

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Response Required – Deadline Enclosed

*Underground Injection Control Program
"Protecting Our Underground Sources of Drinking Water"*

Mailed 4/26/10
DGA

22-Apr-10

LINN OPERATING, INC.
600 TRAVIS SUITE 5100
HOUSTON TX 77002

LOV NO. 02-09-148

**LETTER OF VIOLATION and SHUT-IN DIRECTIVE
Failed Mechanical Integrity Test**

Dear Operator:

The following test(s) were performed on the listed dates on the following well(s) shown below in the test detail section.

The test(s) indicates that the well or wells failed to meet mechanical integrity standards of the New Mexico Oil Conservation Division. To comply with guidelines established by the U.S. Environmental Protection Agency, the well(s) must be shut-in immediately until it is successfully repaired. The test detail section which follows indicates preliminary findings and/or probable causes of the failure. This determination is based on a test of your well or facility by an inspector employed by the Oil Conservation Division. Additional testing during the repair operation may be necessary to properly identify the nature of the well failure.

Please notify the proper district office of the Division at least 48 hours prior to the date and time that the well(s) will be retested so the test may be witnessed by a field representative.

MECHANICAL INTEGRITY TEST DETAIL SECTION

H E WEST B No.016

Active Injection - (All Types)

30-015-05056-00-00
M-3-17S-31E

Test Date:	4/15/2010	Permitted Injection PSI:		Actual PSI:	1850
Test Reason:	5-year Test	Test Result:	F	Repair Due:	7/19/2010
Test Type:	Std. Annulus Pres. Test	FAIL TYPE:	Other Internal Failure	FAIL CAUSE:	
Comments on MIT:	Well will not hold pressure. Casing had 500 psi on back side. Once this was bleed off, well took over 5 bbls to start to pressure up. Once pressured up to 400 psi, it dropped 60 psi in less than 1 minute.				

H E WEST B No.026

Active Injection - (All Types)

30-015-05060-00-00
I-3-17S-31E

Test Date:	4/15/2010	Permitted Injection PSI:		Actual PSI:	
Test Reason:	5-year Test	Test Result:	F	Repair Due:	7/19/2010
Test Type:	Std. Annulus Pres. Test	FAIL TYPE:	Other Internal Failure	FAIL CAUSE:	
Comments on MIT:	Well will not hold pressure				

H E WEST A No.006

Active Injection - (All Types)

30-015-05065-00-00
H-4-17S-31E

Test Date:	4/14/2010	Permitted Injection PSI:		Actual PSI:	2000
Test Reason:	5-year Test	Test Result:	F	Repair Due:	7/18/2010
Test Type:	Std. Annulus Pres. Test	FAIL TYPE:	Other Internal Failure	FAIL CAUSE:	
Comments on MIT:	Water came outside of casing when pressuring up.				



J L KEEL B No.022 30-015-05082-00-00

Active Injection - (All Types)

L-5-17S-31E

Test Date:	4/13/2010	Permitted Injection PSI:		Actual PSI:	1850
Test Reason:	5-year Test	Test Result:	F	Repair Due:	7/17/2010
Test Type:	Std. Annulus Pres. Test	FAIL TYPE:	Other Internal Failure	FAIL CAUSE:	
Comments on MIT: Well will not hold pressure					

J L KEEL A No.004

Active Injection - (All Types)

30-015-05092-00-00

K-7-17S-31E

Test Date:	4/8/2010	Permitted Injection PSI:		Actual PSI:	
Test Reason:	5-year Test	Test Result:	F	Repair Due:	7/12/2010
Test Type:	Std. Annulus Pres. Test	FAIL TYPE:	Other Internal Failure	FAIL CAUSE:	
Comments on MIT: Well will not hold pressure. When we started to pressure up on casing, water came out of intermediate.					

J L KEEL A No.010

Active Injection - (All Types)

30-015-05098-00-00

I-7-17S-31E

Test Date:	4/16/2010	Permitted Injection PSI:		Actual PSI:	
Test Reason:	5-year Test	Test Result:	F	Repair Due:	7/20/2010
Test Type:	Std. Annulus Pres. Test	FAIL TYPE:	Other Internal Failure	FAIL CAUSE:	
Comments on MIT: Fluid started coming out of casing after pressure blew down. Pressure also on intermediate string.					

J L KEEL A No.012

Active Injection - (All Types)

30-015-05100-00-00

A-7-17S-31E

Test Date:	4/16/2010	Permitted Injection PSI:		Actual PSI:	1830
Test Reason:	5-year Test	Test Result:	F	Repair Due:	7/20/2010
Test Type:	Std. Annulus Pres. Test	FAIL TYPE:	Other Internal Failure	FAIL CAUSE:	
Comments on MIT: Well will not hold pressure. Dropped 80 psi in 30 minutes.					

H E WEST B No.012

Active Injection - (All Types)

30-015-05118-00-00

G-9-17S-31E

Test Date:	4/15/2010	Permitted Injection PSI:		Actual PSI:	1860
Test Reason:	5-year Test	Test Result:	F	Repair Due:	7/19/2010
Test Type:	Std. Annulus Pres. Test	FAIL TYPE:	Other Internal Failure	FAIL CAUSE:	
Comments on MIT: Well will not hold pressure. Well had immediate bleed off.					

TURNER A No.015

Active Injection - (All Types)

30-015-05240-00-00

F-19-17S-31E

Test Date:	4/7/2010	Permitted Injection PSI:		Actual PSI:	1650
Test Reason:	5-year Test	Test Result:	F	Repair Due:	7/11/2010
Test Type:	Std. Annulus Pres. Test	FAIL TYPE:	Other Internal Failure	FAIL CAUSE:	
Comments on MIT: Leak from intermediate string as soon as we started to pressure up.					

FREN OIL COMPANY No.007

Active Injection - (All Types)

30-015-05255-00-00

N-19-17S-31E

Test Date:	4/6/2010	Permitted Injection PSI:		Actual PSI:	
Test Reason:	5-year Test	Test Result:	F	Repair Due:	7/10/2010
Test Type:	Std. Annulus Pres. Test	FAIL TYPE:	Other Internal Failure	FAIL CAUSE:	
Comments on MIT: Well will not hold pressure					

TURNER B No.051

Active Injection - (All Types)

30-015-05298-00-00

I-20-17S-31E

Test Date:	4/21/2010	Permitted Injection PSI:		Actual PSI:	1790
Test Reason:	5-year Test	Test Result:	F	Repair Due:	7/25/2010
Test Type:	Std. Annulus Pres. Test	FAIL TYPE:	Other Internal Failure	FAIL CAUSE:	
Comments on MIT: Just as well was pressured up, fluid started coming outside of casing.					

TURNER B No.056

Active Injection - (All Types)

30-015-05473-00-00

J-30-17S-31E

Test Date:	4/6/2010	Permitted Injection PSI:		Actual PSI:	1700
Test Reason:	5-year Test	Test Result:	F	Repair Due:	7/10/2010
Test Type:	Std. Annulus Pres. Test	FAIL TYPE:	Other Internal Failure	FAIL CAUSE:	
Comments on MIT: Well will not hold pressure					

TURNER A No.035

30-015-20097-00-00
H-19-17S-31E

Test Date: 4/7/2010	Active Injection - (All Types)	Permitted Injection PSI:	Actual PSI:
Test Reason: 5-year Test		Test Result: F	Repair Due: 7/11/2010
Test Type: Std. Annulus Pres. Test		FAIL TYPE: Other Internal Failure	FAIL CAUSE:
Comments on MIT: Well will not hold pressure			

J L KEEL B No.032

30-015-24694-00-00
B-6-17S-31E

Test Date: 4/13/2010	Active Injection - (All Types)	Permitted Injection PSI:	Actual PSI: 1780
Test Reason: 5-year Test		Test Result: F	Repair Due: 7/17/2010
Test Type: Std. Annulus Pres. Test		FAIL TYPE: Operational Violation	FAIL CAUSE:
Comments on MIT: Continuous flow of fluid from the casing.			

J L KEEL B No.034

30-015-25447-00-00
H-6-17S-31E

Test Date: 4/13/2010	Active Injection - (All Types)	Permitted Injection PSI:	Actual PSI: 1900
Test Reason: 5-year Test		Test Result: F	Repair Due: 7/17/2010
Test Type: Std. Annulus Pres. Test		FAIL TYPE: Other Internal Failure	FAIL CAUSE:
Comments on MIT: Well will not hold pressure			

J L KEEL B No.038

30-015-25919-00-00
I-6-17S-31E

Test Date: 4/13/2010	Active Injection - (All Types)	Permitted Injection PSI:	Actual PSI: 1840
Test Reason: 5-year Test		Test Result: F	Repair Due: 7/17/2010
Test Type: Std. Annulus Pres. Test		FAIL TYPE: Other Internal Failure	FAIL CAUSE:
Comments on MIT: Well will not hold pressure			

J L KEEL B No.037

30-015-25934-00-00
E-5-17S-31E

Test Date: 4/13/2010	Active Injection - (All Types)	Permitted Injection PSI:	Actual PSI: 1900
Test Reason: 5-year Test		Test Result: F	Repair Due: 7/17/2010
Test Type: Std. Annulus Pres. Test		FAIL TYPE: Other Internal Failure	FAIL CAUSE:
Comments on MIT: Well will not hold pressure			

J L KEEL B No.077

30-015-28279-00-00
H-8-17S-31E

Test Date: 4/21/2010	Active Injection - (All Types)	Permitted Injection PSI:	Actual PSI: 1650
Test Reason: Annual IMIT		Test Result: F	Repair Due: 7/25/2010
Test Type: Bradenhead Test		FAIL TYPE: Other Internal Failure	FAIL CAUSE:
Comments on MIT: Blow of fluid from casing			

TURNER A No.058

30-015-29001-00-00
O-18-17S-31E

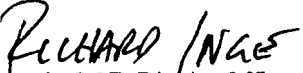
Test Date: 4/7/2010	Active Injection - (All Types)	Permitted Injection PSI:	Actual PSI:
Test Reason: 5-year Test		Test Result: F	Repair Due: 7/11/2010
Test Type: Std. Annulus Pres. Test		FAIL TYPE: Other Internal Failure	FAIL CAUSE:
Comments on MIT: 300 PSI on casing when hooked on. Bleed down to 60 psi and no further. Closed valve and pressure started building back up on casing.			

April 22, 2010

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In the event that a satisfactory response is not received to this letter of direction by the "Repair Due:" date shown above, or if the well(s) are not immediately shut-in, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Sincerely,


Artesia OCD District Office

Note. Pressure Tests are performed prior to initial injection, after repairs and otherwise, every 5 years; Bradenhead Tests are performed annually. Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data "Failure Type" and "Failure Cause" and any Comments are not to be interpreted as a diagnosis of the condition of the wellbore. Additional testing should be conducted by the operator to accurately determine the nature of the actual failure. * Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.