

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.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

| | | |
|---|---|---|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No NMLC029435B |
| 2. Name of Operator LINN OPERATING, INC. | | 6. If Indian, Allottee or Tribe Name |
| Contact: TERRY B CALLAHAN E-Mail: tcallahan@linnenergy.com | | 7. If Unit or CA/Agreement, Name and/or No |
| 3a. Address 600 TRAVIS STREET SUITE 5100 HOUSTON, TX 77002 | 3b. Phone No. (include area code) Ph: 281-840-4272 | 8. Well Name and No. J L KEEL B 063 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 6 T17S R31E Mer NMP SWSW 1310FSL 1190FWL 32.859880 N Lat, 103.912190 W Lon | | 9. API Well No 30-015-28294 |
| | | 10. Field and Pool, or Exploratory GRAYBURG JACKSON, SR-Q-G- |
| | | 11. County or Parish, and State EDDY COUNTY, NM |

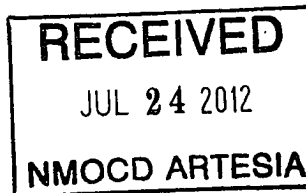
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|---|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input checked="" type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input 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 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.)

NOTICE OF INTENT:

MIRU ON WELL. POOH W/ ANYTHING. CLEAN OUT TO TD. PUMP ACID JOB, SWAB WELL. RUN TUBING, RODS AND PUMP BELOW 3611' AND RTP.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL*accept for record
w/ the attached COA
07/17/2012 ARJ*

| | |
|---|---------------------------------|
| 14. I hereby certify that the foregoing is true and correct | |
| Electronic Submission #141572 verified by the BLM Well Information System For LINN OPERATING, INC., sent to the Carlsbad Committed to AFMSS for processing by BEVERLY WEATHERFORD on 07/11/2012 () | |
| Name (Printed/Typed) TERRY B CALLAHAN | Title REGULATORY SPECIALIST III |
| Signature (Electronic Submission) | Date 06/26/2012 |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE | |
| Approved By | Title |
| 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 | |

APPROVED

JUL 21 2012

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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

Weil, Name: J L Keel B: #063.

| | |
|-------------|---------------------------------------|
| | Location: |
| Footage: | M-06-17S-31E Lot: 7 1310 FSL 1190 FWL |
| Section: | 6 |
| Block: | |
| Survey: | |
| County: | Eddy Co. |
| Lat/Long: | 32.8598N - 103.9121W |
| | Elevations: |
| GL: | 3731' |
| KB: | 3745' |
| KB:GL:Calc: | 14' |
| ck w/log? | |

Logging Requirements:

[illegible]

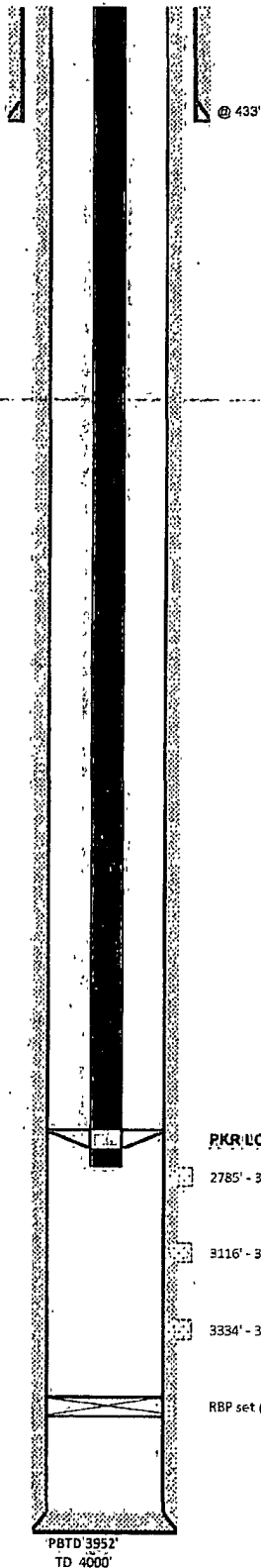
| Rod Detail (top to bottom) (As of 4/95) | | | |
|---|-----------------|--------|----------------|
| Röds | Description | Length | Depth (at top) |
| .1 | 1/4" Polish Rod | | |
| 1 | 1/2 x 14" liner | | |
| 56 | 7/8" Röds | | |
| 96 | 3/4" Röds | | |
| 12 | 7/8" | | |
| | 2" - 3/4 sub | | |

[illegible]

Pumping Unit: 2 1/2" x 2" x 16' dbl valved pump w/ 6" strainer # DVE - 112 (5/8/2003)

Updated: 3/28/12, - C. Burreli

Current Wellbore Diagram



| | |
|------------|------------------|
| Well Name: | J L Keel B # 063 |
| API No: | 30-015-28294 |
| Spud Date: | 2/1/1995 |

Hole Size: 12 1/4"
Surf Csg: 8' 5/8", J-55: 10 jls, 24#, 8rd ST&C: 416.37'. Set @ 433'
Cement Blend: 125 sxs / RFC + 200 sxs Class-C
Returns:
TOC: 7 sxs ami to Surface

Hole Size: N/A
Intermediate Csg: N/A

Lead Cement Blend:
Tail Cement Blend:

DETAIL OF PERFORATIONS

Grayburg & Prémier 2785' - 3081' (26 - 40" holes)
Grayburg: 2785, 2792
Upper Grayburg: 2826, 2830
Middle Grayburg: 2850, 59, 86
Loco Hills: 2910, 12, 14
Moxey: 2949, 53, 55
L. Grayburg: 2971, 3000, 11, 13, 34
Prémior: 3051, 55, 61, 64, 67, 72, 76, 81

Vacuum & Lovington 3116' - 3235' (13 - .40" holes)
 Vacuum: 3116, 27, 28, 31, 53, 77, 78
 Lovington: 3194, 3201, 03, 05, 07, 35

Mid & Low Jackson and Slaughter 3334' - 3611' (12 - 40" holes)
Middle Jackson: 3334, 3422, 29, 34, 86
Lower Jackson: 3557, 72, 76, 78
Upper Slaughter: 3604, 89, 11

PKR LOCATION ?

2785' - 3081'

3116' - 3235'

3334' - 3611'

RBP set @ '3952'

Hole Size: 7 7/8"
Prod Csg: 5 1/2", 15 5/8", J-55, 8rd LT&C, 85 jts, set @ 3999'
Capacity (bbl/ft):
Preflush:

Lead Cement Blend: 750'sxs 35/65 POZ C + 6% D-20 + 10% D-44 + 1/4 #/sk D-29 + 2/10% D-46 wt. 12.7 #/gal

Bureau of Land Management

Carlsbad Field Office and Hobbs Field Station
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Conditions of Approval

Linn Operating, Inc.
J L Keel B #63
NMLC029435B
3001528294

This well has been inactive/shut-in for more than 30 days without authorization. An inactive/shut-in wellbore is a non-producing completion that is capable of production in **paying quantities** or of service use.

As the current operator you are required to: **Prove the production casing integrity from no more than 100 feet above the perforations or open hole with a documented minimum pressure test of 500psig for 30 minutes**, and do one of the following

- A) Return the well to production or beneficial use, within 90 days or by 9/21/12
- B) Submit a plan for BLM approval to plug and abandonment of the well within 90 days or by 9/21/12

Contact BLM office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Eddy County, 575-361-2822; or Paul Swartz at 575-234-5985, Jerry Blakley at 575-234-5994

Determine the operational value of the well.

Notify BLM within 5 days of well being placed back on production as per 43 CFR 3162.4-1 (c)

"Use of Form 3160-5 "Sundry Notices and Reports on Wells"

§ 43 CFR 3162.3-2 Subsequent Well Operations.

a) A proposal for further well operations shall be submitted by the operator on Form 3160-5 for approval by the authorized officer prior to commencing operations to redrill, deepen, perform casing repairs, plug-back, alter casing, perform nonroutine fracturing jobs, recompleting in a different interval, perform water shut off, commingling production between intervals and/or conversion to injection. If there is additional surface disturbance, the proposal shall include a surface use plan of operations. A subsequent report on these operations also will be filed on Form 3160-5. The authorized officer may prescribe that each proposal contain all or a portion of the information set forth in §3162.3-1 of this title.

(b) Unless additional surface disturbance is involved and if the operations conform to the standard of prudent operating practice, prior approval is not required for routine fracturing or acidizing jobs, or recompletion in the same interval; however, a subsequent report on these operations must be filed on Form 3160-5.

(c) No prior approval or a subsequent report is required for well cleanout work, routine well maintenance, or bottom hole pressure surveys.

[47 FR 47765, Oct. 27, 1982. Redesigned and amended at 48 FR 36583-36586, Aug. 12, 1983, further amended at 52 FR 5391, Feb. 20, 1987; 53 FR 17363, May 16, 1988; 53 FR 22847, June 17, 1988]

§ 43 CFR 3160.0-9 (c)(1) Information collection.

(c)(1) The information collection requirements contained in part 3160 have been approved by the Office of Management and Budget under 44 U.S.C. 3507 and assigned the following Clearance Numbers:

Operating Forms

| Form No. | Name and filing date | OMB No. |
|----------|---|-----------|
| 3160-3 | Application for Permit to Drill, Deepen, or Plug Back—Filed 30 days prior to planned action | 1004-0136 |
| 3160-4 | With Completion of Recompletion Report and Log—Due 30 days after well completion | 1004-0137 |
| 3160-5 | Sundry Notice and Reports on Wells—Subsequent report due 30 days after operations completed | 1004-0135 |

The information will be used to manage Federal and Indian oil and gas leases. It will be used to allow evaluation of the technical, safety, and environmental factors involved with drilling and producing oil and gas on Federal and Indian oil and gas leases. Response is mandatory only if the operator elects to initiate drilling, completion, or subsequent operations on an oil and gas well, in accordance with 30 U.S.C. 181 *et seq.*

§ 3162.4-1 (c) Well records and reports.

Not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed.