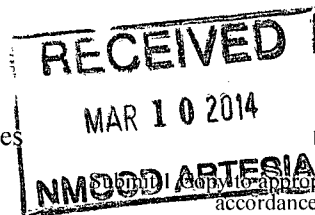


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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
Copy to appropriate District Office in
accordance with 19.15.29 NMAC

Release Notification and Corrective Action

nHMP 14072415-49

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 Satellite #3 - Skelly Unit 065 | | Facility Type: Satellite |
| Surface Owner: Federal | Mineral Owner: | API No.: 30-015-05342 |

LOCATION OF RELEASE

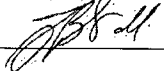

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| G | 21 | 17S | 31E | 2080 | North | 1980 | East | Eddy |

Latitude: 32.8216044651195 Longitude: -103.872597423405

NATURE OF RELEASE

| | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|--------------------------------------------------|
| Type of Release: Oil / Produced Water | Volume of Release: 6 bbls/40bbls | Volume Recovered: 0 / 30bbls |
| Source of Release: Pump | Date and Hour of Occurrence: 03/09/2014 | Date and Hour of Discovery: 03/09/2014 7:40am |
| 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 03/10/2014 8:45am | |
| 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.*: on top of transfer pump 1 1/2 x 2" swedge w/ 2" T w/ grove on top flat plug w/ 1/2 x 1/4 bushing, 1/4 " nipple broke off, that show pressure on trunk line, pump is vibrating, need line pump and elec. Motor. | | |
| Describe Area Affected and Cleanup Action Taken.* : Spray outside dike to the S 20' x 20' and to the NW 20' x 40' all other fluids stay inside dike. Satellite is sitting on Skelly Unit # 65 injection well pad. Call 2 vacuum truck and call power wash gang to wash sep,header,pumps. Have Diversified delineate site. Send in PLA to OCD and BLM. After approved PLA will remove contaminated soils and haul to approved site. | | |
| 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. | | |

OIL CONSERVATION DIVISION

| | | |
|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| Signature:  | Approved by District Supervisor:  | |
| Printed Name: Brian Wall | Approval Date: 3-13-14 | Expiration Date: NA |
| Title: Construction Foreman II | Conditions of Approval: | |
| E-mail Address: bwall@linenergy.com | Remediation per OCD Rule & Guidelines, & | Attached <input type="checkbox"/> |
| Date: 03/10/2014 | Phone: 806-367-0645 | |

* Attach Additional Sheets If Necessary

like approval by BLM. **SUBMIT REMEDIATION**

PROPOSAL NO LATER THAN:

4-13-14

2RP 2210