

LINN ENERGY, LLC
Form 10-Q
October 27, 2011

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended September 30, 2011

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

for the transition period from _____ to _____

Commission File Number: 000-51719

LINN ENERGY, LLC
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation
or organization)

65-1177591
(IRS Employer
Identification No.)

600 Travis, Suite 5100
Houston, Texas
(Address of principal executive offices)

77002
(Zip Code)

(281) 840-4000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer,” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of September 30, 2011, there were 176,708,225 units outstanding.

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GLOSSARY OF TERMS

As commonly used in the oil and natural gas industry and as used in this Quarterly Report on Form 10-Q, the following terms have the following meanings:

Bbl. One stock tank barrel or 42 United States gallons liquid volume.

Bcf. One billion cubic feet.

Bcfe. One billion cubic feet equivalent, determined using a ratio of six Mcf of natural gas to one Bbl of oil, condensate or natural gas liquids.

Btu. One British thermal unit, which is the heat required to raise the temperature of a one-pound mass of water from 58.5 degrees to 59.5 degrees Fahrenheit.

MBbls. One thousand barrels of oil or other liquid hydrocarbons.

MBbls/d. MBbls per day.

Mcf. One thousand cubic feet.

Mcfe. One thousand cubic feet equivalent, determined using the ratio of six Mcf of natural gas to one Bbl of oil, condensate or natural gas liquids.

MMBbls. One million barrels of oil or other liquid hydrocarbons.

MMBoe. One million barrels of oil equivalent, determined using a ratio of one Bbl of oil, condensate or natural gas liquids to six Mcf.

MMBtu. One million British thermal units.

MMcf. One million cubic feet.

MMcf/d. MMcf per day.

MMcfe. One million cubic feet equivalent, determined using a ratio of six Mcf of natural gas to one Bbl of oil, condensate or natural gas liquids.

MMcfe/d. MMcfe per day.

MMMBtu. One billion British thermal units.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

LINN ENERGY, LLC

CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2011 (Unaudited)	December 31, 2010 (Unaudited)
	(in thousands, except unit amounts)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 10,075	\$ 236,001
Accounts receivable – trade, net	246,677	184,624
Derivative instruments	322,872	234,675
Other current assets	56,506	55,609
Total current assets	636,130	710,909
Noncurrent assets:		
Oil and natural gas properties (successful efforts method)	6,940,778	5,664,503
Less accumulated depletion and amortization	(939,264)	(719,035)
	6,001,514	4,945,468
Other property and equipment	178,044	139,903
Less accumulated depreciation	(44,295)	(35,151)
	133,749	104,752
Derivative instruments	453,541	56,895
Other noncurrent assets	109,295	115,124
	562,836	172,019
Total noncurrent assets	6,698,099	5,222,239
Total assets	\$ 7,334,229	\$ 5,933,148
LIABILITIES AND UNITHOLDERS' CAPITAL		
Current liabilities:		
Accounts payable and accrued expenses	\$ 344,241	\$ 219,830
Derivative instruments	3,667	12,839
Other accrued liabilities	91,823	82,439
Total current liabilities	439,731	315,108
Noncurrent liabilities:		
Credit facility	65,000	—
Senior notes, net	3,053,924	2,742,902
Derivative instruments	3,213	39,797
Other noncurrent liabilities	61,683	47,125
Total noncurrent liabilities	3,183,820	2,829,824
Commitments and contingencies (Note 10)		

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Unitholders' capital:

176,708,225 units and 159,009,795 units issued and outstanding at September 30, 2011, and December 31, 2010, respectively	2,843,507	2,549,099
Accumulated income	867,171	239,117
	3,710,678	2,788,216
Total liabilities and unitholders' capital	\$7,334,229	