LINN ENERGY, LLC
Form 424B5
March 24, 2010

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CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Maximum Offering Price per Unit	Maximum Aggregate Offering Price	Amount of Registration Fee(2)
Units representing limited liability company interests	17,250,000	$25.00	$431,250,000	$30,749

(1) Includes units subject to an over-allotment option granted by the Registrant to the underwriters.

(2) Calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended.

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-162357

PROSPECTUS SUPPLEMENT
(To Prospectus dated October 6, 2009)

15,000,000 Units
Representing Limited Liability Company Interests

We are offering 15,000,000 units representing limited liability company interests of Linn Energy, LLC.

Our units trade on The NASDAQ Global Select Market, or NASDAQ, under the symbol LINE. The last reported sale price of our units on NASDAQ on March 23, 2010 was $25.00 per unit.

Investing in our units involves risk. Please read Risk Factors beginning on page S-15 of this prospectus supplement and page 1 of the accompanying prospectus and in the documents incorporated by reference carefully before you make your investment decision. Limited liability companies are inherently different from corporations.

	Per Unit	Total
Price to the public	$ 25.00	$ 375,000,000
Underwriting discounts and commissions	$ 1.00	$ 15,000,000
Proceeds to LINN Energy (before expenses)	$ 24.00	$ 360,000,000

We have granted the underwriters a 30-day option to purchase up to an additional 2,250,000 units from us on the same terms and conditions set forth above if the underwriters sell more than 15,000,000 units in this offering.

Affiliates of certain of the underwriters are lenders under our revolving credit facility, and accordingly will receive substantially all of the net proceeds of this offering.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed on the adequacy or accuracy of this prospectus supplement. Any representation to the contrary is a criminal offense.

Barclays Capital, on behalf of the underwriters, expects to deliver the units on or about March 29, 2010.

Barclays Capital **Citi** **RBC Capital Markets**
UBS Investment Bank **Wells Fargo Securities**

Credit Suisse **Raymond James**

Stifel Nicolaus **Madison Williams** **Oppenheimer & Co.**
Davenport & Company LLC **Wunderlich Securities**

Prospectus Supplement dated March 23, 2010

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Note: Reserve data as of December 31, 2009, pro forma to reflect the acquisition of oil and natural gas properties in the Anadarko and Permian Basins for a contract price of $154.5 million that was completed January 29, 2010.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is the prospectus supplement, which describes the specific terms of this offering and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference. The second part is the accompanying prospectus, which provides more general information. To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus or any document incorporated by reference, on the other hand, you should rely on the information in this prospectus supplement. Before you invest in our units, you should carefully read this prospectus supplement, along with the accompanying prospectus, in addition to the information contained in the documents we refer to under the heading Where You Can Find More Information.

You should rely only on the information contained in this prospectus supplement, the accompanying prospectus, the documents we incorporate by reference and any free writing prospectus prepared by or on behalf of us. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should not assume that the information in this prospectus supplement, the accompanying prospectus or any document incorporated by reference is accurate as of any date other than the date on its front cover. Our business, financial condition, results of operations and prospects may have changed since the date indicated on the front cover of such documents. Neither this prospectus supplement nor the accompanying prospectus constitutes an offer to sell or the solicitation of an offer to buy any securities other than the units offered hereunder, nor does this prospectus supplement or the accompanying prospectus constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and other reports and other information with the Securities and Exchange Commission, or SEC, under the Securities Exchange Act of 1934, as amended, or the Exchange Act. You may read and copy any reports, statements or other information filed by us at the SEC s Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Copies of such materials can be obtained at prescribed rates from the Public Reference Room of the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. Our filings with the SEC are also available to the public from commercial document retrieval services and at the SEC s website at http://www.sec.gov.

We incorporate by reference information into this prospectus supplement, which means that we disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus supplement. Any statement in this prospectus supplement or incorporated by reference into this prospectus supplement shall be automatically modified or superseded for purposes of this prospectus supplement to the extent that a statement contained herein or in a subsequently filed document that is incorporated by reference in this prospectus supplement modifies or supersedes such prior statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement. You should not assume that the information in this prospectus supplement is current as of any date other than the date on the front page of this prospectus supplement.

We incorporate by reference the documents listed below and any future filings made with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act (excluding any information furnished under Items 2.02 or 7.01 on any Current Report on Form 8-K) after the date of this prospectus

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supplement and until the termination of this offering. These reports contain important information about us, our financial condition and our results of operations.

Our Annual Report on Form 10-K for the year ended December 31, 2009, filed with the SEC on February 25, 2010;

Our Current Reports on Form 8-K filed on January 5, 2010, January 29, 2010, and March 22, 2010; and

The description of our units contained in our registration statement on Form 8-A, filed with the SEC on January 12, 2006.

You may request a copy of any document incorporated by reference in this prospectus supplement and any exhibit specifically incorporated by reference in those documents, at no cost, by writing or telephoning us at the following address or phone number:

Linn Energy, LLC
Investor Relations
600 Travis, Suite 5100
Houston, Texas 77002
(281) 840-4000

We also make available free of charge on our internet website at http://www.linnenergy.com our Annual Reports on Form 10-K, our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K, and any amendments to those reports, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Information contained on our website is not incorporated by reference into this prospectus supplement and you should not consider information contained on our website as part of this prospectus supplement.

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information included or incorporated by reference elsewhere in this prospectus supplement. It does not contain all of the information that you should consider before making an investment decision. We urge you to read the entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference carefully, including the historical financial statements and notes to those financial statements incorporated by reference. Please read Risk Factors in this prospectus supplement, the accompanying prospectus and in our Annual Report on Form 10-K for the year ended December 31, 2009, for more information about important risks that you should consider before investing in the units. Unless the context indicates otherwise, information presented in this prospectus supplement assumes the underwriters do not exercise their option to purchase additional units. DeGolyer and MacNaughton, independent petroleum engineers, provided the estimates of our proved oil and natural gas reserves as of December 31, 2007, 2008, and 2009, included in or incorporated by reference into this prospectus supplement. As used in this prospectus supplement and the accompanying prospectus, unless the context otherwise requires or indicates, references to LINN Energy, we, our, ours, and us refer to Linn Energy, LLC and its subsidiaries, collectively.

Our Company

We are a publicly traded, independent oil and natural gas company focused on the development and acquisition of long-life oil and natural gas properties, which complement our asset profile in producing basins within the United States. Our properties are currently located in four regions of the United States:

- Mid-Continent Deep, which includes the Texas Panhandle Deep Granite Wash formation and deep formations in Oklahoma and Kansas;
- Mid-Continent Shallow, which includes the Texas Panhandle Brown Dolomite formation and shallow formations in Oklahoma, Louisiana and Illinois;
- California, which includes the Brea Olinda Field of the Los Angeles Basin; and
- Permian Basin, which includes areas in West Texas and Southeast New Mexico.

Our total proved reserves at December 31, 2009, were 1.7 Tcfe, of which approximately 36% were oil, 45% were natural gas and 19% were natural gas liquids (NGL). Approximately 71% were classified as proved developed, with a total standardized measure of discounted future net cash flows of $1.72 billion. At December 31, 2009, we operated 4,688, or 68%, of our 6,931 gross productive wells and had an average proved reserve-life index of approximately 22 years, based on our total proved reserves at December 31, 2009, and annualized production for the three months ended December 31, 2009.

In January 2010, we completed an acquisition of certain oil and natural gas properties in the Anadarko and Permian Basins for a contract price of $154.5 million. See Recent Developments below for additional details. On a pro forma basis, including this acquisition, total proved reserves at December 31, 2009, were 1.8 Tcfe, of which approximately 37% were oil, 44% were natural gas and 19% were NGL.

For the twelve months ended December 31, 2009, we generated adjusted EBITDA from continuing operations of $566.2 million. See Non-GAAP Financial Measure for a reconciliation of adjusted EBITDA to income (loss) from continuing operations.

The following table sets forth certain information with respect to our estimated proved reserves at December 31, 2009, as well as the average daily production for the three months ended December 31, 2009.

Region	Estimated Proved Reserves at December 31, 2009 (Bcfe)	% Natural Gas	% Proved Developed	Average Daily Production for the Three Months Ended December 31, 2009 (MMcfe/d)	Proved Reserves/ Production (Years)[1]	Number of Identified Drilling Locations at December 31, 2009
Mid-Continent Deep	814	75%	71%	125	18	2,011
Mid-Continent Shallow	648	22%	66%	68	26	2,024
California	189	7%	94%	14	38	21
Permian Basin	61	11%	53%	8	21	235
Total	1,712	45%	71%	215	22	4,291

(1) Our ratio of proved reserves to production is the quotient derived by dividing (i) our total proved reserves at December 31, 2009, by (ii) our annualized average daily production for the three months ended December 31, 2009.

Our Competitive Strengths and Our Strategy

Our Competitive Strengths

We believe the following strengths provide us with significant competitive advantages:

Large and High Quality Asset Base with a Long Reserve Life

Based on our total proved reserves at December 31, 2009, we are larger than any oil and natural gas production master limited partnership and we are one of the top 25 domestic independent oil and natural gas companies. Our reserve base is characterized by lower geologic risk and well-established production histories and exhibits low production decline rates. Based on our total proved reserves at December 31, 2009, and our annualized average daily production for the three months ended December 31, 2009, our average reserve-life index is approximately 22 years. As of December 31, 2009, 71% of our reserves were classified as proved developed. Our reserves are also diversified by product with approximately 37% oil, 44% natural gas and 19% NGL at December 31, 2009, on a pro forma basis to reflect the acquisition of oil and natural gas properties in the Anadarko and Permian Basins completed January 29, 2010.

Significant Inventory of Lower-Risk Development Opportunities

We have a significant inventory of projects in our core areas that we believe will support our development activity. At December 31, 2009, we had 4,291 identified drilling locations, of which 1,241 were proved undeveloped drilling locations and the remainder were unproved drilling locations. During the three-year period ended December 31, 2009, we drilled a total of 517 gross wells in the Mid-Continent Deep, Mid-Continent Shallow, California and Permian Basin operating regions with an approximate 99% success rate. We currently intend to drill more than 80 wells in 2010.

Significant Scale of Operations in the Mid-Continent

The Mid-Continent Deep and Mid-Continent Shallow regions represent our largest area of operations with approximately 85% of our proved reserves at December 31, 2009. The extent of our Mid-Continent operation allows us to increase our economies of scale in both drilling and production operations, which results in lower production costs while maintaining a high success rate on our drilling program. Furthermore, we own integrated gathering and transportation infrastructure in the Mid-Continent, which improves our cost structure.

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High Percentage of Production Hedged

Currently, we utilize swap contracts, put options and collars to minimize our cash flow volatility while maintaining optionality for future upward movement in commodity prices. Swap contracts are designed to provide a fixed price, put options provide a fixed price floor with opportunity for upside, and collars provide a range of prices between a price floor and a price ceiling that we will receive as compared to floating market prices. Our current oil, natural gas and NGL production is hedged approximately 100% on an equivalent basis for 2010 and 2011, and approximately 75% of current oil production is hedged for 2012 and 2013.

The following table summarizes open positions as of March 10, 2010, and represents, as of such date, derivatives in place through December 31, 2013, on annual production volumes:

	March 10 - December 31, 2010	Year 2011	Year 2012	Year 2013
Natural Gas Positions:				
Fixed Price Swaps:				
Hedged Volume (MMMBtu)	32,971	31,901		
Average Price ($/MMBtu)	$ 8.90	$ 9.50		
Puts:				
Hedged Volume (MMMBtu)	5,800	6,960		
Average Price ($/MMBtu)	$ 8.50	$ 9.50		
PEPL Puts:(1)				
Hedged Volume (MMMBtu)	7,976	13,259		
Average Price ($/MMBtu)	$ 7.85	$ 8.50		
Total:				
Hedged Volume (MMMBtu)	46,747	52,120		
Average Price ($/MMBtu)	$ 8.67	$ 9.25		
Oil Positions:				
Fixed Price Swaps:(2)				
Hedged Volume (MBbls)	1,792	2,073	3,020	3,011
Average Price ($/Bbl)	$ 90.00	$ 90.00	$ 100.00	$ 100.00
Puts:(3)				
Hedged Volume (MBbls)	1,875	2,352		
Average Price ($/Bbl)	$ 110.00	$ 75.00		
Collars:				
Hedged Volume (MBbls)	208	276		
Average Floor Price ($/Bbl)	$ 90.00	$ 90.00		
Average Ceiling Price ($/Bbl)	$ 112.00	$ 112.25		
Total:				
Hedged Volume (MBbls)	3,875	4,701	3,020	3,011
Average Price ($/Bbl)	$ 99.68	$ 82.50	$ 100.00	$ 100.00
Natural Gas Basis Differential Positions:				
PEPL Basis Swaps:(1)				
Hedged Volume (MMMBtu)	32,374	35,541	34,066	31,700
Hedged Differential ($/MMBtu)	$ (0.97)	$ (0.96)	$ (0.95)	$ (1.01)

(1) Settle on the Panhandle Eastern Pipeline, or PEPL, spot price of natural gas to hedge basis differential associated with natural gas production in the Mid-Continent Deep and Mid-Continent Shallow regions.

(2) As presented in the table above, we have outstanding fixed price oil swaps on 8,250 Bbls of daily production at a price of $100.00 per Bbl for the years ending December 31, 2012, and December 31, 2013. We have derivative contracts that extend these swaps at a price of $100.00 per Bbl for each of the years ending December 31, 2014, December 31, 2015, and December 31, 2016, if the counterparties determine that the strike prices are in-the-money on a designated date in each respective preceding year. The extension for each year is exercisable without respect to the other future years.

(3) We utilize oil puts to hedge revenues associated with our NGL production.

High Percentage of Operated Properties

For the year ended December 31, 2009, approximately 84% of our production came from wells over which we had operating control. Maintaining control of our properties allows us to use our technical and operational expertise to manage overhead, production, drilling costs and capital expenditures and to control the timing of development activities.

Our Strategy

We will continue to use our competitive strengths to achieve our corporate objectives. Our primary goal is to provide stability and growth of distributions for the long-term benefit of our unitholders. The following is a summary of the key elements of our business strategy:

- grow through acquisition of long-life, high quality properties;
- efficiently operate and develop acquired properties; and
- reduce cash flow volatility through commodity price and interest rate hedging.

Our business strategy is discussed in more detail below.

Grow Through Acquisition of Long-Life, High Quality Properties

Our acquisition program targets oil and natural gas properties that we believe will be financially accretive and offer stable, long-life, high quality production with relatively predictable decline curves, as well as lower-risk development opportunities. We evaluate acquisitions based on decline profile, reserve life, operational efficiency, field cash flow, development costs and rate of return. As part of this strategy, we continually seek to optimize our asset portfolio, which may include the divestiture of noncore assets. This allows us to redeploy capital into projects to develop lower-risk, long-life and lower-decline properties that are better suited to our business strategy.

From inception through the date of this prospectus supplement, excluding 15 acquisitions comprising the Appalachian Basin properties sold in July 2008, we have completed 13 acquisitions of working and royalty interests in oil and natural gas properties and related gathering and pipeline assets. We have acquired total proved reserves of approximately 1.8 Tcfe, determined at the time of each acquisition, for an average acquisition cost of approximately $2.15 per Mcfe.

We regularly engage in discussions with potential sellers regarding acquisition opportunities. Such acquisition efforts may involve our participation in auction processes, as well as situations in which we believe we are the only party or one of a very limited number of potential buyers in negotiations with the potential seller. These acquisition efforts can

involve assets that, if acquired, would have a material effect on our financial condition and results of operations. We finance acquisitions with a combination of funds from equity and debt offerings, bank borrowings and cash generated from operations.

Efficiently Operate and Develop Acquired Properties

We have centralized the operation of our acquired properties into defined operating regions to minimize operating costs and maximize production and capital efficiency. We maintain a large inventory of drilling and optimization projects within each region to achieve organic growth from our capital development program. We seek to be the operator of our properties so that we can develop

drilling programs and optimization projects that not only replace production, but add value through reserve and production growth and future operational synergies. Our development program is focused on lower-risk, repeatable drilling opportunities to maintain and/or grow cash flow. Many of the wells are completed in multiple producing zones with commingled production and long economic lives. In addition, we seek to deliver attractive financial returns by leveraging our technical expertise, experienced workforce and scalable infrastructure. For 2010, we estimate our capital expenditures, excluding acquisitions, will be between $150.0 million and $175.0 million. This estimate is under continuous review and is subject to ongoing adjustment. We expect to fund these capital expenditures primarily with cash flow from operations.

Reduce Cash Flow Volatility Through Commodity Price and Interest Rate Hedging

An important part of our business strategy includes hedging a significant portion of our forecasted production to reduce exposure to fluctuations in the prices of oil, natural gas and NGL and provide long-term cash flow predictability to pay distributions, service debt and manage our business. By removing a significant portion of the price volatility associated with future production, we expect to mitigate, but not eliminate, the potential effects of variability in cash flow from operations due to fluctuations in commodity prices.

Our commodity hedging transactions are primarily in the form of swap contracts, put options and collars that are designed to provide a fixed price (swap contracts), fixed price floor with opportunity for upside (put options) or range of prices between a price floor and a price ceiling (collars) that we will receive as compared to floating market prices. At March 10, 2010, we had derivative contracts in place for 2010 and 2011 at average prices of $99.68 per Bbl and $82.50 per Bbl for oil and $8.67 per MMBtu and $9.25 per MMBtu for natural gas, respectively. Additionally, we have derivative contracts in place covering a substantial portion of our exposure to the Mid-Continent natural gas basis differential through 2013.

In addition, we enter into derivative contracts in the form of interest rate swaps to minimize the effects of fluctuations in interest rates. However, from time to time we may unwind these derivative contracts when the current interest rate environment offers better economics. We currently intend to use a portion of the net proceeds from our proposed senior unsecured notes offering to unwind all of our 2010 interest rate swaps. See Recent Developments Senior Notes Offering below. Currently, we utilize London Interbank Offered Rate (LIBOR) swaps to convert the borrowing rate on indebtedness under our revolving credit facility from a floating rate to a fixed rate. At March 10, 2010, we had LIBOR swaps in place at an average fixed rate of 3.85% through January 2014.

Recent Developments

Commodity Derivatives

In the first quarter of 2010, we entered into fixed price oil swaps on an additional 6,250 Bbls of daily production at a price of $100.00 per Bbl for the years ending December 31, 2012, and December 31, 2013, bringing our total oil swap position for those years to 8,250 Bbls of daily production. We have derivative contracts that extend these swaps at a price of $100.00 per Bbl for each of the years ending December 31, 2014, December 31, 2015, and December 31, 2016, if the counterparties determine that the strike prices are in-the-money on a designated date in each respective preceding year. The extension for each year is exercisable without respect to the other future years.

Acquisitions

On March 21, 2010, we executed a definitive purchase and sale agreement to acquire the outstanding membership interests in two wholly owned subsidiaries of HighMount Exploration & Production LLC (HighMount), which hold oil and natural gas properties in the Antrim Shale located

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in northern Michigan, for a contract price of $330.0 million, subject to post-closing adjustments. We refer to this transaction as the HighMount Michigan acquisition. Based on information provided by HighMount, including its internal reserve estimates, we estimate that the properties acquired in the HighMount Michigan acquisition include:

- proved reserves at December 31, 2009 of approximately 266.7 Bcfe, 85% of which were classified as proved developed;
- 2,250 wells, of which approximately 60% were operated;
- current net production as of March 1, 2010, of approximately 30.0 MMcfe per day (99% of which was natural gas);
- 279 proved undeveloped infill drilling locations; and
- oil and gas leases covering approximately 263,060 gross acres (123,783 net).

The above information is based on information provided to us in the course of the due diligence we performed with respect to the HighMount Michigan acquisition. In connection with this acquisition, we have placed a cash amount equal to 10% of the contract purchase price into deposit. Subject to the satisfaction of certain closing conditions, we expect to close the HighMount Michigan acquisition on or before April 30, 2010. However, we cannot assure you that the HighMount Michigan acquisition will be completed on the time frame anticipated, or at all. This offering is not contingent on the completion of the acquisition.

On March 22, 2010, we entered into the following commodity derivatives contracts with respect to anticipated production from properties to be acquired in the HighMount Michigan acquisition: