

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-129
Revised August 1, 2011

Submit one copy to appropriate
District Office

NFO Permit No. _____
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12

(See Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC)

A. Applicant LINN OPERATING, INC

whose address is 600 Travis Street, Suite 5100, Houston, TX 77002

hereby requests an exception to Rule 19.15.18.12 for 60 days or until

May 10, 2014, for the following described tank battery (or LACT):

Name of Lease South Leonard Queen Unit Name of Pool: Leonard;Queen, South

Location of Battery: Unit Letter J Section 16 Township 17S Range 31E

Number of wells producing into battery: 4 State (see attached list)

B. Based upon oil production of 8 barrels per day, the estimated * volume

of gas to be flare is 15 MCF; Value \$69.30 per day.

C. Name and location of nearest gas gathering facility:

Southern Union Plant Down.

D. Distance 0 Estimated cost of connection: No other options

E. This exception is requested for the following reasons:

The South Leonard Unit Battery may flare due to high line pressure on the Regency lines. We have our equipment set to automatically start flaring when the pressure reaches a certain level.

RECEIVED

MAR 10 2014

HOBBSOCD

OPERATOR

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature Terry B. Callahan

Printed Name

& Title Terry B. Callahan (Regulatory Specialist III)

E-mail tcallahan@linnenergy.com

Date March 10, 2014 Telephone No. 281-840-4272

OIL CONSERVATION DIVISION

Approved Until 5/30/2014

By Maley Brown

Title COMPLIANCE OFFICER

Date 3/10/2014

* Gas-Oil ratio test may be required to verify estimated gas volume.

API	Well Name	Well Number	Type	Lease
30-025-12052	SOUTH LEONARD UNIT	#007	Oil	Private
30-025-12053	SOUTH LEONARD UNIT	#012	Oil	Private
30-025-29018	SOUTH LEONARD UNIT	#017	Oil	Private
30-025-29228	SOUTH LEONARD UNIT	#018	Oil	Private