Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

NMOCD Artesia

FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010

5. Lease Serial No. NMLC029426B

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use t abandoned w							
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.					6. If Indian, Allottee or Tribe Name		
SUBMIT IN TRIPLICATE - Other instructions on reverse side.					7. If Unit or CA/Agreement, Name and/or No.		
1. Type of Well Cos Well Cos					8. Well Name and No. H E WEST B 25		
2. Name of Operator LINN OPERATING INCORPORATED E-Mail: Imoreno@finnenergy.com Contact: LAURA A MORENO LINN OPERATING INCORPORATED E-Mail: Imoreno@finnenergy.com					9. API Well No. 30-015-05059-00-S1		
3a. Address 600 TRAVIS STREET SUITE HOUSTON, TX 77002	3b. Phone No. (include area code) Ph: 713.904.6657 Fx: 832.209.4316		:)	10. Field and Poot, of GRAYBURG	r Exploratory .		
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)			. 10 10		11. County or Parish,	, and State	
Sec 3 T17S R31E SESE 660FSL 660FEL					EDDY COUNTY, NM		
12. CHECK API	PROPRIATE BOX(ES) TO	INDICATE	NATURE OF	NOTICE, R	EPORT, OR OTHE	R DATA	
TYPE OF SUBMISSION	TYPE OF ACTION						
Notice of Intent	ce of Intent Acidize		Deepen [tion (Start/Resume)	☐ Water Shut-Off	
, —	☐ Alter Casing	☐ Frace	ture Treat	☐ Reclan	nation	☐ Well Integrity	
☐ Subsequent Report	☐ Casing Repair	□ New	Construction	☐ Recom	plete	Other Venting and/or Flari	
☐ Final Abandonment Notice	☐ Change Plans	. – -	☐ Plug and Abandon		rarily Abandon	ng	
	Convert to Injection	n 🗖 Plug Back		☐ Water Disposal			
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H E WEST B4 BATTERY

API	Well Name	Well Number	Туре	Lease
30-015-05059	H E WEST B	#025 🗸	Oil	Federal
30-015-25921	H E WEST B	#031 🗸	Oil	Federal
30-015-25989	H E WEST B	#034 🗸	Oil	Federal
30-015-26033	H E WEST B	#041	Oil	Federal
30-015-26044	H E WEST B	#042 🗸	Oil	Federal
30-015-26791	H E WEST B	#049 🗸	Oil	Federal
30-015-27109	H E WEST B	#050 🖊	Oil	Federal
30-015-27110	H E WEST B	#051 🗸	Oil	Federal
30-015-27149	H E WEST B	#052	Oil	Federal
30-015-27353	H E WEST B	#056	Oil	Federal
30-015-27317	H E WEST B	#057	Oil	Federal
30-015-27311	HE WEST B	#058	Oil	Federal
30-015-27318	H E WEST B	#059	Oil	Federal
30-015-27561	H E WEST B	*#060 / /	Oil '	Federal
30-015-27401	H E WEST B	#061 🗸	Oil	Federal
30-015-28634	H E WEST B	#065 🗸	Oil	Federal
30-015-27785	H E WEST B	#066	Oil	Federal
30-015-27354	H E WEST B	#067	Oil	Federal
30-015-28575	H E WEST B	#068 🗸	QΉ	Federal
30-015-28535	H E WEST B	#069	Oil	Federal
30-015-28574	· HE WEST B	#070 V	Oil	Federal
30-015-28573	H E WEST B	#071	Oil	Federal
30-015-28466	H E WEST B	#076	Oil	Federal
30-015-28387	H E WEST B	#085 🗸	Oil	Federal

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.