

EC NM OIL CONSERVATION  
Form 3160-5  
(August 2006)  
ARTESIA DISTRICT  
FEB 23 2015

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

N.M. OIL CONSERVATION DIVISION  
811 S. FIRST STREET  
ARTESIA, NM 88210

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

**SUMMARY 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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM98120
2. Name of Operator LINN OPERATING INCORPORATED E-Mail: tcallahan@linnenergy.com		6. If Indian, Allottee or Tribe Name
3a. Address 600 TRAVIS STREET SUITE 5100 HOUSTON, TX 77002	3b. Phone No. (include area code) Ph: 281-840-4272	7. If Unit or CA/Agreement, Name and/or No. 8920002760
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 23 T17S R31E SWSW 1278FSL 660FWL		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

**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 recompleat 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 recompleat 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 HAS BEEN FLARING 46 MCF/D SINCE 1/24/2014 FROM NMNM98120 AND WOULD ASK PERMISSION TO FLARE FOR 15 DAYS DUE TO FRONTIER GAS PLANT BEING DOWN.

PLEASE NOTE: THE FLARE PERMIT WAS SUBMITTED BUT SOMEHOW DID NOT MAKE IT THROUGH THE WIS SYSTEM POSSIBLY DUE TO BAD WEATHER IN HOUSTON (A MESSAGE WAS LEFT WITH JERRY BLAKLEY WHEN EMAIL CONFIRMATIONS WEREN'T RECEIVED).

THE WELLS GOING INTO THE SKELLY UNIT B BATTERY ARE LISTED BELOW:

API Well Name Well Number Type Lease  
30-015-05366 SKELLY UNIT #078 Oil Federal  
30-015-22252 SKELLY UNIT #118 Oil Federal

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

ND 3/2/15  
Accepted for record  
NM000

14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #233828 verified by the BLM Well Information System For LINN OPERATING INCORPORATED, sent to the Carlsbad Committed to AFMSS for processing by MEIGHAN SALAS on 04/30/2014 (14MMS0023SE)</b>	
Name (Printed/Typed) TERRY B CALLAHAN	Title REG COMPLIANCE SPECIALIST III
Signature (Electronic Submission)	Date 01/30/2014
<b>THIS SPACE FOR FEDERAL OR STATE OFFICE USE</b>	
Approved By _____	Title _____ 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 BUREAU OF LAND MANAGEMENT CARLSBAD FIELD 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.	

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***

**Additional data for EC transaction #233828 that would not fit on the form**

**32. Additional remarks, continued**

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  
30-015-22266 SKELLY UNIT #132 Oil Federal  
30-015-22267 SKELLY UNIT #133 Oil Federal  
30-015-22268 SKELLY UNIT #134 Oil Federal  
30-015-22269 SKELLY UNIT #135 Oil Federal  
30-015-22481 SKELLY UNIT #136 Oil Federal  
30-015-22506 SKELLY UNIT #137 Oil Federal  
30-015-22482 SKELLY UNIT #138 Oil Federal  
30-015-22507 SKELLY UNIT #139 Oil Federal  
30-015-22509 SKELLY UNIT #140 Oil Federal  
30-015-22484 SKELLY UNIT #141 Oil Federal  
30-015-22510 SKELLY UNIT #142 Oil Federal  
30-015-22513 SKELLY UNIT #143 Oil Federal  
30-015-25040 SKELLY UNIT #158 Oil Federal  
30-015-25041 SKELLY UNIT #159 Oil Federal  
30-015-25042 SKELLY UNIT #160 Oil Federal  
30-015-29235 SKELLY UNIT #229 Oil Federal  
30-015-29236 SKELLY UNIT #230 Oil Federal  
30-015-29032 SKELLY UNIT #240 Oil Federal  
30-015-29033 SKELLY UNIT #241 Oil Federal  
30-015-29237 SKELLY UNIT #242 Oil Federal  
30-015-29183 SKELLY UNIT #243 Oil Federal  
30-015-28950 SKELLY UNIT #253 Oil Federal  
30-015-29034 SKELLY UNIT #254 Oil Federal  
30-015-29238 SKELLY UNIT #255 Oil Federal  
30-015-28974 SKELLY UNIT #256 Oil Federal  
30-015-28975 SKELLY UNIT #259 Oil Federal  
30-015-28811 SKELLY UNIT #260 Oil Federal  
30-015-28812 SKELLY UNIT #261 Oil Federal  
30-015-28789 SKELLY UNIT #262 Oil Federal  
30-015-29209 SKELLY UNIT #265 Oil Federal  
30-015-28967 SKELLY UNIT #277 Oil Federal  
30-015-29226 SKELLY UNIT #278 Oil Federal  
30-015-29227 SKELLY UNIT #283 Oil Federal  
30-015-29314 SKELLY UNIT #284 Oil Federal  
30-015-29712 SKELLY UNIT #302 Oil Federal  
30-015-29856 SKELLY UNIT #400 Oil Federal  
30-015-29817 SKELLY UNIT #401 Oil Federal  
30-015-29860 SKELLY UNIT #402 Oil Federal  
30-015-31069 SKELLY UNIT #403 Oil Federal

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**Skelly Unit 78**  
**30-015-05366**  
**LINN Operating Incorporated**  
**February 17, 2015**  
**Conditions of Approval**

1. Report all volumes on OGOR B as disposition code 08.
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.

**021715 JAM**