

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**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.
Multiple--See Attached

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
89200027608. Well Name and No.
Multiple--See Attached9. API Well No.
Multiple--See Attached10. Field and Pool or Exploratory Area
GRAYBURG JACKSON11. County or Parish, State
EDDY COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

LINN OPERATING INCORPORATED E-Mail: MKOTESKY@LINNENERGY.COM

Contact: MINDY K KOTESKY

3a. Address

600 TRAVIS STREET SUITE 5100
HOUSTON, TX 77002

3b. Phone No. (include area code)

Ph: 281-840-4208
Fx: 832-426-5972

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Multiple--See Attached

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Hydraulic Fracturing☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other
Venting and/or Flaring

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 must 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 must be filed once testing has been completed. Final Abandonment Notices must 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 RESPECTFULLY REQUESTS TO FLARE FROM 04/01/17 TO 06/30/17 AT 71 MCF/D FROM THE SKELLY UNIT A BATTERY DUE TO REQUEST FROM FRONTIER GAS PLANT TO SHUT-IN BATTERY DUE TO HIGH NITROGEN CONTENT IN GAS.

PLEASE SEE ATTACHED LIST FOR THE WELLS INCLUDED IN THIS BATTERY

NM OIL CONSERVATION
ARTESIA DISTRICT

JUL 17 2017

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

30-015-05344

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

Electronic Submission #371843 verified by the BLM Well Information System

For LINN OPERATING INCORPORATED, sent to the Carlsbad

Committed to AFMSS for processing by DEBORAH MCKINNEY on 04/04/2017 (17DLM1284SE)

Name (Printed/Typed) MINDY K KOTESKY

Title REGULATORY SPECIALIST

Signature (Electronic Submission)

Date 03/31/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By OMAR ALQOMAR

Title PETROLEUM ENGINEER

Date 07/10/2017

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

(Instructions on page 2)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Additional data for EC transaction #371843 that would not fit on the form

5. Lease Serial No., continued

NMLC029418A
NMLC029418B
NMLC029419A
NMLC029420A
NMNM98120
NMNM98122

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM71030A	NMLC029419A	SKELLY UNIT 2	30-015-05344-00-S1	Sec 22 T17S R31E NENW 660FNL 1980FWL
NMNM71030A	NMNM98122	SKELLY UNIT 502	30-015-37006-00-S1	Sec 21 T17S R31E NWNW 1310FNL 560FWL 32.823710 N Lat, 103.881499 W Lon
NMNM71030A	NMNM98122	SKELLY UNIT 11	30-015-05330-00-D1	Sec 21 T17S R31E NESE 1980FSL 660FEL
NMNM71030A	NMLC029418B	SKELLY UNIT 111	30-015-20548-00-S1	Sec 14 T17S R31E NESE 1980FSL 660FEL
NMNM71030A	NMNM98120	SKELLY UNIT 112	30-015-20549-00-S1	Sec 14 T17S R31E NENE 660FNL 660FEL
NMNM71030A	NMLC029419A	SKELLY UNIT 116	30-015-21090-00-D1	Sec 22 T17S R31E NWSW 1330FSL 130FWL
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	NMLC029418A	SKELLY UNIT 120	30-015-22254-00-S1	Sec 14 T17S R31E SWSW 760FSL 760FWL
NMNM71030A	NMLC029419A	SKELLY UNIT 124	30-015-22258-00-S1	Sec 22 T17S R31E SWNE 1880FNL 1880FEL
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	NMLC029419A	SKELLY UNIT 128	30-015-22262-00-S1	Sec 22 T17S R31E NENE 450FNL 450FEL
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	NMLC029418A	SKELLY UNIT 146	30-015-22520-00-S1	Sec 23 T17S R31E NENW 810FNL 1980FWL
NMNM71030A	NMNM98122	SKELLY UNIT 15	30-015-05332-00-S1	Sec 21 T17S R31E SWSW 760FSL 660FWL
NMNM71030A	NMLC029420A	SKELLY UNIT 150	30-015-22483-00-S1	Sec 15 T17S R31E NESE 1880FSL 560FEL
NMNM71030A	NMLC029419A	SKELLY UNIT 156	30-015-25038-00-D1	Sec 22 T17S R31E NWSE 2560FSL 2630FEL
NMNM71030A	NMLC029419A	SKELLY UNIT 156	30-015-25038-00-D2	Sec 22 T17S R31E NWSE 2560FSL 2630FEL
NMNM71030A	NMLC029419A	SKELLY UNIT 157	30-015-25039-00-D1	Sec 22 T17S R31E SENE 2600FNL 1310FEL
NMNM71030A	NMLC029419A	SKELLY UNIT 157	30-015-25039-00-D2	Sec 22 T17S R31E SENE 2600FNL 1310FEL
NMNM71030A	NMLC029420A	SKELLY UNIT 180	30-015-29203-00-S1	Sec 15 T17S R31E SENW 1401FNL 1338FWL
NMNM71030A	NMLC029420A	SKELLY UNIT 182	30-015-29204-00-S1	Sec 15 T17S R31E SENE 1423FNL 1260FEL
NMNM71030A	NMNM98120	SKELLY UNIT 185	30-015-28971-00-S1	Sec 14 T17S R31E NENW 1287FNL 2590FWL
NMNM71030A	NMLC029420A	SKELLY UNIT 189	30-015-29206-00-S1	Sec 15 T17S R31E NESE 2630FSL 1310FWL
NMNM71030A	NMLC029420A	SKELLY UNIT 190	30-015-29207-00-S1	Sec 15 T17S R31E NWNE 2622FSL 2465FEL
NMNM71030A	NMLC029420A	SKELLY UNIT 191	30-015-29312-00-S1	Sec 15 T17S R31E NWSE 2564FSL 1415FEL
NMNM71030A	NMLC029420A	SKELLY UNIT 192	30-015-29313-00-S1	Sec 15 T17S R31E NESE 2630FSL 17FEL
NMNM71030A	NMNM98120	SKELLY UNIT 193	30-015-29216-00-S1	Sec 14 T17S R31E SWNW 2630FNL 1300FWL
NMNM71030A	NMNM98120	SKELLY UNIT 194	30-015-29217-00-S1	Sec 14 T17S R31E SENW 2625FNL 2557FWL
NMNM71030A	NMLC029420A	SKELLY UNIT 198	30-015-29013-00-S1	Sec 15 T17S R31E NWSW 1354FSL 1300FWL
NMNM71030A	NMLC029420A	SKELLY UNIT 199	30-015-28972-00-S1	Sec 15 T17S R31E SESW 1310FSL 2546FWL
NMNM71030A	NMLC029420A	SKELLY UNIT 200	30-015-28998-00-S1	Sec 15 T17S R31E SESE 1294FSL 1295FEL
NMNM71030A	NMLC029418A	SKELLY UNIT 201	30-015-28947-00-S1	Sec 14 T17S R31E SWSW 1272FSL 45FWL
NMNM71030A	NMLC029418A	SKELLY UNIT 202	30-015-29062-00-S1	Sec 14 T17S R31E NWSW 1409FSL 1310FWL
NMNM71030A	NMLC029418A	SKELLY UNIT 204	30-015-28966-00-S1	Sec 14 T17S R31E SESE 1278FSL 1273FEL
NMNM71030A	NMLC029420A	SKELLY UNIT 211	30-015-29092-00-S1	Sec 15 T17S R31E SWSW 259FSL 1181FWL
NMNM71030A	NMLC029419A	SKELLY UNIT 212	30-015-29031-00-S1	Sec 22 T17S R31E NWNE 66FNL 2546FEL
NMNM71030A	NMLC029419A	SKELLY UNIT 213	30-015-29762-00-S1	Sec 22 T17S R31E NENE 40FNL 1220FEL
NMNM71030A	NMLC029418A	SKELLY UNIT 214	30-015-29540-00-S1	Sec 14 T17S R31E SWSW 189FSL 73FWL
NMNM71030A	NMLC029418A	SKELLY UNIT 215	30-015-29541-00-S1	Sec 14 T17S R31E SWSW 203FSL 1210FWL
NMNM71030A	NMLC029418A	SKELLY UNIT 216	30-015-29223-00-S1	Sec 14 T17S R31E SESW 128FSL 2515FWL
NMNM71030A	NMLC029418A	SKELLY UNIT 217	30-015-29273-00-S1	Sec 14 T17S R31E SESE 28FSL 1164FEL
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	NMLC029419A	SKELLY UNIT 225	30-015-28973-00-S1	Sec 22 T17S R31E SWNE 1357FNL 2580FEL
NMNM71030A	NMLC029419A	SKELLY UNIT 226	30-015-29182-00-S1	Sec 22 T17S R31E NENE 1217FNL 1117FEL
NMNM71030A	NMLC029419A	SKELLY UNIT 227	30-015-28948-00-S1	Sec 22 T17S R31E NENE 1237FNL 41FEL
NMNM71030A	NMLC029418A	SKELLY UNIT 228	30-015-28949-00-S1	Sec 23 T17S R31E SWNW 1326FNL 1317FWL
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 5	30-015-05335-00-S1	Sec 21 T17S R31E NENW 330FNL 1650FWL 32.826408 N Lat, 103.877943 W Lon
NMNM71030A	NMNM98122	SKELLY UNIT 503	30-015-37008-00-S1	Sec 21 T17S R31E NENW 1310FNL 1980FWL 32.823716 N Lat, 103.876855 W Lon
NMNM71030A	NMNM98122	SKELLY UNIT 6	30-015-05326-00-S1	Sec 21 T17S R31E NWNW 330FNL 990FWL
NMNM71030A	NMNM98122	SKELLY UNIT 7	30-015-05327-00-S1	Sec 21 T17S R31E SWNW 1874FNL 766FWL
NMNM71030A	NMNM98122	SKELLY UNIT 8	30-015-05328-00-S1	Sec 21 T17S R31E SENW 1650FNL 2310FWL

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

LINN OPERATING
SKELLY UNIT
MULTIPLE WELLS
NMLC029419A

07/10/2017

Pursuant to, 43 CFR 3179

Lessees or operators are hereby authorized to vent or flare gas on a short-term basis without incurring a royalty obligation in the following circumstances:

- A. 43 CFR 3179.105 **Emergencies** (a) An operator may flare or, if flaring is not feasible given the emergency, vent gas royalty-free under §3179.4 (a) (vi) of this subpart during an emergency. For purposes of this subpart, an "emergency" is a temporary, infrequent and unavoidable situation in which the loss of gas or oil is uncontrollable or necessary to avoid risk of an immediate and substantial adverse impact on safety, public health, or the environment. For purposes of royalty assessment, an "emergency" is limited to a short-term situation of 24 hours or less (unless the BLM agrees that the emergency conditions necessitating venting or flaring extend for a longer period) caused by an unanticipated event or failure that is out of the operator's control and was not due to operator negligence.
- B. 43 CFR 3179.4 **Determining when the loss of oil or gas is avoidable or unavoidable.**
(2) *Avoidably lost oil or gas* means: Lost oil or gas that is not "unavoidably lost," as defined in paragraph (a) of this section; waste oil that became waste oil through operator negligence; and, any "excess flared gas," as defined in §3179.7.
- C. 43 CFR 3179.5 **When lost production is subject to royalty.**
(a) Royalty is due on all avoidably lost oil or gas.
(b) Royalty is not due on any unavoidably lost oil or gas.

Condition of Approval to Flare Gas

- 1. The first 24 hours of a temporary emergency flare is considered "unavoidably lost" and is therefore royalty free. Flared volumes that are considered unavoidably lost are not to be included in Sundry Notice (Form 3160-5). These Volumes are not royalty bearing and shall be reported on OGOR "B" as either disposition code "21" or "22".
- 2. Flared volumes considered to be "avoidably lost":
These flare events will require prior approval via Notice of Intent- Sundry Notice (Form 3160-5). Volumes flared beyond limits defined in 43 CFR 3179.7 are considered "avoidably lost" and will require payment of royalties, unless an exception is granted in accordance with 43 CFR 3179. Volumes for avoidably lost gas shall be reported on OGOR "B" reports as disposition code "08".

If the operator believes that the flared volumes were “unavoidably lost” and the BLM determines them to be “avoidably lost”, the operator can submit a more detailed request via Sundry Notice (Form 3160-5) for an exception in accordance with 43 CFR 3179.4, 3179.103 - 3179.105. As an alternative to producing oil and flaring gas the operator may choose to shut the well in and avoid paying royalties on otherwise avoidably lost gas.

3. Approval not to exceed 90 days, **(from 04/01/2017 to 06/30/2017)**, if flaring is still required past 60 days submit new request for approval.
4. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared on a Sundry Notice (Form 3160-5). Include method for volume determination and duration. Report unavoidably lost (first 24 hrs. of unexpected event) and avoidably lost (exceeding the first 24 hrs. or flared gas that has been approved as avoidably lost by the Authorized Officer) volumes and durations on the Subsequent Report.
5. In determining the volumes of gas to be reported, shall be in accordance with 43 CFR 3179.4, 43 CFR 3179.5, 43 CFR 3179.9 and 43 CFR 3179.10
6. The operator must estimate or measure all volumes of gas vented or flared gas by one of the following methods.
 - i. Measure the flare gas by a meter. The meter shall meet all requirements for a sales meter as per Federal Regulations, 43 CFR 3175. Include meter serial number on Sundry Notice (Form 3160-5).
 - ii. Calculate the volume of the flared gas based on the results of a regularly performed GOR test and measured values for the volumes of oil production and gas sales, so as to allow BLM to independently verify the volume, rate, and heating value of the gas flared.

Regulation Ref: Link to 43 CFR 3179 **Waste Prevention and Resources Conservation**;
<https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=1&SID=dbd49eda8cdc488870172ed096d47be9&ty=HTML&h=L&mc=true&n=sp43.2.3170.3179&r=SUBPART>