

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM 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<br><input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other |   | 5. Lease Serial No.<br>Multiple--See Attached                      |
| 2. Name of Operator<br>LINN OPERATING INCORPORATED E-Mail: tcallahan@linnenergy.com<br>Contact: TERRY B CALLAHAN                 |   | 6. If Indian, Allottee or Tribe Name                               |
| 3a. Address<br>600 TRAVIS STREET SUITE 5100<br>HOUSTON, TX 77002   | 3b. Phone No. (include area code)<br>Ph: 281-840-4272<br>Fx: 281-605-4105 | 7. If Unit or CA/Agreement, Name and/or No.<br>8920002760          |
| 4. Location of Well (Footage, Sec., T., R. M., or Survey Description)<br>Multiple--See Attached                                  |   | 8. Well Name and No.<br>Multiple--See Attached                     |
|  |   | 9. API Well No.<br>Multiple--See Attached                          |
|  |   | 10. Field and Pool, or Exploratory<br>GRAYBURG<br>GRAYBURG JACKSON |
|  |   | 11. County or Parish, and State<br>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 recompleate 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 recompleation 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 WOULD LIKE TO REQUEST TO FLARE FOR 90 DAYS FROM THE NMNM98122. THE FLARING IS REQUIRED DUE TO THE FRONTIER GAS PLANT EXPERIENCING A LOW PRESSURE UNIT OUT.

API Well Name Well Number  
30-015-05335 SKELLY UNIT #005  
30-015-05326 SKELLY UNIT #006  
30-015-05327 SKELLY UNIT #007  
30-015-05328 SKELLY UNIT #008  
30-015-05330 SKELLY UNIT #011  
30-015-05323 SKELLY UNIT #013  
30-015-05322 SKELLY UNIT #014  
30-015-05332 SKELLY UNIT #015

**RECEIVED**

APR 30 2013

NMOCD ARTESIA

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL****SUBJECT TO LIKE  
APPROVAL BY STATE***Adado 5/1/2013*  
**Accepted for record**

|  |                                 |
|--|---------------------------------|
| 14. I hereby certify that the foregoing is true and correct.<br><b>Electronic Submission #204002 verified by the BLM Well Information System<br/>For LINN OPERATING INCORPORATED, sent to the Carlsbad<br/>Committed to AFMSS for processing by JOHNNY DICKERSON on 04/12/2013 (13JLD0505SE)</b> |                                 |
| Name (Printed/Typed) TERRY B CALLAHAN  | Title REGULATORY SPECIALIST III |
| Signature (Electronic Submission)  | Date 04/10/2013                 |

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE****APPROVED**

|   |                |                 |
|---|----------------|-----------------|
| Approved By JERRY BLAKLEY   | Title LEAD PET | Date 04/27/2013 |
| 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 Carlsbad |

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 up any information of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**Additional data for EC transaction #204002 that would not fit on the form**

**5. Lease Serial No., continued**

NMLC029419A  
NMLC029420A  
NMNM98122

**Wells/Facilities, continued**

| Agreement  | Lease       | Well/Fac Name, Number | API Number         | Location   |
|------------|-------------|-----------------------|--------------------|--|
| NMNM71030A | NMNM98122   | SKELLY UNIT 11        | 30-015-05330-00-D1 | Sec 21 T17S R31E NESE 1980FSL 660FEL                                       |
| NMNM71030A | NMNM98122   | SKELLY UNIT 11        | 30-015-05330-00-D2 | Sec 21 T17S R31E NESE 1980FSL 660FEL                                       |
| NMNM71030A | NMLC029419A | SKELLY UNIT 116       | 30-015-21090-00-D2 | Sec 22 T17S R31E NWSW 1330FSL 130FWL                                       |
| NMNM71030A | NMLC029419A | SKELLY UNIT 117       | 30-015-22251-00-S1 | Sec 22 T17S R31E NESW 1980FSL 1880FWL                                      |
| NMNM71030A | NMLC029419A | SKELLY UNIT 125       | 30-015-22259-00-S1 | Sec 22 T17S R31E SWNW 1980FNL 560FWL                                       |
| NMNM71030A | NMLC029420A | SKELLY UNIT 126       | 30-015-22260-00-S1 | Sec 15 T17S R31E SWSW 560FSL 760FWL  |
| NMNM71030A | NMNM98122   | SKELLY UNIT 129       | 30-015-22263-00-S1 | Sec 21 T17S R31E NENE 660FNL 760FEL  |
| NMNM71030A | NMNM98122   | SKELLY UNIT 13        | 30-015-05323-00-S1 | Sec 21 T17S R31E NESW 1980FSL 1980FWL                                      |
| NMNM71030A | NMNM98122   | SKELLY UNIT 14        | 30-015-05322-00-S1 | Sec 21 T17S R31E NWSW 1980FSL 660FWL                                       |
| NMNM71030A | NMNM98122   | SKELLY UNIT 15        | 30-015-05332-00-S1 | Sec 21 T17S R31E SWSW 760FSL 660FWL  |
| NMNM71030A | NMNM98122   | SKELLY UNIT 220       | 30-015-28892-00-S1 | Sec 21 T17S R31E SENW 1330FNL 1400FWL                                      |
| NMNM71030A | NMNM98122   | SKELLY UNIT 221       | 30-015-28893-00-S1 | Sec 21 T17S R31E SWNE 1390FNL 2530FEL                                      |
| NMNM71030A | NMNM98122   | SKELLY UNIT 222       | 30-015-28894-00-S1 | Sec 21 T17S R31E SENE 1380FNL 1300FEL                                      |
| NMNM71030A | NMNM98122   | SKELLY UNIT 223       | 30-015-28964-00-S1 | Sec 21 T17S R31E SENE 1340FNL 120FEL                                       |
| NMNM71030A | NMNM98122   | SKELLY UNIT 233       | 30-015-29181-00-S1 | Sec 21 T17S R31E SENW 2620FNL 1343FWL                                      |
| NMNM71030A | NMNM98122   | SKELLY UNIT 234       | 30-015-28783-00-S1 | Sec 21 T17S R31E NESW 2602FSL 2562FWL                                      |
| NMNM71030A | NMNM98122   | SKELLY UNIT 235       | 30-015-28784-00-S1 | Sec 21 T17S R31E NWSE 2600FSL 1470FEL                                      |
| NMNM71030A | NMNM98122   | SKELLY UNIT 246       | 30-015-29063-00-S1 | Sec 21 T17S R31E SWSW 1306FSL 1216FWL                                      |
| NMNM71030A | NMNM98122   | SKELLY UNIT 247       | 30-015-28788-00-S1 | Sec 21 T17S R31E SESW 1110FSL 2515FWL                                      |
| NMNM71030A | NMNM98122   | SKELLY UNIT 248       | 30-015-28810-00-S1 | Sec 21 T17S R31E SESE 1240FSL 1190FEL                                      |
| NMNM71030A | NMNM98122   | SKELLY UNIT 502       | 30-015-37006-00-S1 | Sec 21 T17S R31E NWNW 1310FNL 560FWL<br>32.823710 N Lat, 103.881499 W Lon  |
| NMNM71030A | NMNM98122   | SKELLY UNIT 503       | 30-015-37008-00-S1 | Sec 21 T17S R31E NENW 1310FNL 1980FWL<br>32.823716 N Lat, 103.876855 W Lon |
| NMNM71030A | NMNM98122   | SKELLY UNIT 5         | 30-015-05335-00-S1 | Sec 21 T17S R31E NENW 330FNL 1650FWL<br>32.826408 N Lat, 103.877943 W Lon  |

**32. Additional remarks, continued**

30-015-21090 SKELLY UNIT #116  
30-015-22251 SKELLY UNIT #117  
30-015-22259 SKELLY UNIT #125  
30-015-22260 SKELLY UNIT #126  
30-015-22263 SKELLY UNIT #129  
30-015-28892 SKELLY UNIT #220  
30-015-28893 SKELLY UNIT #221  
30-015-28894 SKELLY UNIT #222  
30-015-28964 SKELLY UNIT #223  
30-015-29181 SKELLY UNIT #233  
30-015-28783 SKELLY UNIT #234  
30-015-28784 SKELLY UNIT #235  
30-015-29063 SKELLY UNIT #246  
30-015-28788 SKELLY UNIT #247  
30-015-28810 SKELLY UNIT #248  
30-015-37006 SKELLY UNIT #502  
30-015-37008 SKELLY UNIT #503

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

4/27/2013

**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.