

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

NM OIL CONSERVATION

ARTESIA DISTRICT

State of New Mexico
Energy Minerals and Natural Resources

Form C-141
Revised August 8, 2011

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

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

OCT 27 2016
RECEIVED

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

| | |
|--------------------------------------|---|
| Name of Company LINN Energy | Contact EL GONZALES |
| Address 2130 W BENDER HOBBS NM 88240 | Telephone No. 575-738-1739 |
| Facility Name SKELLY UNIT 007 | Facility Type OIL PRODUCER E-FILE #3532 |
| Surface Owner BLM | Mineral Owner BLM |
| API No. 30-015-05327 | |

LOCATION OF RELEASE

| | | | | | | | | |
|---------------|------------|--------------|-----------|--------------------|--------------------|-------------------|-------------------|-------------|
| Unit Letter E | Section 21 | Township 17S | Range 31E | Feet from the 1874 | North/South Line N | Feet from the 766 | East / westLine W | County EDDY |
|---------------|------------|--------------|-----------|--------------------|--------------------|-------------------|-------------------|-------------|

Latitude 32.8221609146629 Longitude -103.880819823708

NATURE OF RELEASE

| | | |
|--|--|--|
| Type of Release PRODUCED WATER / OIL | Volume of Release 20 GAL / 10 GAL | Volume Recovered 0 / 0 |
| Source of Release 3" POLYLINE | Date and Hour of Occurrence 6/22/14 | Date and Hour of Discovery 6/22/14 12:00PM |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Jennifer Van Curen BLM | |
| By Whom? BRIAN WALL | Date and Hour 6/23/14 1515 | |
| 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
Chevron pumper called about a discharge from a flow line, we walked the line and discovered it to be ours, from well number 7, put a 3" clamp on the line and shut off wells 7, 14, and 15 (all flowing through the same line) and made sure leak stopped (see pictures).

Describe Area Affected and Cleanup Action Taken.*
Spill is an oval measuring 12' by 14' with no oil or concentration of fluid standing on the ground extending north from the release point, a small crack in the line of unknown origin
Delineation complete

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: E. L. Gonzales | Approved by Environmental Specialist: | |
| Title: Production Supervisor Production Supervisor | Approval Date: 12/22/16 | Expiration Date: NA |
| E-mail Address: ELgonzales.linnenergy.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date 9-7-16 | Phone: 505-504-8002 | |

* Attach Additional Sheets If Necessary

22P-3532