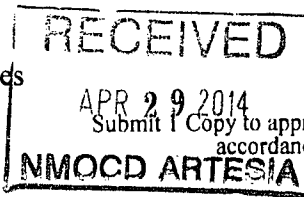


District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 August 8, 2011

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

| | |
|---|----------------------------|
| Name of Company: Linn Operating, Inc. | Contact: Brian Wall |
| Address: 2130 W. Bender Hobbs, NM 88240 | Telephone No. 575-738-1739 |
| Facility Name: Skelly #33 | Facility Type: Injection |

| | | |
|-----------------------|-----------------------|----------------------|
| Surface Owner Federal | Mineral Owner Federal | API No. 30-015-05140 |
|-----------------------|-----------------------|----------------------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|----------------------|---------------------------|----------------------|------------------------|-------------|
| Unit Letter M | Section 14 | Township 17S | Range 31E | Feet from the 660 | North/South Line South | Feet from the 660 | East/West Line West | County Eddy |
|------------------|---------------|-----------------|--------------|----------------------|---------------------------|----------------------|------------------------|-------------|

Latitude ^{32.8291697} ~~32.86647~~ Longitude ^{103.6467836} ~~103.8574~~

NATURE OF RELEASE

| | | |
|--|---|--|
| Type of Release: Produced Water | Volume of Release 130 bbls | Volume Recovered 10 |
| Source of Release: Steel Pipeline | Date and Hour of Occurrence 10/04/13 8:30 A.M. | Date and Hour of Discovery 10/04/2013 8:30 A.M. |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Mike Burton BLM- Mike Bratcher NM OCD | |
| By Whom? | Date and Hour 01-22-13 2:20 PM | |
| 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.*
NA

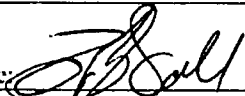
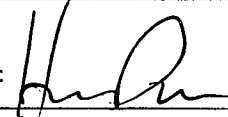
Describe Cause of Problem and Remedial Action Taken.*

Bad collar on 2" steel line, collar and joint replaced. A vacuum truck was utilized to capture approximately 10 bbls of fluid.

Describe Area Affected and Cleanup Action Taken.*

There was approximately 3500 sf. ft of impacted pad and pasture area. The spill was delineated by Diversified Field Services, Inc. Impacted soils were removed to a NMOCD approved disposal facility. Confirmation samples were then submitted to a commercial lab for analyses. Backfill of the excavation was approved by the NMOCD and the BLM. The excavation was backfilled and the site was contoured to the surrounding landscape. The area was seeded with Lesser Prairie Chicken seed mix.

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: Brian Wall | Approved by Environmental Specialist:  | | |
| Title: Construction Foreman II | Approval Date: 5/22/14 | Expiration Date: NA | |
| E-mail Address: bwall@linenergy.com | Conditions of Approval: Final | | Attached <input type="checkbox"/> |
| Date: 03/25/2014 | Phone: 806-367-0645 | | |

* Attach Additional Sheets If Necessary

2RP-2045