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State of New Mexico

Form C-103  
October 13, 2009

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

Energy, Minerals and Natural Resources

HOBBS OCD

APR 08 2013

RECEIVED

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

|   |
|---|
| WELL API NO.<br>30-025-39209  |
| 5. Indicate Type of Lease<br>STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> FED |
| 6. State Oil & Gas Lease No.  |
| 7. Lease Name or Unit Agreement Name<br>EAST HOBBS SAN ANDRES UNIT                                      |
| 8. Well Number: 999   |
| 9. OGRID Number 269324  |
| 10. Pool name or Wildcat<br>HOBBS;SAN ANDRES,EAST   |

**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  Gas Well  Other **INJECTION**

2. Name of Operator  
LINN OPERATING, INC.

3. Address of Operator  
600 TRAVIS, SUITE 5100, HOUSTON, TEXAS 77002

4. Well Location  
Unit Letter A; 990 feet from the N line and 990 feet from the E line  
Section 31 Township 18S Range 39E NMPM LEA County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3,592' GL

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

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

**Prep to check well and reduce injection pressure and rate to permitted pressure.**

Spud Date:  Rig Release Date:

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

SIGNATURE Terry Callahan TITLE: REGULATORY SPECIALIST III DATE APRIL 4, 2013

Type or print name TERRY B. CALLAHAN E-mail address: tcallahan@linnenergy.com PHONE: 281-840-4272  
**For State Use Only**

APPROVED BY: [Signature] TITLE DIST. MGR DATE 4-9-2013  
Conditions of Approval (if any):

APR 09 2013

**Current Wellbore Diagram**

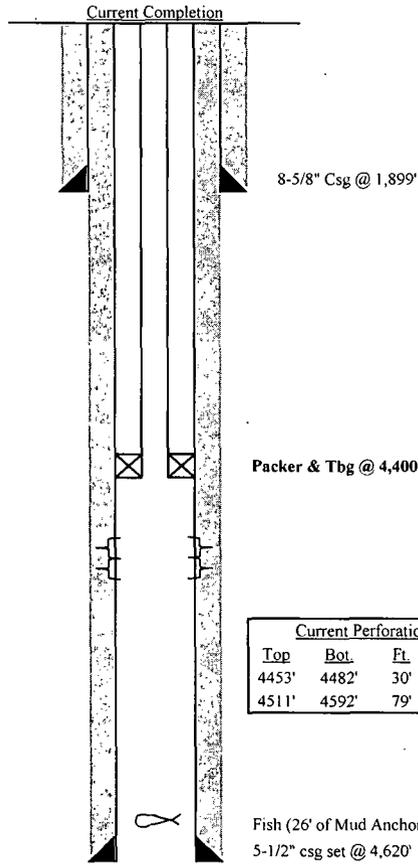
Lease & Well No. East Hobbs San Andres Unit #999  
 Field Name East Hobbs (San Andres)  
 Location 990' FNL & 990' FEL; T: 18S R: 39E Sec: 31  
 K.B. Elevation 3,604'  
 D.F. Elevation \_\_\_\_\_  
 Ground Level \_\_\_\_\_

Former Name \_\_\_\_\_  
 County & State Lea County, New Mexico  
 API No. 30-025-39209  
 Updated: 5/22/12 D. Kennard

| Surface Casing      |        |          |        |       |         |
|---------------------|--------|----------|--------|-------|---------|
| Size (OD)           | 8 5/8" | Weight   | 24&32# | Depth | 1,899'  |
| Grade               | J-55   | Sx. Cmt. | 950 sx | TOC @ | Surface |
| Intermediate Casing |        |          |        |       |         |
| Size (OD)           | n/a    | Weight   |        | Depth |         |
| Grade               |        | Sx. Cmt. |        | TOC @ |         |
| Production Casing   |        |          |        |       |         |
| Size (OD)           | 5 1/2" | Weight   | 15.5#  | Depth | 4,620'  |
| Grade               |        | Sx. Cmt. | 750 sx | TOC @ | Surface |

**Well History**

12/6/08 - Spud Well; Set 8-5/8" csg @ 1,899'; Cmtd w/ 950 sx cmt; Circ 161 sx to pit  
 12/23/08 - TD well @ 4,620'; Set 5-1/2" csg @ 4,620'; Cmtd w/ 750 sx cmt; Circ 89 sx to pit  
 12/27/08 - RIH w/ bit & tag @ 4,580'; Drld out cmt & wiper plug to 4,618';  
 12/28/08 - Perf'd f/ 4,548 - 92' & 4,511 - 34' @ 1 spf (79 holes total); RIH w/ pkr & set same @ 4,405';  
 Acdz perms w/ 7,000 gals 20% NEFE HCl + 120 BS; 14 Swab runs - slight oil cut and gas blow;  
 POH w/ Pkr; Perf'd P1 zone f/ 4,453 - 82' @ 1 spf (30 holes total); RIH w/ RBP & pkr, set  
 same @ 4,500 & 4,344' respectively; Aczd P1 2,000 gals 20% NEFE HCl + 45 BS;  
 1/6/09 - RIH w/ PC Pump and put well on production  
 2/10/09 - POH w/ PC pump; RIH w/ Pkr & set same @ 4,500' isolating P1 perms on backside and  
 P2, P3, P4 below Pkr; Swabbed and made all H2O; RIH w/ RBP & set same @ 4,500';  
 Swabbed 1 run and POH w/ RBP; RIH w/ rod pump  
 2/26/09 - POH w/ rod pump & RIH w/ PC pump  
 12/7/09 - RIH w/ Pkr & set same @ 4,414'; Pmpg 1600 bbls polymer into perms; Swabbed all H2O  
 Pmpd 370 lbs Acrolein prior to shutting well in;  
 1/6/10 - RIH w/ PC pump and place well on production  
 2/25/10 - Chgd out PC pump  
 3/9/10 - POH w/ rotor and tbg parted and can not fish; RIH w/ freepoint and could not get through  
 tbg; RIH w/ jet cutter and cut tbg @ 4,521'; RIH w/ spear and POH w/ fish; 26' of mud  
 anchor left in hole; tried to fish 1 time and did not fish (26' of mud anchor); RIH w/ TAC &  
 put well on production  
 6/9/10 - POH w/ tbg (prtd 15 stands down); RIH w/ overshot and sheered TAC; POH w/ tbg;  
 RIH w/ PC pump



**Tubing Detail: (5/1/12)**  
 144 jts: 2-7/8", 6.5#, J-55 Tbg (4,400')

| Current Perforations: |       |     |       |            |
|-----------------------|-------|-----|-------|------------|
| Top                   | Bot.  | Fl. | Shots |            |
| 4453'                 | 4482' | 30' | 30    | P1         |
| 4511'                 | 4592' | 79' | -     | P2, P3, P4 |

|                 |        |
|-----------------|--------|
| Plug Back Depth | 4,618' |
| Total Depth     | 4,620' |

| Formation Record | Depth  |
|------------------|--------|
| Anhydrite        |        |
| Top of Salt      |        |
| Base of Salt     | 2,950' |
| Yates            | 2,998' |
| 7 Rivers         | 3,235' |
| Queen            | 3,779' |
| Grayburg         | 4,161' |
| San Andres       | 4,446' |

State of New Mexico  
 Energy, Minerals and Natural Resources Department  
 Oil Conservation Division Hobbs District Office

**BRADENHEAD TEST REPORT**

|   |                                   |
|---|-----------------------------------|
| Operator Name<br><i>LIND OPERATING INC.</i>     | API Number<br><i>30-025-39209</i> |
| Property Name<br><i>EAST HOBBS SAN ANDRES U</i> | Well No.<br><i>999</i>            |

**Surface Location**

|                      |                      |                        |                     |                         |                      |                         |                      |                      |
|----------------------|----------------------|------------------------|---------------------|-------------------------|----------------------|-------------------------|----------------------|----------------------|
| UL - Lot<br><i>A</i> | Section<br><i>31</i> | Township<br><i>18S</i> | Range<br><i>39E</i> | Feet from<br><i>990</i> | N/S Line<br><i>N</i> | Feet From<br><i>990</i> | E/W Line<br><i>E</i> | County<br><i>Lea</i> |
|----------------------|----------------------|------------------------|---------------------|-------------------------|----------------------|-------------------------|----------------------|----------------------|

**Well Status**

|             |         |           |                          |
|-------------|---------|-----------|--------------------------|
| Well Status | SHUT-IN | PRODUCING | DATE<br><i>3/13/2013</i> |
|-------------|---------|-----------|--------------------------|

OPEN BRADENHEAD AND INTERMEDIATE TO ATMOSPHERE INDIVIDUALLY FOR 15 MINUTES EACH

**OBSERVED DATA**

If bradenhead flowed water, check all of the descriptions that apply:

|                              | (A) Surf-Interm | (B) Interm(1)-Interm(2) | (C) Interm-Prod | (D) Prod Csg                            | (E) Tubing  |
|------------------------------|-----------------|-------------------------|-----------------|---|-------------|
| Pressure:                    | <i>0</i>        |                         |                 | <i>0</i>                                | <i>1200</i> |
| <b>Flow Characteristics:</b> |                 |                         |                 |   |             |
| Puff                         | Y/N             | Y/N                     | Y/N             | <input checked="" type="checkbox"/> Y/N |             |
| Steady Flow                  | Y/N             | Y/N                     | Y/N             | Y/N                                     |             |
| Surges                       | Y/N             | Y/N                     | Y/N             | Y/N                                     |             |
| Down to nothing              | Y/N             | Y/N                     | Y/N             | <input checked="" type="checkbox"/> Y/N |             |
| Gas or Oil                   | Y/N             | Y/N                     | Y/N             | Y/N                                     |             |
| Water                        | Y/N             | Y/N                     | Y/N             | Y/N                                     |             |

If bradenhead flowed water, check all of the descriptions that apply:

|       |       |       |        |       |
|-------|-------|-------|--------|-------|
| CLEAR | FRESH | SALTY | SULFUR | BLACK |
|-------|-------|-------|--------|-------|

Remarks:

|  |                           |
|--|---------------------------|
| Signature: <i>Eddie J. Saramilla</i>             | OIL CONSERVATION DIVISION |
| Printed name: <i>Eddie J. Saramilla</i>          | Entered into RBDMS        |
| Title: <i>PRODUCTION SPECIALIST</i>              | Re-test                   |
| E-mail Address: <i>esaramilla@linnenergy.com</i> |                           |
| Date: <i>3-13-2013</i>                           | Phone:                    |
| Witness:   |                           |