

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

HOBBS OCD

State of New Mexico
Energy Minerals and Natural Resources

AUG 19 2016

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

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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 15 days or until
September 1, 2016, for the following described tank battery (or LACT):
Name of Lease: Phillips Lea South Battery ✓ Name of Pool: Vacuum; Grayburg-San Andres
Location of Battery: Unit Letter J Section 31 Township 17S Range 34E ✓
Number of wells producing into battery: 5 (See Attached Listing)
- B. Based upon oil production of 30 barrels per day, the estimated * volume
of gas to be flared is 96 MCF/D; Value @ \$2.35 MCF for a total of \$225.60/day.
- C. Name and location of nearest gas gathering facility:
DCP Sales Point
- D. Distance 0 Estimated cost of connection: No other options
- E. This exception is requested for the following reasons:
DCP Line Repair
(Phillips Lea #003 API # 30-025-02155)

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 Debra Gordon
Printed Name Debra Gordon
& Title Regulatory Manager
E-mail dgordon@linenergy.com

Date 8/17/2016 Telephone No. 281.840.4010

OIL CONSERVATION DIVISION

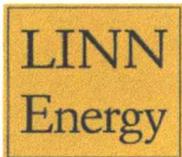
Approved Until 9/1/2016
By Marys Brown
Title Dist Supervisor
Date 8/22/2016

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

PHILLIPS LEA SOUTH BATTERY

API	Well Name	Well Number	Type	Lease
30-025-02155	PHILLIPS LEA	#003	Oil	State
30-025-23161	PHILLIPS LEA	#005	Oil	State
30-025-23345	PHILLIPS LEA	#006	Oil	State
30-025-23582	PHILLIPS LEA	#008	Oil	State
30-025-42004	PHILLIPS LEA	#105	Oil	State

POOL: VACUUM; GRAYBURG/SAN ANDRES



HOBBS CO

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LINN Operating Inc.

A wholly owned subsidiary of LINN Energy, LLC

600 Travis Street, Suite 5100

Houston, Texas 77002

Phone: (281) 840-4000

Fax: (281) 840-4001

August 17, 2016

New Mexico Energy, Minerals & Natural Res Dept.
Oil Conservation Division
1625 N. French Drive
Hobbs, NM 88240

ATTENTION: Mr. Maxey G. Brown
District 1 Supervisor

REFERENCE: Request for Exception to No-Flare Rule 19.15.18.12
Phillips Lea South Battery – Lea County, NM

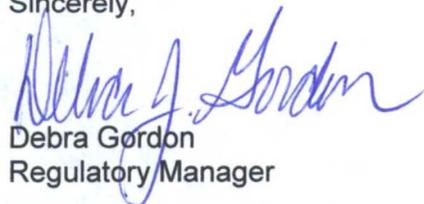
Dear Mr. Brown,

Linn Operating, Inc. is respectfully requesting an exception to the No-Flare Rule 19.15.18.12 for the Phillips Lea South Battery to commence August 17, 2016 for approximately 15 days. This exception is requested due to a DCP failure.

Should you require additional information or have any questions, please do hesitate to contact me at dgordon@linnenergy.com or 281.840.4010.

Thank you for assistance and consideration.

Sincerely,



Debra Gordon
Regulatory Manager

Enclosure: Form C-129
Well List by Battery

Cc/ Regulatory Well File
NM Asset Team