

8/04/2014 DATE IN	SUSPENSE	PRG ENGINEER	8/05/2014 LOCATED IN	IPI TYPE	PM441421733878 APP NO.
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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



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

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

[D] Other: Specify R-3011 / R-10094 / WFX-661

[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

[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,

[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.

Terry B. Callahan

Print or Type Name

Terry B. Callahan
 Signature

Regulatory Compliance Specialist III

Title

Date

7/22/14

tcallahan@lennenergy.com
 e-mail Address

- IPI
 - LINN OPERATING, LLC
 269324

WEL
 - CAPROCK MARGINAL
 UNIT # 62
 30-025-00667

POOL
 - MARGINAL
 GRAYBUNG, SAN
 ANDRES
 43329

Submit 1 Copy To Appropriate District
Office
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

Form C-103
October 13, 2009

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

WELL API NO. 30-025-00667
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name CAPROCK MALJAMAR UNIT
8. Well Number: 062
9. OGRID Number 269324
10. Pool name or Wildcat MALJAMAR;GRAYBURG-SAN ANDRES

SUNDRY NOTICES AND REPORTS ON WELLS
(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.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other INJECTION

2. Name of Operator
LINN OPERATING, INC.

3. Address of Operator
600 TRAVIS, SUITE 5100, HOUSTON, TEXAS 77002

4. Well Location

Unit Letter J; 1980 feet from the S line and 1980 feet from the E line
Section 24 Township 17S Range 32E NMPM LEA County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
4063'

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☒ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: **STEP RATE TEST** ☒

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.

Amendment to Sundry approved 5/5/2014; Step Rate Test results were inadvertently left off, please see below:

4/17/14 - Perform step rate test in 200-1000 bpd increasing increments at 30 minutes for each step. Intercept @ 2,951 bwpd, 4,798.6 BH psia with a surface intercept @ 3,068 psia.

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



TITLE: Regulatory Compliance Specialist III

DATE: June 17, 2014

Type or print name Terry B. Callahan

E-mail address: tcallahan@linnenergy.com

PHONE: 281-840-4272

For State Use Only

APPROVED BY:

TITLE

DATE

Conditions of Approval (if any):

Step Rate Test



Cardinal Surveys Company

17-Apr-14

Linn Energy

Well: CMU No. 62

Field:

County: Lea County, NM

SC60756

File No. 21701

WFX-661
Perforated: 4138' to 4218'
Admin Pressure: 828 psi

3068 psi
- 50 Margin
3018 psi

3018 psi
4138' = 0.7

Intercept @ 2,951.4 BPD, 4,798.6 BH PSIA & Surface Intercept @ 3,068 PSIA

Downhole PSI Tool Ser. No. CSC2601 ✓
Surface PSI Gauge Ser. No. CSC 2701
Tool @ 4,200' ✓

	Start	End	Rate
1	8:24 AM	8:45 AM	0 4,200'
2	8:45 AM	9:15 AM	600
3	9:15 AM	9:45 AM	800
4	9:45 AM	10:15 AM	1000
5	10:15 AM	10:45 AM	1500
6	10:45 AM	11:15 AM	2000
7	11:15 AM	11:45 AM	2500
8	11:45 AM	12:15 PM	3500
9	12:15 PM	12:45 PM	4500
10	12:45 PM	1:15 PM	5500
11	1:15 PM	1:30 PM	0 15 MIN. FALL OFF
12			
13			
14			
15			
16			
17			
18			

Step Rate Test
17-Apr-14

Linn Energy
Well: C.M.U. No. 62
Field:
Location: Lea County, NM

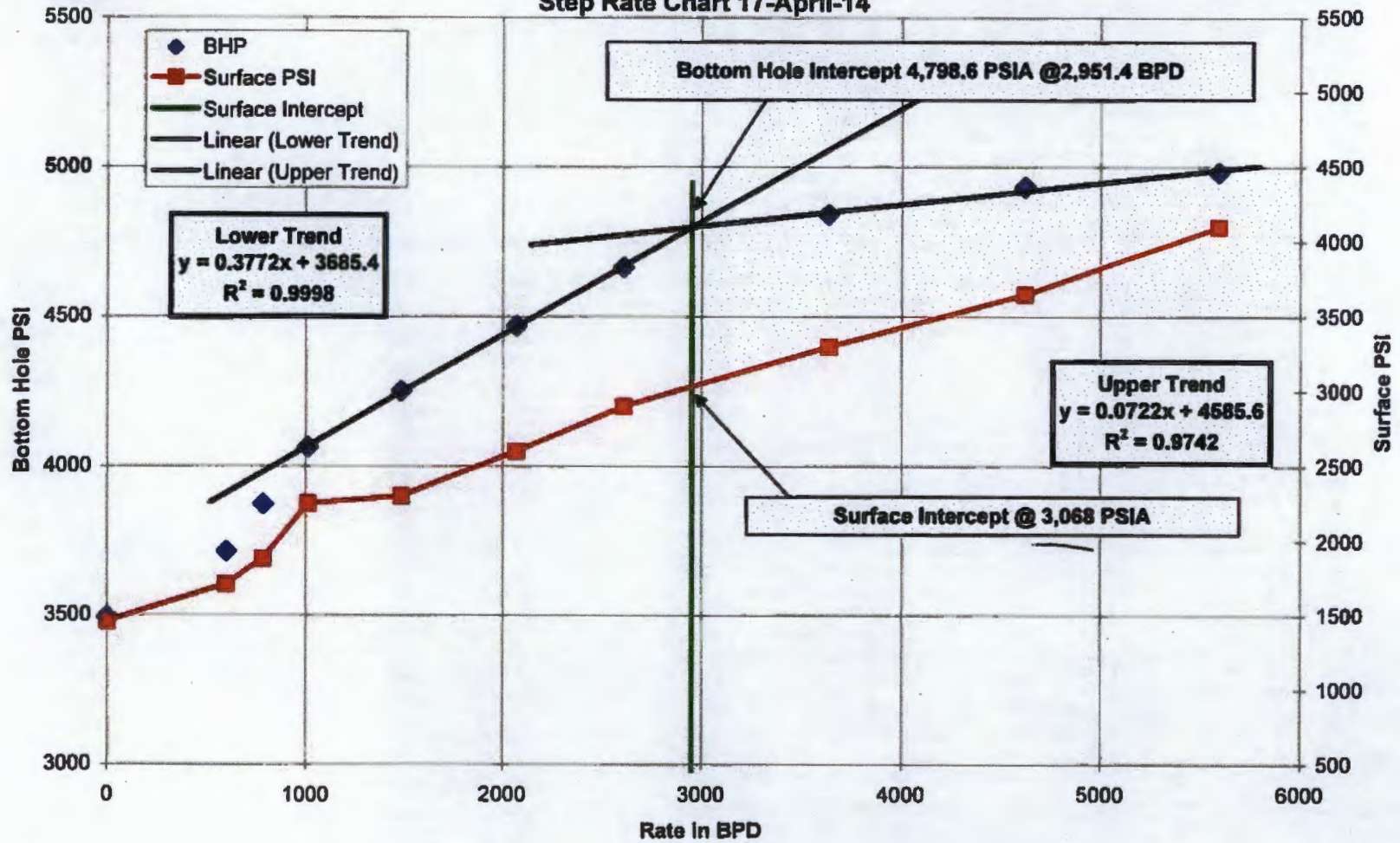


	S Time	E Time	D Time Min	Last Rate BPD	Step BPD	BHP PSIA	Surf PSIA	Cum BBL	Delta BBL	Avg. BPD	Lower Trend	Upper Trend
1	8:24 AM	8:45 AM	21	0	0	3493.3	1460	0	0	0		
2	8:45 AM	9:15 AM	30	600	600	3715.2	1710	12.4	12.4	595		
3	9:15 AM	9:45 AM	30	800	200	3873.9	1883	28.7	16.3	782		
4	9:45 AM	10:15 AM	30	1000	200	4063.7	2250	49.8	21.1	1013	4063.7	
5	10:15 AM	10:45 AM	30	1500	500	4251.8	2300	80.9	31.1	1493	4251.8	
6	10:45 AM	11:15 AM	30	2000	500	4469.3	2600	124	43.1	2069	4469.3	
7	11:15 AM	11:45 AM	30	2500	500	4664.9	2900	178.3	54.3	2606	4664.9	
8	11:45 AM	12:15 PM	30	3500	1000	4841.8	3300	254.1	75.8	3638		4841.8
9	12:15 PM	12:45 PM	30	4500	1000	4932.7	3650	350.4	96.3	4622		4932.7
10	12:45 PM	1:15 PM	30	5500	1000	4982.8	4100	466.9	116.5	5592		4982.8
11	1:15 PM	1:30 PM	15	0		4818.7	2700	466.9	0			
12												
13												
14												
15												
16												

lower trend 0.3772 3685.4
upper trend 0.0722 4585.6
Intersect 2951.47541 BPD
BHP PSI 4798.69652 PSIA

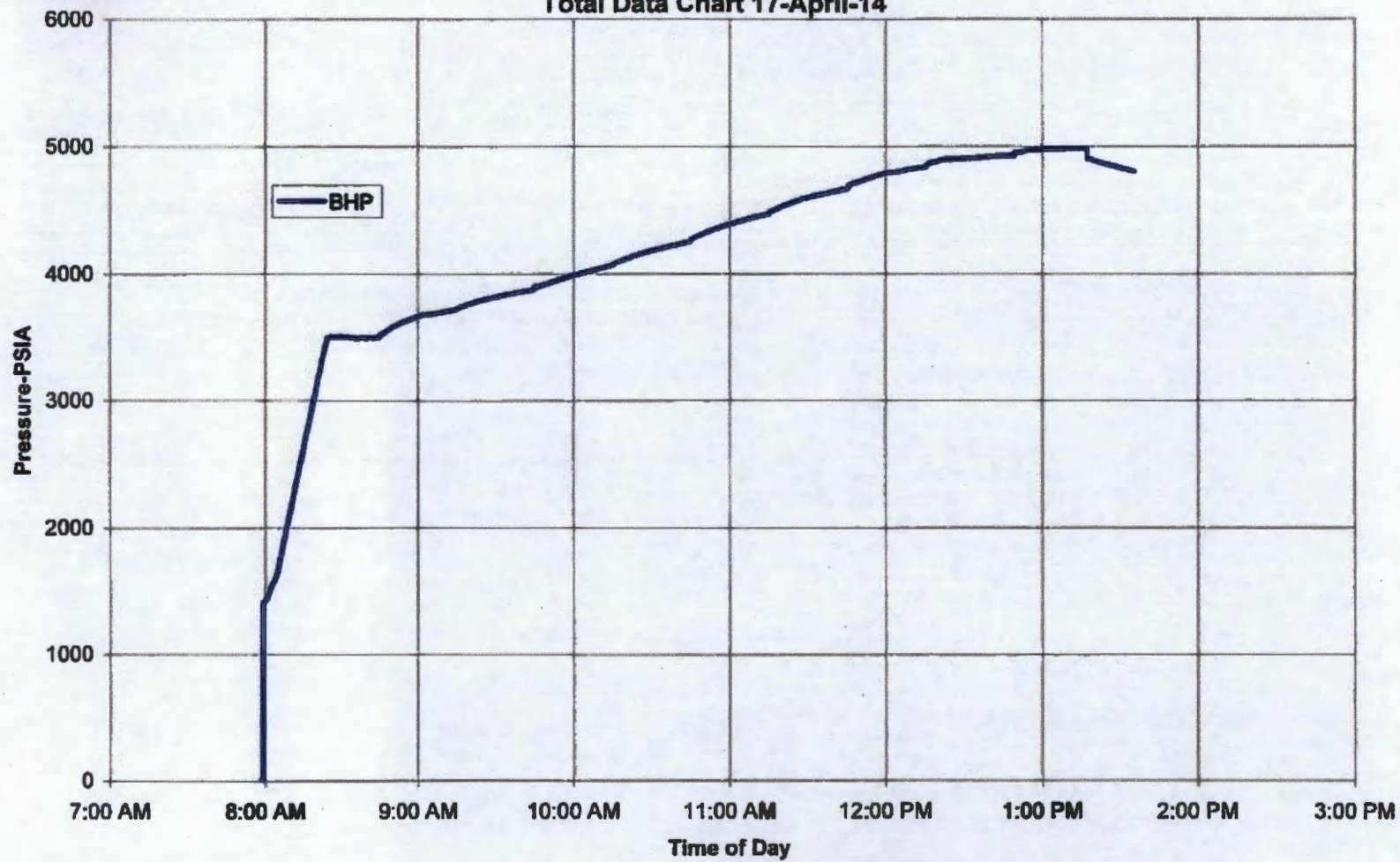


Linn Energy
C.M.U. No. 62
Step Rate Chart 17-April-14





Linn Energy, LLC
C.M.U. No. 62
Total Data Chart 17-April-14



Submit 1 Copy To Appropriate District Office
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

Form C-103
October 13, 2009

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

SUNDRY NOTICES AND REPORTS ON WELLS (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. 30-025-00667
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other INJECTION		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator LINN OPERATING, INC.		6. State Oil & Gas Lease No.
3. Address of Operator 600 TRAVIS, SUITE 5100, HOUSTON, TEXAS 77002		7. Lease Name or Unit Agreement Name CAPROCK MALJAMAR UNIT
4. Well Location Unit Letter <u>J</u> ; 1980 feet from the <u>S</u> line and 1980 feet from the <u>E</u> line Section <u>24</u> Township <u>17S</u> Range <u>32E</u> NMPM LEA County		8. Well Number: 062
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4063'		9. OGRID Number 269324
10. Pool name or Wildcat MALJAMAR, GRAYBURG-SAN ANDRES		

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

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:
REMEDIAL WORK ☒ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: MIT

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.

PLEASE SEE ATTACHED COMPLETED OPERATIONS AND MIT TEST

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

Terry B. Callahan

TITLE: REG COMPLIANCE SPECIALIST III

DATE APRIL 30, 2014

Type or print name TERRY B. CALLAHAN

E-mail address: tcallahan@linnenergy.com

PHONE: 281-840-4272

For State Use Only

APPROVED BY:

Mary Brown

TITLE

Dist. Supervisor

DATE

5/5/2014

Conditions of Approval (if any):

MAY 07 2014

CAPROCK MALJAMAR UNIT #62
API #30-025-00667
ATTACHMENT

4/10/2014 – RUPU, CHANGE OVER SLIPS, ELEVATORS AND PIPE RAMS TO 2-3/8". ND WH, NU BOP & CATCH PAN, TRIED TO RLSE PKR, PKR WOULDN'T RLSE, LEFT TBG OPEN TO FRAC TANK, SDFN.

4/11/2014 – RLSD PKR, TOH W/ 2-3/8" IPC PROD TBG, TALLEY 2-3/8" WS, MIRU D&G TBG TESTER, TESTED WS, TAGGED UP @ 4090', RD TBG TESTER, 128' PERS COVERED UP, MIRU AZTEC REV UNIT, RU SWIVEL & STRIPPER HEAD, BREAK CIRC, STARTED DRLG, DRILL TO 4184'. CIRC CLEAN, LD SWIVEL & 2 JTS, LEAVE SWINGING @ 4122', SDFN.

4/14/2014 – BLEED OFF WELL, RU SWIVEL, STARTED DRLG @ 4,343' GETTING BACK RUBBER, METAL AND FRAC BALL, CIRC HOLE CLEAN, LD SWIVEL, LD 11 JTS, REMOVE STRIPER RUBBER, OUT W/ BIT (OK), RIH W/ 5-1/2" AS1X 14-20# TREATING PKR TO 4009', L&T BACKSIDE TO 500# OK, CRAIN STARTED ACID JOB PUMPED 15% NEFE 24 BBLS 550# ROCK SALT PRESSURE INCREASE 300#

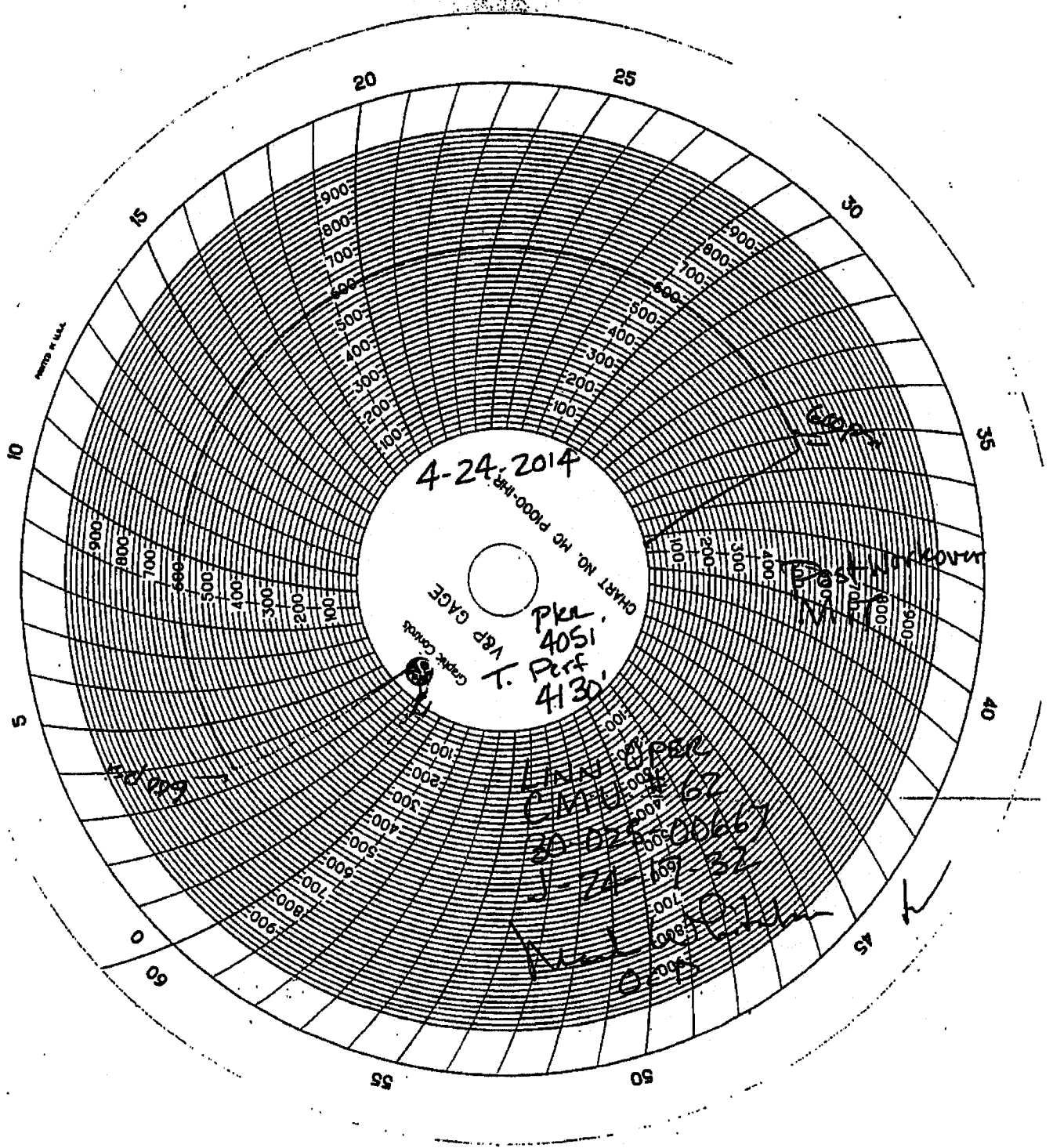
4/17/2014 – RU CARDINAL PUMP TRUCK, START AND COMPLETE STEP RATE TEST, RD PUMP TRUCK, RD CARDINAL, RU FLOW LINE TO FRAC TANKS, FLOW BACK WELL, SDFN.

4/21/2014 – TBG HAD 900#, FLOWED DOWN WELL, RLSD PKR, LD WS, RU HYDRO TESTER, TRIED TESTING PROD TBG, TEST BAR KEPT GETTING STUCK, RD HYDRO TESTER, TIH W/ IPC TBG, TOH & LD IPC TBG. SDFN.

4/22/2014 – PU PKR & PROD TBG, SET PKR @ 4051', LOAD TBG W/ ENVIRO VAC, GOT OFF PKR, CIRC PKR FLUID. ND BOP & CATCH PAN, NU WH, PLUMB INTO INJ LINE, RAN MIT CHART FOR 30 MIN, GOOD. RDPUMO.

4/24/2014 – PERFORMED MIT FOR 31 MINS, START 600# END 600#. PASSED. WITNESSED BY MARK WHITAKER (OCD).

2



Goetze, Phillip, EMNRD

From: Callahan, Terry <TCallahan@linnenergy.com>
Sent: Wednesday, July 23, 2014 4:57 AM
To: Goetze, Phillip, EMNRD
Cc: Moreno, Laura; Gordon, Debra
Subject: Caprock Maljamar Unit #62 (API #30-025-00667)
Attachments: CMU #62 Administrative Application Checklist.pdf

Good Morning Mr. Goetz,

Please find attached the Administrative Application Checklist for the Caprock Maljamar Unit #62 (30-025-00667) which should have been included with the SRT results you have. I apologize for any inconvenience this may have caused.

Thank you, Terry Callahan

Terry B. Callahan
Regulatory Compliance Specialist III – New Mexico
LINN Energy
600 Travis St., Suite 5100
Houston, TX 77002
(281) 840-4272 (Office)
(281) 705-8199 (Cell)
(281) 605-4105 (Efax)
tcallahan@linnenergy.com

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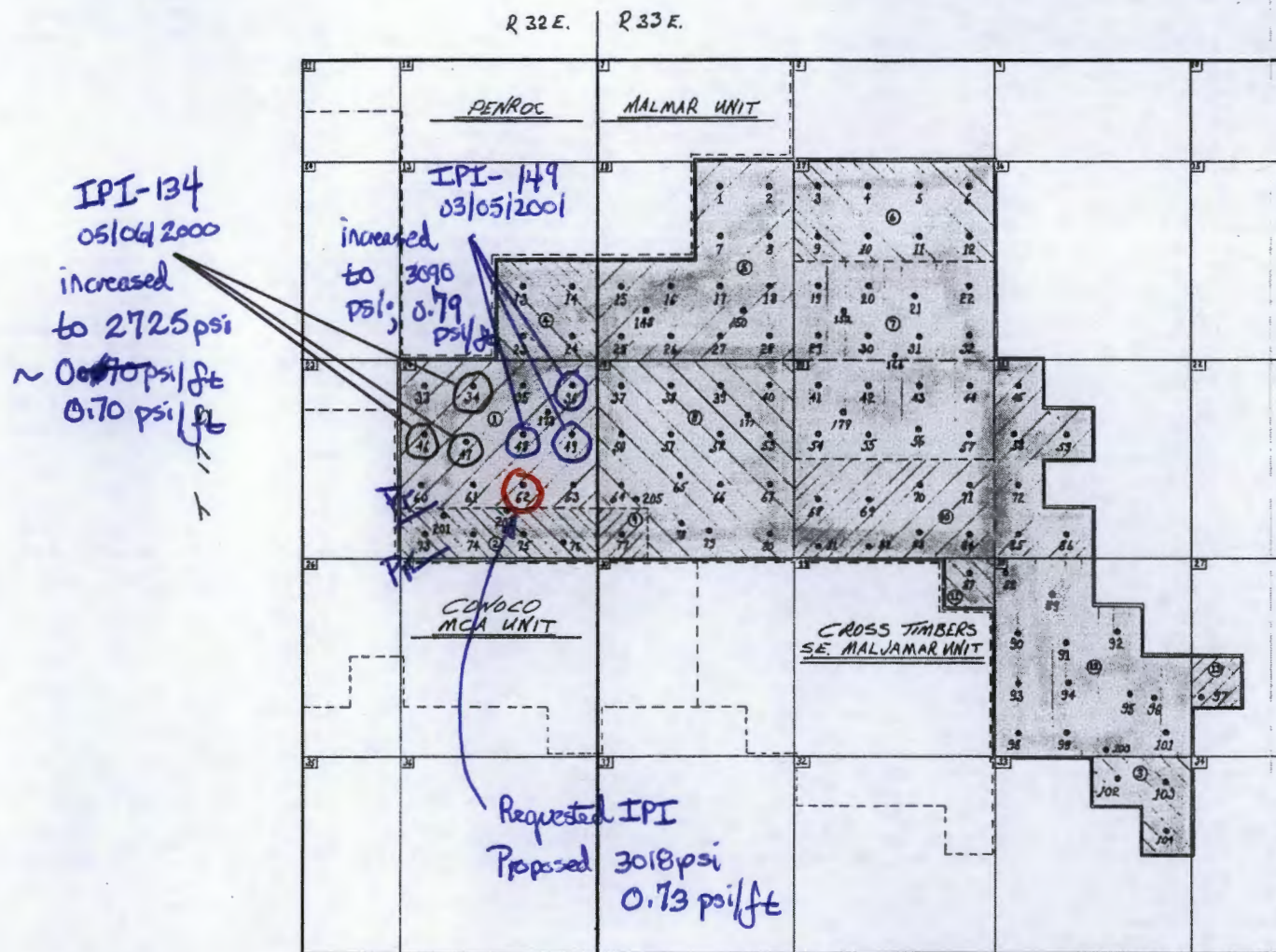
From: Goetze, Phillip, EMNRD [<mailto:Phillip.Goetze@state.nm.us>]
Sent: Thursday, July 17, 2014 12:09 PM
To: Callahan, Terry
Cc: Dickey, Sylvia, EMNRD
Subject: RE: Caprock Maljamar Unit #283 (API #30-025-34193)

Terry:

I have talked with Sylvia Dickey in Hobbs regarding the CMU #283. I have reviewed all my Linn e-mails starting in January but I have no record of an Injection Pressure Increase application for this well. The RBDMS (database) also shows no entry for an IPI application for this well in the review process. I do have a SRT results (which lacks an Administrative Application checklist) for the CMU #62 and have the packer exception info for CMU #38. This being the case, Ms. Dickey is quite correct that the approved maximum surface pressure is still 2082 psi approved under IPI-436. Also, please send me a coversheet for the CMU #62 when possible. Thank you. PRG

Phillip R. Goetze, P.G.
Engineering and Geological Services Bureau, Oil Conservation Division
1220 South St. Francis Drive, Santa Fe, NM 87505
O: 505.476.3466 F: 505.476.3462
phillip.goetze@state.nm.us

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BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

EXHIBIT NO. 2

CASE NO. 10930

EXHIBIT "A"-1
UNIT AGREEMENT
CAPROCK MALJAMAR UNIT
LEA COUNTY, NEW MEXICO

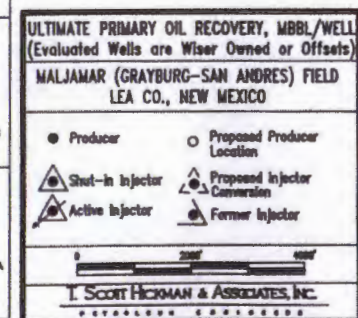
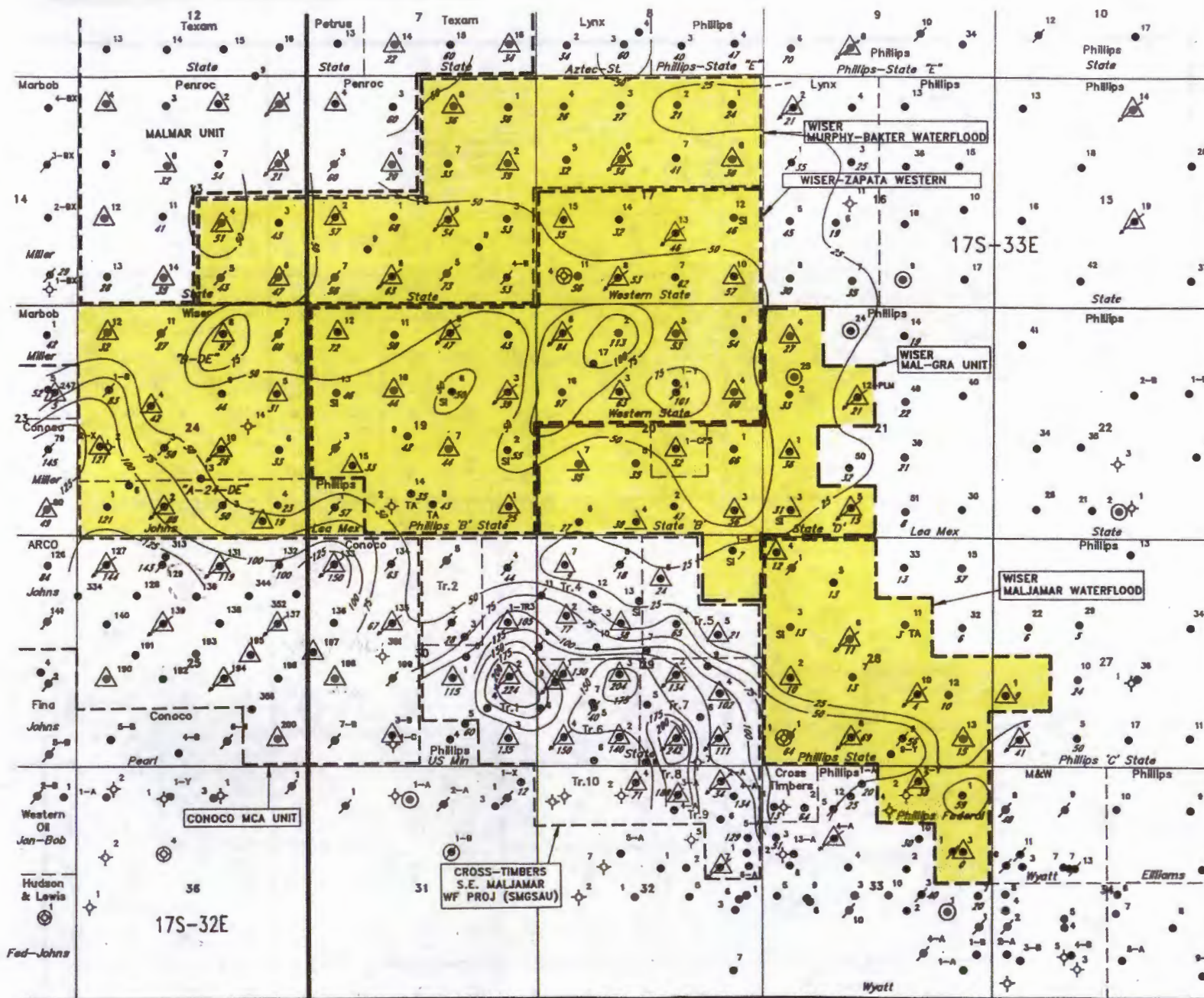


FIGURE 7