

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

Submit 1 Copy to appropriate District Office in  
accordance with 19.15.29 NMAC.

### Release Notification and Corrective Action

#### OPERATOR

☐ Initial Report ☒ Final Report

|   |                             |                     |
|---|-----------------------------|---------------------|
| Name of Company: Linn Operating         | Contact: Brian Wall         |                     |
| Address: 2130 W. Bender Hobbs, NM 88240 | Telephone No.: 806-367-0645 |                     |
| Facility Name: McClay Federal #7        | Facility Type: Oil          |                     |
| Surface Owner: Federal                  | Mineral Owner               | API No.: 3001510370 |

#### LOCATION OF RELEASE

|                  |               |                 |              |                      |                           |                       |                        |                |
|------------------|---------------|-----------------|--------------|----------------------|---------------------------|-----------------------|------------------------|----------------|
| Unit Letter<br>C | Section<br>33 | Township<br>18S | Range<br>30E | Feet from the<br>330 | North/South Line<br>North | Feet from the<br>1650 | East/West Line<br>West | County<br>Eddy |
|------------------|---------------|-----------------|--------------|----------------------|---------------------------|-----------------------|------------------------|----------------|

Latitude: 32.7103208597655 Longitude: -103.980175130974

#### NATURE OF RELEASE

|  |  |  |
|--|--|--|
| Type of Release: Oil   | Volume of Release: 10 bbls                                 | Volume Recovered: 0                      |
| Source of Release: Heater  | Date and Hour of Occurrence:<br>09/24/2013 12:00am         | Date and Hour of Discovery:<br>9/24/2013 |
| Was Immediate Notice Given?<br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom?<br>Mike Burton- BLM Mike Bratcher- NM OCD |  |
| By Whom? Brian Wall  | Date and Hour 09/26/2013 7:45am                            |  |
| Was a Watercourse Reached?<br><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.\*: Missed opening valve when restarting well. Heater exceeded operating pressure blew oil through pressure relief valve on top of the heater.

Describe Area Affected and Cleanup Action Taken.\*: The release covered 2,486 sq ft of lease pad and pasture land. RECS personnel were on site beginning on September 30<sup>th</sup>, 2013 to assess the releases. Soil samples from the surface and with depth were taken from the release. The samples were field tested for chlorides and organic vapors and representative samples were taken to a commercial laboratory for analysis. Point 1 returned laboratory chloride, GRO, DRO and BTEX below regulatory standards beginning at 6 inches. Point 2 returned laboratory chloride, GRO, DRO and BTEX below regulatory standards beginning at 1 foot. Point 3 returned laboratory chloride, GRO, DRO and BTEX below regulatory standards beginning at 8.5 feet. A CAP for the release (2RP-1959) was sent to NMOCD and BLM on October 29<sup>th</sup>, 2013 and approved by BLM the same day. NMOCD approved the CAP on November 15<sup>th</sup>, 2013. On November 6<sup>th</sup>, 2013, CAP activities began at the site. The area inside the treater berm, the contaminated berm, the 6 inch scrape and the 4 foot excavation were completed and a total of 228 yards of contaminated soil was taken to a NMOCD approved facility for disposal. A total of 72 yards of clean caliche was imported to the site to backfill the treater area and replace the contaminated berm. The remaining caliche was backfilled into the 4 foot excavation. Once the 4 foot excavation was completed, wall samples were taken to a commercial laboratory for analysis to confirm all constituents were below regulatory standards. At the base of the 6 inch scrape, a 5 point bottom composite was taken and sent to a commercial laboratory for analysis. The bottom composite returned a chloride value of 320 mg/kg, a DRO value of 306 mg/kg and GRO and BTEX values of non-detect. This data was sent to BLM and NMOCD with a request to backfill the site. BLM approved the site to be backfilled on November 25<sup>th</sup>, 2013 and NMOCD approved the site to be backfilled on December 2<sup>nd</sup>, 2013. A trench was installed along the periphery of the 4 foot excavation and a 20-mil reinforced poly liner was key set into the excavation. A total of 108 yards of top soil was imported to site to serve as backfill. The liner was padded with 6 inches of the top soil and the remaining caliche was backfilled over the padded liner. A sample of the imported top soil was taken to a commercial laboratory and returned a laboratory chloride reading of 64 mg/kg. The 6 inch scrape and the remainder of the 4 foot excavation was backfilled with the imported top soil and the area was contoured to the surrounding location. On December 10<sup>th</sup>, 2013, soil amendments were added to the pasture area and the site was seeded with LPC 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: <i>Fred B Wall</i>       | OIL CONSERVATION DIVISION                                |                            |                                   |
| Printed Name: Brian Wall            | Approved by Environmental Specialist: <i>[Signature]</i> |                            |                                   |
| Title: Construction Foreman II      | Approval Date: <i>6/9/14</i>                             | Expiration Date: <i>NA</i> |                                   |
| E-mail Address: bwall@linenergy.com | Conditions of Approval: <i>Final</i>                     |                            | Attached <input type="checkbox"/> |
| Date: 2/5/14                        | Phone: 806-367-0645                                      |                            |                                   |

\* Attach Additional Sheets If Necessary