

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM 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. NMNM98120
2. Name of Operator LINN OPERATING INCORPORATED E-Mail: nfitzwater@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: 281.840.4266 Fx: 281.840.4006	7. If Unit or CA/Agreement, Name and/or No. 8920002760
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 23 T17S R31E SWSW 1278FSL 660FWL		8. Well Name and No. SKELLY UNIT 78
		9. API Well No. 30-015-05366-00-S1
		10. Field and Pool, or Exploratory GRAYBURG
		11. County or Parish, and State EDDY COUNTY, NM

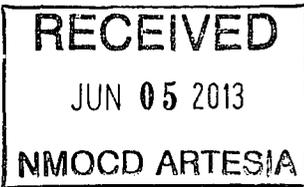
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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 Venting and/or Flaring
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 recomplate 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 recompletion 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 OPERATING IS REQUESTING APPROVAL TO FLARE THE SKELLY UNIT B BATTERY AT APPROXIMATELY 77 MCF/D FOR 90 DAYS. FRONTIER CONTINUES TO HAVE ISSUES AND LINN NEEDS THE ABILITY TO FLARE DURING DOWN TIMES.

THE COMPLETE LIST OF WELLS IS ATTACHED.



SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Accepted for record
NMOCD

APDade 6/7/2013

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #209372 verified by the BLM Well Information System
For LINN OPERATING INCORPORATED, sent to the Carlsbad
Committed to AFMSS for processing by JERRY BLAKLEY on 06/04/2013 (13JDB0191SE)

Name (Printed/Typed) NANCY FITZWATER	Title REGULATORY SUPERVISOR
Signature (Electronic Submission)	Date 06/03/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>JERRY BLAKLEY</u>	Title <u>LEAD PET</u>	Date <u>06/04/2013</u>
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 <u>Carlsbad</u>
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.		APPROVED JUN - 4 2013

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

** BLM REVISED **

SUBJECT TO LIKE
APPROVAL BY STATE

SKELLY UNIT B BATTERY

API	Well Name	Well Number	Type	Lease
30-015-05366	SKELLY UNIT	#078	Oil	Federal
30-015-22252	SKELLY UNIT	#118	Oil	Federal
30-015-22256	SKELLY UNIT	#122	Oil	Federal
30-015-22257	SKELLY UNIT	#123	Oil	Federal
30-015-22264	SKELLY UNIT	#130	Oil	Federal
30-015-22265	SKELLY UNIT	#131	Oil	Federal
30-015-22266	SKELLY UNIT	#132	Oil	Federal
30-015-22267	SKELLY UNIT	#133	Oil	Federal
30-015-22268	SKELLY UNIT	#134	Oil	Federal
30-015-22269	SKELLY UNIT	#135	Oil	Federal
30-015-22481	SKELLY UNIT	#136	Oil	Federal
30-015-22506	SKELLY UNIT	#137	Oil	Federal
30-015-22482	SKELLY UNIT	#138	Oil	Federal
30-015-22507	SKELLY UNIT	#139	Oil	Federal
30-015-22509	SKELLY UNIT	#140	Oil	Federal
30-015-22484	SKELLY UNIT	#141	Oil	Federal
30-015-22510	SKELLY UNIT	#142	Oil	Federal
30-015-22513	SKELLY UNIT	#143	Oil	Federal
30-015-25040	SKELLY UNIT	#158	Oil	Federal
30-015-25041	SKELLY UNIT	#159	Oil	Federal
30-015-25042	SKELLY UNIT	#160	Oil	Federal
30-015-29235	SKELLY UNIT	#229	Oil	Federal
30-015-29236	SKELLY UNIT	#230	Oil	Federal
30-015-29032	SKELLY UNIT	#240	Oil	Federal
30-015-29033	SKELLY UNIT	#241	Oil	Federal
30-015-29237	SKELLY UNIT	#242	Oil	Federal
30-015-29183	SKELLY UNIT	#243	Oil	Federal
30-015-28950	SKELLY UNIT	#253	Oil	Federal
30-015-29034	SKELLY UNIT	#254	Oil	Federal
30-015-29238	SKELLY UNIT	#255	Oil	Federal
30-015-28974	SKELLY UNIT	#256	Oil	Federal
30-015-28975	SKELLY UNIT	#259	Oil	Federal
30-015-28811	SKELLY UNIT	#260	Oil	Federal
30-015-28812	SKELLY UNIT	#261	Oil	Federal
30-015-28789	SKELLY UNIT	#262	Oil	Federal
30-015-29209	SKELLY UNIT	#265	Oil	Federal
30-015-28967	SKELLY UNIT	#277	Oil	Federal
30-015-29226	SKELLY UNIT	#278	Oil	Federal
30-015-29227	SKELLY UNIT	#283	Oil	Federal
30-015-29314	SKELLY UNIT	#284	Oil	Federal
30-015-29712	SKELLY UNIT	#302	Oil	Federal
30-015-29856	SKELLY UNIT	#400	Oil	Federal
30-015-29817	SKELLY UNIT	#401	Oil	Federal
30-015-29860	SKELLY UNIT	#402	Oil	Federal
30-015-31069	SKELLY UNIT	#403	Oil	Federal

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

6/4/2013

Condition of Approval to Flare Gas

1. Report all volumes on OGOR reports.
2. Comply with NTL-4A requirements
3. Subject to like approval from NMOCD
4. **Flared volumes will still require payment of royalties**
5. 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. Gas meter to meet all requirements for sale meter as Federal Regulations and Onshore Order #5.
6. This approval does not authorize any additional surface disturbance.
7. Submit updated facility diagram as per Onshore Order #3.
8. Approval not to exceed 90 days for date of approval.
9. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared.
10. If flaring is still required past 90 days submit new request for approval.
11. If a portable unit is used to flare gas it must be monitored at all times.
12. Comply with any restrictions or regulations when on State or Fee surface.

JDB642013