

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 OCP  
DEC 19 2016  
RECEIVED

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, Houston, TX 77002,  
hereby requests an exception to Rule 19.15.18.12 for 90 days days or until  
March 18, Yr 2017, for the following described tank battery (or LACT):  
Name of Lease Phillips Lea Name of Pool Vacuum; Grayburg-San Andres  
Location of Battery: Unit Letter F Section 31 Township 17S Range 34E  
Number of wells producing into battery 5 (see attached list of North Battery wells)
- B. Based upon oil production of 36 barrels per day, the estimated \* volume  
of gas to be flared is 130 MCF; Value \$440.96 per day.
- C. Name and location of nearest gas gathering facility:  
DCP sales point on lease
- D. Distance 0 Estimated cost of connection no other options
- E. This exception is requested for the following reasons: \_\_\_\_\_  
DCP plant shut down with no date of return provided  
\_\_\_\_\_  
Phillips Lea #001 (30-025-02157)

#### 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 BTB

Printed Name  
& Title Bart Treviño - Regulatory Specialist II

E-mail Address btrevino@linnenergy.com

Date 12/19/16 Telephone No. 713-904-6684

#### OIL CONSERVATION DIVISION

Approved Until 3/18/2017

By Marys Brown

Title AO/II

Date 12/21/2016

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

**Phillips Lea Battery**

| Battery | API          | Well Name    | Well Number | Type | Lease | Status |
|---------|--------------|--------------|-------------|------|-------|--------|
| North   | 30-025-02157 | PHILLIPS LEA | #001        | Oil  | State | Active |
| North   | 30-025-02163 | PHILLIPS LEA | #002        | Oil  | State | Active |
| North   | 30-025-23513 | PHILLIPS LEA | #007        | Oil  | State | Active |
| North   | 30-025-39184 | PHILLIPS LEA | #013        | Oil  | State | Active |
| North   | 30-025-42003 | PHILLIPS LEA | #104        | Oil  | State | Active |