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

State of New Mexico
Energy, Minerals and Natural Resources

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

Form C-103
Revised July 18, 2013

WELL API NO.
30-025-34610

5. Indicate Type of Lease
STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

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.)

7. Lease Name or Unit Agreement Name
EAST HOBBS SAN ANDRES UNIT

1. Type of Well: Oil Well ☐ Gas Well ☒ Other INJECTION

HOBBSOCD

8. Well Number 504

2. Name of Operator
LINN OPERATING, INC.

JUN 02 2015

9. OGRID Number 269324

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

RECEIVED

10. Pool name or Wildcat
HOBBS;SAN ANDRES, EAST

4. Well Location
Unit Letter K :1650 feet from the S line and 2310 feet from the W line
Section 30 Township 18S Range 39E NESW LEA County

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
3603'GL

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

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☒	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
DOWNHOLE COMMINGLE	☐						
CLOSED-LOOP SYSTEM	☐						
OTHER:	☐			OTHER:	☐		

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.

Please see attached MIT Repair Procedure, passed MIT Chart and Well Bore Diagram for this failed MIT. Please resolve the enclosed Letter of Violation at your earliest convenience.

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 Laura A. Moreno TITLE REG COMPLIANCE ADVISOR DATE 5-28-15

Type or print name LAURA A. MORENO E-mail address: lmoreno@linnenergy.com PHONE: 713-904-6657

For State Use Only

APPROVED BY: Mary Brown TITLE Dist. Supervisor DATE 6/3/2015

Conditions of Approval (if any):

JUN 02 2015

EHSAU #504
(API 30-025-34610)
FAILED MIT REPAIR PROCEDURE

5/15/15: MIRU pulling unit. Release packer. Lower tubing and tag @ 4623'. TOOH with injection tubing and packer.

5/18/15: TIH w/RBP, packer, and workstring to isolate leak. RBP set @ 4424'. Leak isolated between 47' and surface. Conferred w/Maxie Brown regarding proposed casing back off. Approval received.

5/19/15: RU welder. Heat up cap, unscrew cap. RD welder. RD wireline, string shot casing @ 94'. TOOH w/ 2 joints and 12' of 5-1/2" casing. TIH w/ 2 joints and 12' of 5-1/2" casing. RD casing crew. Weld bell nipple on wellhead. NU BOPD. RU floor and 2-7/8" equipment. Test 5-1/2" casing to 380#, tested good.

5/20/15: TIH w/retrievable head and workstring. Latch onto RBP, release and POOH laying down workstring. TIH w 5-1/2" 13-20@ NP AS1X packer w/on-off tool. Pressure test injection tubing in hole. Set packer @ 4424'. Circulate 80 bbl packer fluid. Latch onto packer and run pressure chart. Good chart (verified by Mark Whitaker w/OCD). RDMO pulling unit.

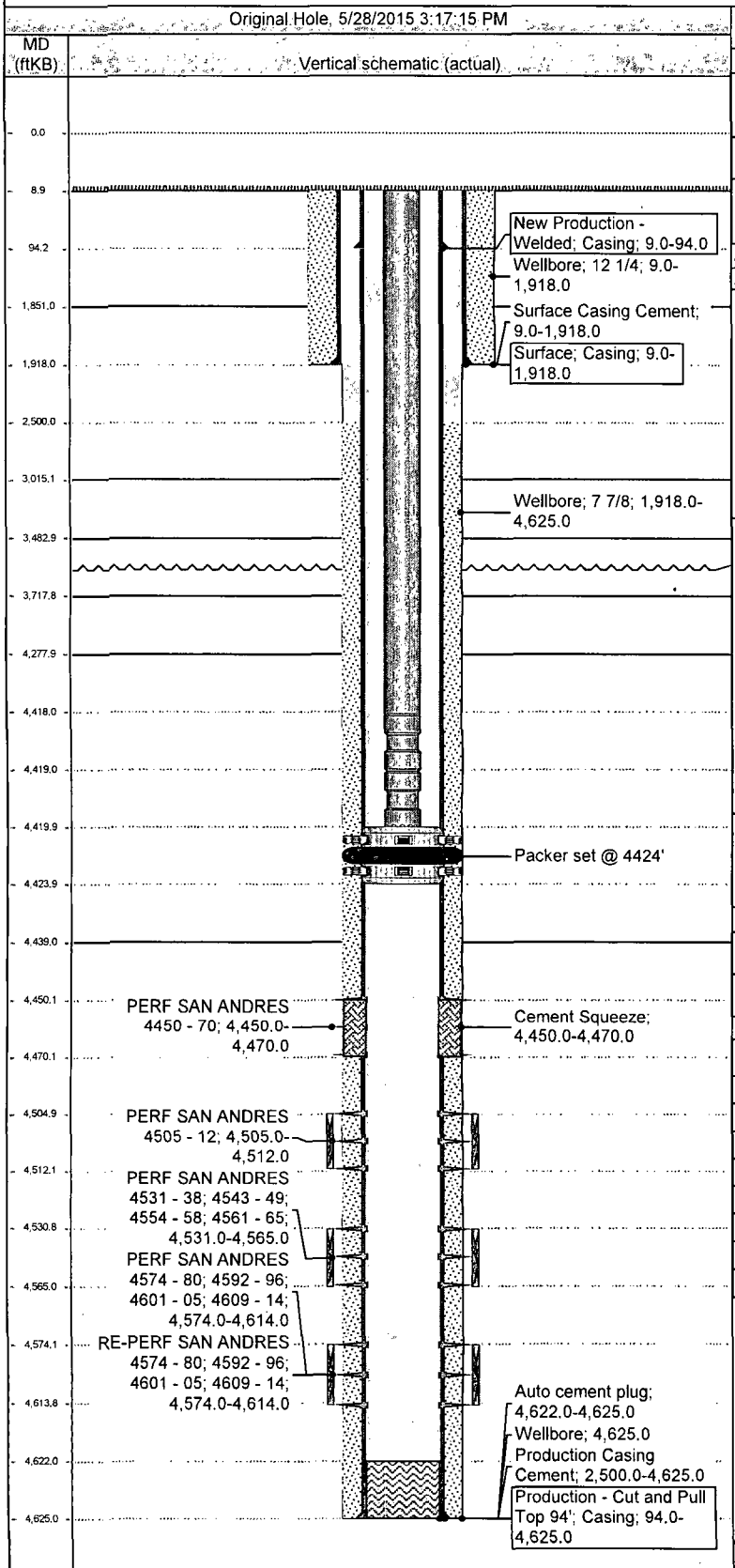
LINN Energy

NM Sundry Schematic

Well Name: EHSAU 504

API/UWI	Field Name	County	State/Prov	Section	Township	Range	Survey	Block
3002534610	PBNM - PB - EHSAU	Lea	NM	30	018-S	039-E		

Ground Elevation (ft)	Orig KB Elev (ft)	KB-Grd (ft)	Initial Spud Date	Rig Release Date	TD Date	Latitude (°)	Longitude (°)	Operated?
3,603.00	3,612.00	9.00	5/28/1999		6/4/1999	32° 42' 56.563" N	103° 5' 9.085" W	Yes



Original Hole Data

Casing Strings

Casing Description	Set Dept...	Run Date	OD Nom...	ID Nom...	Wt/Len (l...	String Grade
New Production - Welded	94.0	5/19/2015	5 1/2	4.95	15.50	K-55
Surface	1,918.0	5/28/1999	8 5/8	8.097	24.00	J-55
Production - Cut and Pull Top 94'	4,625.0	6/4/1999	5 1/2	4.95	15.50	K-55

Cement Stages

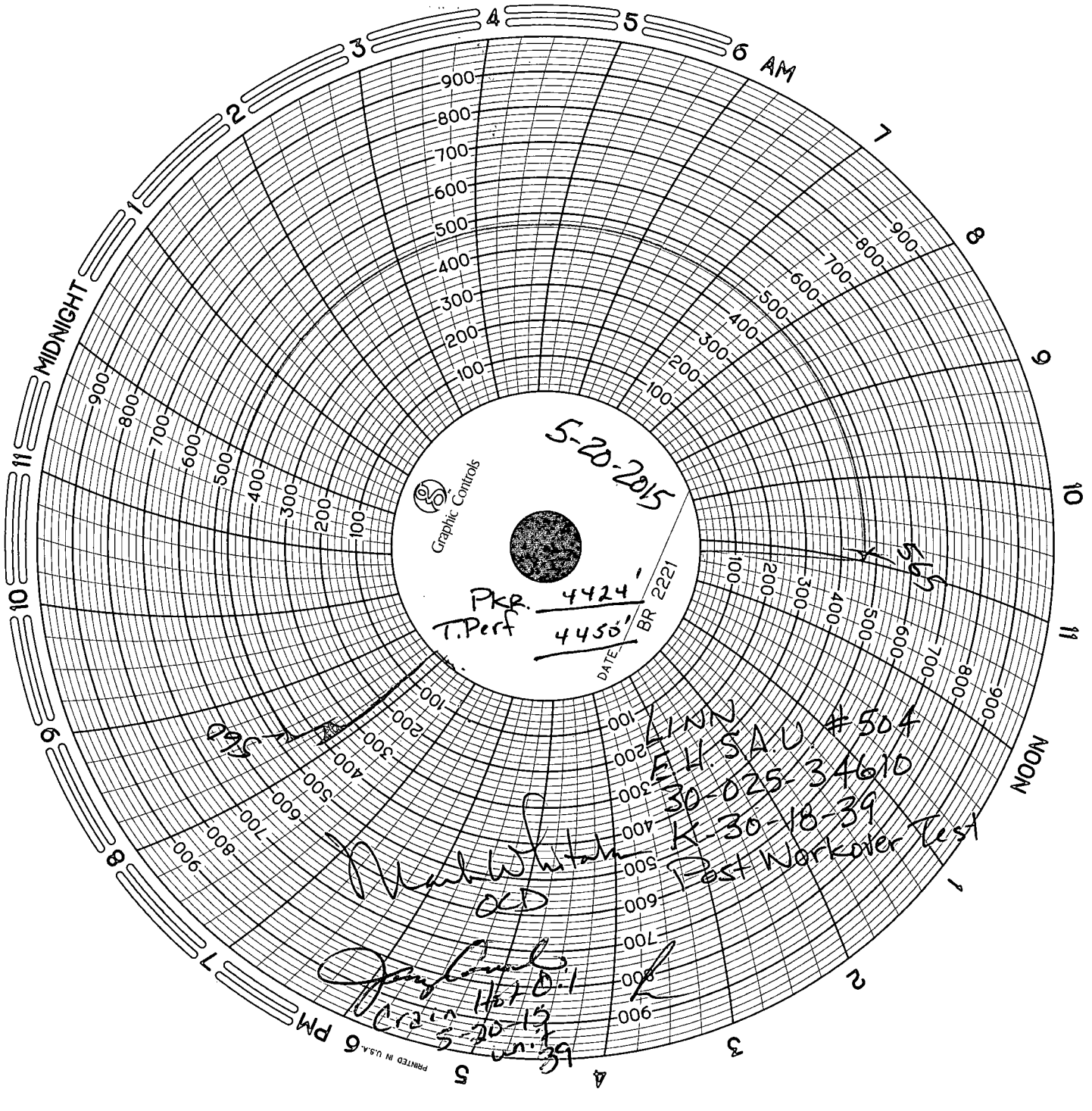
Des	Top (ftKB)	Btm (ftKB)	Com
Surface Casing Cement	9.0	1,918.0	CEMENT W/ 580 SXS HALLIBURTON LITE PREMIUM PLUS & 0.25#/SX FLOCELE. TAIL W/ 245 SXS PREMIUM PLUS, 2% CACL2 & 0.25#/SX FLOCELE. CIRCULATED TO SURFACE
Production Casing Cement	2,500.0	4,625.0	TOC 2500' BY CBL 6/4/1999. CEMENT W/ 285 SXS HALLIBURTON LITE PREMIUM PLUS, 5#/SX SALT & 1/4#/SX FLOCELE. TAIL W/ 300 SXS PREMIUM PLUS 50/50 POZMIX 'A', 2% GEL, 5#/SX SALT, 0.6% HALAD-322 & 1/4#/SX FLOCELE
Cement Squeeze	4,450.0	4,470.0	SQUEEZE SAN ANDRES PERFS W/ 9 BBLS CEMENT INTO PERFS 4450' - 4470'

Tubing Strings

Tubing Description	Set Depth...	Run Date	Pull Date
Tubing - Injection	4,423.3	3/31/2005	5/20/2015
Tubing - Injection	4,424.0	5/20/2015	

Tubing Components

Item Des	Set Depth (ftKB)	OD (in)	Wt (lb/ft)	Grade	Run Date
Tubing IPC	4,423.3	2 3/8	4.70		3/31/2005
Tubing IPC tbg	4,424.0	2 3/8	4.70	J-55	5/20/2015
On Off Tool	4,423.3	2 3/8			3/31/2005
Nipple pump plug	4,424.0	2 3/8			5/20/2015
Tubing IPC	4,423.3	2 3/8	4.70		3/31/2005
On-Off Tool	4,424.0	2 3/8			5/20/2015
Arrowset Packer	4,423.3	5 1/2			3/31/2005
Packer	4,424.0	5 1/2			5/20/2015


MIDNIGHT
6 AM
NOON
6 PM
Graphic Controls
5-20-2015
PKR. 4424'
T.Perf 4455'
DATE
BR 2221
095
LINN
E.H. SAU. #504
30-025-34610
K-30-18-39
Post Workover Test
OCD
Hr 10.1
5-20-15
PRINTED IN U.S.A.

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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

David Catanach, Director
Oil Conservation Division

Response Required - Deadline Enclosed

Underground Injection Control Program
"Protecting Our Underground Sources of Drinking Water"

19-Feb-15

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

EAST HOBBS SAN ANDRES UNIT No.504 **30-025-34610-00-00**

Active Injection - (All Types) K-30-18S-39E

Test Date:	2/2/2015	**Permitted Injection PSI:**		**Actual PSI:**	
Test Reason:	Annual IMIT	**Test Result:**	F	**Repair Due:**	5/8/2015
Test Type:	Std. Annulus Pres. Test	**FAIL TYPE:**		**FAIL CAUSE:**	

Comments on MIT: Operator reported MB test passed but MIT TEST FAILED. OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11.

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,

Bill Hanamaba

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.