

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs
HOBBS OCD

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.

SEP 22 2011

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

RECEIVED

1 Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other. INJECTION		5. Lease Serial No NMLC032511B
2 Name of Operator LINN OPERATING, INC. Contact: TERRY B CALLAHAN E-Mail: tcallahan@linnenergy.com		6 If Indian, Allottee or Tribe Name
3a. Address 600 TRAVIS STREET SUITE 5100 HOUSTON, TX 77002	3b. Phone No (include area code) Ph: 281-840-4272	7. If Unit or CA/Agreement, Name and/or No.
4 Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 15 T25S R37E Mer NMP SENW 1980FNL 1730FWL 32 132090 N Lat, 103.153668 W Lon		8 Well Name and No LANGLIE MATTIX QUEEN UNIT 015
		9 API Well No 30-025-21960
		10 Field and Pool, or Exploratory GRAYBURG JACKSON;SR-1-G-S
		11. County or Parish, and State LEA COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input checked="" type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input type="checkbox"/> Other
	<input type="checkbox"/> Alter Casing
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Recombine
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Change Plans
	<input type="checkbox"/> Convert to Injection

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 recomplate 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 recomplate 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)

NOTE: THIS IS AN AMENDED SUBSEQUENT FOR THE EARLIER ONE DATED 9/7/2011

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

Acidize & Return to Production

7/18/11 - SITP 0 psi, SICP 0 psi; RUPU; ND WH; NU BOP & catch pan POH 2/ 2-7/8" IPC. tbg tally out of hole. POH w/99 jts 3,033' SDFN
7/20/11 - SICP 0 ps, MI unloaded 2-7/8" workstring. RIH w/ 4-3/4" bit 6 - 3-1/2" DC's, PU 2-7/8" tbg. Tag up @ 3,309'. RU reverse unit. SIFN.
7/21/11 - SITP 0 psi, SICP 0 psi. Drld on cmt @ 3309', drld down to CIBP @ 3370'. Drld CIBP out, cleaned out to 3440' Circ clean. POH w 2-7/8" tbg, LD 3-1/2" DC's SDFN
7/22/11 - RU Monk tubing testers. RIH w/5 1/2" ArrowSet packer on 2 7/8" tubing. Tested tubing & packer to 6000 PSI. RD Monk; RU Crain acidizing. Acidize perms. 3419' - 3434' w/1500 gals. 15% NEFE

*accept for record
w/ COAs 09/14/2011
RRT*

14 I hereby certify that the foregoing is true and correct
**Electronic Submission #117209 verified by the BLM Well Information System
For LINN OPERATING, INC., sent to the Hobbs**

Name (Printed/Typed) TERRY B CALLAHAN

Title REGULATORY SPECIALIST III

Signature (Electronic Submission)

Date 09/09/2011

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

SEP 19 2011

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

John Callahan

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

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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

Additional data for EC transaction #117209 that would not fit on the form

32. Additional remarks, continued

acid w/500# rock salt as diversion. Spotted acid 1 bbl. from packer, set packer @3330'.

Stage #1: pumped 500 gals. acid @ 3 BPM - 1120 PSI, followed by 200# block. Acid on formation broke back to 860 PSI, saw 100 PSI increase w/block on formation.

Stage #2: pumped 500 gals acid @ 3 BPM - 739 PSI, followed by 300# block. Saw 80 PSI increase w/block on formation.

Stage #3: pumped 500 gals acid @ 3 BPM - 772 PSI.

Flushed w/33 bbls @ 3 BPM - 800 PSI.

ISIP 515 PSI Max pressure 1220 PSI Avg pressure 830 PSI

5 MIN 239 PSI Max rate 3 BPM Avg rate 3 BPM

10 MIN 58 PSI

15 MIN 0 PSI

Load 92 bbls.

RD Crain; SDFN

7/25/11 - SITP 80 psi, SICP 0 psi, Unset pkr, POH LD 2-7/8" tbg & pkr. SIFN.

7/26/11 - SICP 0 PSI, RU Monk tbg testers, RIH w/5 1/2" AD-1 packer, 13 jts 2 3/8" IPC tubing,

Xover. 97 jts 2 7/8" IPC tubing. Hydrotested packer & tubing to 4000 PSI. RD Monk. Set packer @ 3366'. RU M & S pump truck. Loaded casing w/wtr. Weld on casing well head broke loose. RD pump truck. Dug out well head. SDFN

7/27/11 - SITP 0 psi; SICP 0 psi. Welded up leak on 5 1/2" well head RU Key pump truck. Load casing casing press. to 380 PSI. Lost 380 PSI in 1 min. Unset packer. POH w/1 jt., set packer @ 3336'. Casing leak between 3336'- 3366' Tested casing w/chart recorder to 500 PSI. Found recorder off. Waited f/another recorder. Tested casing to 360 PSI f/30 mins., OK ND catch pan. Circ. 70 bbls packer fluid. Set packer @ 3336'. ND BOP. NU well head w/packer set in 15,000# tension. Tested casing to 380 PSI, lost 60 PSI in 30 mins. Repress. casing to 360 PSI loss 60 PSI in 30 mins SDFN

7/28/11 - RU Key pump truck. Tested casing to 400 PSI. Lost 240 PSI in 4 mins. Unset packer, POH w/1 jt. Set packer @ 3305'. Tested casing to 580 PSI. Lost 90 PSI in 7 mins RD pump truck. Unset packer. ND well head. NU BOP & catch pan. POH w/tubing & packer.

7/29/11 - RU D & G tubing testers. RIH w/5 1/2" ArrowSet packer, T2 on&off tool w/1.50" "F"

profile, 13 jts. 2 3/8" IPC tubing, 96 jts. 2 7/8" IPC tubing tested to 4000 PSI. Busted 1 jt. -

34 jts. down. RD D & G. Set packer @ 3342'. RU Basic pump truck. Loaded casing w/25 bbls. Water.

Tested casing to 580 PSI f/30 mins., lost 20 PSI. ND catch pan & BOP; NU wellhead w/out slips. Mix packer fluid. Circ. 70 bbls. packer fluid. Latch on to on&off tool. NU well head w/14,000# tension on packer. Tested casing to 540 PSI, lost 20 PSI in 30 mins RD pump truck. SIFN

8/12/2011 - Injection volumes report to the State of New Mexico after passing MIT test witnessed by Mark Whitaker of the OCD. 460 psi; 20 bwpd

Conditions of Approval: Wells with Packers*

Linn Operating, Inc.
Langlie Mattix Queen Unit 015
API 3002521960
September 14, 2011

1. Conduct a Mechanical Integrity Test of the tubing/casing annulus after a tubing, packer or casing seal is established. Repair that seal any time more than five barrels of packer fluid is replaced within 30 days.
 - a. The minimum test pressure should be 500 psig for 30 minutes or 300 psig for 60 minutes, with 200 psig differentials between tubing and casing pressure (at test time) but no more than 70% of casing burst pressure as described by Onshore Order 2.III.B.1.h. (The tubing or reservoir pressure may need to be reduced). An alternate method for a BLM approved MIT is to have the fluid filled system open to atmospheric pressure and have a loss of less than five barrels in 30 days witnessed by a BLM authorized officer.
 - b. Document the pressure test on a calibrated recorder chart registering within 25 to 85 per cent of its full range. Greater than 10% pressure leakoff will be viewed as a failed MIT. Less than 10% pressure leakoff will be evaluated site specifically and may restrict injection approval.
 - c. Notify Paul R. Swartz at 575-234-5985 and/or 575-200-7902 at least 24 hours before the test. If there is no response, notify the BLM on call drilling phone, 575-361-2822. In Lea County call 575-393-3612.
 - d. Submit a subsequent Sundry Form 3160-5 relating the MIT activity. Include a copy of the recorded MIT pressure chart. List the name of the BLM witness, or the notified person and date of notification. NMOCD is to retain the original recorded MIT chart.
 - e. Use of tubing internal protection, on/off tubing equipment just above the packer, and a profile nipple installation is required. The setting depths and descriptions of each are to be included in the subsequent sundry. List (by date) descriptions of daily activity of any previously unreported wellbore work.
 - f. **Submit the original subsequent sundry with three copies to BLM Carlsbad.**

2. Compliance with a NMOCD Administrative Order is required, submit documentation of that authorization.
 - a. Approved injection pressure compliance is required.
 - b. If injection pressure exceeds the approved pressure you are required to reduce that pressure and notify the BLM within 24 hours.
 - c. When injection pressure is within 50 psig of the maximum pressure, install automation equipment that will prevent exceeding that maximum.
 - i. Submit a subsequent report (Sundry Form 3160-5) describing the installed automation equipment within 30 days.
 - e. Other unexplained significant variations of rate or pressure to be reported within 5 days of notice.

3. The casing/tubing annulus is required to be monitored for communication with injection fluid or loss of casing integrity.
 - a. The annulus is to be maintained full of packer fluid at atmospheric pressure. Installation of equipment that will display on site, continuous open to the air fluid level is required. A BLM inspector may request verification of this fluid level at any time.
 - b. **Submit a subsequent report (Sundry Form 3160-5)** describing the installation of packer fluid level monitoring equipment within 30 days of this approval.
 - c. The operator shall keep monthly records documenting that the casing annulus is fluid filled. A suggested format for these records is available from the BLM Carlsbad Field Office. Copies of those records shall be furnished at the request of a BLM authorized officer.
 - d. Loss of packer fluid above five barrels per month requires notification of the BLM authorized officer within 5 days.
 - a. Gain of annular fluid requires notification within 24 hours. Cease injection and maintain a production casing pressure of Opsia. Notify the BLM's authorized officer (Paul R. Swartz at 575-200-7902). If there is no response, notify the BLM on call drilling phone, 575-361-2822. In Lea County call 575-393-3612.
 - e. Also submit to this office a (Sundry Form 3160-5) Notice of Intent (NOI) for approval by BLM and NMOCD with a detailed plan for correction and the anticipated date of correction. Verbal approval for the plan may be given by a BLM authorized officer, with the NOI filed within five business days.
 - f. After the repairs submit a (Sundry Form 3160-5) Subsequent report, describing the repair(s) and Mechanical Integrity Test as per item 1 above.

*COA's prepared by Paul R. Swartz