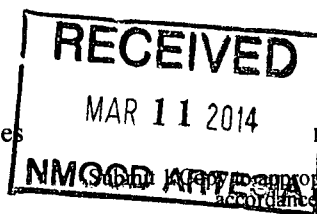


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 any report to appropriate District Office in accordance with 19.15.29 NMAC

Release Notification and Corrective Action

nMLB/407035850

OPERATOR

☒ Initial Report ☐ Final Report

| | |
|---|-----------------------------|
| Name of Company: Linn Operating 269324 | Contact: Brian Wall |
| Address: 2130 W. Bender Hobbs, NM 88240 | Telephone No.: 575-738-1739 |
| Facility Name: Skelly # 85 | Facility Type: Injection |

| | | |
|------------------------|----------------|-----------------------|
| Surface Owner: Federal | Mineral Owner: | API No.: 30-015-05422 |
|------------------------|----------------|-----------------------|

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| B | 27 | 17S | 31E | 660 | North | 1980 | East | Eddy |

Latitude: 32.8110323221284 Longitude: -103.855372475824

NATURE OF RELEASE

| | | |
|--|---|--|
| Type of Release: Produced Water | Volume of Release: 45 bbls | Volume Recovered: 10 bbls |
| Source of Release: 2 " nipple and flange | Date and Hour of Occurrence: 01/24/2014 | Date and Hour of Discovery: 01/24/2014 11:00am |
| 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? Brian Wall | Date and Hour 01/27/2014 0833 | |
| 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.*: I drove up to injection well #85 at 11:00am and I found a leak 50 foot north west of this injection well at the injection line header. The one inch line that feeds injection wells #86 and #107 was leaking. I shut the one inch line valve in to prevent the fluids from accumulating on the ground. I called Double R Trucking to pick up the produced water off of the ground.

Describe Area Affected and Cleanup Action Taken.*: The impacted area was about 105 feet by 27 feet squared south east of the header. Called BSG roustabout to fix the leak. Water truck picked up about 10 barrels of fluid off of the ground. The cause of the leak was a bad steel flange and a bad 2 inch steel nipple.

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 | Signed By Approved by District Supervisor. | |
| Title: Construction Foreman II | Approval Date: MAR 11 2014 | Expiration Date: N/A |
| E-mail Address: bwall@linenergy.com | Conditions of Approval: Remediation per NMOCD | Attached <input type="checkbox"/> |
| Date: 01/27/2014 | Phone: 806-367-0645 | |

* Attach Additional Sheets If Necessary

Rules & Guidelines -
Remediation proposal by 4/11/14

2RP-2196