

LINN ENERGY, LLC
Form DEF 14A
April 21, 2008

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
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Linn Energy, LLC

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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(4) Date Filed:

LINN ENERGY, LLC

**600 Travis, Suite 5100
Houston, Texas 77002**

NOTICE OF ANNUAL MEETING OF UNITHOLDERS To Be Held on May 29, 2008

Dear Unitholder:

You are cordially invited to attend the 2008 Annual Meeting of Unitholders (the "Annual Meeting") of Linn Energy, LLC, a Delaware limited liability company ("Linn Energy"), which will be held on Thursday, May 29, 2008, at 1:00 p.m., Central Standard Time, at the Magnolia Hotel, 1100 Texas Street, Houston, Texas 77002. The Annual Meeting will be held for the following purposes:

1. To elect five directors to Linn Energy's Board of Directors to serve until the 2009 Annual Meeting of Unitholders;
2. To ratify the appointment of KPMG LLP as independent auditor of Linn Energy for the fiscal year ending December 31, 2008;
3. To approve the Amended and Restated Linn Energy, LLC Long-Term Incentive Plan (the "LTIP"), which a) increases the total number of Units authorized to be issued under the LTIP from 3,900,000 units to 12,200,000 units, which represents an incremental increase of 8,300,000 units, b) removes the limitation on the number of restricted units that may be awarded under the LTIP within the overall limit on units that are authorized to be issued under the LTIP, c) prohibits repricing of options and unit appreciation rights, d) prohibits net unit counting for unit appreciation rights, e) provides for minimum vesting periods for full value awards, and f) prohibits the issuance of distribution equivalent rights in tandem with options and unit appreciation rights; and
4. To transact such other business as may properly come before the Annual Meeting and any adjournments or postponements of the meeting.

Additional information regarding the Annual Meeting is set forth in the attached Proxy Statement.

Only unitholders of record at the close of business on April 1, 2008 are entitled to receive notice of and to vote at the Annual Meeting or any adjournments or postponement thereof. A list of our unitholders will be available for examination at the Annual Meeting and at Linn Energy's Houston office at least ten days prior to the Annual Meeting.

By Order of the Board of Directors,

Charlene A. Ripley
*Senior Vice President, General Counsel and
Corporate Secretary*

Houston, Texas
April 21, 2008

YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD IN THE ENCLOSED POSTAGE-PAID RETURN ENVELOPE AS PROMPTLY AS POSSIBLE. IF YOU ATTEND THE MEETING AND SO DESIRE, YOU MAY WITHDRAW YOUR PROXY AND VOTE IN PERSON.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE UNITHOLDERS MEETING TO BE HELD ON MAY 29, 2008.

This Proxy Statement and our 2007 Annual Report are available at www.proxyvote.com.

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LINN ENERGY, LLC

**600 Travis, Suite 5100
Houston, Texas 77002**

PROXY STATEMENT

Annual Meeting of Unitholders To Be Held on Thursday, May 29, 2008

This Proxy Statement, which was first mailed to our unitholders on or around April 21, 2008, is being furnished to you in connection with the solicitation of proxies by and on behalf of the Board of Directors of Linn Energy, LLC, (the "Board") for use at our 2008 Annual Meeting of Unitholders (the "Annual Meeting") or at any adjournments or postponements thereof. The Annual Meeting will be held on Thursday, May 29, 2008, at 1:00 p.m., Central Standard Time, at the Magnolia Hotel, 1100 Texas Street, Houston, Texas 77002. Only holders of record of units at the close of business on April 1, 2008 (the "Record Date") were entitled to notice of, and are entitled to vote at, the Annual Meeting and any adjournments or postponements thereof, unless such adjournment or postponement is for more than 30 days, in which event we will set a new record date. Unless the context requires otherwise, the terms "our," "we," "us" and similar terms refer to Linn Energy, LLC, together with its consolidated subsidiaries.

Proposals

At our 2008 Annual Meeting of Unitholders, we are asking our unitholders to consider and act upon proposals to: (1) elect five directors to serve until our 2009 Annual Meeting; (2) ratify the appointment of KPMG LLP as our independent auditor for the fiscal year ending December 31, 2008; and (3) approve the Amended and Restated Linn Energy, LLC Long-Term Incentive Plan (the "LTIP"), which a) increases the total number of Units authorized to be issued under the LTIP from 3,900,000 units to 12,200,000 units, which represents an incremental increase of 8,300,000 units, b) removes the limitation on the number of restricted units that may be awarded under the LTIP within the overall limit on units that are authorized to be issued under the LTIP, c) prohibits repricing of options and unit appreciation rights, d) prohibits net unit counting for unit appreciation rights, e) provides for minimum vesting periods for full value awards, and f) prohibits the issuance of distribution equivalent rights in tandem with options and unit appreciation rights.

Quorum Required

The presence, in person or by proxy, of the holders as of the Record Date of a majority of our outstanding units is necessary to constitute a quorum for purposes of voting on the proposals at the Annual Meeting. Withheld votes will count as present for purposes of establishing a quorum on the proposals.

How to Vote

If you are a holder of our units, you are entitled to one vote at the meeting for each unit that you held as of the Record Date. If you do not wish to vote for a particular director nominee, you must clearly identify such nominee on your proxy card. Votes withheld will have the same effect as not voting. A plurality of the votes of the units present in person or represented by proxy at the meeting and entitled to vote on the election of directors is required to elect each nominee for director and a majority of the units present in person or by proxy at the meeting is required to approve each other item to be voted upon at the meeting. We will include abstentions in the vote totals, which means that they have the same effect on each

proposal as a negative vote. However, broker non-votes, if any, though counted for purposes of determining a quorum, will not be included in the vote totals and therefore will not have any effect.

You may vote in person at the Annual Meeting or by proxy. Even if you plan to attend the Annual Meeting, we encourage you to complete, sign and return your proxy card in advance of the Annual Meeting. If you plan to attend the Annual Meeting and wish to vote in person, we will give you a ballot at the meeting. However, please note that if your units are held in "street name" (in the name of a broker or by a bank or other nominee), you are considered the beneficial owner of these units and proxy materials are being forwarded to you by your broker or nominee, which is considered, with respect to these units, the unitholder of record. As the beneficial owner, you have the right to direct your broker how to vote; however, since you are not the unitholder of record, you may not vote these units in person at the Annual Meeting unless you obtain from your brokerage firm an account statement, letter or other evidence satisfactory to us of your beneficial ownership of the units. Please mail your completed, signed and dated proxy card in the enclosed postage-paid return envelope as soon as possible so that your units may be represented at the Annual Meeting.

Revoking Your Proxy

You may revoke your proxy before it is voted at the Annual Meeting as follows: (i) by delivering, before or at the Annual Meeting, a new proxy with a later date; (ii) by delivering, on or before the business day prior to the Annual Meeting, a notice of revocation to our Secretary at the address set forth in the notice of the Annual Meeting; (iii) by attending the Annual Meeting in person and voting, although your attendance at the Annual Meeting, without actually voting, will not by itself revoke a previously granted proxy; or (iv) if you have instructed a broker to vote your units, you must follow the directions received from your broker to change those instructions.

Outstanding Units Held on Record Date

As of the Record Date, there were 114,540,574 outstanding units entitled to vote at the Annual Meeting.

PROPOSAL ONE: ELECTION OF DIRECTORS

Members of our Board of Directors are elected each year at the annual meeting of unitholders. All five of our current Board members have been nominated to stand for re-election at the Annual Meeting. We encourage our director nominees to attend our annual meetings to provide an opportunity for unitholders to communicate directly with directors about issues affecting our company. We anticipate that all director nominees will attend the Annual Meeting. In 2007, all the current directors attended the annual meeting, except Mr. McCoy who became a director in September 2007.

At the Annual Meeting, our unitholders will consider and act upon a proposal to elect five directors to our Board of Directors to serve until the 2009 Annual Meeting of Unitholders. Each of the nominees has consented to serve as a director if so elected. Each nominee who is elected to our Board of Directors will serve in such capacity until his term expires or his successor has been duly elected and qualified or, if earlier, until such director dies, resigns or is removed. The persons named as proxies in the accompanying proxy card, who have been designated by our Board of Directors, intend to vote **FOR** the election of the director nominees unless otherwise instructed by a unitholder in a proxy card. If these nominees become unable for any reason to stand for election as a director, the persons named as proxies in the accompanying proxy card will vote for the election of such other person or persons as our Board of Directors may recommend and propose to replace such nominee or nominees.

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Information concerning the five director nominees is set forth below.

Director Nominees

Name	Age	Position with Our Company	Director Since
Michael C. Linn	56	Chairman, Chief Executive Officer and Director	2003
George A. Alcorn	76	Independent Director	2006
Terrence S. Jacobs	65	Independent Director	2006
Jeffrey C. Swoveland	53	Independent Director	2006
Joseph P. McCoy	57	Independent Director	2007

Michael C. Linn is our Chairman and Chief Executive Officer and has served in such capacity since December 2007. Prior to that, from June 2006 to December 2007, Mr. Linn served as Chairman, President and Chief Executive Officer and from March 2003 to June 2006, he was the President, Chief Executive Officer and Director. From 2000 to 2003 Mr. Linn was President of Allegheny Interests, Inc., a private oil and gas investment company. From 1980 to 1999, Mr. Linn served as General Counsel (1980-1982), Vice President (1982-1987), President (1987-1990) and CEO (1990-1999) of Meridian Exploration, a private Appalachian Basin oil and gas company that was sold to Columbia Natural Gas Company in 1999. Both Allegheny Interests and Meridian Exploration were wholly owned by Mr. Linn and his family. Mr. Linn is the immediate past Chairman of the Independent Petroleum Association of America, the largest national trade association of independent oil and gas producers. He currently sits on the Boards of the National Petroleum Council and the American Exploration and Production Council and is a member of the oil and gas industry's 25 Year Club. He was recently appointed as a Texas representative to the Legal and Regulatory Affairs Committee of the Interstate Oil and Gas Compact Commission. He is also Chairman of the Houston Wildcatters Committee of the Texas Alliance of Energy Producers. Mr. Linn regularly appears on behalf of the industry before state and federal agencies, such as the Department of Energy, Department of the Treasury, Federal Energy Regulatory Commission and the Environmental Protection Agency. In addition, he has testified on behalf of the industry before various committees and subcommittees of the U.S. House of Representatives and the U.S. Senate and is regularly quoted and has published various articles for trade publications and newspapers. He is also a frequent guest on radio and television programs representing the industry. His civic affiliations include memberships on the Boards of Small Steps and the Youth Development Center, in addition to memberships on the American Art Committee of the Museum of Fine Arts Houston and the Corporate Committee of Texas Children's Hospital.

George A. Alcorn was appointed to our Board of Directors in January 2006. Mr. Alcorn is an independent director and serves as Chairman of our Nominating and Governance Committee. Mr. Alcorn has served as President of Alcorn Exploration, Inc., a private exploration and production company, since 1982. Mr. Alcorn is also a member of the board of directors of EOG Resources, Inc. He is a past chairman of the Independent Petroleum Association of America and a founding member and past chairman of the Natural Gas Council.

Terrence S. Jacobs was appointed to our Board of Directors in January 2006. Mr. Jacobs is an independent director and serves as Chairman of our Audit Committee. Since 1995, Mr. Jacobs has served as President and CEO of Penneco Oil Company, which provides ongoing leasing, marketing, exploration and drilling operations for natural gas and crude oil in Western Pennsylvania and West Virginia. Mr. Jacobs currently serves on the boards of directors of Penneco Oil Company and affiliates, Rockwood Casualty Insurance Company, Somerset Casualty Insurance Company and First Commonwealth Bank. Mr. Jacobs served as President of the Independent Oil and Gas Association of Pennsylvania from 1999 to 2001 and from 2003 to 2005 and has served as a director of the Independent Petroleum Association of America for the states of Delaware, Maryland, Pennsylvania and New York West from 2000-2006. He is presently serving as Chairman of the Tax Committee of the Independent Petroleum Association of America. Mr. Jacobs is a Certified Public Accountant in Pennsylvania.

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Jeffrey C. Swoveland was appointed to our Board of Directors in January 2006. Mr. Swoveland is an independent director and serves as Chairman of the Compensation Committee. Since May of 2006, Mr. Swoveland has served as Chief Operating Officer of Coventina Healthcare Enterprises, a medical device company that develops and markets products which reduce pain and increase the rate of healing through therapeutic, deep tissue heating. From 2000 to 2006, he served as Chief Financial Officer of BodyMedia, a life-science and bioinformatics company. From 1994 to 2000, he served as Director of Finance, VP Finance & Treasurer and Interim Chief Financial Officer of Equitable Resources, Inc., a diversified natural gas company.

Joseph P. McCoy was appointed to our Board of Directors in September 2007. Mr. McCoy is an independent director. Mr. McCoy served as Senior Vice President and Chief Financial Officer of Burlington Resources Inc. from 2005 until 2006 and Vice President and Controller (Chief Accounting Officer) of Burlington Resources Inc. from 2001 until 2005. Mr. McCoy is also a member of the board of directors of Rancher Energy, Inc. and BPI Energy Corp.

Required Vote

Our limited liability company agreement provides for "plurality voting" in the election of directors, and directors will be elected by a plurality of the votes cast for a particular position. Each outstanding unit shall be entitled to one vote on all matters submitted to members for approval and in the election of directors.

With respect to the Annual Meeting, we have five nominees and five available board seats. Each properly executed proxy received in time for the Annual Meeting will be voted as specified therein. The five nominees receiving the most votes cast at the Annual Meeting will be elected to our Board of Directors.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT UNITHOLDERS VOTE "FOR" THE ELECTION OF EACH OF THE FIVE NOMINEES FOR DIRECTOR.

THE BOARD OF DIRECTORS AND ITS COMMITTEES

Director Independence

The Nominating and Governance Committee of our Board of Directors reviews director independence on an annual basis and makes a threshold determination as to the status of each director's independence. After this initial determination is made, the Nominating and Governance Committee makes a recommendation to the full Board of Directors, who then ultimately determine director independence. This subjective determination is made by considering all direct or indirect business relationships between each director (including his or her immediate family) and our company, as well as relationships with charitable organizations. The full Board of Directors, upon recommendation by the Nominating and Governance Committee, has determined that Messrs. Alcorn, Jacobs, Swoveland and McCoy qualify as "independent" in accordance with the published listing requirements of The NASDAQ Global Select Market ("NASDAQ"). The NASDAQ independence definition includes a series of objective tests, such as that the director is not an employee of our company and has not engaged in various types of business dealings with our company. In addition, as further required by the NASDAQ rules, the Nominating and Governance Committee has made a subjective determination as to each independent director that no relationships exist which, in the opinion of the Nominating and Governance Committee, would interfere with the exercise of his independent judgment in carrying out the responsibilities of a director. Mr. Linn is not independent by virtue of his role as Chief Executive Officer of our company.

During the Board of Director's most recent review of independence, the following relationships were considered:

Mr. Alcorn serves as President of Alcorn Exploration, LLC, a private exploration and production company. Mr. Alcorn is also a member of the board of directors of EOG Resources, Inc.

Mr. Jacobs has served as President of Penneco Oil Company, which provides ongoing leasing, marketing, exploration and drilling operations for natural gas and crude oil in Western Pennsylvania and West Virginia. During 2007, we paid approximately \$0.2 million to Penneco Oil Company for purchases of natural gas. These purchases represent an amount less than 5% of our consolidated gross oil, gas and natural gas liquid sales and were consummated on arm's length terms. Future purchases are expected to remain under 5% of our consolidated sales.

Mr. Swoveland has served as Chief Operating Officer of Coventina Healthcare Enterprises, a medical device company since May 2006.

Mr. McCoy served as Senior Vice President and Chief Financial Officer of Burlington Resources Inc., a publicly traded independent oil and gas company, until its merger with ConocoPhillips in 2006. He is also a member of the boards of directors of Rancher Energy Corp. and BPI Energy, Inc.

After consideration, our Board of Directors has determined that these relationships would not interfere with Messrs. Alcorn, Jacobs, Swoveland or McCoy's independent judgment as Linn Energy, LLC Board members.

In addition, the members of the Audit Committee of our Board of Directors each qualify as "independent" under standards established by the Securities and Exchange Commission ("SEC") for members of audit committees, and the Audit Committee includes at least one member who is determined by our Board of Directors to meet the qualifications of an "audit committee financial expert" in accordance with SEC rules, including that the person meets the relevant definition of an "independent" director. Mr. Jacobs is the independent director who has been determined to be an audit committee financial expert. Unitholders should understand that this designation is a disclosure requirement of the SEC related to Mr. Jacobs' experience and understanding with respect to certain accounting and auditing matters. The designation does not impose on Mr. Jacobs any duties, obligations or liability that are greater than are generally imposed on him as a member of the Audit Committee and Board of Directors, and his designation as an audit committee financial expert pursuant to this SEC requirement does not affect the duties, obligations or liability of any other member of the Audit Committee or Board of Directors.

Corporate Governance

Our Board of Directors has adopted Corporate Governance Guidelines to assist it in the exercise of its responsibility to provide effective governance over our affairs for the benefit of our unitholders. In addition, we have adopted a Code of Business Conduct and Ethics, which sets forth legal and ethical standards of conduct for all our employees, as well as our directors. We also have adopted a code of ethics which applies to our Chief Executive Officer and Senior Financial Officers. All of these documents are available on our website, www.linnenergy.com, and will be provided free of charge to any unitholder requesting a copy by writing to our Corporate Secretary, Linn Energy, LLC, 600 Travis, Suite 5100, Houston, Texas 77002. If any substantive amendments are made to the Code of Ethics for Chief Executive Officer and Senior Financial Officers or if we grant any waiver, including any implicit waiver, from a provision of the code, we will disclose the nature of such amendment or waiver within four business days on our website. The information on our website is not, and shall not be deemed to be, a part of this Proxy Statement or incorporated into any other filings we make with the SEC.

Communications to Our Board of Directors

Our Board of Directors has a process in place for communication with unitholders. Unitholders should initiate any communications with our Board in writing and send them to our Board of Directors c/o Charlene A. Ripley, Senior Vice President, General Counsel and Corporate Secretary, Linn Energy, LLC, 600 Travis, Suite 5100, Houston, Texas 77002. All such communications will be forwarded to the appropriate directors. This centralized process will assist our Board of Directors in reviewing and responding to unitholder communications in an appropriate manner. If a unitholder wishes for a particular director or directors to receive any such communication, the unitholder must specify the name or names of any specific Board recipient or recipients in the communication. Communications to our Board of Directors must include the number of units owned by the unitholder as well as the unitholder's name, address, telephone number and email address, if any.

Meetings of Our Board of Directors; Executive Sessions

Our Board of Directors holds regular and special meetings from time to time as may be necessary. Regular meetings may be held without notice on dates set by our Board of Directors from time to time. Special meetings of our Board of Directors may be called with reasonable notice to each member upon request of the Chairman of the Board of Directors or upon the written request of any three Board members. A quorum for a regular or special Meeting will exist when a majority of the members are participating in the meeting either in person or by conference telephone. Any action required or permitted to be taken at a Board meeting may be taken without a meeting, without prior notice and without a vote if all of the members sign a written consent authorizing the action.

During 2007, our Board of Directors held 4 regular and 13 special meetings. The standing Committees of our Board of Directors held an aggregate of 22 meetings during this period. Each director attended at least 75% of the aggregate number of meetings of the Board and Committees on which he served. Mr. McCoy joined our Board in September 2007 and attended all meetings in 2007 following his election.

The Corporate Governance Guidelines adopted by our Board of Directors provide that the independent directors will meet in executive session at least quarterly, or more frequently if necessary. The Chairman of our Nominating and Governance Committee will chair the executive sessions of the independent directors.

Committees of Our Board of Directors

Our Board of Directors currently has standing Audit, Compensation, and Nominating and Governance Committees. Each member of these Committees is an independent director in accordance with the NASDAQ listing standards described above and applicable SEC rules. Our Board of Directors has adopted a written charter for each of these Committees, which sets forth each Committee's purposes, responsibilities and authority. Each Committee reviews and assesses on an annual basis the adequacy of its charter and recommends any proposed modifications to our Board of Directors for its approval. These committee charters are available on our website at www.linnenergy.com. You may also contact Charlene A. Ripley, our Senior Vice President, General Counsel and Corporate Secretary at Linn Energy, LLC, 600 Travis, Suite 5100, Houston, Texas 77002, to request paper copies free of charge. The following is a brief description of the functions and operations of the standing Committees of our Board of Directors.

Audit Committee.

The Audit Committee assists our Board of Directors in its general oversight of our financial reporting, internal controls and audit functions, and is directly responsible for the appointment, retention, compensation and oversight of the work of our independent auditor. During 2007, the Audit Committee held 11 meetings. The Audit Committee is currently comprised of four directors: Mr. Jacobs (Chairman), Mr. Alcorn, Mr. Swoveland and Mr. McCoy. Each member of the Audit Committee is "independent" as

defined by the NASDAQ listing standards and applicable SEC rules, and is financially literate. Mr. Jacobs has been designated the "audit committee financial expert".

Our Audit Committee also reviews related party transactions and other specific matters that our Board of Directors believes may involve conflicts of interest. The Audit Committee determines if the related party transaction or resolution of the conflict of interest is in the best interest of our company. Any conflict of interest matters approved by the Audit Committee will be conclusively deemed to be fair and reasonable to our company and approved by all of our Unitholders. The report of our Audit Committee appears under the heading "Report of the Audit Committee" below.

Compensation Committee.

The Compensation Committee's primary responsibilities are to: (i) approve the compensation arrangements for senior management of our company and for our Board members, including establishment of salaries and bonuses and other compensation for executive officers of our company, (ii) to approve any compensation plans in which officers and directors of our company are eligible to participate and to administer such plans, including the granting of equity awards or other benefits under any such plans and (iii) to review and discuss with our management the Compensation Discussion and Analysis to be included in our annual proxy statement. The Compensation Committee also oversees the preparation of a report on executive compensation for inclusion in the annual proxy statement.

During 2007, the Compensation Committee held seven meetings. The Compensation Committee is currently comprised of four directors: Mr. Swoveland (Chairman), Mr. Alcorn, Mr. Jacobs and Mr. McCoy. Each of the Compensation Committee members is "independent" as defined by the NASDAQ listing standards. All Compensation Committee members are also "non-employee directors" as defined by Rule 16b-3 under the Securities Exchange Act of 1934, as amended ("Exchange Act"). The report of our Compensation Committee appears under the heading "Report of the Compensation Committee" on page 25 of this Proxy Statement.

Procedures and Processes for Determining Executive and Director Compensation

Please refer to "Compensation Discussion and Analysis, The Compensation Committee," on page 19 of this Proxy Statement for a discussion of the Compensation Committee's procedures and processes for making compensation determinations.

Compensation Committee Interlocks and Insider Participation

Messrs. Swoveland, Alcorn, Jacobs and McCoy currently serve as members of the Compensation Committee and each are "independent" directors as defined by the NASDAQ listing standards. No member of the Compensation Committee has any relationship with our company that is required to be disclosed in any of the reports that we file with the SEC other than service on our Board of Directors. None of our executive officers serves as a member of the board of directors or compensation committee of any entity that has one or more of its executive officers serving as a member of our Board of Directors or Compensation Committee.

Nominating and Governance Committee.

The Nominating and Governance Committee's primary responsibilities are (i) to develop criteria, recruit and recommend candidates for election to our Board of Directors, (ii) to develop and recommend corporate governance guidelines to our Board of Directors, and to assist our Board of Directors in implementing such guidelines, (iii) to lead our Board of Directors in its annual review of the performance of the Board of Directors and its Committees, (iv) to review and amend as appropriate our Code of Business Conduct and Ethics and our Code of Ethics for Chief Executive Officer and Senior Financial Officers and (v) to assess the independence of each non-employee director and to determine the "audit

committee financial expert". The Nominating and Governance Committee will consider the following qualifications, along with such other qualities the Board identifies from time to time, for director nominees:

Personal and professional integrity and high ethical standards;

Good business judgment;

An excellent reputation in the industry in which the nominee or director is or has been primarily employed;

A sophisticated understanding of our business or similar businesses;

Curiosity and a willingness to ask probing questions of management;

The ability and willingness to work cooperatively with other members of the Board and with the CEO and other senior management; and

The ability and willingness to support us with his or her preparation for, attendance at and participation in Board meetings.

The Committee will evaluate each nominee based upon a consideration of a nominee's qualification as independent and consideration of diversity, age, skills and experience in the context of the needs of the Board of Directors as described in our Corporate Governance Guidelines. The Nominating and Governance Committee may rely on various sources to identify director nominees. These include input from directors, management, professional search firms and others that the Committee feels are reliable.

The Nominating and Governance Committee will consider director candidate suggestions made by unitholders in the same manner as other candidates. Any such nominations, together with appropriate biographical information, should be submitted to the Chairman of the Nominating and Governance Committee, c/o Charlene A. Ripley, Senior Vice President, General Counsel and Corporate Secretary, Linn Energy, LLC, 600 Travis, Suite 5100, Houston, Texas 77002. For other procedures that must be followed in order for the Committee to consider recommendations from unitholders, please read "Unitholder Proposals and Director Nominations Recommendation of Director Candidates to the Nominating and Governance Committee." In 2007, the Nominating and Governance Committee held 4 meetings. The Nominating and Governance Committee is currently comprised of four directors: Mr. Alcorn (Chairman), Mr. Jacobs, Mr. Swoveland and Mr. McCoy. Each member of the Nominating and Governance Committee is "independent" as defined by the NASDAQ listing standards.

Report of the Audit Committee

The Audit Committee oversees the financial reporting process of Linn Energy, LLC on behalf of its Board of Directors. Management has the primary responsibility for the preparation of the financial statements and the reporting process, including the systems of internal control.

With respect to the financial statements for the year ended December 31, 2007, the Audit Committee reviewed and discussed the financial statements of Linn Energy, LLC and the quality of financial reporting with management and the independent auditor. It also discussed with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61, as amended (AICPA, *Professional Standards*, Vol. 1, AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T, and received from the independent auditor the written disclosures required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), as modified or supplemented and as adopted by the Public Company Accounting Oversight Board in Rule 3600T. Additionally, the Audit Committee has discussed with the independent auditor the independent auditor's independence with respect to Linn Energy, LLC. The Audit Committee determined that the non-audit services provided to Linn Energy, LLC by the independent auditor (discussed below under "Proposal

Two: Ratification of Independent Public Accountants") are compatible with maintaining the independence of the independent auditor.

Based on the reviews and discussions described above, the Audit Committee recommended to our Board of Directors that the financial statements of Linn Energy, LLC be included in the Annual Report on Form 10-K for the year ended December 31, 2007 for filing with the Securities and Exchange Commission.

Submitted By:

Audit Committee

Terrence S. Jacobs, Chair
George A. Alcorn
Jeffrey C. Swoveland
Joseph P. McCoy

Notwithstanding anything to the contrary set forth in any of our previous or future filings under the Securities Act of 1933 or the Securities Exchange Act of 1934 that might incorporate this Proxy Statement or future filings with the SEC, in whole or in part, the preceding report shall not be deemed to be "soliciting material" or to be "filed" with the SEC or incorporated by reference into any filing except to the extent the foregoing report is specifically incorporated by reference therein.

PROPOSAL TWO: RATIFICATION OF INDEPENDENT PUBLIC ACCOUNTANTS

The Audit Committee of our Board of Directors has selected KPMG LLP to continue as our independent public accountants for 2007. KPMG LLP has served as Linn Energy, LLC's independent auditor since 2005. The Audit Committee has determined to submit KPMG LLP's selection to unitholders for ratification. Unitholder ratification of the selection of KPMG LLP as our independent public accountants is not required by our limited liability company agreement or otherwise. We are submitting the selection of KPMG LLP to unitholders for ratification as a matter of good corporate practice. If this selection of auditor is not ratified by a majority of the outstanding units present in person or by proxy and entitled to vote at the Annual Meeting, the Audit Committee will reconsider its selection of auditor. We are advised that no member of KPMG LLP has any direct or material indirect financial interest in our company or, during the past three years, has had any connection with us in the capacity of promoter, underwriter, voting trustee, director, officer or employee. A representative of KPMG LLP will attend the Annual Meeting. The representative will have the opportunity to make a statement if he desires to do so and to respond to appropriate questions.

Audit Fees

The fees for professional services rendered by KPMG LLP for the audit of our annual consolidated financial statements for each of the fiscal years ended December 31, 2006 and 2007, and the reviews of the financial statements included in any of our Quarterly Reports on Forms 10-Q for each of those fiscal years were approximately \$1,863,000 and \$2,555,000, respectively.

Audit-Related Fees

KPMG LLP also received fees for services rendered in connection with acquisition audits and related regulatory filings, as well as for services in connection with multiple Registration Statements on Form S-3 that we filed in 2007. These fees totaled approximately \$237,000 and \$270,000 for the years ended December 31, 2006 and 2007, respectively.

Tax Fees

We incurred no fees in the fiscal years ended December 31, 2006 and 2007 for tax-related services provided by KPMG LLP.

All Other Fees

We incurred no other fees in the fiscal years ended December 31, 2006 and 2007 for any other services provided by KPMG LLP.

Audit Committee Approval of Audit and Non-Audit Services

The Audit Committee pre-approves all audit and non-audit services to be provided to us by our independent auditors in the upcoming year at the last meeting of each calendar year and at subsequent meetings as necessary. The non-audit services to be provided are specified and shall not exceed a specified dollar limit. During the course of a fiscal year, if additional non-audit services are identified, these services are presented to the Audit Committee for pre-approval. Management is directed to provide a report to the Audit Committee quarterly showing in reasonable detail the services provided by the independent auditors to us since the day of the initial pre-approval, as well as the estimated cost to date of audit and non-audit services. All of the services covered under the caption "Audit-Related Fees" were approved by the Audit Committee and none were provided under the *de minimis* exception of Section 10A of the Securities Exchange Act of 1934, as amended.

Required Vote

Under our limited liability company agreement, unitholder ratification of KPMG LLP as our independent public accountants for 2008 is not required. However, in the event we elect to submit such ratification for unitholder approval, as we have done here, this approval requires the affirmative vote of the holders of a majority of our outstanding units present in person or represented by proxy at the Annual Meeting and entitled to vote on the proposal. Abstentions and broker non-votes are counted for purposes of determining the presence or absence of a quorum for the transaction of business and will have the same effect as a vote against the proposal.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT UNITHOLDERS VOTE "FOR" APPROVAL OF THE RATIFICATION OF THE SELECTION OF KPMG LLP AS OUR INDEPENDENT PUBLIC ACCOUNTANTS FOR 2008.

In the event of a negative vote on such ratification, the Audit Committee will reconsider its selection. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of a different independent auditing firm at any time during the year if the Audit Committee believes that such a change would be in the best interest of our company and our unitholders.

**PROPOSAL THREE:
APPROVAL OF AMENDED AND RESTATED
LINN ENERGY, LLC LONG-TERM INCENTIVE PLAN**

The Compensation Committee of our board of directors has approved the Amended and Restated Linn Energy, LLC Long-Term Incentive Plan, subject to unitholder approval. The Compensation Committee believes that these amendments are necessary to continue to attract and retain high caliber individuals to serve as our officers, directors and employees. If the amendments are approved, they will be effective as of the date of the Annual Meeting of unitholders. The proposed amendments to the LTIP, if approved, will (i) increase the total number of Units authorized to be issued under the LTIP from 3,900,000 units to 12,200,000 units, (ii) removes the limitation on the number of restricted units that may be awarded under the LTIP within the overall limit on units that are authorized to be issued under the LTIP, (iii) prohibit repricing of options and unit appreciation rights, (iv) prohibit net unit counting for unit appreciation rights, (v) provide for minimum vesting periods for full value awards, and (vi) prohibit the issuance of distribution equivalent rights in tandem with options and unit appreciation rights (collectively, the "LTIP Amendment Proposal").

Adoption of the LTIP Amendment Proposal requires the affirmative vote of the holders of a majority of our outstanding units present in person or represented by proxy at the Annual Meeting and entitled to vote on the proposal. A properly executed proxy submitted without instructions on how to vote will be voted FOR this proposal, unless your proxy is properly revoked. A properly executed proxy submitted and marked "ABSTAIN" with respect to any matter will not be voted.

For a more complete description of the LTIP Amendment Proposal, please read "Proposed Amendments to the LTIP" below and a copy of the Amended and Restated Linn Energy, LLC Long-Term Incentive Plan included as Annex A to this proxy statement (the "Amended and Restated LTIP"). For a more complete description of the LTIP generally, please read "Summary Description of the Linn Energy Long-Term Incentive Plan" below. The statements made in this proxy statement with respect to the LTIP Amendment Proposal should be read in conjunction with, and are qualified in their entirety by reference to, the full text of the Amended and Restated LTIP, which is incorporated by reference herein from Annex A.

Proposed Amendments to the LTIP

Increase the Total Number of Units Authorized to be Issued Under the LTIP

Since our initial public offering in January 2006 and as of February 6, 2008, we have made awards of 1,644,251 options, 1,356,436 restricted units and 740,236 unit grants under the LTIP to our officers, our independent directors and certain of our employees. Accordingly, approximately 159,077 units are currently available for issuance with respect to awards under the LTIP out of the currently authorized 3,900,000 units. The Amended and Restated LTIP proposes to amend the LTIP to increase the total number of Units authorized to be issued under the LTIP from 3,900,000 Units to 12,200,000 Units, which represents an incremental increase of 8,300,000 units.

Remove the Limitation on the Number of Restricted Units that may be Awarded Under the LTIP

Our LTIP currently provides that not more than 1,500,000 (of the 3,900,000 Units authorized to be issued under the LTIP) may be issued as restricted units. As of January 31, 2008, of the 1,500,000 restricted units that may be awarded as restricted units, we have awarded 1,356,436 restricted units to our officers, directors and employees, leaving our current availability of units that may be granted as awards of restricted units at 143,564 restricted units. Our Compensation Committee believes that maximum flexibility to choose between restricted units and other forms of awards that are available under the LTIP will enable it to best design awards that will most closely align the interests of our officers, directors and employees with those of our unitholders. The Amended and Restated LTIP proposes to amend the LTIP to remove

the limitation on the number of restricted units that may be awarded under the LTIP not to exceed the total number of units that are authorized to be issued under the LTIP.

Other Amendments

Prohibit repricing of options and unit appreciation rights. Currently, our LTIP does not expressly prohibit the Committee from decreasing the purchase or exercise price of an option after the date of grant. The Amended and Restated LTIP provides that except in connection with a corporate transaction, terms of outstanding awards may not be amended to 1) reduce the exercise price of outstanding options or unit appreciation rights, or 2) cancel outstanding options or unit appreciation rights in exchange for cash, other awards or options or unit appreciation rights with an exercise price that is less than the exercise price of the original options or unit appreciation rights. Because any material change to our LTIP requires unitholder approval under NASDAQ rules, we would be required to seek unitholder approval to change this provision once it is initially approved by the unitholders.

Prohibit net unit counting for unit appreciation rights. We have the right under the LTIP to pay, or settle, in cash or in units, the excess of the fair market value of a unit over the exercise price established for a participant's unit appreciation right. Currently, our LTIP is silent as to the treatment of units underlying a unit appreciation right upon exercise of a unit-settled unit appreciation right. The Amended and Restated LTIP clarifies that units underlying a unit appreciation right will not be available for future grant following unit-settled exercise of the unit appreciation right.

Provide for minimum vesting periods for full value awards. Currently, our LTIP does not provide for minimum vesting periods for full value awards, including restricted units and phantom units. The Amended and Restated LTIP requires not less than three years vesting of full value awards with time-based vesting criteria and one year vesting of full value awards with performance-based vesting criteria; provided that 1) grants of phantom units to non-employee directors vest when that director dies or no longer serves as a director and 2) we may grant up to 5% of units underlying all outstanding awards as Unit Grants, which are vested on issuance, thus have no minimum vesting period.

Prohibit the issuance of DERs in tandem with options and unit appreciation rights. Currently, our LTIP gives the Committee the discretion to grant a distribution equivalent right ("DER") in tandem with a grant of options or unit appreciation rights. The Amended and Restated LTIP removes the provision giving the Committee that discretion such that DER's cannot be granted in tandem with options or unit appreciation rights.

Effects of Approval

If the LTIP Amendment Proposal is approved, then we will use the additional units under the LTIP to provide incentive to our officers, directors and employees for superior performance and to enhance our ability to attract and retain the services of individuals essential for our growth and profitability. We will also have the flexibility to make some or all of the awards under our LTIP in the form of restricted units. These amendments will be effective immediately upon the approval of our unitholders.

Effects of Failure to Approve

If the LTIP Amendment Proposal is not approved:

we will be unable to award any grants under the LTIP beyond the current number of authorized units because the NASDAQ Marketplace Rules require unitholder approval of such increase in authorized units under an equity compensation plan. Once current availability under the LTIP is

exhausted, our Compensation Committee would be required to consider other alternatives not involving equity-based awards (such as additional cash bonuses) to help attract, retain and motivate new employees and key individuals who are currently our employees or who become employees as a result of any future acquisitions or hirings; and

we will not have the flexibility to award restricted units to our officers, directors, employees or consultants in excess of the current limitations. Once the current availability of restricted units under the LTIP is exhausted, our board of directors would be required to consider alternative awards under the LTIP or incentives not involving equity-based awards to help attract, retain and motivate new employees and key individuals who are currently our employees or who become employees as a result of any future acquisitions or hirings.

Summary Description of the Linn Energy, LLC Long-Term Incentive Plan

The LTIP consists of five components: unit options, unit grants, restricted units, phantom units, and unit appreciation rights. Any of our or our affiliates' employees, consultants or directors are eligible to participate in the LTIP. As of the Record Date, we had approximately 205 participants in the LTIP, comprised of approximately 200 employees (including officers), and five directors. The LTIP currently limits the total number of units that may be delivered pursuant to all types of awards to 3,900,000 units (which we are proposing to increase by 8,300,000 units to a total of 12,200,000 units), provided that no more than 1,500,000 of such Units (as adjusted) may be issued as restricted units (we are proposing to remove this limitation on the number of restricted units that may be awarded under the LTIP). If any award expires or is canceled, forfeited, exercised, paid or otherwise terminated without the delivery of units, then the units covered by such award are available for delivery pursuant to other awards. Units withheld to satisfy exercise prices or tax withholding obligations are not available for delivery pursuant to other awards.

Unit Options. A unit option is a right to purchase a unit at a specified price. The Compensation Committee may make option grants under the plan to officers, employees and members of our board of directors containing such terms as the committee shall determine. Unit options will have an exercise price that will not be less than the fair market value of the units on the date of grant. The Amended and Restated LTIP prohibits repricing of unit options. In general, unit options granted will become exercisable over a period determined by the Compensation Committee, although vesting may accelerate upon the achievement of specified financial objectives. In addition, the unit options will become exercisable upon a change in control of our company, unless provided otherwise by the Compensation Committee. If a grantee's employment, consulting relationship or membership on our board of directors terminates for any reason, the grantee's unvested unit options will be automatically forfeited unless, and to the extent, the option agreement or the Compensation Committee provides otherwise.

Upon exercise of a unit option (or a unit appreciation right, as defined below, settled in units), we will issue new units, acquire units on the open market or directly from any person or use any combination of the foregoing, in the Compensation Committee's discretion. If we issue new units upon exercise of the unit options (or a unit appreciation right settled in units), the total number of units outstanding will increase. The availability of unit options and unit appreciation rights is intended to furnish additional compensation to employees and members of our board of directors and to align their economic interests with those of unitholders.

Unit Grants. A unit grant is the grant of an unrestricted unit, meaning a unit that vests immediately upon issuance. The Compensation Committee may make unit grants under the plan to officers, employees and members of our board of directors.

Restricted Units. A restricted unit is a unit that vests over a period of time and that during such time is subject to forfeiture. The Compensation Committee may make grants of restricted units under the plan

to officers, employees, and directors containing such terms as the Compensation Committee shall determine. The Compensation Committee will determine the period over which restricted units (and distributions related to such units) will vest. The Amended and Restated LTIP, if approved, provides for minimum vesting periods. The committee may base its determination upon the achievement of specified performance objectives. In addition, the restricted units will vest upon a change of control of our company, as defined in the plan, unless provided otherwise by the committee. If a grantee's employment, consulting relationship or membership on our board of directors terminates for any reason, the grantee's restricted units will be automatically forfeited unless, and to the extent, the Compensation Committee or the terms of the award agreement provide otherwise.

Units to be delivered as restricted units may be units issued by us, units acquired by us in the open market, units already owned by us, units acquired by us from any other person or any combination of the foregoing. If we issue new units upon the grant of the restricted units, the total number of units outstanding will increase. We intend the restricted units under the plan to serve as a means of incentive compensation for performance and not primarily as an opportunity to participate in the equity appreciation of our units. Therefore, plan participants will not pay any consideration for the units they receive, and we will receive no remuneration for the units.

Phantom Units. A phantom unit entitles the grantee to receive a unit upon the vesting of the phantom unit or, in the discretion of the Compensation Committee, cash equivalent to the value of a unit. In the future, the compensation committee may make grants of phantom units under the plan to officers, employees, and directors containing such terms as the Compensation Committee shall determine. Our Compensation Committee will determine the period over which phantom units will vest. The Amended and Restated LTIP provides for minimum vesting periods, except with respect to phantom unit grants to nonemployee directors. The committee may base its determination upon the achievement of specified financial objectives. In addition, the phantom units will vest upon a change of control of our company, unless provided otherwise by the Compensation Committee. If a grantee's employment, or membership on our board of directors terminates for any reason, the grantee's phantom units will be automatically forfeited unless, and to the extent, the Compensation Committee or the terms of the award agreement provide otherwise.

Units to be delivered upon the vesting of phantom units may be units issued by us, units acquired by us in the open market, units already owned by us, units acquired by us from any other person or any combination of the foregoing. If we issue new units upon vesting of the phantom units, the total number of units outstanding will increase. The Amended and Restated LTIP, if approved, removes the ability of our Compensation Committee to grant tandem distribution equivalent rights with respect to phantom units that entitle the holder to receive cash equal to any cash distributions made on units while the phantom units are outstanding. We intend the issuance of any units upon vesting of the phantom units under the plan to serve as a means of incentive compensation for performance and not primarily as an opportunity to participate in the equity appreciation of our units. Therefore, plan participants will not pay any consideration for the units they receive, and we will receive no remuneration for the units.

Unit Appreciation Rights. A unit appreciation right is an award that, upon exercise, entitles the participant to receive the excess of the fair market value of a unit on the exercise date over the exercise price established for the unit appreciation right. Such excess may be paid in units, cash or a combination thereof, as determined by the Compensation Committee in its discretion. Initially, we do not expect to grant unit appreciation rights under our long-term incentive plan. In the future, the Compensation Committee may make grants of unit appreciation rights under the plan to employees, consultants and directors containing such terms as the Committee shall determine. Unit appreciation rights will have an exercise price that will not be less than the fair market value of the units on the date of grant. In general, unit appreciation rights will become exercisable over a period determined by the Compensation Committee. In addition, the unit appreciation rights will become exercisable upon a change in control of our company, unless provided otherwise by the Compensation Committee. If a grantee's employment or

membership on our board of directors terminates for any reason, the grantee's unvested unit appreciation rights will be automatically forfeited unless, and to the extent, the grant agreement or Compensation Committee provides otherwise.

Benefits Under the LTIP for 2007. In January 2008, the Compensation Committee approved restricted unit awards to certain employees, and subject to unitholder approval of the LTIP Amendment Proposal, our executive and certain other officers for services performed in 2007. Additional benefits under the LTIP for periods subsequent to 2007 are not determinable at this time. The following table sets forth the number of the restricted units that have been awarded (subject to your approval of the LTIP Amendment Proposal) to the following: (i) the Named Executive Officers ("Named Officers") individually; (ii) the Named Officers as a group; (iii) all current directors who are not executive officers as a group and (iv) all employees, including all current officers and executive officers who are not Named Officers, as a group:

Name and Position	Number of Restricted Units
Michael C. Linn, Chairman and Chief Executive Officer	