| T  |  |   | OCD Artesia   |   | 1.  | 3-1246   |
|--|--|---|---|---|---|--|
| Form 3160-5<br>(August 2007)   | August 2007) OINTED STATES<br>DEPARTMENT OF THE INTERIOR   |   |   |   | OMB N<br>Expires:   | APPROVED<br>O. 1004-0135<br>July 31, 2010                                  |
| BUREAU OF LAND MANAGEMENT<br>SUNDRY NOTICES AND REPORTS ON WELLS<br>Do not use this form for proposals to drill or to re-enter an<br>abandoned well. Use form 3160-3 (APD) for such proposals. |  |   | 5. Lease Serial No.<br>NMLC029395B                                  |   |   |  |
|  |  |   | 6. If Indian, Allottee or Tribe Name                                |   |   |  |
| SUBMIT IN  | TRIPLICATE - Other instru  | ctions on rev   | verse side.   |   | 7. If Unit or CA/Agre   | ement, Name and/or No.   |
| 1. Type of Well  | 1 Other  |   |   |   | 8. Well Name and No.<br>TURNER B 063  |  |
| B Oil Well     Gas Well     Other       2. Name of Operator     Contact:     TERRY B CALLAHAN       LINN OPERATING INC.     E-Mail: tcallahan@linnenergy.com                                   |  |   |   |   | 9. API Well No.<br>30-015-05450   | <u> </u>   |
| 3a. Address<br>600 TRAVIS STREET, SL<br>HOUSTON, TX 77002  | 3b. Phone No<br>Ph: 281-84   | . (include area code)<br>0-4272                             | )   | 10. Field and Pool, or Exploratory<br>GRAYBURG JACKSON;SR-Q-G-S |   |  |
| 4. Location of Well (Footage, Se   | c., T., R., M., or Survey Description  | n)  |   |   | 11. County or Parish.   | and State  |
| Sec 29 T17S R31E Mer NMP SWSE 660FSL 1980FEL<br>32.800129 N Lat, 103.889722 W Lon  |  |   |   |   | EDDY COUNT  | Y, NM  |
| 12. CHECK A  | PPROPRIATE BOX(ES) T   | O INDICATI  | NATURE OF N   | NOTICE, RI  | EPORT, OR OTHE  | R DATA   |
| TYPE OF SUBMISSION   |  |   | TYPE OF   | FACTION   | ······*   |  |
| Notice of Intent   | C Acidize  | 🗖 Dee   | pen   | Product   | ion (Start/Resume)  | UWater Shut-Off  |
| Subsequent Report  | □ Alter Casing   | -   | ture Treat  | Reclam  |   | Well Integrity   |
| Subsequent Report Casing Repair Final Abandonment Notice Change Plans  |  |   |   | □ Recomp  | arily Abandon   | 🛛 Other  |
|  | Convert to Injection   |   |   | U Water D   | •   |  |
| Attach the Bond under which the<br>following completion of the invo  | tionally or recomplete horizontally<br>work will be performed or provide<br>lived operations. If the operation re<br>al Abandonment Notices shall be fi      | , give subsurface<br>e the Bond No. o<br>esults in a multip | locations and measu<br>in file with BLM/BIA<br>e completion or reco | red and true ve<br>Required sub<br>completion in a r            | ertical depths of all pertir<br>bsequent reports shall be<br>new interval, a Form 316 | nent markers and zones.<br>filed within 30 days<br>0-4 shall be filed once |
| LINN WOULD LIKE TO CO<br>NM. IN ADDITION, LINN<br>SOUTH BATTERY.   | ONSTRUCT A FLARE STAC<br>WOULD LIKE TO LAY A 2" I  |   |   |   | 17S, R31E, EDDY (<br>TACK TO THE TUR  | COUNTY,<br>INER B  |
| NOTE: SURVEYS AND P  | LATS ATTACHED  | a dr  | 0   |   |   |  |
| 30-015-26388 TURNER B<br>30-015-26389 TURNER B<br>30-015-26385 TURNER B  | ber Type Lease Status<br>#063 Oil Federal Active<br>#080 Oil Federal Active<br>#081 Oil Federal Active<br>#082 Oil Federal Active<br>#083 Oil Federal Active | NHMC  | ror no cora   |   | JUL 1 2 2013  |  |
| 14. I hereby certify that the foregoin   | ng is true and correct.<br>Electronic Submission #   | 207665 verifie  | d by the BLM Wel  | I Information   | Svstem  |  |
|  | For LINN C<br>Committed to AFMSS f   | OPERATING IN  | C., sent to the Ca  | arlsbad   |   |  |
| Name(Printed/Typed) TERR   | Y B CALLAHAN   |   | Title REG CO  | OMPLIANCE   | E SPECIALIST III  | ·  |
| Signature (Electro   | nic Submission)  |   | Date 05/16/2  | 013   |   |  |
|  | THIS SPACE FO  | OR FEDERA   | L OR STATE  | OFFICE U  | SE  |  |
| Approved By  | in   |   | Fen FIE   | LD MAI  | VAGER   | 7/10/13  |
| Conditions of approval, if any, are attacertify that the applicant holds legal o which would entitle the applicant to c  | r equitable title to those rights in the   | s not warrant or<br>e subject lease                         | Office  |   | D FIELD OFFICE  |  |
| Title 18 U.S.C. Section 1001 and Title<br>States any false, fictitious or fraudu   | e 43 U.S.C. Section 1212, make it a ent statements or representations as   | crime for any pe<br>s to any matter w                       | erson knowingly and ithin its jurisdiction.                         | willfully to ma   | ike to any department or  | agency of the United   |
| ** OPE   |  |   |   |   |   | **   |

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| ** OPERAT | OR-SUBMITTED ** | OPERATOR-SUBMITTED | ** OPERATOR | -SUBMITTED * |
|-----------|-----------------|--------------------|-------------|--------------|
|           |                 |                    |             |              |

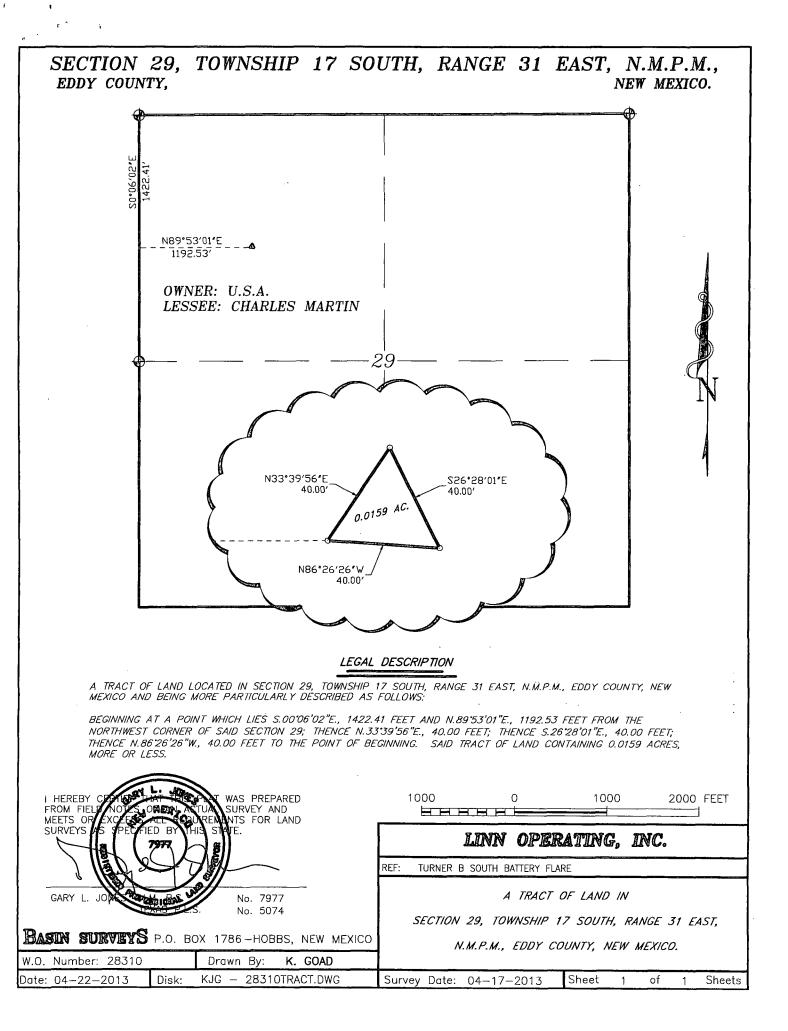
### Additional data for EC transaction #207665 that would not fit on the form

#### 32. Additional remarks, continued

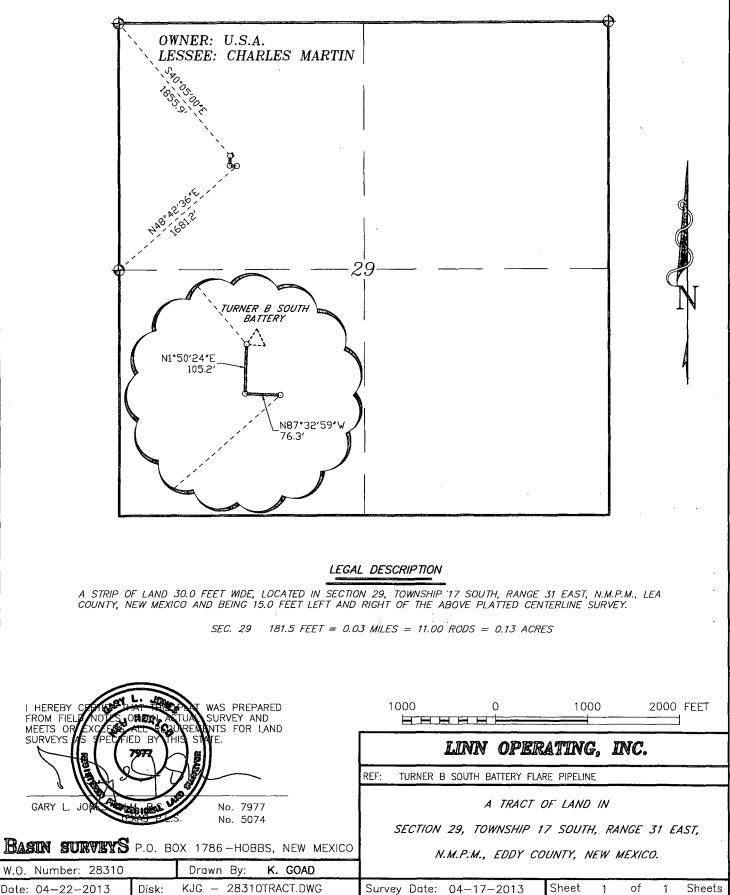
3

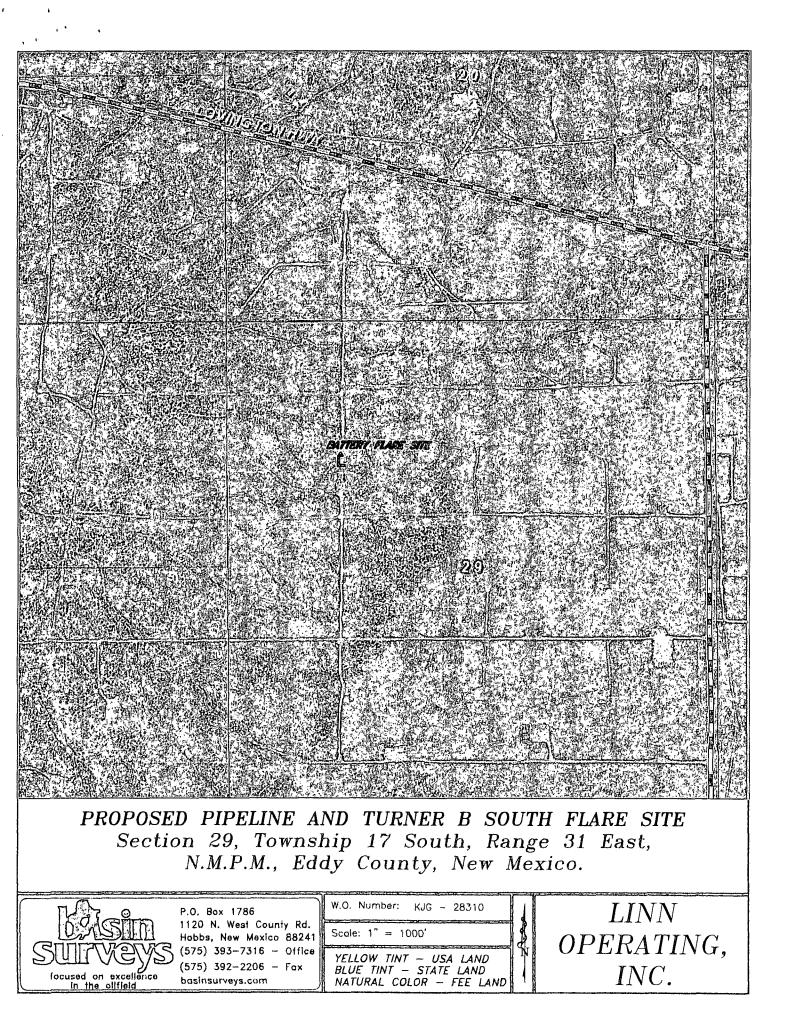
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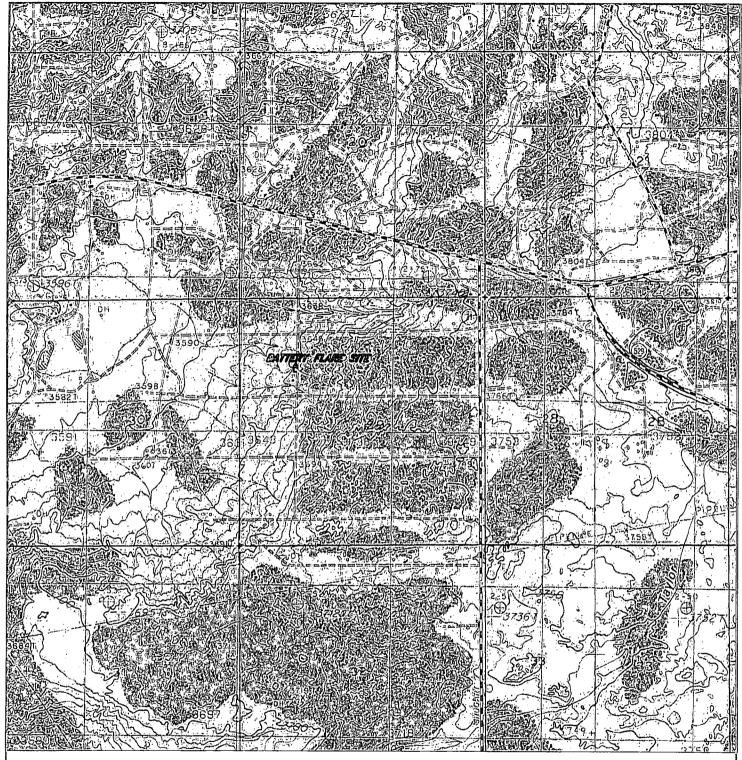
30-015-26391 TURNER B #084 Oil Federal Active -30-015-26386 TURNER B #085 Oil Federal Active -30-015-26392 TURNER B #086 Oil Federal Active -30-015-26397 TURNER B #087 Oil Federal Active -30-015-26595 TURNER B #088 Oil Federal Active -30-015-26595 TURNER B #089 Oil Federal Active -30-015-26603 TURNER B #091 Oil Federal Active -30-015-26603 TURNER B #092 Oil Federal Active -30-015-26611 TURNER B #093 Oil Federal Active -30-015-26620 TURNER B #093 Oil Federal Active -30-015-26621 TURNER B #099 Oil Federal Active -30-015-26617 TURNER B #099 Oil Federal Active -30-015-26617 TURNER B #100 Oil Federal Active -30-015-28955 TURNER B #100 Oil Federal Active -30-015-28955 TURNER B #100 Oil Federal Active -30-015-29571 TURNER B #109 Oil Federal Active -30-015-29572 TURNER B #109 Oil Federal Active -30-015-29573 TURNER B #110 Oil Federal Active -30-015-29573 TURNER B #111 Oil Federal Active -30-015-29573 TURNER B #113 Oil Federal Active -30-015-29573 TURNER B #114 Oil Federal Active -30-015-29573 TURNER B #118 Oil Federal Active -



SECTION 29, TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.







PROPOSED PIPELINE AND TURNER B SOUTH FLARE SITE Section 29, Township 17 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.



|   | P.O. Box 1786      |        |
|---|--------------------|--------|
|   | 1120 N. West Count | ly Rd. |
|   | Hobbs, New Mexico  | 88241  |
| Š | (575) 393-7316 -   | Office |
| , | (575) 392-2206 -   |        |
|   | basinsurveys.com   |        |

|          | W.O. Number: KJG – 28310 |  |  |
|----------|--------------------------|--|--|
| 1.<br>41 | Survey Date: 04-17-2013  |  |  |
| 60       | Scale: 1" = 2000'        |  |  |
|          | Dote: 04-22-2013         |  |  |

LINN OPERATING, INC.

# BLM LEASE NUMBER: NMLC 029395B COMPANY NAME: LINN Operating Inc ASSOCIATED WELL NAME: Turner B 63

# STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES

A copy of the application (Grant, Sundry Notice, APD) and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.

2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 <u>et seq</u>. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.

3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, <u>et seq</u>. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, <u>et seq</u>.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to activity of the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

4. The holder shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec. 2883.1-4. The holder shall be held to a standard of strict liability for damage or injury to the United States resulting from pipe rupture, fire, or spills caused or substantially aggravated by any of the following within the right-of-way or permit area:

a. Activities of the holder including, but not limited to construction, operation, maintenance,

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and termination of the facility.

- b. Activities of other parties including, but not limited to:
  - (1) Land clearing.
  - (2) Earth-disturbing and earth-moving work.
  - (3) Blasting.
  - (4) Vandalism and sabotage.
- c. Acts of God.

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The maximum limitation for such strict liability damages shall not exceed one million dollars (\$1,000,000) for any one event, and any liability in excess of such amount shall be determined by the ordinary rules of negligence of the jurisdiction in which the damage or injury occurred.

This section shall not impose strict liability for damage or injury resulting primarily from an act of war or from the negligent acts or omissions of the United States.

5. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil, salt water, or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil, salt water, or other pollutant, wherever found, shall be the responsibility of the holder, regardless of fault. Upon failure of the holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve the holder of any responsibility as provided herein.

6. All construction and maintenance activity will be confined to the authorized right-of-way width of 20 feet. If the pipeline route follows an existing road or buried pipeline right-of-way, the surface pipeline must be installed no farther than 10 feet from the edge of the road or buried pipeline right-of-way. If existing surface pipelines prevent this distance, the proposed surface pipeline must be installed immediately adjacent to the outer surface pipeline. All construction and maintenance activity will be confined to existing roads or right-of-ways.

7. No blading or clearing of any vegetation will be allowed unless approved in writing by the Authorized Officer.

8. The holder shall install the pipeline on the surface in such a manner that will minimize suspension of the pipeline across low areas in the terrain. In hummocky of duney areas, the pipeline will be "snaked" around hummocks and dunes rather then suspended across these features.

9. The pipeline shall be buried with a minimum of 24 inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. The condition of the road, upon completion of construction, shall be returned to at least its former state with no bumps or dips remaining in the road surface.

10. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

12. Excluding the pipe, all above-ground structures not subject to safety requirement shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2; designated by the Rocky Mountain Five State Interagency Committee.

13. The pipeline will be identified by signs at the point of origin and completion of the right-ofway and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. Signs will be maintained in a legible condition for the life of the pipeline.

14. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.

15. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the authorized officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the authorized officer after consulting with the holder.

16. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, powerline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

17. Surface pipelines must be less than or equal to 4 inches and a working pressure below 125 psi.

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## 18. Special Stipulations:

a. <u>Lesser Prairie-Chicken:</u> Oil and gas activities will not be allowed in lesser prairiechicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Normal vehicle use on existing roads will not be restricted.