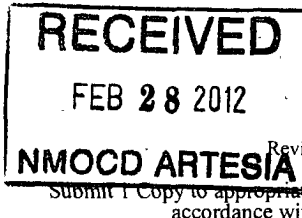


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Release Notification and Corrective Action

NMLB1206130327

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: Skelly 267	Facility Type: Oil well

Surface Owner: BLM	Mineral Owner: BLM	API No.: 3001529224
--------------------	--------------------	---------------------

LOCATION OF RELEASE

Unit Letter M	Section 23	Township 17S	Range 31E	Feet from the 35	North/South Line South	Feet from the 1285	East/West Line West	County Eddy
------------------	---------------	-----------------	--------------	---------------------	---------------------------	-----------------------	------------------------	----------------

Latitude: 32.812954554677 Longitude: -103.844699471996

NATURE OF RELEASE

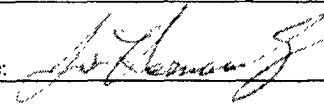
Type of Release: Oil / Produced Water	Volume of Release: 20 / 1	Volume Recovered: 10 / 0
Source of Release: Poly Pipeline	Date and Hour of Occurrence: 1/5/2012 3:00pm	Date and Hour of Discovery: 1/5/2012 3:30pm
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Burton- BLM	
By Whom? Danny Homier / Able w/Hungry Horse	Date and Hour 01/06/2012	
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.*: Drove down road and found leak on three inch flowline, oil leaked over area 20'x 20'

Describe Area Affected and Cleanup Action Taken.* : Remedial action pending...

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 Signed By <u>M. J. Ramirez</u>	
Printed Name: Joe Hernandez	Approved by District Supervisor:	
Title: Production Foreman	Approval Date: MAR 01 2012	Expiration Date:
E-mail Address: jhernandez@linenergy.com	Conditions of Approval: Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN: <u>4/1/2012</u>	Attached <input type="checkbox"/>
Date: 1/9/2012 Phone: 575-942-9492		

* Attach Additional Sheets If Necessary

2RP-1053