

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
 Revised July 18, 2013

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.) 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other INJECTION		WELL API NO. 30-015-05360
2. Name of Operator LINN OPERATING, LLC		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
3. Address of Operator 600 TRAVIS ST., SUITE 1400, HOUSTON, TX 7002		6. State Oil & Gas Lease No. NMNM71030A
4. Well Location Unit Letter <u>D</u> : <u>660</u> feet from the <u>NORTH</u> line and <u>660</u> feet from the <u>WEST</u> line Section <u>23</u> Township <u>17S</u> Range <u>31E</u> NMPM <u>EDDY</u> County		7. Lease Name or Unit Agreement Name SKELLY UNIT
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		8. Well Number 40
9. OGRID Number 269324		10. Pool name or Wildcat GRAYBURG JACKSON;SR-Q-SA

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

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input checked="" type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>	
--	--	--	--

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.

Linn is respectfully submitting the following documentation for remedial work performed on the referenced well in Eddy County.

- Operational Summary
- Completed Wellbore Diagram
- QES Well Integrity Log dated 9/19/2017
- The MIT is scheduled for 10/17/2017 (Linn's Dennis Potter confirmed with Richard Inge (OCD))

As a requirement of the use of a single packer in the wellbore, Linn will await OCD direction regarding monitoring instructions as stated by the Santa Fe office.

NM OIL CONSERVATION
 ARTESIA DISTRICT

Spud Date: Rig Release Date: OCT 11 2017

RECEIVED

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

SIGNATURE Debra J. Gordon TITLE Regulatory Manager DATE 10/09/2017

Type or print name Debra Gordon E-mail address: dgordon@linenergy.com PHONE: 281.840.4010

For State Use Only

APPROVED BY: Accepted for record DATE 10/25/17
 Conditions of Approval (if any): NMOCD RF

SKELLY UNIT #040
Eddy County, NM
API#: 30-015-05360

OPERATIONAL SUMMARY

- 9/18/2017 ARRIVED ON LOCATION. HELD SAFETY MEETING. MIRU WSU. CHECKED SITP/SICP, TBG & CSG PRESSURE WAS 590 PSI. RU FL TO FT, FLOWED WELL BACK TO FT, WELL FLOWED INTERMITTENTLY AFTER APPRX 3 HRS, LEFT WELL OPEN TO FT MONITORED BY VT RIVERS & SDFN.
- 9/19/2017 ARRIVED ON LOCATION. HELD SAFETY MEETING. ND WH, TOOH WITH 1 JT OF 2 3/8" TBG, NU BOP & CLEAN/FIX LOCATION WITH BACKHOE TO BE ABLE TO GET WL EQUIPMENT ON LOCATION. MIRU WL EQUIPMENT, RIH WITH 3.5" GR-JB, TAGGED @ 2,368' TWICE, ROOH, MU 3.15" GR-JB, RIH TO 2,400', PU THROUGH CSG PART TO 2,340' & TOOLS HUNG UP BUT PULLED FREE DRAGGING. ROOH, FOUND TOOLS INTACT WITH SCALE IN JB, RIH & TAGGED AT 2,368' WITH GR-JB, PU 50', RIH TAGGING AT SAME SPOT & UNABLE TO PROCEED WITH 3.15 GR-JB. LD 3.15 GR-JB, MU 4.65" GR-JB, RIH TO TAG AT 2,368', ROOH, MU CALIPER LOGGING TOOL, RIH TO 10' ABOVE CSG PART & LOGGED TO SURFACE. RD WL EQUIPMENT, SWI LEAVING OPEN TO FB TANK & SDFN.
- 9/20/2017 AOL & HSM. NU REPLACEMENT BOP, MU WLRG, 6' 2 3/8" IPC TBG SUB, 7" AS1-X PACKER & TIH WITH 68 JTS OF 2 3/8" IPC TBG. MU 8' 2 3/8" IPC SUB, SET PACKER @ 2,224 WITH EOT @ 2,232' & ATTEMPTED TO TEST. LOST 50 PSI IN 2 MINUTES, BLED OFF PRESSURE, LAID DOWN 1 JT, SET PACKER, WAITED FOR GAS IN FLUID TO MIGRATE OUT OF CSG & TESTED TO 350 PSI FOR 15 MINUTES WITH -10 PSI PRESSURE LOSS. SWI LEAVING TBG OPEN TO FT & SDFN. NOTE: VERBAL APPROVAL RECEIVED THIS DATE FROM PHILLIP GOETZ, SANTA FE OCD OFFICE TO PROCEED AS FOLLOWS:
Verbal Approval to modify the casing logging per Phillip Goetz 09/20/2017 and the following email. *I just talked with Debra and the engineer assigned to the rehab of the Skelly Unit No. 40. Field measurements of the well (with ring gauges) show issues with being able to send any tool below 2370 feet. This point is below the top perf of 2324 ft for the 7-River section. Since my main concern is the well's remaining integrity for the portion above the injection perms, I have approved the request to modify the casing logging by using the shallower depth as the limit for the logging effort. Ray or Richard, if you have any questions give me a call. PRG*
- 9/21/2017 AOL, HSM, CHECKED FTP/SICP, TBG & CSG PRESSURE WAS 0 PSI. ND WH, NU BOP, DISENGAGED ON/OFF TOOL, REVERSE CIRCULATED PACKER FLUID @ 1.5 BPM, ENGAGED ON/OFF TOOL & TESTED FOR 15 MINUTES TO 350 PSI WITH NO LOSS OF PRESSURE. ND BOP, NU WH LEAVING 10 PTS OF TENSION ON PACKER, TESTED CSG FOR 5 MINUTES WITH NO LOSS OF PRESSURE, BLED OFF PRESSURE & PERFORMED MIT CHART TEST FOR 35 MINUTES AT 350 PSI, GOOD TEST. SWI, RD WSU, CLEANED LOCATION & SDFD.
- **TBG DETAILS**
8' 2 3/8" 8RD IPC TBG SUB
67 JTS OF 2 3/8" 8RD IPC TBG ON/OFF TOOL
1.87" PROFILE
7" AS1-X PACKER @ 2,186'
6' 2 3/8" 8RD IPC TBG SUB
WLRG (EOT) @ 2,196'

Skelly Unit #40

Eddy County, NM

API: 30-015-05360

Tubing Detail (9/21/17)

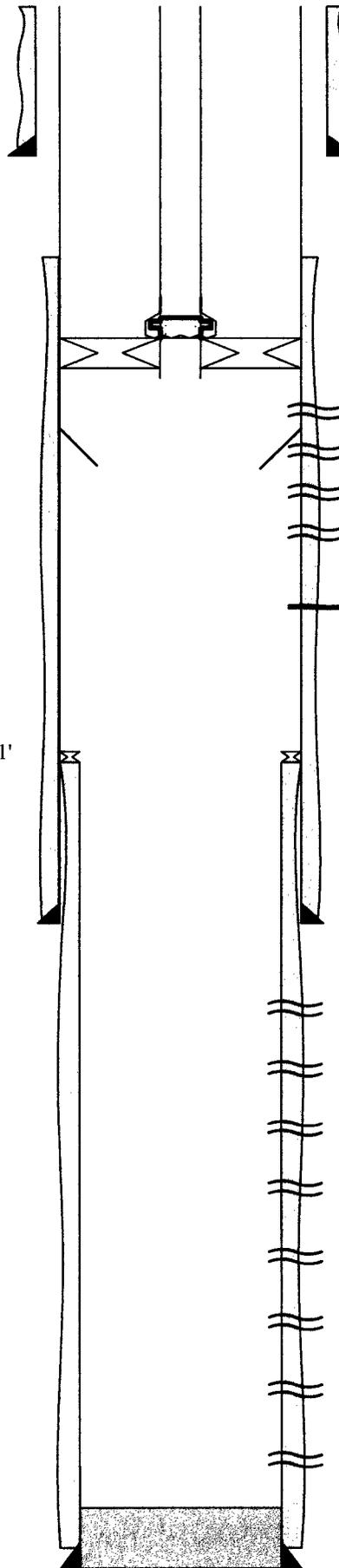
8' 2 3/8" 8RD IPC TBG SUB
67 JTS OF 2 3/8" 8RD IPC TBG
ON/OFF TOOL
1.87" PROFILE
7" AS1-X PACKER @ 2,186'
6' 2 3/8" 8RD IPC TBG SUB
WLRG (EOT) @ 2,196'

6/28/17: Tag @ 2,376' w/ lead
impression block. Bad csg

TOL @ 3,171'

4-1/2" 10.5# J-55 Liner @ 3,827'
Cmt'd w/ 250 sx, TOL @ 3,171'

CURRENT



10-3/4" 40.5# J-55 csg @ 677'
Cmt'd w/ 50 sx

TOC @ 1700' (TS)

Fren-7 Rivers Perfs 2,324'-2,443' (4/12/79)
1 SPF, 15 holes, 0.44"
Acidized w/ 3750 gals 15% NE acid

2/2/78: Perf & Sqz 2,510' w/ 400 sx
Howco-Lite & 100 sx Class C cmt

8-5/8" 32# J-55 csg @ 3261'
Cmt'd w/ 100 sx
TOC @ 2520' (CBL)

Grayburg-Jackson Perfs 3,220'-3,819.5' (5/3/67)
8/1/58: Frac w/ 1215 bbls lease oil. 63,000# sand
4/4/67: Acidized w/ 2500 gals 15% regular acid

TD 3,827'

Updated 9/28/17