

BP America Announces Sale of Hugoton Properties

Linn Energy LLC Acquires Properties and Gas Processing Plant

BP America Production Company (NYSE: BP) announced that it has agreed to sell its interests in the Hugoton, Kansas, Jayhawk gas processing plant and associated producing Hugoton Embayment gas fields in southwestern Kansas to an affiliate of **LINN Energy, LLC** (NASDAQ: LINE), headquartered in Houston, Texas. Under the agreement, LINN Energy has agreed to pay BP \$1.2 billion in cash. Completion of the agreement is subject to closing conditions including the receipt of all necessary governmental and regulatory approvals. The sale is currently expected to complete on March 30, 2012.

The agreement includes the sale of all of BP's working interest in about 2,400 wells in the Hugoton natural gas field, as well as the Hugoton Jayhawk gas processing plant, which has a processing capacity of about 450 million standard cubic feet of gas per day (mmscf/d). The majority of BP's current net natural gas production of about 110 million cubic feet of gas equivalent in the area is processed through the plant.

BP group chief executive Bob Dudley said: "We are reshaping BP's business around the world, focusing on our strengths and future growth opportunities. The sale of these mature assets will allow us to concentrate our efforts on our strong core positions in the U.S. and globally."

In 2011, BP produced over 1,800 mmscf/d natural gas in the United States. BP's North America Gas business has a high quality portfolio of assets with a presence in 6 of the top 13 gas basins in the US Lower 48. BP's operations center in Ulysses, Kansas is staffed by 120 employees. Most are expected to receive offers with LINN Energy. BP's growing presence in the wind business in Kansas will be unaffected by the sale.

U.S. Crude Oil Production Rose in January says API

The **American Petroleum Institute** (API) reports crude oil production in the U.S. rose 3.8 percent in January to average 5.7 million barrels per day, an eight-year high for the month. Alaskan production was up by 34 percent, and North Dakota production was also strong.

The number of oil and gas rigs remained flat from December 2011 levels, according to the latest reports from **Baker-Hughes Inc.** There are currently 1,989 rotary rigs active in the U.S., 282 rigs more a year ago. **IOGsi** independent figures show Kansas active rig count has risen from 79 to 104 during the past year, a gain of nearly 32 percent.

API said U.S. crude oil stocks were down 3.2 percent from January 2011 but up slightly from December 2011. Stocks at the beginning of March 2012 stood at 348.9 million barrels, according to the EIA. Total petroleum deliveries (a measure of demand) fell 5.7 percent this January compared with January 2011 to just over 18 million barrels per day.

Supplies for refined products remained ample, with gasoline production of 8.9 million barrels per day setting a record high for January. Total refinery inputs were higher than last year's levels by 1.9 percent. Refineries utilization is 83.9 percent at present, according EIA.

Imports of crude oil and refined products fell in January by 14 percent to average 10.1 million barrels per day, with products hitting a 17-year low for the month. Total petroleum exports (almost all of which were product exports) fell from the recent highs of 2011 to average just over three million barrels per day, yet were still higher than January 2011 levels by 13.5 percent, said API. (visit www.api.org for more news)