District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Ee, NM 87505

State of New Mexico Energy Minerals and Natural Resources

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 Form C-129 Revised August 1, 2011

Submit one copy to appropriate District Office

NFO Permit No. _

(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12

	(See Rule 19.15.18.12 NMAC	and Rule	19.15.7.37 NMAC)		
A.	Applicant	<u>LINN OPERATING</u>			······································	
	whose address,is _	600 Travis Street, Suite	5100, Ho	ouston, TX 77002		,
	hereby requests an	exception to Rule 19.15:18	8.12 for _	90		days or until
November 24 , Yr 2012, for the following described tank						tank battery (or LACT):
	Name of Lease State A & B; State B Battery Name of Pool: Grayburg Jackson; SR-Q-C					
	Location of Batter	y: Unit Letter <u>J</u> <u>S</u>	ection	16 Township	<u> 178</u>	_Range _31E_
	Number of wells p	producing into battery:	11 (see :	attached list)		
В.	Based upon oil production of <u>State A &B 45bbls/State B 22bbls</u> barrels per day, the estimated * volume					
	of gas to be flare i	s <u>65 MCF</u> ; Value <u>\$182 p</u>	er day.			
C:	Name and location of nearest gas gathering facility:					RECEIVED
	Frontier's sales po	int on lease				AUG 2 8 2012
D.	Distance 0 Estimated cost of connection: No other options NMOCD ARTES					NMOCD ARTESIA
E.	This exception is requested for the following reasons: Frontier will not take gas due of high H2S content. LINN is working with chemical companies to reduce H2S content to enable LINN's gas to be sold through Frontier pipeline.					
						•
				<u> </u>		
OPERATOR			OIL CO	ONSERVATION D	IVISIO	7
Division have be	en complied with and the	tions of the Oil Conservation nat the information given above	Approv	ved Until Nou	<u>30</u>	,2012
is true and complete to the best of my knowledge and belief. Signature Printed Name			.Ву_ <i>(</i>	By SROade		
& Title Terry B. Callahan (Regulatory Specialist III) E-mail tcallahan@linnenergy.com				Title DIST EL SCHEWISM		
Date 08/24/2012, Telephone No. 281-840-4272			Date 2	3/28/12	U	

^{*} Gas-Oil ratio test may be required to verify estimated gas volume:

NEW MEXICO OIL CONSERVATION DIVISION DISTRICT 2 OFFICE 811 SOUTH FIRST STREET ARTESIA, NM 88210 (575)748-1283

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CONDITIONS OF APPROVAL for FLARING or VENTING GAS

- 1. Venting gas is absolutely not allowed.
- 2. Prior to flaring gas, C-129 must be filed & approved. Blanket approval cannot be given for this operation.
- 3. Flared volumes of gas are to be metered & reported.
- **4.** Flares WILL be manned at all times. Brush should be cut down to 1 or 2 inches around flare stack at least a radial distance of 2 times the height of the flare stack.
- **5.** Flares WILL NOT be left unattended.
- **6.** No flaring operations to be conducted during red-flag days. http://www.gacc.nifc.gov/swcc (go to "Predictive Services" on SWCC website) to check for red flag warnings.
- 7. Follow safe practices for flaring guidelines.
- **8.** Permit may be rescinded at any time by NMOCD.
- **9.** If well is able to be connected to a gas gathering system, it will be done so as soon as possible.

Your initials here

/ / 2011

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12 PAGE TWO (ATTACHMENT)

API#
30-015-36254
30-015-36255
30-015-36256

STATE A&B BATTERY	API#
STATE A #001	30-015-05168
STATE A #002	30-015-05169
STATE A #003	30-015-10840
STATE A #004	30-015-32917
STATE B #001	30-015-05170
STATE B #002	30-015-05172
STATE B #004	30-015-05173
STATE B #005	30-015-32874