

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

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.

HOBBS OCD

MAR 26 2014

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 | | 8. Well Name and No. SKELLY UNIT 14 | |
| 2. Name of Operator LINN OPERATING INC | | 9. API Well No. 30-015-05322 | |
| 3a. Address 600 TRAVIS STREET, SUITE 5100 HOUSTON, TX 77002 | | 10. Field and Pool, or Exploratory GRAYBURG JACKSON; SR-Q-G-S | |
| 3b. Phone No. (include area code) Ph: 281-840-4272 | | 11. County or Parish, and State EDDY COUNTY, NM | |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 21 T17S R31E Mer NMP NWSW 1980FSL 660FWL 32.818261 N Lat, 103.881150 W Lon | | | |

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 | |
| | <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 WOULD LIKE TO REQUEST TO FLARE FOR 90 DAYS FROM THE NMNM98122. THE FLARING IS REQUIRED DUE TO THE FRONTIER GAS PLANT MAINTENANCE.

Accepted for record
NMOC

RECEIVED

MAR 28 2014

SEE ATTACHED CARTEASIA

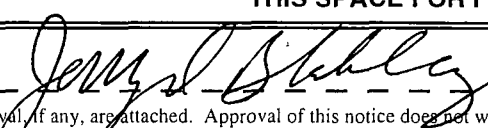
CONDITIONS OF APPROVAL

API Well Name Well Number Type Lease
30-015-05344 SKELLY UNIT #002 Oil Federal

SUBJECT TO LIKE
APPROVAL BY STATE

CRD Accepted for record
MAR 28 2014

| | |
|---|-------------------------------------|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #215230 verified by the BLM Well Information System For LINN OPERATING INC, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 08/07/2013 () | |
| Name (Printed/Typed) TERRY B CALLAHAN | Title REG COMPLIANCE SPECIALIST III |
| Signature (Electronic Submission) | Date 07/30/2013 |

| | |
|---|--------|
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE | |
| Approved By  | Title |
| 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 |
| Date | |

MAR 20 2014

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.

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

Additional data for EC transaction #215230 that would not fit on the form

32. Additional remarks, continued

30-015-05335 SKELLY UNIT #005 Oil Federal
30-015-05326 SKELLY UNIT #006 Oil Federal
30-015-05327 SKELLY UNIT #007 Oil Federal
30-015-05328 SKELLY UNIT #008 Oil Federal
30-015-05330 SKELLY UNIT #011 Oil Federal
30-015-05323 SKELLY UNIT #013 Oil Federal
30-015-05322 SKELLY UNIT #014 Oil Federal
30-015-05332 SKELLY UNIT #015 Oil Federal
30-015-20548 SKELLY UNIT #111 Oil Federal
30-015-20549 SKELLY UNIT #112 Oil Federal
30-015-21090 SKELLY UNIT #116 Oil Federal
30-015-22251 SKELLY UNIT #117 Oil Federal
30-015-22254 SKELLY UNIT #120 Oil Federal
30-015-22258 SKELLY UNIT #124 Oil Federal
30-015-22259 SKELLY UNIT #125 Oil Federal
30-015-22260 SKELLY UNIT #126 Oil Federal
30-015-22262 SKELLY UNIT #128 Oil Federal
30-015-22263 SKELLY UNIT #129 Oil Federal
30-015-22520 SKELLY UNIT #146 Oil Federal
30-015-22483 SKELLY UNIT #150 Oil Federal
30-015-25038 SKELLY UNIT #156 Oil Federal
30-015-25039 SKELLY UNIT #157 Oil Federal
30-015-29203 SKELLY UNIT #180 Oil Federal
30-015-29204 SKELLY UNIT #182 Oil Federal
30-015-28971 SKELLY UNIT #185 Oil Federal
30-015-29206 SKELLY UNIT #189 Oil Federal
30-015-29207 SKELLY UNIT #190 Oil Federal
30-015-29312 SKELLY UNIT #191 Oil Federal
30-015-29313 SKELLY UNIT #192 Oil Federal
30-015-29216 SKELLY UNIT #193 Oil Federal
30-015-29217 SKELLY UNIT #194 Oil Federal
30-015-29013 SKELLY UNIT #198 Oil Federal
30-015-28972 SKELLY UNIT #199 Oil Federal
30-015-28998 SKELLY UNIT #200 Oil Federal
30-015-28947 SKELLY UNIT #201 Oil Federal
30-015-29062 SKELLY UNIT #202 Oil Federal
30-015-28966 SKELLY UNIT #204 Oil Federal
30-015-29092 SKELLY UNIT #211 Oil Federal
30-015-29031 SKELLY UNIT #212 Oil Federal
30-015-29762 SKELLY UNIT #213 Oil Federal
30-015-29540 SKELLY UNIT #214 Oil Federal
30-015-29541 SKELLY UNIT #215 Oil Federal
30-015-29223 SKELLY UNIT #216 Oil Federal
30-015-29273 SKELLY UNIT #217 Oil Federal
30-015-28892 SKELLY UNIT #220 Oil Federal
30-015-28893 SKELLY UNIT #221 Oil Federal
30-015-28894 SKELLY UNIT #222 Oil Federal
30-015-28964 SKELLY UNIT #223 Oil Federal
30-015-28973 SKELLY UNIT #225 Oil Federal
30-015-29182 SKELLY UNIT #226 Oil Federal
30-015-28948 SKELLY UNIT #227 Oil Federal
30-015-28949 SKELLY UNIT #228 Oil Federal
30-015-29181 SKELLY UNIT #233 Oil Federal
30-015-28783 SKELLY UNIT #234 Oil Federal
30-015-28784 SKELLY UNIT #235 Oil Federal
30-015-29063 SKELLY UNIT #246 Oil Federal
30-015-28788 SKELLY UNIT #247 Oil Federal
30-015-28810 SKELLY UNIT #248 Oil Federal
30-015-37006 SKELLY UNIT #502 Oil Federal
30-015-37008 SKELLY UNIT #503 Oil Federal

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

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3/13/2014 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