1	UNITED STATE EPARTMENT OF THE I BUREAU OF LAND MANA	NTERIOR GEMENT	NMOCI Artesia		OMB N Expires: Ja 5. Lease Serial No.	APPROVED O. 1004-0137 muary 31, 2018		
SUNDRY Do not use ti	-	NMLC029395B 6. If Indian, Allottee or Tribe Name						
abandoned w	ell. Use form 3160-3 (AP	D) for such prope	osals.					
SUBMIT IN	TRIPLICATE - Other ins	tructions on page	2		7. If Unit or CA/Agree	ement, Name and/or No.		
 Type of Well ☑ Oil Well ☑ Gas Well ☑ O 	ther				8. Well Name and No. TURNER B 63			
2. Name of Operator LINN OPERATING INCORP	Contact: ORATED E-Mail: shildreth@	SHAWN HILDRE	TH		9. API Well No. 30-015-05450-00-S1			
3a. Address 600 TRAVIS STREET SUITE HOUSTON, TX 77002	Ph: 281-840-42 Fx: 832-209-436	3b. Phone No. (include area code) Ph: 281-840-4234 Fx: 832-209-4369			10. Field and Pool or Exploratory Area GRAYBURG JACKSON-SR-Q-GRBG-5			
4. Location of Well (Footage, Sec.,		ı)			11. County or Parish, State			
Sec 29 T17S R31E SWSE 660FSL 1980FEL					EDDY COUNTY, NM			
12. CHECK THE A	PPROPRIATE BOX(ES)	TO INDICATE N	ATURE OI	F NOTICE, F	REPORT, OR OTH	IER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION							
⊠ Notice of Intent	Acidize	Deepen Hydraulic	: Fracturing	Production Reclamat	on (Start/Resume) ion	□ Water Shut-Off □ Well Integrity		
Subsequent Report	Casing Repair	New Con	struction	- Recomple	ete	Other Venting and/or Flari ng		
Final Abandonment Notice	🗖 Change Plans	Plug and	Abandon	🗖 Tempora	rily Abandon			
	Convert to Injection	🗖 Plug Bacl	ĸ	U Water Di	sposal			
13. Describe Proposed or Completed O If the proposal is to deepen directio Attach the Bond under which the w following completion of the involvitesting has been completed. Final A determined that the site is ready for LINN OPERATING, INC. RE TURNER B (SOUTH) BATTE NITROGEN CONTENT IN G	nally or recomplete horizontally, ork will be performed or provide ed operations. If the operation re bandonment Notices must be fil final inspection. SPECTIVELY REQUEST ERY DUE TO REQUEST F	give subsurface locati the Bond No. on file to sults in a multiple com ed only after all requir S TO FLARE FRO FROM FRONTIER	ons and measur vith BLM/BIA pletion or reco ements, includi M 2/1/2017 ⁻ GAS PLAN ⁻	red and true vert . Required subs mpletion in a ne ing reclamation, TO 4/30/2017 T TO SHUT-1	ical depths of all pertin equent reports must be w interval, a Form 316 have been completed a 7 AT 50 MCF/D FR N BATTERY DUE	ent markers and zones. filed within 30 days 0-4 must be filed once nd the operator has OM THE		
						SIA DISTRICT		
					MANN A	19 2017		
		<u> </u>			· · · · R			
14. I hereby certify that the foregoing	# Electronic Submission For LINN OPERA	TING INCORPORAT	ED, sent to	the Carlsbad	-			
	nitted to AFMSS for process HILDRETH	sing by DEBORAH		n 02/07/2017 (ATORY ADV	• •			
						<u> </u>		
Signature (Electronic	Submission)	Date	02/02/20)17	<u></u>	·		
THIS SPACE FOR FEDERAL OR STATE OFFICE USE								

Approved By	Title	PETROLEUM ENGINEER	Datul	17 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		<u></u>	

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 REVI **CONDITIONS OF APPROVAL**

TURNER B SOUTH BATTERY

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API	Well Name	Well Number	Туре	Lease
30-015-05450	TURNER B	#063	Oil	Federal
30-015-26388	TURNER B	#080	Oil	Federal
30-015-26389	TURNER B	#081	Oil	Federal
30-015-26385	TURNER B	#082	Oil	Federal
30-015-26390	TURNER B	#083	Oil	Federal
30-015-26391	TURNER B	#084	Oil	Federal
30-015-26386	TURNER B	#085	Oil	Federal
30-015-26392	TURNER B	#086	Oil	Federal
30-015-26387	TURNER B	#087	Oil	Federal
30-015-26571	TURNER B	#088	Oil	Federal
30-015-26595	TURNER B	#089	Oil	Federal
30-015-26603	TURNER B	#091	Oil	Federal
30-015-26596	TURNER B	#092	Oil	Federal
30-015-26611	TURNER B	#093	011	Federal
30-015-26620	TURNER B	#098	Oil	Federal
30-015-26621	TURNER B	#0 9 9	Oil	Federal
30-015-26617	TURNER B	#100	Oil	Federal
30-015-28895	TURNER B	#107	Oil	Federal
30-015-28984	TURNER B	#108	Oll	Federal
30-015-29571	TURNER B	#109	Oil	Federal
30-015-29572	TURNER B	#110	Oil	Federal
30-015-29530	TURNER B	#111	Oil	Federal
30-015-29573	TURNER B	#113	Oil	Federal
30-015-29187	TURNER B	#114	Oil	Federal
30-015-28920	TURNER B	#118	Oil	Federal
30-015-29954	TURNER B	#137	Oil	Federal

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

Pursuant to, 43 CFR 3179

Lessees or operators are hereby authorized to vent or flare gas on a short-term basis <u>without incurring a</u> <u>royalty</u> 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 <u>temporary emergency flare</u> 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. <u>Volumes for avoidably lost gas shall be reported on OGOR "B" reports as disposition code "08"</u>.

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, if flaring is still required past 90 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). <u>Include method for volume determination and duration. Report</u> <u>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.</u>
- 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 (due to volume of gas being flared). 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; <u>https://www.ecfr.gov/cgi-</u>

bin/retrieveECFR?gp=1&SID=dbd49eda8cdc488870172ed096d47be9&ty=HTML&h=L&mc=true &n=sp43.2.3170.3179&r=SUBPART