Linn proposes to continue with the use of the single packer, Santa Fe will contact the District with their recommendation for monitoring. Additionally, if the well fails an MIT or if pressure starts to appear in the bradenhead monitoring, the continued use of the well as an injector will not be allowed without remedial action to resolve the current casing issues.

Please contact me concerning this matter at your convenience. PRG

**Phillip Goetze, PG**  
Engineering Bureau, Oil Conservation Division  
New Mexico Energy, Minerals and Natural Resources Department  
1220 South St. Francis Drive, Santa Fe, NM 87505  
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