

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTNMOCD
ArtesiaFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM98122
2. Name of Operator LINN OPERATING INCORPORATED E-Mail: lmoreno@linnenergy.com		6. If Indian, Allottee or Tribe Name
3a. Address 600 TRAVIS STREET SUITE 5100 HOUSTON, TX 77002	3b. Phone No. (include area code) Ph: 713.904.6657 Fx: 832.209.4316	7. If Unit or CA/Agreement, Name and/or No. 8920002760
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 21 T17S R31E NENW 330FNL 1650FWL 32.826408 N Lat, 103.877943 W Lon		8. Well Name and No. SKELLY UNIT 5
		9. API Well No. 30-015-05335-00-S1 ✓
		10. Field and Pool, or Exploratory GRAYBURG
		11. County or Parish, and State EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Venting and/or Flaring
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

LINN RESPECTFULLY REQUESTS TO FLARE FROM 5/12/16 TO 8/12/16 AT 94 MCF/D FROM THE SKELLY UNIT A BATTERY DUE TO REQUEST FROM FRONTIER GAS PLANT TO SHUT-IN BATTERY DUE TO HIGH NITROGEN CONTENT IN GAS. PLEASE SEE ATTACHED LIST FOR THE WELLS INCLUDED IN THIS BATTERY.

NM OIL CONSERVATION
ARTESIA DISTRICT

MAY 27 2016

Accepted for record
NMOCDSEE ATTACHED FOR
CONDITIONS OF APPROVAL

RECEIVED

14. I hereby certify that the foregoing is true and correct. Electronic Submission #339262 verified by the BLM Well Information System For LINN OPERATING INCORPORATED, sent to the Carlsbad Committed to AFMSS for processing by JENNIFER SANCHEZ on 05/16/2016 (16JAS1515SE)	
Name (Printed/Typed) LAURA A MORENO	Title REG COMPLIANCE ADVISOR FOR NM
Signature (Electronic Submission)	Date 05/13/2016
THIS SPACE FOR FEDERAL OR STATE OFFICE MAY 16 2016	
Approved By	Title
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.	

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

SKELLY A UNIT

API	Well Name	Well Number	Type	Lease
30-015-05344	SKELLY UNIT	#002 ✓	Oil	Federal
30-015-05335	SKELLY UNIT	#005 ✓	Oil	Federal
30-015-05326	SKELLY UNIT	#006 ✓	Oil	Federal
30-015-05327	SKELLY UNIT	#007 ✓	Oil	Federal
30-015-05328	SKELLY UNIT	#008 ✓	Oil	Federal
30-015-05330	SKELLY UNIT	#011 ✓	Oil	Federal
30-015-05323	SKELLY UNIT	#013 ✓	Oil	Federal
30-015-05322	SKELLY UNIT	#014 ✓	Oil	Federal
30-015-05332	SKELLY UNIT	#015 ✓	Oil	Federal
30-015-20548	SKELLY UNIT	#111 ✓	Oil	Federal
30-015-20549	SKELLY UNIT	#112 ✓	Oil	Federal
30-015-21090	SKELLY UNIT	#116 ✓	Oil	Federal
30-015-22251	SKELLY UNIT	#117 ✓	Oil	Federal
30-015-22254	SKELLY UNIT	#120 ✓	Oil	Federal
30-015-22258	SKELLY UNIT	#124 ✓	Oil	Federal
30-015-22259	SKELLY UNIT	#125 ✓	Oil	Federal
30-015-22260	SKELLY UNIT	#126 ✓	Oil	Federal
30-015-22262	SKELLY UNIT	#128 ✓	Oil	Federal
30-015-22263	SKELLY UNIT	#129 ✓	Oil	Federal
30-015-22520	SKELLY UNIT	#146 ✓	Oil	Federal
30-015-22483	SKELLY UNIT	#150 ✓	Oil	Federal
30-015-25038	SKELLY UNIT	#156 ✓	Oil	Federal
30-015-25039	SKELLY UNIT	#157 ✓	Oil	Federal
30-015-29203	SKELLY UNIT	#180 ✓	Oil	Federal
30-015-29204	SKELLY UNIT	#182 ✓	Oil	Federal
30-015-28971	SKELLY UNIT	#185 ✓	Oil	Federal
30-015-29206	SKELLY UNIT	#189 ✓	Oil	Federal
30-015-29207	SKELLY UNIT	#190 ✓	Oil	Federal
30-015-29312	SKELLY UNIT	#191 ✓	Oil	Federal
30-015-29313	SKELLY UNIT	#192 ✓	Oil	Federal
30-015-29216	SKELLY UNIT	#193 ✓	Oil	Federal
30-015-29217	SKELLY UNIT	#194 ✓	Oil	Federal
30-015-29013	SKELLY UNIT	#198 ✓	Oil	Federal
30-015-28972	SKELLY UNIT	#199 ✓	Oil	Federal
30-015-28998	SKELLY UNIT	#200 ✓	Oil	Federal
30-015-28947	SKELLY UNIT	#201 ✓	Oil	Federal
30-015-29062	SKELLY UNIT	#202 ✓	Oil	Federal
30-015-28966	SKELLY UNIT	#204 ✓	Oil	Federal
30-015-29092	SKELLY UNIT	#211 ✓	Oil	Federal
30-015-29031	SKELLY UNIT	#212 ✓	Oil	Federal
30-015-29762	SKELLY UNIT	#213 ✓	Oil	Federal
30-015-29540	SKELLY UNIT	#214 ✓	Oil	Federal
30-015-29541	SKELLY UNIT	#215 ✓	Oil	Federal
30-015-29223	SKELLY UNIT	#216 ✓	Oil	Federal
30-015-29273	SKELLY UNIT	#217 ✓	Oil	Federal
30-015-28892	SKELLY UNIT	#220 ✓	Oil	Federal
30-015-28893	SKELLY UNIT	#221 ✓	Oil	Federal
30-015-28894	SKELLY UNIT	#222 ✓	Oil	Federal
30-015-28964	SKELLY UNIT	#223 ✓	Oil	Federal
30-015-28973	SKELLY UNIT	#225 ✓	Oil	Federal
30-015-29182	SKELLY UNIT	#226 ✓	Oil	Federal
30-015-28948	SKELLY UNIT	#227 ✓	Oil	Federal
30-015-28949	SKELLY UNIT	#228 ✓	Oil	Federal
30-015-29181	SKELLY UNIT	#233 ✓	Oil	Federal
30-015-28783	SKELLY UNIT	#234 ✓	Oil	Federal
30-015-28784	SKELLY UNIT	#235 ✓	Oil	Federal
30-015-29063	SKELLY UNIT	#246 ✓	Oil	Federal
30-015-28788	SKELLY UNIT	#247 ✓	Oil	Federal
30-015-28810	SKELLY UNIT	#248 ✓	Oil	Federal
30-015-37006	SKELLY UNIT	#502 ✓	Oil	Federal
30-015-37008	SKELLY UNIT	#503 ✓	Oil	Federal

D1 + D2

D1 + D2

D1 + D2
D1 + D2

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

This field office has evaluated the attached Notice of Intent as a request for flaring/venting beyond NTL-4A allowable thresholds (reasons, timeframes and volumes), and has determined the following Conditions of Approval apply.

Condition of Approval to Flare Gas

1. Comply with NTL-4A requirements
2. Subject to like approval from NMOCD
3. **Flared volumes are considered "avoidably lost" and will require payment of royalties. Volumes shall be reported on OGOR "B" reports as disposition code "08"**
4. "Avoidably lost" flare volumes shall be metered due to their royalty bearing status. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time.
5. Vent/flare gas metering to meet all requirements for a sales meter as per Federal Regulations, Onshore Order #5 and NTL 2008-01. Include meter serial number on sundry (form 3160-5).
6. This approval does not authorize any additional surface disturbance.
7. An updated facility diagram is required within 60 days of modifications to existing facilities per Onshore Order #3.
8. Approval not to exceed 90 days, if flaring is still required past 90 days submit new request for approval.
9. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared on a sundry form 3160-5.

Definition: As per NTL-4A II. A. "Avoidably lost" production shall mean the venting or flaring of produced gas without the prior authorization, approval, ratification, or acceptance of the Supervisor and the loss of produced oil or gas when the Supervisor determines that such loss occurred as a result of (1) negligence on the part of the lessee or operator, or (2) the failure of the lessee or operator to take all reasonable measures to prevent and/or to control the loss, or (3) the failure of the lessee or operator to comply fully with the applicable lease terms and regulations, appropriate provisions of the approved operating plan, or the prior written orders of the Supervisor, or (4) and combination of the foregoing.

43CFR3162.7-1 (a) The operator shall put into marketable condition, if economically feasible, all oil, other hydrocarbons, gas and sulphur produced from the leased land.

43CFR3162.1 (a) The operating rights owner or operator, as appropriate, shall comply with applicable laws and regulations; with the lease terms, Onshore Oil and Gas Orders, NTL's; and with other orders and instructions of the authorized officer. These include, but are not limited to, conducting all operations in a manner which ensures the proper handling, measurement, disposition, and site security of leasehold production; which protects other natural resources and environmental quality; which protects life and property; and which results in maximum ultimate economic recovery of oil and gas with minimum waste and with minimum adverse effect on ultimate recovery of other mineral resources.