



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



IN REPLY REFER TO:

3180 (P0220)

NM-84634X

Reference:

Designation of Successor Unit Operator

Red Lake Unit

Unitization Agreement No. NM-84634X

Eddy 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 Red Lake Unit Eddy 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 Red Lake 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 Red Lake 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 'Don Peterson', with a long horizontal flourish 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

Red Lake Unit Area

County of Eddy

State of New Mexico

Unit Agreement No. NMNM84634X

COPY

DRB

Linn operating, Inc.

THIS INDENTURE, dated as of the 1 day of April, 2011, by and between
; 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 4th day of September, 1990, approved a Unit Agreement for Red Lake 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 and pursuant to all the terms of the Red Lake 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.

DRB
FIRST PARTY *Linn operating, Inc.*
~~by Holdings, LLC~~

1/8
By: *[Signature]* David R. Beathard, Vice President, Business Development

SECOND PARTIES
1/8
Linn Energy Holdings, LLC

By: *[Signature]* David R. Beathard, Vice President, Business Development

Execution Date: _____

By: _____

Execution Date _____

COPY

CORPORATE ACKNOWLEDGEMENT

State of Oklahoma

SS.

County of Oklahoma

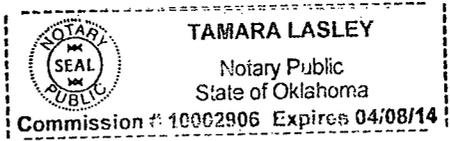
The foregoing instrument was acknowledged before me this 1st day of April, 2011, by David R. Beatheard, Vice President, Business development of Linn Energy Holdings, LLC, a Corporation, and Linn Operating, Inc.

DRB

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

DRB

By: *[Signature]*

Title: Vice President, Business Development

STATE OF: Oklahoma

COUNTY OF: Oklahoma

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

DRB

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

My commission expires: 4/8/14

SEAL

 **TAMARA LASLEY**
Notary Public
State of Oklahoma
Commission # 10002906 Expires 04/08/14

COPY

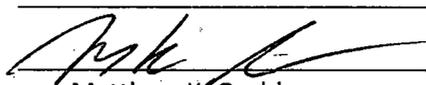
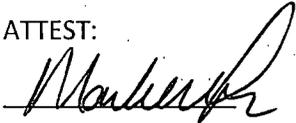
RESIGNATION OF UNIT OPERATOR

Red Lake Unit Area
County of Eddy
State of New Mexico
Unit Agreement No. NMNM84634X

Under and pursuant to the provisions of Section 7 of the Unit Agreement for the Development and Operation of the Red Lake Unit Area, Eddy 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
President and Chief Operating Officer

MS PMW
JEC

Red Lake Unit

API	Well Name	Well Number	Type	Status	Unit Letter	Section	Township	Range	Spud Date	Plugged On
30-015-25774	RED LAKE UNIT	#001	Oil	Expired Temporary Abandonment	I	24	16S	28E		
30-015-25681	RED LAKE UNIT	#002	Injection	Active	O	24	16S	28E		
30-015-25747	RED LAKE UNIT	#003	Oil	Active	P	24	16S	28E		
30-015-23539	RED LAKE UNIT	#004	Oil	Active	B	25	16S	28E		
30-015-24130	RED LAKE UNIT	#005	Injection	Active	A	25	16S	28E		
30-015-23316	RED LAKE UNIT	#006	Oil	Active	F	25	16S	28E		
30-015-23936	RED LAKE UNIT	#007	Injection	Active	G	25	16S	28E		
30-015-24074	RED LAKE UNIT	#008	Oil	Active	H	25	16S	28E		
30-015-25557	RED LAKE UNIT	#009	Injection	Active	Z	30	16S	29E		
30-015-23406	RED LAKE UNIT	#010	Injection	Active	K	25	16S	28E		
30-015-23714	RED LAKE UNIT	#011	Oil	Active	J	25	16S	28E		
30-015-24016	RED LAKE UNIT	#012	Injection	Active	I	25	16S	28E		
30-015-25412	RED LAKE UNIT	#013	Oil	Expired Temporary Abandonment	3	30	16S	29E		
30-015-23361	RED LAKE UNIT	#015	Oil	Active	N	25	16S	28E		
30-015-23122	RED LAKE UNIT	#016	Injection	Active	O	25	16S	28E		
30-015-23870	RED LAKE UNIT	#017	Oil	Expired Temporary Abandonment	P	25	16S	28E		
30-015-23148	RED LAKE UNIT	#019	Injection	Active	C	36	16S	28E		
30-015-22920	RED LAKE UNIT	#020	Oil	Active	B	36	16S	28E		
30-015-23659	RED LAKE UNIT	#021	Injection	Active	A	36	16S	28E		
30-015-01286	RED LAKE UNIT	#022	Injection	Active	E	36	16S	28E		
30-015-22696	RED LAKE UNIT	#023	Oil	Active	F	36	16S	28E		
30-015-23658	RED LAKE UNIT	#024	Injection	Plugged, Site Released	G	36	16S	28E		5/19/2011
30-015-23861	RED LAKE UNIT	#025	Injection	Active	J	36	16S	28E		
30-015-28726	RED LAKE UNIT	#026	Oil	Active	B	36	16S	28E	9/14/1996	
30-015-29333	RED LAKE UNIT	#027	Oil	Active	J	25	16S	28E	2/5/1997	
30-015-29637	RED LAKE UNIT	#028	Oil	Active	N	25	16S	28E	8/12/1997	
30-015-29772	RED LAKE UNIT	#029	Oil	Active	P	25	16S	28E	8/18/1997	



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

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

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
Red Lake Unit
Eddy 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 Red Lake 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