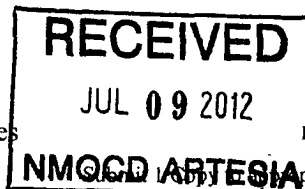


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505



Form C-141
Revised October 10, 2003

Appropriate District Office in
accordance with 19.15.29 NMAC

Release Notification and Corrective Action

nmcb1219254870

OPERATOR

☒ Initial Report ☐ Final Report

| | |
|--|--------------------------------|
| Name of Company: Linn Operating 269324 | Contact: Joe Hernandez |
| Address: 2130 W. Bender Hobbs, NM 88240 | Telephone No.: 575-738-1739 |
| Facility Name: Russell Turner Water Flood Skim Tank- Turner B # 95 | Facility Type: Injection Plant |

| | | |
|------------------------|------------------------|---------------------|
| Surface Owner: Federal | Mineral Owner: Federal | API No.: 3001526612 |
|------------------------|------------------------|---------------------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|-----------------------|------------------------|----------------|
| Unit Letter L | Section 20 | Township 17S | Range 31E | Feet from the 2610 | North/South Line South | Feet from the 1000 | East/West Line West | County Eddy |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|-----------------------|------------------------|----------------|

Latitude: 32.8199711236509 **Longitude:** -103.897239412252

NATURE OF RELEASE


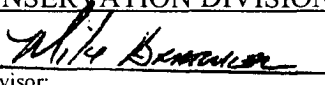
| | | |
|--|---|--|
| Type of Release: Produced Water / Oil | Volume of Release: 586 / 66 | Volume Recovered: 540 / 46 |
| Source of Release: Tank | Date and Hour of Occurrence: 07/06/2012 | Date and Hour of Discovery: 07/06/2012 6:30am |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? M. Bratcher-NM OCD Terry Gregston-BLM | |
| By Whom? Joe Hernandez | Date and Hour 07/06/2012 9am | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. | |

If a Watercourse was Impacted, Describe Fully.*:

Describe Cause of Problem and Remedial Action Taken.*: Russell Turner Water flood plant pump went off and didn't call anyone on alarm, tanks filled up and skimmed over to skim tank and ran over tank. Haarmeyer electricians were called to fix problem, and found wires inside callout pannel box not properly connected. Connected/shorting out wires and alarms started working and calling out again.

Describe Area Affected and Cleanup Action Taken.* : It ran approximately 1470 feet south west out of dike across road onto pasture. Pulled water/oil out of dike and tanks.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

| | | |
|--|---|-----------------------------------|
| Signature:  | OIL CONSERVATION DIVISION | |
| Printed Name: Joe Hernandez | Signed By  Approved by District Supervisor: | |
| Title: Production Foreman | Approval Date: JUL 11 2012 | Expiration Date: |
| E-mail Address: jhernandez@linenergy.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: 07/09/2012 Phone: 575-942-9492 | Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN: 8/11/2012 | |

* Attach Additional Sheets If Necessary

2RA-1200