

UNITED STATES **OCD Artesia**
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.

5. Lease Serial No.
NMNM98120

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
8920002760

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator **LINN OPERATING INCORPORATED** Contact: **TERRY B CALLAHAN**
E-Mail: **tcallahan@linenergy.com**

3a. Address **600 TRAVIS STREET SUITE 5100 HOUSTON, TX 77002**
3b. Phone No. (include area code) **Ph: 281-840-4272**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 23 T17S R31E SWSW 1278FSL 660FWL

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 recomplete 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 156 MCF/D FOR 90 DAYS DUE TO THE SKELLY B COMPRESSOR BEING DOWN.

THE COMPLETE LIST OF WELLS ARE AS FOLLOWS:

- 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

SUBJECT TO LIKE APPROVAL BY STATE

LRD 3/13/14
Approved for record

RECEIVED
MAR 12 2014
NMOCD ARTESIA

SEE ATTACHED FOR CONDITIONS OF APPROVAL

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

Electronic Submission #220645 verified by the BLM Well Information System
For LINN OPERATING INCORPORATED, sent to the Carlsbad
Committed to AFMSS for processing by KURT SIMMONS on 10/21/2013 (14KMS7424SE)

Name (Printed/Typed) TERRY B CALLAHAN	Title REGULATORY SPECIALIST III
Signature (Electronic Submission)	Date 09/20/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>[Signature]</i>	Title	APPROVED MAR 10 2014	Date
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		

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.

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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

3/10/2014 Approved subject to Conditions of Approval. JDB

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. Include meter serial number on sundry.
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 to this sundry with actual volumes of gas flared monthly on 3160-5 (sundry notice).
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.

JDB