

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well ☒ Oil Well ☐ Gas Well ☐ Other		5. Lease Serial No. Multiple--See Attached
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 / NM 71030A
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached		8. Well Name and No. Multiple--See Attached
		9. API Well No. Multiple--See Attached
		10. Field and Pool, or Exploratory GRAYBURG GRAYBURG JACKSON
		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			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	Venting and/or Flaring
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

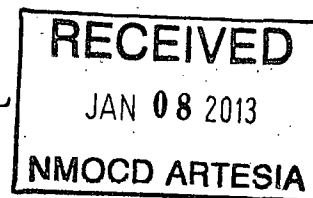
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths 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.)

REQUEST TO FLARE 224 MCF/D FROM THE NMNM71030A; LINN REQUESTS APPROVAL TO FLARE FOR NINETY DAYS (90 DAYS) DUE TO COMPRESSOR PROBLEMS.

THE FLARE IS LOCATED AT THE SKELLY B BATTERY. THE WELLS INVOLVED ARE:

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

SEE ATTACHED FOR
CONDITIONS OF APPROVAL



14. Thereby certify that the foregoing is true and correct. Electronic Submission #167833 verified by the BLM Well Information System For LINN OPERATING INCORPORATED, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 12/21/2012 (13KMS4275SE)		Accepted for record NMOC D
Name (Printed/Typed) TERRY B CALLAHAN	Title REGULATORY SPECIALIST III	1/8/2013
Signature (Electronic Submission)	Date 12/20/2012	

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By DUNCAN WHITLOCK	Title SUPERVISORY PET	Date 01/06/2013
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.

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

Additional data for EC transaction #167833 that would not fit on the form

5. Lease Serial No., continued

NMLC029418A
NMLC029419A
NMLC029419B
NMNM98120
NMNM98121
NMNM98122

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM71030A	NMNM98120	SKELLY UNIT 78	30-015-05366-00-S1	Sec 23 T17S R31E SWSW 1278FSL 660FWL
NMNM71030A	NMLC029419A	SKELLY UNIT 122	30-015-22256-00-S1	Sec 22 T17S R31E SWSE 600FSL 1880FEL
NMNM71030A	NMLC029419A	SKELLY UNIT 123	30-015-22257-00-S1	Sec 22 T17S R31E SWSW 560FSL 660FWL
NMNM71030A	NMNM98122	SKELLY UNIT 130	30-015-22264-00-S1	Sec 28 T17S R31E NENE 760FNL 760FEL
NMNM71030A	NMNM98122	SKELLY UNIT 131	30-015-22265-00-S1	Sec 28 T17S R31E SWNE 1880FNL 1880FEL
NMNM71030A	NMLC029419B	SKELLY UNIT 132	30-015-22266-00-S1	Sec 27 T17S R31E NENW 760FNL 1900FWL
NMNM71030A	NMLC029419B	SKELLY UNIT 133	30-015-22267-00-S1	Sec 27 T17S R31E NENE 760FNL 660FEL
NMNM71030A	NMLC029419B	SKELLY UNIT 134	30-015-22268-00-S1	Sec 27 T17S R31E SWNW 1860FNL 660FWL
NMNM71030A	NMLC029419B	SKELLY UNIT 135	30-015-22269-00-S1	Sec 27 T17S R31E SWNE 2080FNL 2080FEL
NMNM71030A	NMNM98122	SKELLY UNIT 136	30-015-22481-00-S1	Sec 28 T17S R31E SWNW 1830FNL 660FWL
NMNM71030A	NMNM98122	SKELLY UNIT 137	30-015-22506-00-S1	Sec 28 T17S R31E NENW 810FNL 2630FWL
NMNM71030A	NMNM98120	SKELLY UNIT 138	30-015-22482-00-S1	Sec 26 T17S R31E NENW 510FNL 1980FWL
NMNM71030A	NMNM98120	SKELLY UNIT 139	30-015-22507-00-S1	Sec 23 T17S R31E SWSE 510FSL 1980FEL
NMNM71030A	NMNM98120	SKELLY UNIT 140	30-015-22509-00-S1	Sec 23 T17S R31E SESE 810FSL 810FEL
NMNM71030A	NMNM98120	SKELLY UNIT 141	30-015-22484-00-S1	Sec 23 T17S R31E NESE 2210FSL 660FEL
NMNM71030A	NMNM98120	SKELLY UNIT 142	30-015-22510-00-S1	Sec 23 T17S R31E NESW 1980FSL 2130FWL
NMNM71030A	NMLC029418A	SKELLY UNIT 143	30-015-22513-00-S1	Sec 23 T17S R31E SWNE 2130FNL 1980FEL
NMNM71030A	NMLC029419A	SKELLY UNIT 158	30-015-25040-00-D1	Sec 22 T17S R31E SESE 1310FSL 1310FEL
NMNM71030A	NMLC029419A	SKELLY UNIT 158	30-015-25040-00-D2	Sec 22 T17S R31E SESE 1310FSL 1310FEL
NMNM71030A	NMLC029419A	SKELLY UNIT 159	30-015-25041-00-D1	Sec 22 T17S R31E SESW 1310FSL 2630FWL
NMNM71030A	NMLC029419A	SKELLY UNIT 159	30-015-25041-00-D2	Sec 22 T17S R31E SESW 1310FSL 2630FWL
NMNM71030A	NMLC029419A	SKELLY UNIT 160	30-015-25042-00-D1	Sec 22 T17S R31E SWSW 1270FSL 1310FWL
NMNM71030A	NMLC029419A	SKELLY UNIT 160	30-015-25042-00-D2	Sec 22 T17S R31E SWSW 1270FSL 1310FWL
NMNM71030A	NMLC029418A	SKELLY UNIT 229	30-015-29235-00-S1	Sec 23 T17S R31E NWNE 1219FNL 2344FEL
NMNM71030A	NMLC029418A	SKELLY UNIT 230	30-015-29236-00-S1	Sec 23 T17S R31E NENE 1198FNL 1296FEL
NMNM71030A	NMNM98120	SKELLY UNIT 240	30-015-29032-00-S1	Sec 23 T17S R31E NWSW 2403FSL 78FWL
NMNM71030A	NMLC029418A	SKELLY UNIT 241	30-015-29033-00-S1	Sec 23 T17S R31E SENW 2558FNL 1455FWL
NMNM71030A	NMNM98120	SKELLY UNIT 242	30-015-29237-00-S1	Sec 23 T17S R31E NWSE 2630FSL 2581FEL
NMNM71030A	NMLC029418A	SKELLY UNIT 243	30-015-29183-00-S1	Sec 23 T17S R31E SWNE 2616FNL 1343FEL
NMNM71030A	NMNM98120	SKELLY UNIT 253	30-015-28950-00-S1	Sec 23 T17S R31E SWSW 1300FSL 27FWL
NMNM71030A	NMNM98120	SKELLY UNIT 254	30-015-29034-00-S1	Sec 23 T17S R31E NWSW 1360FSL 1229FWL
NMNM71030A	NMNM98120	SKELLY UNIT 255	30-015-29238-00-S1	Sec 23 T17S R31E NWSE 1333FSL 2596FEL
NMNM71030A	NMNM98120	SKELLY UNIT 256	30-015-28974-00-S1	Sec 23 T17S R31E NWSE 1403FSL 1387FEL
NMNM71030A	NMNM98122	SKELLY UNIT 259	30-015-28975-00-S1	Sec 28 T17S R31E NWNW 142FNL 1302FWL
NMNM71030A	NMNM98122	SKELLY UNIT 260	30-015-28811-00-S1	Sec 21 T17S R31E SESW 105FSL 2540FWL
NMNM71030A	NMNM98122	SKELLY UNIT 261	30-015-28812-00-S1	Sec 28 T17S R31E NWNE 30FNL 1400FEL
NMNM71030A	NMNM98122	SKELLY UNIT 262	30-015-28789-00-S1	Sec 21 T17S R31E SESE 105FSL 125FEL
NMNM71030A	NMNM98121	SKELLY UNIT 265	30-015-29209-00-S1	Sec 27 T17S R31E NWNE 158FNL 1438FEL
NMNM71030A	NMLC029419B	SKELLY UNIT 277	30-015-28967-00-S1	Sec 27 T17S R31E SWNE 1330FNL 2628FEL
NMNM71030A	NMLC029419B	SKELLY UNIT 278	30-015-29226-00-S1	Sec 27 T17S R31E NWNE 1310FNL 1330FEL
NMNM71030A	NMNM98122	SKELLY UNIT 283	30-015-29227-00-S1	Sec 28 T17S R31E SWNW 2598FNL 1279FWL
NMNM71030A	NMNM98122	SKELLY UNIT 284-Y	30-015-29314-00-S1	Sec 28 T17S R31E NWSE 2586FSL 2535FEL
NMNM71030A	NMNM98122	SKELLY UNIT 302	30-015-29712-00-S1	Sec 28 T17S R31E NWNW 600FNL 583FWL
NMNM71030A	NMNM98122	SKELLY UNIT 400	30-015-29856-00-S1	Sec 21 T17S R31E SWSW 100FSL 260FWL
NMNM71030A	NMNM98122	SKELLY UNIT 402	30-015-29860-00-S1	Sec 28 T17S R31E SWNW 2625FNL 230FWL
NMNM71030A	NMNM98120	SKELLY UNIT 403	30-015-31069-00-S1	Sec 23 T17S R31E NESE 1320FSL 20FEL
NMNM71030A	NMLC029419A	SKELLY UNIT 118	30-015-22252-00-S1	Sec 22 T17S R31E NESE 1880FSL 660FEL
NMNM71030A	NMNM98122	SKELLY UNIT 401	30-015-29817-00-S1	Sec 28 T17S R31E NWNW 1300FNL 60FWL

32. Additional remarks, continued

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

32. Additional remarks, continued

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

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

Linn Operating, Inc.
Skelly Unit Wells
NM71030A

January 6, 2013

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.
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 with actual volumes of gas flared for each month gas is flared.