



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Pecos District

Carlsbad Field Office

620 E. Greene

Carlsbad, New Mexico 88220-6292

[www.blm.gov/nm](http://www.blm.gov/nm)



IN REPLY REFER TO:

3180 (P0220)

NM-70988X

Reference:

Designation of Successor Unit Operator

Maljamar Grayburg Unit

Unitization Agreement No. NM-70988X

Lea County, New Mexico

FEB 22 2012

CERTIFIED—RETURN RECEIPT REQUESTED

7008 3230 0002 0987 6308

Linn Operating, Inc.

JP Morgan Chase Tower

600 Travis, Suite 5100

Houston, TX 77002

Gentlemen:

This office has received and reviewed your designation of successor unit operator in which your company has agreed to assume all rights, duties, and obligations as the unit operator of the Maljamar Grayburg Unit Lea County, New Mexico.

As your company as Linn Operating, Inc. has obtained a Nationwide 250,000.00 BLM Bond (NMB000501) with a rider however, a recommendation has been sent to BLM New Mexico State Office to require that Linn Operating, Inc. to post an additional individual Unit bond in the amount of \$50,000.00. The Authorized Officer condition of approval is based upon Linn Operating, Inc. final bonding to be in place within 60 days of the date of this letter.

Therefore, Linn Operating, Inc. is hereby approved as the unit operator for the Maljamar Grayburg Unit as of this date and is effective April 1, 2011. In accordance with this approval, Linn Operating, Inc. is responsible for all operations and the reporting of all production from the unit. Well signs should also reflect Linn Operating, Inc. as the unit operator. Please inform all interested principles of such approval. An approved copy of this designation is enclosed.

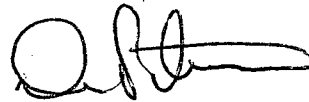
In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approvals that would entitle it to conduct operations under the Maljamar Grayburg Unit Agreement.

2

In addition to becoming the successor unit operator, this office requests a 2012 Plan of Development and a revised Exhibit B for the subject unit within 60 days from the receipt of this letter.

If you have any questions regarding this letter, please contact Edward G. Fernandez, Petroleum Engineer at the Division of Lands and Minerals at (575) 234-2220.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Peterson', with a long horizontal stroke extending to the right.

Don Peterson  
Assistant Field Manager,  
Lands and Minerals

1 Enclosure

cc:

ONRR, Denver  
NMOCD-Artesia  
CFO I&E  
NM (P0221)  
NM (P0220), CFO

DESIGNATION OF  
SUCCESSOR UNIT OPERATOR  
Maljamar Grayburg Unit Area  
County of Lea  
State of New Mexico  
Unit Agreement No. NM 70988X

**COPY**

THIS INDENTURE, dated as of the 1 day of April, 2011, by and between Linn Operating, Inc.  
hereinafter designated as "First Party," and the owners of unitized working interests,  
hereinafter designated "Second Parties,"

WITNESSETH:

WHEREAS, under the provisions of the Act of February 25, 1920, 41 Stat. 437, 30 U.S.C. Secs. 181, et seq., as amended by the Act of August 8, 1946, 60 Stat. 950, the Secretary of the Interior, acting by and through the Authorized Officer, on the 27th day of April, 1967 approved a Unit Agreement for the Maljamar Grayburg Unit Area, wherein SandRidge Exploration and Production, LLC was designated as Unit Operator, and

WHEREAS, SandRidge Exploration and Production, LLC desires to resign as such Operator and the designation of a successor Unit Operator is now required pursuant to the terms thereof; and

WHEREAS, the First Party has been and hereby is designated by Second Parties as Unit Operator, and said First Party desires to assume all the rights, duties and obligation of Unit Operator under the said Unit Agreement:

NOW, THEREFORE, in consideration of the premises hereinbefore set forth and the promises hereinafter stated, the First Party hereby covenants and agrees to fulfill the duties and assume the obligations of Unit Operator under the pursuant to all the terms of the Maljamar Grayburg Unit Agreement, and the Second Parties covenant and agree that, effective upon approval of this indenture by the Authorized Officer, First Party shall be granted the exclusive right and privilege of exercising any and all rights and privileges as Unit Operator, pursuant to the terms and conditions of said Unit Agreement;

said Unit Agreement being hereby incorporated herein by reference and made a part hereof as fully and effectively as though said Unit Agreement were expressly set forth in this instrument.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date hereinabove set forth.

FIRST PARTY  
Linn Operating, Inc.  
Linn Energy Holdings, LLC

By: David R. Beathard David R. Beathard, Vice President, Business Development

SECOND PARTIES

Linn Energy Holdings, LLC

By: David R. Beathard David R. Beathard, Vice President, Business Development

Execution Date: \_\_\_\_\_

By: \_\_\_\_\_

Execution Date \_\_\_\_\_

**COPY**

CORPORATE ACKNOWLEDGEMENT

State of Oklahoma

SS.

County of Oklahoma

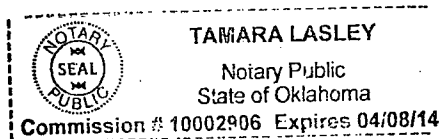
The foregoing instrument was acknowledged before me this 1st day of April, 2011, by  
David R. Beathard, Vice President, Business Development of Linn Energy Holdings, LLC, a Corporation.

and Linn operating, Inc.

WITNESS my hand and official seal.

My commission Expires: 4/8/14

Tamara Lasley  
Notary Public



Place of Residence:

Oklahoma

Attachment 1

To The Designation of Unit Operator

By and between Linn Energy Holdings, LLC

Dated April 1, 2011, Effective April 1, 2011.

**COPY**

DRB  
Linn Operating, Inc.

as the designated successor operator, hereby certifies that the requisite approvals of the current working interest owners in the agreement have been obtained to satisfy the requirement for selection of a successor operator as set forth under the terms and provisions of the agreement. Operation on Federal wells in this agreement will be covered by BLM Bond No. \_\_\_\_\_

NAME: David R. Beathard

By: [Signature]

Title: Vice President, Business Development

STATE OF: Oklahoma

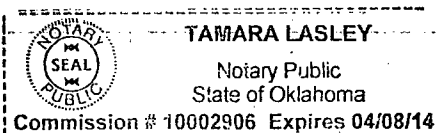
COUNTY OF: Oklahoma

This instrument was acknowledged before me on the 1<sup>st</sup> of April, 2011, by David R. Beathard, Vice President, Business Development of Linn Operating, Inc., a corporation, on behalf of said Corporation.

[Signature]  
Notary Public in and for the  
State of Oklahoma

My commission expires: 4/8/14

SEAL



**COPY**

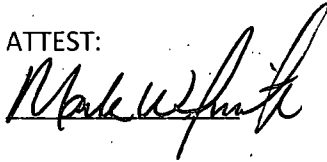
RESIGNATION OF UNIT OPERATOR


Maljamar Grayburg Unit Area  
County of Lea  
State of New Mexico  
Unit Agreement No. NM 70988X

Under and pursuant to the provisions of Section 8848 of the Unit Agreement for the Development and Operation of the Maljamar Grayburg Unit Area, Lea County, New Mexico, SandRidge Exploration and Production, LLC the designated Unit Operator under said Unit Agreement, does hereby resign as Unit Operator, effective upon the selection and approval of the Successor Unit Operator.

Executed with effect as aforesaid the 1 day of April, 2011.

ATTEST:



  
Matthew K. Grubb  
Manager, President and C.O.O.

*Handwritten initials:*  
DH  
mmw  
jce

# Maljamar Grayburg Unit

API	Well Name	Well Number	Type	Status	Unit Letter	Section	Township	Range	Spud Date	Plugged On
30-025-00440	MALJAMAR GRAYBURG UNIT	#001	Oil	Active	E	2	17S	32E		
30-025-20761	MALJAMAR GRAYBURG UNIT	#002	Oil	Active	L	2	17S	32E		
30-025-20264	MALJAMAR GRAYBURG UNIT	#006	Injection	Active	I	3	17S	32E		
30-025-20318	MALJAMAR GRAYBURG UNIT	#008	Injection	Active	K	3	17S	32E		
30-025-00449	MALJAMAR GRAYBURG UNIT	#010	Injection	Active	M	3	17S	32E		
30-025-00446	MALJAMAR GRAYBURG UNIT	#011	Injection	Active	N	3	17S	32E		
30-025-00445	MALJAMAR GRAYBURG UNIT	#012	Injection	Active	O	3	17S	32E		
30-025-00464	MALJAMAR GRAYBURG UNIT	#017	Injection	Active	G	4	17S	32E		
30-025-00456	MALJAMAR GRAYBURG UNIT	#019	Injection	Active	J	4	17S	32E		
30-025-00454	MALJAMAR GRAYBURG UNIT	#021	Injection	Active	K	4	17S	32E		
30-025-00462	MALJAMAR GRAYBURG UNIT	#028	Injection	Active	P	4	17S	32E		
30-025-20223	MALJAMAR GRAYBURG UNIT	#029	Oil	Active	A	8	17S	32E		
30-025-21386	MALJAMAR GRAYBURG UNIT	#041	Oil	Active	I	9	17S	32E		
30-025-21379	MALJAMAR GRAYBURG UNIT	#043	Oil	Active	K	9	17S	32E		
30-025-00487	MALJAMAR GRAYBURG UNIT	#045	Oil	Active	M	9	17S	32E		
30-025-00481	MALJAMAR GRAYBURG UNIT	#047	Oil	Active	O	9	17S	32E		
30-025-00499	MALJAMAR GRAYBURG UNIT	#051	Injection	Active	C	10	17S	32E		
30-025-00497	MALJAMAR GRAYBURG UNIT	#053	Injection	Active	E	10	17S	32E		
30-025-00495	MALJAMAR GRAYBURG UNIT	#057	Oil	Active	I	10	17S	32E		
30-025-20140	MALJAMAR GRAYBURG UNIT	#067	Oil	Active	M	11	17S	32E		
30-025-20765	MALJAMAR GRAYBURG UNIT	#070	Oil	Active	C	14	17S	32E		
30-025-00555	MALJAMAR GRAYBURG UNIT	#072	Oil	Active	E	14	17S	32E		
30-025-21375	MALJAMAR GRAYBURG UNIT	#074	Oil	Active	A	15	17S	32E		
30-025-00562	MALJAMAR GRAYBURG UNIT	#077	Oil	Active	H	15	17S	32E		
30-025-33207	MALJAMAR GRAYBURG UNIT	#079	Oil	Active	3	4	17S	32E	2/21/1996	
30-025-33283	MALJAMAR GRAYBURG UNIT	#080	Oil	Active	E	2	17S	32E	4/18/1996	
30-025-33481	MALJAMAR GRAYBURG UNIT	#081	Oil	Active	H	3	17S	32E	6/28/1996	
30-025-33038	MALJAMAR GRAYBURG UNIT	#085	Oil	Active	H	4	17S	32E	4/4/1996	
30-025-33033	MALJAMAR GRAYBURG UNIT	#086	Oil	Plugged, Not Released	F	4	17S	32E	10/30/1995	
30-025-33208	MALJAMAR GRAYBURG UNIT	#087	Oil	Active	F	4	17S	32E	5/11/1996	
30-025-33365	MALJAMAR GRAYBURG UNIT	#088	Oil	Active	K	4	17S	32E	4/27/1996	
30-025-33380	MALJAMAR GRAYBURG UNIT	#090	Oil	Active	O	4	17S	32E	6/23/1996	
30-025-33358	MALJAMAR GRAYBURG UNIT	#091	Oil	Active	K	3	17S	32E	4/21/1996	
30-025-32976	MALJAMAR GRAYBURG UNIT	#092	Oil	Active	J	3	17S	32E	11/9/1995	
30-025-32068	MALJAMAR GRAYBURG UNIT	#093	Oil	Active	O	3	17S	32E	7/7/1993	
30-025-32039	MALJAMAR GRAYBURG UNIT	#095	Oil	Expired Temporary Abandonment	B	10	17S	32E	6/22/1993	
30-025-33372	MALJAMAR GRAYBURG UNIT	#098	Oil	Active	O	4	17S	32E	7/13/1996	
30-025-33381	MALJAMAR GRAYBURG UNIT	#099	Oil	Expired Temporary Abandonment	O	4	17S	32E	5/4/1996	
30-025-33298	MALJAMAR GRAYBURG UNIT	#100	Oil	Active	N	4	17S	32E	7/20/1996	
30-025-33373	MALJAMAR GRAYBURG UNIT	#101	Oil	Active	M	4	17S	32E	7/26/1996	
30-025-34117	MALJAMAR GRAYBURG UNIT	#103	Oil	Active	B	9	17S	32E	9/18/1997	
30-025-33039	MALJAMAR GRAYBURG UNIT	#106	Oil	Active	F	10	17S	32E	1/10/1996	
30-025-33040	MALJAMAR GRAYBURG UNIT	#107	Oil	Active	G	10	17S	32E	2/2/1996	
30-025-33291	MALJAMAR GRAYBURG UNIT	#109	Oil	Active	H	10	17S	32E	7/7/1996	
30-025-33292	MALJAMAR GRAYBURG UNIT	#112	Oil	Active	F	10	17S	32E	2/29/1996	
30-025-34063	MALJAMAR GRAYBURG UNIT	#127	Oil	Active	4	4	17S	32E	8/22/1997	
30-025-34064	MALJAMAR GRAYBURG UNIT	#128	Oil	Active	3	4	17S	32E	10/19/1997	
30-025-32087	MALJAMAR GRAYBURG UNIT	#150	Injection	Active	J	3	17S	32E	7/16/1993	
30-025-32253	MALJAMAR GRAYBURG UNIT	#151	Injection	Active	B	10	17S	32E		
30-025-33143	MALJAMAR GRAYBURG UNIT	#152	Injection	Active	F	4	17S	32E	3/12/1997	
30-025-33454	MALJAMAR GRAYBURG UNIT	#153	Injection	Active	N	4	17S	32E	1/7/1997	
30-025-33628	MALJAMAR GRAYBURG UNIT	#154	Injection	Active	L	4	17S	32E	12/30/1996	
30-025-33874	MALJAMAR GRAYBURG UNIT	#155	Injection	Active	F	10	17S	32E	4/19/1997	



**Ray Powell, M.S., D.V.M.**  
**COMMISSIONER**

*State of New Mexico*  
*Commissioner of Public Lands*

310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

**COMMISSIONER'S OFFICE**  
Phone (505) 827-5760  
Fax (505) 827-5766  
[www.nmstatelands.org](http://www.nmstatelands.org)

October 19, 2011

Linn Energy Holdings, LLC  
600 Travis Street, Suite 5100  
Houston, Texas 77002

Attn: Mr. John Akers

Re: Resignation/Designation of Successor Unit Operator  
Maljimar Grayburg Unit  
Lea County, New Mexico

Dear Mr. Akers:

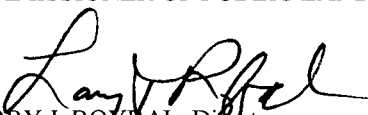
We are in receipt of your resignation/designation of successor unit operator, wherein SandRidge Exploration and Production, LLC has resigned as unit operator of the Maljimar Grayburg Unit and designated Linn Energy Holdings, LLC as the successor unit operator.

The Commissioner of Public Lands has this date approved the resignation of SandRidge Exploration and Production, LLC and the designation of Linn Energy Holdings, LLC as the successor unit operator of this unit. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

This change in operators is effective April 1, 2011. In accordance with this approval, Linn Energy Holdings, LLC is now responsible for all operations and the reporting of all production from this unit.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

RAY POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

BY:   
LARRY J. ROYBAL, Director  
Oil/Gas and Minerals Division  
RP/LR/jm

xc: Reader File

OCD-Mr. Ed Martin

TRD-Valdean Severson

BLMC-Wesley Ingram