

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

**HOBBS OCD** State of New Mexico  
 Energy, Minerals and Natural Resources  
**JUN 19 2014**  
**RECEIVED**  
 CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

Form C-103  
 October 13, 2009

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)		WELL API NO. 30-025-00528 ✓
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> <b>INJECTION</b>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator LINN OPERATING, INC. ✓		6. State Oil & Gas Lease No.
3. Address of Operator 600 TRAVIS, SUITE 5100, HOUSTON, TEXAS 77002		7. Lease Name or Unit Agreement Name CAPROCK MALJAMAR UNIT ✓
4. Well Location Unit Letter <u>J</u> ; 1980 feet from the <u>S</u> line and <u>1980</u> feet from the <u>E</u> line ✓ Section <u>13</u> Township <u>17S</u> Range <u>32E</u> NMPM <u>LEA</u> County		8. Well Number: 013
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4,110' GL		9. OGRID Number 269324 ✓
10. Pool name or Wildcat MALJAMAR; GRAYBURG-SAN ANDRES ✓		

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

<b>NOTICE OF INTENTION TO:</b> 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"/>		<b>SUBSEQUENT REPORT OF:</b> 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"/>		OTHER: RETURN TO INJECTION <input checked="" 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.

The Caprock Maljamar Unit #13 has a Letter of Violation was returned to injection on June 8, 2014.

Please see attached for completed operations.

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 B. Callahan TITLE: Regulatory Compliance Specialist III DATE June 12, 2014

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

APPROVED BY: Mary Brown TITLE Dist. Supervisor DATE 6/19/2014  
 Conditions of Approval (if any)

JUN 19 2014 *h*

CAPROCK MALJAMAR UNIT #13  
API # 30-025-00528  
ATTACHMENT TO FORM C-103

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4/24/2014 - MIRUPU; RU FLOW BACK TANK, STARTED FLOWING BACK, LEFT WELL BACK FLOWING FOR NIGHT

4/25/2014 - WO WELL TO STOP BACK FLOWING

4/28/2014 - NDWH, NUBOP & CATCH PAN. ATTEMPTED TO RLSE PKR, STANDBY FOR ROTARY, RU WL, RAN FREEPOINT, WORKED TBG UP & DOWN, FREE @ 3975', STUCK @ 3982'. RIH W/ CHEMICAL CUTTER, MADE CUT @ 3967', RD WL. TOOH W/ 2-3/8 IPC, CAME OUT W/ 131 & 1/2 JTS, LEFT WELL OPEN TO FLOW BACK OVERNIGHT

4/29/2014 - RIH W/ 3-1/8" O/S W/ CUT-RITE, .1 JT 3-1/8" WASHPIPE, 6- 2-3/8" J-55 WORKSTRING, 6' OVER FISH, RU SWIVEL, TAG UP @ 3975', BREAK CIRC. CUTTING, GETTING BACK IRON SULFIDE, THEN METAL @ 3983'. LD SWIVEL, POOH TO CHECK SHOE, GOT OUT OF HOLE W/ SHOE, INSIDE CUT-RITE WAS GONE. SDFN AND LEFT WELL BACK FLOWING TO FRAC TANK.

4/30/2014 - TIH W/ NEW SHOE, BREAK CIRC & START CUTTING, PKR FELL TO 4004', CIRC CLEAN & PUSHED TO BTM, 4037' WAS AS FAR DOWN AS FISH COULD BE PUSHED, POOH, LD WASH PIPE, WO CONNECTION FOR OVERSHOT, TIH W/ OVERSHOT W/ 2-3/8 GRAPPLE, CROSSOVER SUB, JARS, 6- 2-3/8 OD COLLARS, 121 - 3/8 JTS, 1 JT CAME OFF OF FISH, SDFN. LEFT WELL BACK FLOWING TO FRAC TANK.

5/01/2014 - PU 1 JT 2 3/8, ATTEMPTED TO FISH PKR, TOH w/ 122 JTS 2 3/8, 6- 2 3/8 COLLARS, CROSSOVER, OVERSHOT, w/ NO PKR, STAND BY WO EXTENSION, TIH w/ OVERSHOT, 3' EXTENSION, CROSSOVER, JARS, 6- 2 3/8 COLLARS, 122- 2 3/8 JTS, TRIED TO FISH PKR, TOH w/ 122- 2 3/8 JTS, 6- 2 3/8 COLLARS, JARS CROSSOVER, EXTENSION, OVERSHOT, w/ NO PKR, PU 4" AS1X PKR, TIH w/ 125- 2 3/8 JTS, TRIED TO SET PKR THRU 60', WOULD NOT SET, TOH w/ 125- 2 3/8 JTS & LD AS1X PKR, SDFN, LEFT WELL BACKFLOWING TO FRAC TANK.

5/02/2014 - ND STRIPPERHEAD, LD 6- 2 3/8 OD COLLARS, TIH w/ 122 - 2 3/8 JTS WORKSTRING, LD 122- 2 3/8 JTS ON PIPE RACKS, TIH w/ 130- 2 4/8 JTS PRODUCTION TBG, LD 130- 2 3/8 PRODUCTION TBG, ON PIPE RACKS, RD TBG EQUIPMENT, FLOOR, ND CATCH PAN, BOP, FLANGED UP WELL, SI WELL, RDPU, WELL PRESSURED UP FAST, PUSHED UP JTS TBG IN WELL, RUPU, CHANGED OUT 1 JT 2 3/8 TBG, TO 4" SUB, FLANGED UP WELL, RDPU

5/07/2014 - DUG OUT CELLAR, RUPU, 4 1/2" CSG HAD 1750#, STARTED BLEEDING DWN WELL, BLED DWN TO 300#, SI WELL,

5/08/2014 - 4 1/2" CSG 1750#, BLED DWN WELL, BUT WELL STILL FLOWED, TIH w/ 4" PKR TO 300', COULDN'T GET PKR TO SET, TOH & TIH w/ 4 1/2" PKR TO 3930', SET PKR & PRESSURE TESTED INTEGRITY OF 4 1/2" CSG FROM SURFACE TO 3930', CSG HELD 500#, 5 1/2" CSG HAD 0 PSI, 8 5/8" CSG HAD 0PSI, THE TBG HAD 850 PSI, HELD FOR THIRTY MINUTES, BLED OFF 4 1/2" CSG, ESTABLISHED INJECTION RATE INTO THE PEFORATIONS @ 4029', 1 BBL A MINUTE @ 1000 PSI, AS PER ORDERS FROM E.L. GONZALES, SISDFN

5/09/2014 - TBG HAD 1650#, 4 1/2, 5 1/2, 8 5/8" CSG HAD 0 PSI, BLED WELL DWN, STILL HAD WATERFLOW, RELEASED PKR, LD TBG, ND BOP, NU WELLHEAD w/ 4' SUB, RDPUMO

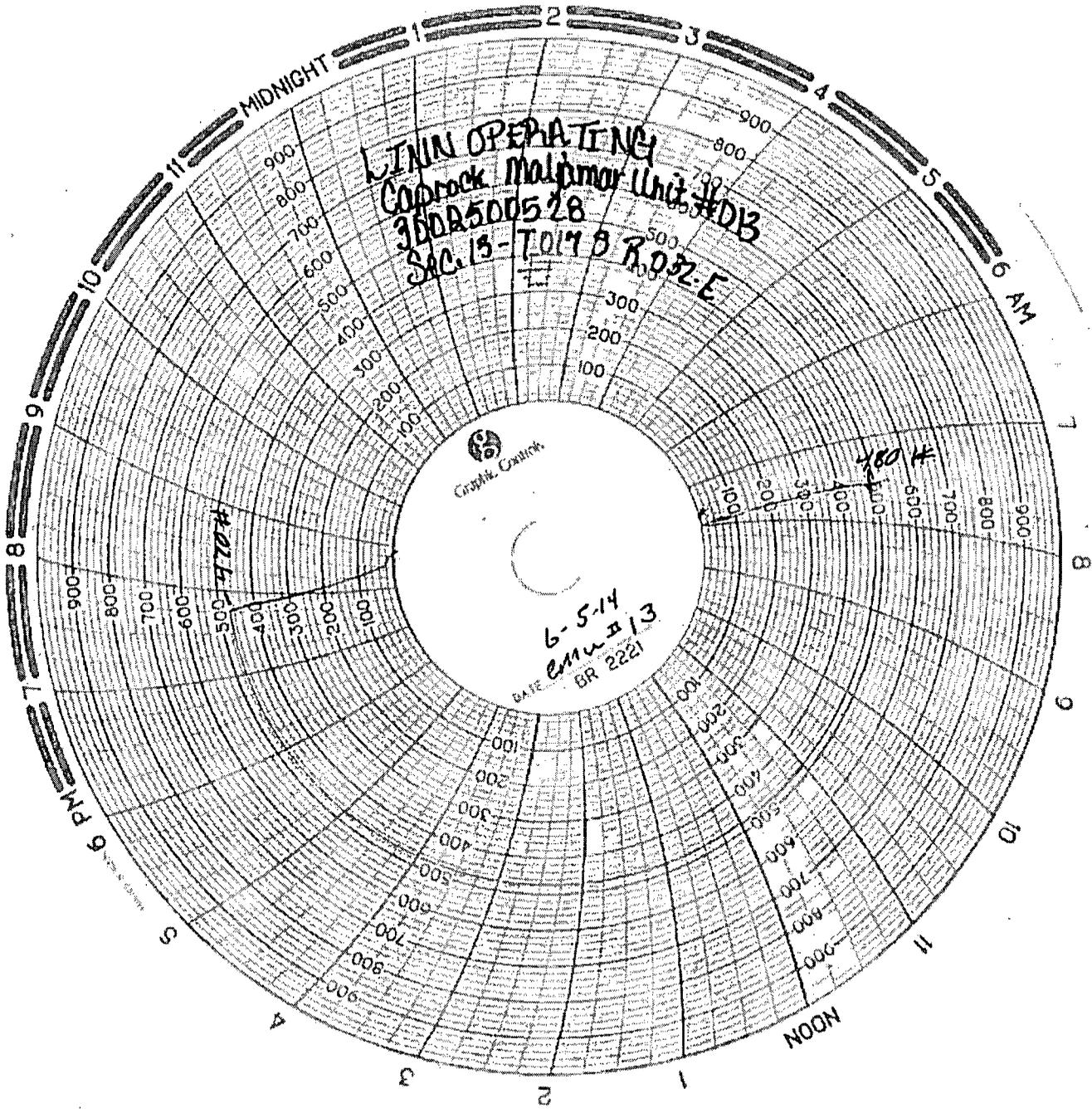
6/04/2014 - WELL FLOWED FOR A WEEK. MOVE IN PIPE AND RACK. MIRU

6/05/2014 - NU BOP & CATCH PAN CHANGE RAMS TO 2 3/8". TALLEY IPC TBG. RU TIH W/ D&L 4 1/2" 9.5-13# AS 1X PACKER, W/ 4 1/2"X 2 3/8"X1.50 F ON-OFF TOOL @ 3969' 130-JTS OF 2 3/8" IPC, SET PKR @ 3969' W/ 30-PTS TENSION OFF OF PACKER, CIRC PACKER FLUID TO SURFACE (2 1/2" GAL PKR FLUID 5GAL BIOCID) J BACK ONTO PKR. RU TIE ONTO TBG, BLEW OUT PLUG @ 2000# INJECT 1-BPM @1200# 1 1/2"-BPM @1800# SWH. RUN CONTACTED MAXEY BROWN (OCD) TO RUN MIT CHART; START 480# 30 MINUTES, END 470#. GOOD CHART.

6/08/2014 - RTI

T. Perf 4029' ✓  
PKR @ 3969'

h



From Hot oil  
Alaska Membrane  
Unit # 39  
1000 x 6m  
April 01, 2014

Started  
480#  
stop.  
470#  
3d min.

APR 01 2014  
10:00 AM  
UNIT # 39  
1000 X 6M  
ALASKA MEMBRANE  
HOT OIL



NEW MEXICO ENERGY, MINERALS and  
NATURAL RESOURCES DEPARTMENT

SUSANA MARTINEZ  
Governor

Jami Bailey  
Director  
Oil Conservation Division

David Martin  
Cabinet Secretary

Brett F. Woods, Ph.D.  
Deputy Cabinet Secretary

**\*Response Required – Deadline Enclosed\***  
*Underground Injection Control Program*  
*"Protecting Our Underground Sources of Drinking Water"*

07-Mar-14

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

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**

CAPROCK MALJAMAR UNIT No.013

30-025-00528-00-00  
J-13-17S-32E

Active Injection - (All Types)

Test Date:	3/6/2014	Permitted Injection PSI:	Actual PSI:
Test Reason:	Annual IMIT	Test Result:	Repair Due: 6/9/2014
Test Type:	Std. Annulus Pres. Test	FAIL TYPE: Other Internal Failure	FAIL CAUSE:
Comments on MIT:	Failed under State Rule 19.15.26.11. Started at 540 # and dropped to 380 # in 7 minutes.		

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.

Sincerely,



Hobbs 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.