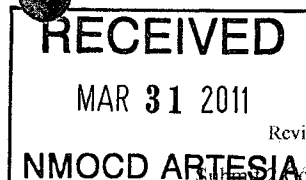


District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Submit copies to appropriate  
District Office in accordance  
with Rule 116 on back  
side of form

Release Notification and Corrective Action

*nkmw 1109552874* OPERATOR ☒ Initial Report ☐ Final Report

Name of Company Linn Energy <i>269324</i>	Contact Dennis Potter
Address PO Box 69, Loco Hills, NM 88255	Telephone No. 575 677 2327
Facility Name J L Keel B #90	Facility Type Oil Well

Surface Owner BLM	Mineral Owner BLM	Lease No. NMLC029435B API 30-015-28248
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
F	8	17S	31E					Eddy

Latitude N32.84915 Longitude W103.89658 (Release Site)

NATURE OF RELEASE

Type of Release Produced Water/Hydrocarbons	Volume of Release Unknown	Volume Recovered Unknown
Source of Release Flow Line	Date and Hour of Occurrence Unknown	Date and Hour of Discovery Feb11
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? N/A	
By Whom? N/A	Date and Hour N/A	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	
If a Watercourse was Impacted, Describe Fully.* N/A		
Describe Cause of Problem and Remedial Action Taken.* The release appears to be from the well head/sluffing box or possibly a flow line failure. The fluid exited the location on the south side and entered the pasture running southwest between two sand dunes before pooling approximately 400' from the location. The affected area is approximately 4' x 400'. The natural contour of the land contained the release into a narrow area. The affected area will be delineated and a work plan submitted to NM OCD and BLM for review and approval.		
Describe Area Affected and Cleanup Action Taken.*		
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>Dennis Potter</i>	OIL CONSERVATION DIVISION	
Printed Name: Dennis Potter	Approved by District Supervisor <i>Mike Brannan</i>	
Title: Assistant Production Foreman	Approval Date: <i>4/5/11</i>	Expiration Date:
E-mail Address: dpotter@linenergy.com	Conditions of Approval: Attached <input type="checkbox"/>	
Date: 30Mar11 Phone: 505 206 7673	REMEDATION per OCD Rules and Guidelines. <u>SUBMIT REMEDIATION PROPOSAL BY:</u> <i>5/5/11</i>	

\* Attach Additional Sheets If Necessary

*2 RP-708*

*(E)*

# OPERATOR'S COPY

Number 11TG007

Page 1 of 2

☒ Certified Mail - Return Receipt Requested  
70101870000352261368

☐ Hand Delivered Received by

## UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

### NOTICE OF INCIDENTS OF NONCOMPLIANCE

Identification	
IID	
Lease	NMLC029435B
CA	
Unit	
PA	

Bureau of Land Management Office CARLSBAD FIELD OFFICE				Operator LINN OPERATING INC.			
Address 620 E GREENE STREET CARLSBAD NM 88220				Address 600 TRAVIS STREET SUITE 5100 HOUSTON TX 77002			
Telephone 575-234-5958				Attention			
Inspector GREGSTON				Attn Addr			
Site Name J L KEEL B	Well or Facility 90	1/4 1/4 Section SE NW 8	Township 17S	Range 31E	Meridian NMP	County EDDY	State NM
Site Name	Well or Facility	1/4 1/4 Section	Township	Range	Meridian	County	State

THE FOLLOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ABOVE

Date	Time (24 - hour clock)	Violation	Gravity of Violation
03/15/2011		NTL-3A, 43 CFR 3163.1(e)	MINOR
Corrective Action To Be Completed By	Date Corrected	Assessment for Noncompliance	Assessment Reference
04/01/2011			43 CFR 3163.1(f)

#### Remarks

Operator failed to provide a written report on an undesirable event on this location within 15 days as required under NTL-3A and failed to comply with subsequent verbal requests by the Authorized Officer to provide a spill report. The following actions must be completed by 04/01/11. Failure to comply with this Incident of Noncompliance could result in assessments and civil penalties. (Remarks continued on following page(s).)

When violation is corrected, sign this notice and return to above address.

Company Representative Title Asst. Production Foreman Signature [Signature] Date 3-30-11

Company Comments

phone: 505-206-7673

### WARNING

Incidents of Noncompliance correction and reporting timeframes begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above. Please note that you already may have been assessed for noncompliance (see amount under "Assessment for Noncompliance"). If you do not comply as noted above under "Corrective Action To Be Completed By" you may incur an additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits, false, inaccurate, or misleading reports, notices, affidavits, record, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

### REVIEW AND APPEAL RIGHTS

A person contesting a violation shall request a State Director review of the Incidents of Noncompliance. This request must be filed within 20 working days of receipt of the Incidents of Noncompliance with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer <u>[Signature]</u>	Date 03/15/11	Time 18:10
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#### FOR OFFICE USE ONLY

Number 51	Date	Assessment	Penalty	Termination
Type of Inspection SV				

## Bratcher, Mike, EMNRD

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**From:** Vernon Black [vernon@hungry-horse.com]  
**Sent:** Thursday, March 31, 2011 3:41 PM  
**To:** Bratcher, Mike, EMNRD; Terry\_gregston@nm.blm.gov; avalero@linenergy.com; dpotter@linenergy.com  
**Subject:** Emailing: Initial C 141 J L Keel B #90  
**Attachments:** Initial C 141 J L Keel B #90.pdf

Your message is ready to be sent with the following file or link attachments:

Initial C 141 J L Keel B #90

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.