May 24, 2012

To: Mike Bratcher, NM OCD Dist II Reference: Remediation Work Plan

Operator: Linn Energy Location: J L Keel B #22 API: 30-015-05082 NMLC 029435B

Legal: Unit. L, Sec. 5, T17S, R31E

GPS: 32.8620 -103.8983

Background Information

The J L Keel B #22 is located approximately five miles east of Loco Hills, NM north of Highway 82 off Skelly Road. This is an inactive well site. The well location lies on the edge of a steep sloping hill that slopes toward the west. The New Mexico Office of the State Engineer lists no data for depth to groundwater for this location. However, the Eddy County Depth to Groundwater Map indicates a depth of 300' or greater. This release occurred over a year ago. The initial cleanup was begun, but was later stopped just before backfilling and closure being done. Since then, there has been another release which ran down the excavated drainage which the first spill used. The release was stopped just short of reaching the playa which lies at the west end of the original spill. Since the second release, the area has received a large amount of rain fall which has also used this same excavated drainage.

The site ranking score for this site 0 based upon the following information:

Depth to Groundwater >100'
Distance to Surface Body of Water >1000'
Wellhead Protection Area >1000'

The second release was the result of work being done when the well was closed and sealed up. Hydrocarbons and produced water exited the location on the west side and soon split into two run off spots. One entered a dead end trench which was created during the initial clean up. It stops at the road which lies on the west end of short ditch. The other finger of runoff moved across the west side of the hill and crossed the road continuing on west down the excavated drainage. It continued down the drainage until just before the playa. It was dammed up with equipment before entering the playa.

Current Work Completed

We have done field test delineation on the entire length of this spill. Nothing has been taken to the lab as of yet. All levels are below minimum except for two sample points both located near well site and just below the location. No removal of soil has been done since the second spill occurred.

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Remediation Work Plan Proposal

We are proposing a three tiered proposal for this location. First is to direct attention to sample point 1 which lies in the small ditch dug during the first spill. This small area is the only area which has not been vertically delineated. We have contaminates at 12' BGS. This location is noted to be in an area which for the most has no water table. We propose to horizontally located all contaminates and dig out to a level of 4 feet. We would then line the area with 20 mil poly liner, key lock the edges and backfill with a BLM approved top soil and seed.

Sample point 2 is noted to have clean soil at 2' below grade surface. We propose removing contaminated soil and back fill with BLM approved top soil. The area affected by sample points 1 and 2 are in need of disking and seeding due to equipment movement. The general area will be seeded with approved BLM seed.

The rest of the spill site lies in a natural drainage which was excavated during the first spill. We have done field tests on the length of the spill with no levels of contaminates noted. We recommend obtaining lab samples of these as well and upon approval of BLM, rolling the existing sand dunes to fill the excavated ditch leaving a slight drainage to accommodate natural runoff. At the west end of this spill lays a playa which has been excavated during the first spill. We are working with BLM to leave this area open as to allow this to become a natural water holding area for livestock and wildlife. All contaminated soils shall be removed and taken to an approved disposal site and all back filled material will be BLM approved.

Sincerely,

John Able Hungry Horse, LLC Hobbs, NM 575 631 0983 cell 575 393 3386 office