

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 type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: INJECTION		5. Lease Serial No. NMNM98122
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: 281-840-4000	8. Well Name and No. SKELLY UNIT 12
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 21 T17S R31E Mer NMP NWSE 1980FSL 1980FEL 32.818269 N Lat, 103.872587 W Lon		9. API Well No. 30-015-05324
		10. Field and Pool, or Exploratory GRAYBURG JACKSON;SR-Q-G-S
		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 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 checked="" 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 recompleate 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 recompleation 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.)

PROPOSED PLUGGING PROCEDURES:

- MIRU PLUGGING EQUIPMENT
- SPOT 40 SXS CMT @ 1980-1830. WOC & TAG. CIRC HOLE W/ MUD LADEN FLUID.
- SPOT 40 SXS CMT @ 1550-1400. (BTM OF SALT). *Perf & Attempt to SQZ. WOC Tag.*
- SPOT 65 SXS CMT @ 700-475. WOC & TAG (SHOE & TOP OF SALT). *Perf & Attempt to SQZ.*
- SPOT 40 SXS CMT 460-360. *Perf & Attempt to SQZ.*
- SPOT 20 SXS CMT SURFACE PLUG. *Perf & SQZ from 60' - surf.*
- CUT OFF WELL HEAD AND WELL ON DRY HOLE MARKER.

* WILL USE A CLOSED LOOP SYSTEM WITH STEEL PIT.

RECLAMATION PROCEDURE
ATTACHED

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Ground level Dry Hole Marker Reg.

*At cut-off verify ent to surf all
annulus, may require remedial on
10 3/4" annulus.*

14. I hereby certify that the foregoing is true and correct.		RECEIVED SEP 03 2013 NMOCD ARTESIA
Electronic Submission #218494 verified by the BLM Well Information System For LINN OPERATING INC, sent to the Carlsbad Committed to AFMSS for processing by JOHNNY DICKERSON on 08/29/2013 ()		
Name (Printed/Typed) TERRY B CALLAHAN	Title REG COMPL SPECIALIST II	
Signature (Electronic Submission)	Date 08/29/2013	

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>James B. Cross</i>	Title SEAS	Date 8-30-13
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 CFD

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 **

Accepted for record
NMOCD
10/9/2013

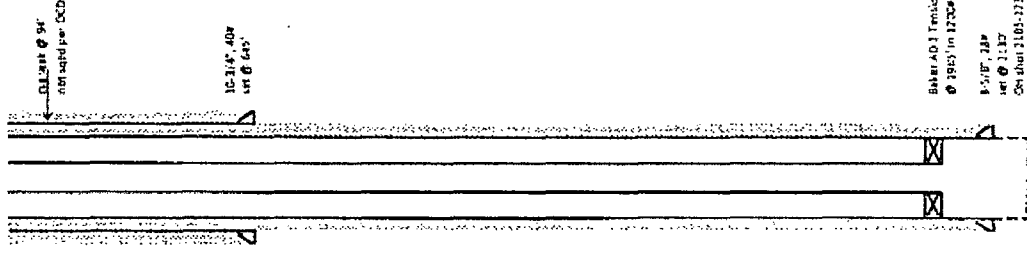
Well Name: Skelly Unit 12

Location:	Unit letter: J, 1987 SL, 1987 TEL
Section:	SEC 11-179-112
Block:	
Survey:	6669
County:	32-4101690044776-133 6735735563
Acq/orig:	From Survey Bureau
Field:	
Division:	
GIC	
SP	3814
45-61 OLE	
45-61 OLE	

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[illegible]

Current
Wellbore Diagram



DATE: 2.22.84
TIME: 10.51

Well Name:	Stolly Unit 11
API No:	20-015-01124
Load Date:	11/9/1946
WBD Update:	1/30/2011 Lena Williams

Node Size:	12-3/4"
Surf Size:	10-3/4" x 40"
Cement Blend:	1:20:33
Depth:	645'
TOC:	Calculated at surface

Node Size:	N/A
MLC#:	
Current Band:	
Returns:	
Depth:	

Details of Performance

Add structure, Investment Details
7/3/1974 2130-72235, treated w/ 500 gal 7-1/2% NE soln. Flushed w/ 120 bbls treated water.
On acct w/ 1200 gals 15% ammonia and w/ 1200 gal water.
8/9/72C10 0.2% methyl solvent.

Living Dates	
Age	Description
63	2-7/8" CO shaft #1
PL/ Depth	1960

[illegible]

Index Size:	9 1/4"
Approx. Lbs:	85 x 3, 180
Capacity (lbm/yd):	85C
Current Blend:	15C 103
Remarks:	
FOC:	Groceries, all surface
Depth:	2130'

Barbaro J. Tamm, pp.
 1965, in 123566-16/65

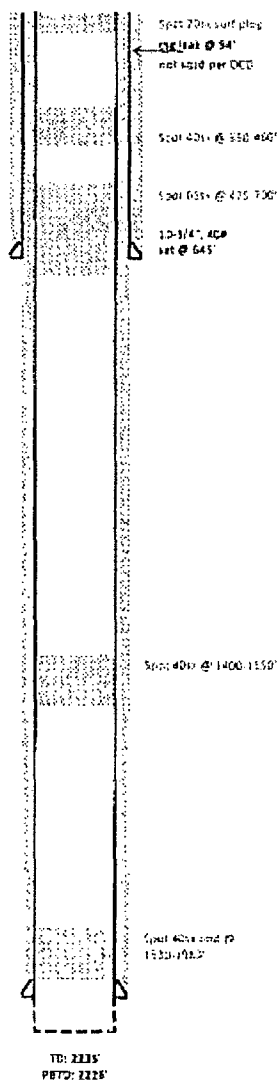
Node Size:	N/A
Unit:	
Cement Blend:	
Returns:	
Depth:	

Well Name: Skelly Unit 12	
Location:	
Location:	Unit 12, 1980 FSL & 1987 FSL
Section:	SEC 21-27-31E
Block:	
Survey:	
County:	Eddy
Lat/Long:	37.818259084775 - 101.871587515562
Field:	Free Seven Rivers
Elevation:	
GL:	
DF:	3814'
RO-GL Calc:	
Ch w/leg?	

Logline Requirements:	

11/02/1946	Spud well, drilling to TD 2135'
12/15/1946	Open hole about 2185-2221 w/ 1200psi ShG
2/3/1974	Moved to workover rig 6-6-74. Pulled ROP and the treated Free Seven Rivers open hole 2135-2235' w/ 500 gal 7-1/2% NE acid. Flashed w/ 320 lbs of treated water
	Set 6 1/2" 1197822 3/4" CO cable-armed (to 1587' w/ ply at 1918')
	Connected well to injection system and commenced injection 6/7/74 into Free Seven Rivers open hole 2135-2235' at 25 psi rate w/ 850 lbs of water per day w/ 5000 psi pressure
5/6/1985	Well was shut in following a NMOCD exit integrity test. The 6-5/8" csg failed to hold 500 psi for 30 min
10/4/1985	MRU pumping unit installed BOP. Pulled BOP and set, Ran 6-5/8" BOP, and set at 2023'. Circ hole w/ 1000 brine
10/5/1985	RM w/ ply to 1940'. Test RSP to 7500 - ok. Located hole in 6-5/8" csg between 8' to 40' from surface. Dump 6 lbs sand on RSP. Pump 3/2 DPM down 10-3/4" csg at 95 psi
10/7/1985	Ran 6-5/8" pump-trace survey down 10-3/4" - 8-5/8" annulus. Survey indicated that fluid was going out 10-3/4" not csg at 94'. Pumped at 1.6 DPM @ 150 psi. As directed by NMOCD, leak was not squered, but will be continued
10/8/1985	Pulled RSP. Ran 7-3/8" bit, logged @ 1922'. Drilled to 2076'. PGM Ran 4-3/4" bit to 2229' (PBD)
10/9/1985	PGM Ran 4-3/4" bit and 7-3/4" tapered mbl. Milled 4-1/2 hrs (2013-2016'). Recovered shale, metal, and scale. PGM Ran 4-3/4" bit. Cleaned out 10' of fill from 2225' to 2235' (TD)
9/9/2010	Acid DM w/ 1200 gal 15% anti-slug acid w/ H2K scavenger & 2% mutual solvent. Opened well to fill
Present:	MRU pumping equipment.
	Open 40x csg @ 1630-1987'. WOC & tag. Circ hole w/ mud-lamin fluid.
	Open 40x csg @ 1200-1550'. 1500' of well.
	5000 250x csg @ 405-700' WOC & tag. (Flow and top of well)
	5000 40x csg @ 340-400'
	5000 250x csg surface plug
	Cut off well main at 20' above the hole bottom
	*Will use a closed loop system with steel pin

Proposed Wellbore Diagram



Well Name:	Skelly Unit 12
API No:	30-013-05124
Spud Date:	11/02/1946
WBO Update:	8/27/2013, Lena Wilbanks
Hole Size:	12-1/4"
Surf Csg:	10-3/4", APC
Cement Blend:	100%as
Depth:	645'
TOC:	Calculated at surface
Hole Size:	N/A
Int. Csg:	
Cement Blend:	
Returns:	
Depth:	

Details of Pertinent

Acid or Fracture Treatment Details

7/3/1974	2185-2235', treated w/ 500 gal 7-1/2% NE acid. Flashed w/ 320 lbs of treated water.
5/9/2010	DM acid w/ 1200 gal 15% anti-slug acid w/ H2K scavenger & 2% mutual solvent.

Tubing Detail	
Joint	Description
63	3-7/8" OD x 10' x 10'
Pkr Depth	1960'

Rod Detail (top to bottom)	
Rod	Description

Hole Size:	6-1/4"
Prod Csg:	6-5/8", 180
Capacity (bbl/ft):	850
Cement Blend:	250 xas
Returns:	
TOC:	Calculated at surface
Depth:	2130'

Hole Size:	N/A
Unit:	
Cement Blend:	
Returns:	
Depth:	

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Permanent Abandonment of Federal Wells
Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within ninety (90) days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.

2. Notification: Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. Blowout Preventers: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. Mud Requirement: Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of **brine** water. Minimum nine (9) pounds per gallon.

5. Cement Requirement: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. **Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.**

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. Dry Hole Marker: All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). **The BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10th day, the BLM is to be contacted with justification to receive an extension for completing the cut off.**

The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement, unless otherwise noted in COA (requirements will be attached). The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).

7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and three copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

8. Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration will be required. See attached reclamation procedure.

Requirements for ground level dry hole markers

Well Identification Markers

Conditions of Approval (COA)

The BLM Carlsbad Field Office (CFO) Conditions of Approval (COA) Requires that ground level dry hole markers be placed on well within the Lesser Prairie Chicken habitat area. The dry hole markers will be to the following specifications. The operator will construct the markers as follows:

1. An 8 inch X 8 inch steel plate 1/8 to 3/16 of an inch thick is to be placed on the old dry hole marker stand pipe 2 inches from ground level, in the Lesser Prairie Chicken habitat area.
2. Steel plate may be welded or bolted approximately 2 inches from ground level on the stand pipes. If plates are bolted to the stand pipe, the person installing the plate will be required to weld a pipe collar on the plate and place a minimum of two set screws/bolt on each collar. Aluminum data plates may be bolted with minimum 1/4 inch bolt and locking nuts or self tapping fine threaded screws. A minimum of one in each corner is to be installed on each plate.
3. An 8 inch x 8 inch aluminum plate, which is 12 gauge or .080 sign material (1/8 inch aluminum plate may be used in place of the .080 plate) with the required information for that well stamped or engraved in a minimum 3/8 inch tall letter or number.
4. The following information will be stamped or engraved on the 8 inch X 8 inch aluminum plate in the following order.
 - a. First row: Operators name
 - b. Second row: Well name and number
 - c. Third row: Legal location to include 1/4 1/4, Section, Township, and range. If the legal location cannot be placed on one row it can be split into two rows with the 1/4 1/4 (example: 1980 FNL 1980 FWL) being on the top row.
 - d. Fourth row: Lease Number and API number.
 - i. Example marker plate: (attached)

NMOCD Order No. R-12965 also required the operator to notify NMOCD when this type of dry hole marker is used. This can be done on the subsequent report of abandonment which is submitted to the BLM after the well is plugged. State that a ground level dry hole marker was installed as required in the COA's from the BLM.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene St.
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm



In Reply Refer To: 1310

Reclamation Objectives and Procedures

Reclamation Objective: Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land, successful reclamation can ensure the effect is not permanent. During the life of the development, all disturbed areas not needed for active support of production operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses. At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The final goal of reclamation is to restore the character of the land and water to its pre-disturbance condition. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

To achieve these objectives, remove any and all contaminants, scrap/trash, equipment, pipelines and powerlines. Strip and remove caliche, contour the location to blend with the surrounding landscape, re-distribute the native soils, provide erosion control as needed, rip and seed as specified in the original APD COA. This will apply to well pads, facilities, and access roads. Barricade access road at the starting point. If reserve pits have not reclaimed due to salts or other contaminants, submit a plan for approval, as to how you propose to provide adequate restoration of the pit area.

1. The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of Operations must include adequate measures for stabilization and reclamation of disturbed lands. Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD process as per Onshore Oil and Gas Order No. 1.
2. For wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months of well abandonment.
3. The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.
4. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with reclamation as per approved APD. If you have issues or concerns, contact a BLM specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation

equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.

5. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.
6. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the BLM objective has been met. If after two growing seasons the location and/or access roads are not showing the potential for successful revegetation, additional actions may be needed. When you feel the BLM objectives have been met submit a Final Abandonment Notice (FAN), Form 3160-5, stating that all reclamation requirements have been achieved and the location and/or access road is ready for a final abandonment inspection.
7. At this time the BLM specialist will inspect the location and/or access road. If the native soils and contour have been restored, and the revegetation is successful, the FAN will be approved, releasing the operator of any further liability of the location and/or access road. If the location and/or access road have not achieved the objective, you will be notified as to additional work needed or additional time being needed to achieve the objective.

If there are any questions, please feel free to contact any of the following specialists:

Inspection & Enforcement

Jim Amos
Supervisory Environmental Protection Specialist
575-234-5909, 575-361-2648 (Cell)

Mike Burton
Environmental Protection Specialist
575-234-2226

Jeffery Robertson
Natural Resource Specialist
575-234-2230

Jennifer Van Curen
Environmental Protection Specialist
575-234-5905

Doug Hoag
Civil Engineering Technician
575-234-5979

Linda Denniston
Environmental Protection Specialist
575-234-5974

Solomon Hughes
Natural Resource Specialist
575-234-5951

Permitting

Cody Layton
Natural Resource Specialist
575-234-5959

Trishia Bad Bear
Natural Resource Specialist
575-393-3612

Todd Suter
Surface Protection Specialist
575-234-5987

Tanner Nygren
Natural Resource Specialist
575-234-5975

Amanda Lynch
Natural Resource Specialist
575-234-5922

Legion Brumley
Environmental Protection Specialist
575-234-5957

Realty, Compliance

Randy Pair
Environmental Protection Specialist
575-234-6240