

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, NM

NOV 07 2014

RECEIVED

CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO. 30-025-42003	5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name PHILLIPS LEA	
8. Well Number 104	
9. OGRID Number 309552	
10. Pool name or Wildcat Vacuum; Grayburg-San Andres	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4096' GR	

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

2. Name of Operator
LINN OPERATING, INC.

3. Address of Operator
600 TRAVIS STREET, STE. 5100, HOUSTON, TX 77002

4. Well Location
Unit Letter M : 942 feet from the S line and 443 from the W line
Section 31 Township 17S Range 34E LEA County

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

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK
- TEMPORARILY ABANDON
- PULL OR ALTER CASING
- DOWNHOLE COMMINGLE
- CLOSED-LOOP SYSTEM
- OTHER:

SUBSEQUENT REPORT OF:

- REMEDIAL WORK
- COMMENCE DRILLING OPNS.
- CASING/CEMENT JOB
- OTHER: NEW DRILL/CASING/CEMENT

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.

10-2-14

Move in and rig up. Drill surface hole (12 1/4) f/11' to 270', Drill f/271' to 830', Drill f/830' to 914'.

10-3-14

Continue drilling surface hole f/914' to 1250', Drill f/1250' to 1583'. Pump Sweep, Circ. hole clean. Run 40 Jts of 8 5/8 24# J-55 csg. Set Casing at 1580'. Total casing length: 1579.96'. Start surface cement job.

10-4-14

Cement surface casing: Test lines to 3000#, Pump 20 bbls FW, Pump Lead Cmt: 525 sks Class C+ 4% bentonite gel, 2% Calcium Chloride, 0.125% Celloflake, and .4% defoamer, mixed at 12.9 Den., 1.98 yield, 10.85 water. Pump Tail Cement: 200 sks Class C+ 1% calcium chloride, mixed at 14.8 Den., 1.33 yield, 6.34 water, drop plug, displaced with 98 bblw of FW. Plug down at 6:41 a.m. and held Final pressure 470#. Bumped with 850#, Circ. 43bbls/121 sks cement to surface. Wait on cement, Rig up tester. Test BOP, Piperams, blind rams, kill lines, valve, choke valves, HCR valve 250# low and 1000# high Test casing to 1000#'s-ok. Drill cement and float equipment.

Begin to drill 7 7/8 production hole, Drill f/1583 to 1662, Drill f/1662' to 1788'.

10-5-14

Drill f/1788' to 2084', Drill f/ 2084' to 2757', Drill f/ 2757' to 2882', Drill f/ 2882' to 3009, Drill f/ 3009' to 3051', Drill f/ 3051' to 3176', Drill f/ 3176' to 3302'.

10-6-14

Drill f/ 3302' to 3471', Drill f/ 3471 to 3764', Drill f/ 3764 to 3891', Drill f/ 3891' to 4227', Drill f/ 4227' to 4520', Drill f/ 4520' to 4771'.

MB

10-7-14

Drill f/4771' to 5011', pump sweep, Circ. hole clean. Run 118 Jts 5 1/2 17# J-55 Csg. Prod Casing Set at 5009'. Total casing length: 5009.34'. Test lines to 3000#, Pump 20 bbls chem wash, Pump 20 bbls FW, Pump Lead Cement: 600 sks of 35/65 POC Class C+ .2% (Retarder), 6% (Benonite Gel), 0.125%(Celloflake), 3% kolseal lca, 6% (Granulated Salt), .4% (Defoamer), mixed at 12.9 Den., 1.9 yield, 9.919 water.

Pump Tail Cement: 325 sks Class C+.2% (Retarder), mixed at 14.8 Den, 1.33 yield, 6.32 water, drop plug, displaced with 115 bbls, plug down at 10:10am and held. Final pump pressure 1530#, Bumped plug with 2410#. Circ 12 bbls/35 sks cement to surface. Pressure tested bottom side of frac valve and production casing to 4200# and top to 5000#. Both held pressure successfully for 30 min.

Casing and Cement Program

Date	String	Fluid Type	Hole Size	Casing Size	Weight (lb/ft)	Grade	Est TOC	Depth Set	Sacks	Yield	Class	1" Dpth	Pres Held	Pres Drop
10/3/14	Surf	FW	12 1/4	8 5/8	24	J-55	SURF	1583'	572 725	1.98	C		1000#	
10/7/14	Prod	FW/CHEM	7/8	5 1/2	17	J-55	SURF	5009'	925	1.33	C		5000#	

Spud Date: 10/01/2014

Rig Release Date: 10/06/2014

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

SIGNATURE *Alex Bolanos* TITLE ALEX BOLANOS DATE 11/6/14

Type or print name ALEX BOLANOS E-mail address: abolanos@linenergy.com PHONE 281-840-4352
For State Use Only

APPROVED BY: *[Signature]* TITLE Petroleum Engineer DATE 11/10/14
Conditions of Approval (if any):

Rec'd & sc'd
NOV 12 2014
dm