

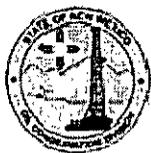
## McMillan, Michael, EMNRD

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**From:** Goetze, Phillip, EMNRD  
**Sent:** Monday, August 03, 2015 7:49 AM  
**To:** Sanchez, Daniel J., EMNRD; Jones, William V, EMNRD; McMillan, Michael, EMNRD  
**Cc:** Inge, Richard, EMNRD  
**Subject:** RE: LINN Operating: Objection Withdrawal of TLT's C108 Application

Gents, FYI. 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](mailto:phillip.goetze@state.nm.us)



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**From:** [billy@pwllc.net](mailto:billy@pwllc.net) [mailto:[billy@pwllc.net](mailto:billy@pwllc.net)]  
**Sent:** Friday, July 31, 2015 4:38 PM  
**To:** Goetze, Phillip, EMNRD  
**Subject:** RE: LINN Operating: Objection Withdrawal of TLT's C108 Application

Phillip, TLT wishes to withdraw the application for State 2# 3 API 30-015-35675

Thanks

Billy (Bill) E. Prichard  
Pueblo West Resources  
125 Greathouse Village  
Decatur, TX 76234  
432-934-7680 cellular  
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----- Original Message -----

Subject: RE: LINN Operating: Objection Withdrawal of TLT's C108 Application

From: "Goetze, Phillip, EMNRD" <[Phillip.Goetze@state.nm.us](mailto:Phillip.Goetze@state.nm.us)>

Date: Fri, July 31, 2015 4:27 pm

To: "[billy@pwllc.net](mailto:billy@pwllc.net)" <[billy@pwllc.net](mailto:billy@pwllc.net)>, "Scott Hall ([shall@montand.com](mailto:shall@montand.com))" <[shall@montand.com](mailto:shall@montand.com)>, Mohammed Merchant <[mymerch@penrocoil.com](mailto:mymerch@penrocoil.com)>

Cc: "Jones, William V, EMNRD" <[WilliamV.Jones@state.nm.us](mailto:WilliamV.Jones@state.nm.us)>, "Inge, Richard, EMNRD" <[richard.inge@state.nm.us](mailto:richard.inge@state.nm.us)>, "Sanchez, Daniel J., EMNRD" <[daniel.sanchez@state.nm.us](mailto:daniel.sanchez@state.nm.us)>, "Herrmann, Keith, EMNRD" <[Keith.Herrmann@state.nm.us](mailto:Keith.Herrmann@state.nm.us)>

To All Concerned Parties:

Item A: Case No. 15344; State 2 No. 1; 30-015-35678

At this point, the application can be returned to the administrative process. I will note that I talked with Linn and found that the terms of the agreement limits the injection rate to 3500 BWPD. With this agreement in place and part of any order issued for this application, I have proceeded with the review process. The Applicant can respond through the opportunity at hearing using the current case or in a supplemental package to the OCD Santa Fe office.

As a result, the following items need to be addressed or made aware to the Applicant:

1. Vertical migration within the Delaware Mountain group. Please provide an evaluation (through cross-sections/log analysis/reservoir modeling/etc.) that injection fluids will not migrate and impact deeper formations with production in the DM group.
2. Remedial action for producing wells in AOR. Two wells in the AOR (Linn's Barclay No. 1 and No. 9 wells) have open annulus behind casing (to surface) for the proposed injection interval. As part of any approval of a SWD order, these two wells will be required to be cemented over the injection interval and the cement tied with the surface casing. This is especially important since WIPP is within a mile of this well.
3. TOC for the State 2 Well No. 4. This will have to be verified and would be made part of any order.

If you have any questions regarding the possible requirements or the requested information, please contact me at your convenience. Mike McMillan is the examiner for the August 6<sup>th</sup> hearing.

Item B: Outstanding Application for State 2 No. 3; 30-015-35675

The application for this well is protested and has not been resolved (hearing or withdrawn). If there is no response to the status of this application by the August 6<sup>th</sup> hearing, then Division will proceed with placing this application on the docket for hearing.

Item C: SWD-1140-A; Sweet Pea SWD No. 1; 30-015-35749

During the evaluation of the C-108 application for conversion of the State 2 No. 1, Division reviewed this historical SWD application for information regarding the geology and the reservoir characteristics in this area. The review showed that this administrative order, SWD-1140-A, includes a clause limiting the source of disposal fluids in this well. Paragraph 3 states approval "for disposal of waste water originating only from producing wells operated by the operator of this disposal well".

Based on reported production for the months of January, February, March, and April, the total water production of TLT's active wells is zero. Yet, the reported injection volume for this same period is 604,039 barrels of produced water. Please provide Division with information for the TLT wells that were the source of the produced water. Please provide this information as soon as possible. If the source is not from producing TLT wells, then TLT is in violation of the conditions of the SWD order.

Contact me with any questions regarding any of these three items. PRG

Phillip R. Goetze, P.G.

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**From:** [billy@pwllc.net](mailto:billy@pwllc.net) [mailto:[billy@pwllc.net](mailto:billy@pwllc.net)]  
**Sent:** Friday, July 31, 2015 10:47 AM  
**To:** Goetze, Phillip, EMNRD  
**Cc:** Mohammed Merchant  
**Subject:** [FWD: LINN Operating: Objection Withdrawal of TLT's C108 Application]

Phillip, If you need further information concerning Linn withdrawl of objection to C108 filed for TLT for the State 2 # 1 please call, email or text myself or Merch Merchant. This permit application can now be considered for administrative approval.

Thanks

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[www.pwllc.net](http://www.pwllc.net)

----- Original Message -----

Subject: LINN Operating: Objection Withdrawal of TLT's C108 Application  
From: "Moreno, Laura" <[LMoreno@linnenergy.com](mailto:LMoreno@linnenergy.com)>  
Date: Wed, July 15, 2015 2:21 pm  
To: "Goetze, Phillip, EMNRD ([Phillip.Goetze@state.nm.us](mailto:Phillip.Goetze@state.nm.us))"  
<[Phillip.Goetze@state.nm.us](mailto:Phillip.Goetze@state.nm.us)>  
Cc: "[mymerch@penrocoil.com](mailto:mymerch@penrocoil.com)" <[mymerch@penrocoil.com](mailto:mymerch@penrocoil.com)>, "[billy@pwllc.net](mailto:billy@pwllc.net)" <[billy@pwllc.net](mailto:billy@pwllc.net)>, "Gordon, Debra" <[DGordon@linnenergy.com](mailto:DGordon@linnenergy.com)>

Good Afternoon Mr. Goetze,

Please see attached letter withdrawing LINN's objection to TLT's C-108 Application to convert their State 2 #1 Well, API: 30-015-35678 to a commercial salt water disposal well. The original letter will be sent via overnight mail this evening to the attention of Mr. Catanach.

If you should have any questions or require any additional information, please advise.

Thank You for your assistance in this matter,  
Laura



NASDAQ:LINE

Laura A. Moreno  
Regulatory Compliance Advisor  
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