

OCD-ARTESIA

Number 11JB009

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NOTICE OF WRITTEN ORDER

IDENTIFICATION	
IID	
Lease	NMLC031844
CA	
Unit	
PA	

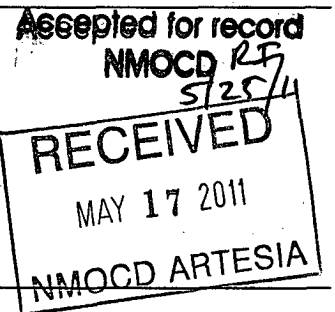
Bureau of Land Management Office CARLSBAD FIELD OFFICE				Operator LINN OPERATING INC.			
Address 620 E GREENE STREET CARLSBAD NM 88220				Address 600 TRAVIS STREET SUITE 5100 HOUSTON TX 77002			
Telephone 575-234-5994				Attention			
Inspector BLAKLEY				Attn Addr			
Site Name FREN OIL CO	Well or Facility 12	1/4 1/4 Section SWSE 19	Township 17S	Range 31E	Meridian NMP	County EDDY	State NM
Site Name	Well or Facility	1/4 1/4 Section	Township	Range	Meridian	County	State
Site Name	Well or Facility	1/4 1/4 Section	Township	Range	Meridian	County	State

The following condition(s) were found by Bureau of Land Management Inspectors on the date and at the site(s) listed above.

Date	Time (24-hour clock)	Corrective Action to be Completed by	Date Corrected	Authority Reference
05/10/2011	09:00	06/15/2011		43 CFR 3162.3-4

Remarks:

Recent field inspections indicate that the above lease has shut-in (si) or temporarily abandoned (ta) wells. The Bureau of Land Management (BLM) and Office of Natural Resources Revenue (ONRR) definition of a shut-in well is a completion that is physically and mechanically capable of production in paying quantities or capable of service use. The definition of a temporarily abandoned well is a completion that is not capable of production in paying quantities but which may have value as a service completion. According to field inspection the wells referenced above have been shut-in or have been temporarily abandoned without authorization from the Bureau of Land Management. 43 cfr 3162.3-4 (c) requires that wells incapable of production in paying quantities be promptly plugged and abandoned and requires approval for any well temporarily abandoned for (Remarks continued on following page(s).)



When the Written Order is complied with, sign this notice and return to above address.

Company Representative Title	Signature	Date
Company Comments		

Warning

The Authorized Officer has authority to issue a Written Order in accordance with 43 CFR 3161.2. Written Order correction and reporting time frames begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each stipulation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management Office at the address shown above. If you do not comply as noted above under "Corrective Action to be Completed By", you shall be issued an Incident of Noncompliance (INC) in accordance with 43 CFR 3163.1(a). Failure to comply with the INC may result in assessments as outlined in 43 CFR 3163.1 and may also incur civil penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time frame for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits false, inaccurate, or misleading reports, notices, affidavits, records, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

Review and Appeal Rights

A person contesting a decision shall request a State Director review of the Written Order. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer <i>Jerry D. Blakley</i>		Date 5/11/2011	Time 16:00
FOR OFFICE USE ONLY			
Number 51	Date	Type of Inspection PI	

BLM Remarks, continued

more than 30 days.

Therefore you are to do the Following:

1. Submit a plan of action with time frames included that will outline procedures to place each and every well on this lease back into proper status, IE producing, injecting with successful MIT as necessary, or a Notice of Intent to plug and abandon wells as necessary. This plan of action will be subject to approval by our Engineers. Time frames shall be kept to a minimum.
2. Injection into any wellbore of which has failed a CIT or MIT must cease immediately upon failure and shall not be put back on line until repaired and a witnessed MIT is performed. Witnessing shall be done either by the NMOCD or BLM.
3. It is advisable that this company make arrangements to meet with our staff to discuss measures necessary to obtain long term compliance. Field personnel as well as engineering and management should be included. You may call Jerry Blakley 575-234-5994 to make such arrangements. Complete contact information is at the bottom of this order.
4. Corrective action to be completed by the following time frames: 6/15/2011
5. 43 cfr 3162.4-1(c) also requires you to notify the authorized officer, not later than the fifth business day after production is resumed for any well which has been off production for more than 90 days, the date on which such production was resumed. Notification may be by letter or sundry notice, or orally followed by letter or sundry notice.

For monitoring and tracking purposes, please submit appropriate paperwork to this office attention: Jerry Blakley

If you have further questions please contact:

Jerry D. Blakley
Petroleum Engineering Technician
Bureau of Land Management
620 East Greene Street
Carlsbad, NM 88220
Office: (575) 234-5994
Cell: (575) 361-0112
Fax: (575) 234-5927
E-mail: Jerry_Blakley@nm.blm.gov

Sec. 3162.3-4 Well abandonment.

(a) The operator shall promptly plug and abandon, in accordance with a plan first approved in writing or prescribed by the authorized officer, each newly completed or recompleted well in which oil or gas is not encountered in paying quantities or which, after being completed as a producing well, is demonstrated to the satisfaction of the authorized officer to be no longer capable of producing oil or gas in paying quantities, unless the authorized officer shall approve the use of the well as a service well for injection to recover additional oil or gas or for subsurface disposal of produced water. In the case of a newly drilled or recompleted well, the approval to abandon may be written or oral with written confirmation.

(b) Completion of a well as plugged and abandoned may also include conditioning the well as water supply source for lease operations or for use by the surface owner or appropriate Government Agency, when authorized by the authorized officer. All costs over and above the normal plugging and abandonment expense will be paid by the party accepting the water well.

(c) No well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer. The authorized officer may authorize a delay in the permanent abandonment of a well for a period of 12 months. When justified by the operator, the authorized officer may authorize additional delays, no one of which may exceed an additional 12 months. Upon the removal of drilling or producing equipment from the site of a well which is to be permanently abandoned, the surface of the lands disturbed in connection with the conduct of operations shall be reclaimed in accordance with a plan first approved or prescribed by the authorized officer.

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