

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*5. Lease Serial No.
NMNM71030A **LC029420A**

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other: INJECTION8. Well Name and No.
SKELLY UNIT 1092. Name of Operator
LINN OPERATING INCContact: TERRY B CALLAHAN
E-Mail: tcallahan@linnenergy.com9. API Well No.
30-015-204683a. Address
600 TRAVIS STREET, SUITE 5100
HOUSTON, TX 770023b. Phone No. (include area code)
Ph: 281-840-427210. Field and Pool, or Exploratory
GRAYBURG JACKSON;SR-Q-G-S

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 15 T17S R31E Mer NMP SWNW 1980FNL 660FWL
32.836386 N Lat, 103.864006 W Lon

11. County or Parish, and State

EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input checked="" type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

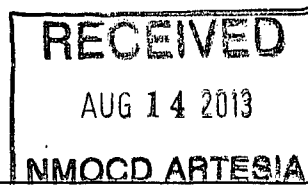
STATUS ON SKELLY UNIT #109

PER CONVERSATION WITH PAUL SWARTZ, THE SKELLY UNIT #109 WAS APPROVED FOR TEMPORARILY ABANDONMENT ON 4/18/2012 FOR 2 YEARS (6/1/2014).

ATTACHED ARE THE SUNDRIES THAT WERE SUBMITTED TO THE NMOCD ARTESIA OFFICE FOR APPROVAL.

Accepted for record
LSDale NMOCD 8/19/13

Denied not in TA Status



14. I hereby certify that the foregoing is true and correct.

Electronic Submission #207671 verified by the BLM Well Information System
For LINN OPERATING INC, sent to the Carlsbad
Committed to AFMSS for processing by KURT SIMMONS on 05/21/2013 ()

Name (Printed/Typed) TERRY B CALLAHAN

Title REG COMPLIANCE SPECIALIST III

Signature (Electronic Submission)

Date 05/16/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

SKELLY UNIT 109
API #30-015-20468
Attachment

5/2/2012 - Wait on anchor tester. RU NDWH NU B.O.P. Spot in work string on racks. RU Kenemore pump trk., test csg/ B.O.P. 1000# test good RD trk. Wait on catch pan. (D & L). NU catch pan, RU floor, and Reverse Unit. Spot in prod string on racks. TIH w/ bit drill out CIBP.

5/3/2012 - WO bit. Pick up 6-3 1/2" drill collars w/ 4 3/4" bit. Picked up work-string TIH w/ 4 3/4" bit X-over 6-3 1/2" collars and 93jt- 2 3/8' work-string tag @3133' RU Weatherford swivel. Drill on CIBP drill through plug & tagged up @3244' well kicked off. Flowed 50bbls back. Pulled out perf. 5-jt. SWH SDFN.

5/4/2012 - Check pressures bleed off well. PU 5 stds, TIH start drilling @3244' drld down to 3347' hard spot drilled 1.5-Hr start going dwn clean out to 3554'. Tbg plugged off. SD TOH w/ 8-stds bit above Perf. Cont drlg.

5/7/2012 - Flow down well POH w/ 2 3/8" tubing pulling wet. Lay down 2 drill collars RIH w/ 4 3/4" bit 4- 3 1/2" drill collars 2 3/8" tubing. Well started flowing. Flow down pump 5bbls water. RIH tag up @ 3560'. RU reverse unit started drlg @ 3560' clean out to 3581' RD POH w/ 16 jts LD 2 3/8".

5/8/2012 - POH LD 2 3/8" work string, collars and bit. RU Monk tbg tester. Talley tbg. TIH test tbg @5000# tbg test good. TIH as follows: 5 1/2" Arrow Set Prk. w/ T-2 on-off tool w/ 1.5" profile nipple, 97-jts 2 3/8" IPC RD Monk tester. Set Packer@3107' RU Kenemore kill trk. Test CSC MOC MIT @560# 30min. lost 20# test good. Release on-off tool. SWH SDFN.

5/9/2012 - Rig shut down repairs.

5/10/2012 - RU Kenemore Kill trk. Circ 90-bbls packer fluid, latch onto packer. ND catch pan and B.O.P. NU WH hook up to back side pressure up 2" valve leak replace, set pkr @12,000# tension. Test 500# f-30min good. set new main valve. RD Kill trk. RDMO

5/14/2012 - Witnessed MIT by Richard Inge (OCD) 530 psi.



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bernis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Secretary

Jami Bailey
Division Director
Oil Conservation Division



Date: 5/14/12

API # 30-0 KS-20468

Dear Operator:

I have this date performed a Mechanical Integrity Test on the SKULLY UNIT #109

☒ If this test was successful the original chart has been retained by the NMOCD and will be scanned into the well's file in 7 to 10 days pending receipt of the Form C-103 indicating the reason for this test. The well files are located at www.emnrd.state.nm.us/oed/OCDOnline.htm

☐ If this test was unsuccessful the original chart has been returned to the operator pending repair and retest of the well, which must be accomplished within 90 days. If this is a test of a repaired well, previously in non-compliance, all dates and requirements of the original non-compliance are still in effect. No expectation of extension should be construed as a result of this test.

☐ If this test was for Temporary Abandonment include in your detailed description, on Form C-103, the location of the CIBP and any other tubular goods in the well, as well as your request for TA status.

☒ If this is a successful test of a repaired well you must submit a form C-103 to NMOCD within 30 days. This C-103 must include a detailed description of the repair to the well. Only after receipt of the C-103 will the non-compliance be closed.

☐ If this is a successful Initial Test of an injection well you must submit a form C-103 to NMOCD within 30 days. This C-103 must include a detailed description of the work done on this well including the position of the packer, tubing information and the date you began injection into the well.

If I can be of additional service contact me at (575) 748-1283 ext 107.

Thank You,

Richard Inge
Field Inspector
District II - Artesia



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

RECEIVED
OIL CONSERVATION DIVISION
APR 11 2012
1220 South St. Francis Dr.
Santa Fe, NM 87505
NMOCD ARTESIA

WELL API NO.
30-015-20468

5. Indicate Type of Lease
STATE ☐ FEE ☐ FED ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

SKELLY UNIT

8. Well Number: 109

9. OGRID Number 269324

10. Pool name or Wildcat
GRAYBURG JACKSON;SR-Q-G-SA

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 E 1980 feet from the N line and 660 feet from the W line
Section 15 Township 17S Range 31E NMPM EDDY County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3863'

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: WITNESSED TA ☒

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.

On 3/28/2012, a MIT test was witnessed by Richard Inge prior to temporarily abandonment of the Skelly Unit 109; 530 psi.

Temporary Abandoned Status Approved
Until 6/1/2014

Spud Date:

Rig Release Date:

LAST INJECTION PERIOD 6/1/2004

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

SIGNATURE

T Callahan

TITLE: REGULATORY SPECIALIST III DATE APRIL 10, 2012

Type or print name TERRY B. CALLAHAN

E-mail address: tcallahan@linnenergy.com

PHONE: 281-840-4272

For State Use Only

APPROVED BY:

Richard Inge

TITLE COMPLIANCE OFFICER

DATE 4/18/12

Conditions of Approval (if any):

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. 30-015-20468
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> FED <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name SKELLY UNIT
8. Well Number: 109
9. OGRID Number 269324
10. Pool name or Wildcat GRAYBURG JACKSON;SR-Q-G-SA

4. Well Location Unit Letter <u>E</u> 1980 feet from the <u>N</u> line and <u>660</u> feet from the <u>W</u> line Section <u>15</u> Township <u>17S</u> Range <u>31E</u> NMPM <u>EDDY</u> County	11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3863'
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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: ☐

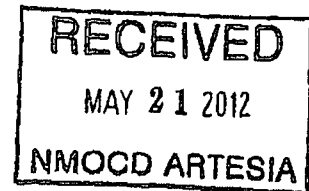
SUBSEQUENT REPORT OF:

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

OTHER: ☐

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



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: REGULATORY SPECIALIST III DATE MAY 18, 2012

Type or print name TERRY B. CALLAHAN
For State Use Only

E-mail address: tcallahan@linenergy.com

PHONE: 281-840-4272

APPROVED BY: SR Dache
Conditions of Approval (if any):

TITLE Dist. B Supervisor

DATE 05/24/12