

LINN ENERGY

2130 W. Bender Blvd.
Hobbs, NM 88241
Phone 575.738.1739

Skelly Unit #2 (2RP-1293)

CAP Report and Termination Request

API No. 3001505344

Release Date: August 31st, 2012

Unit Letter C, Section 22, Township 17S, Range 31E

Rice Environmental Consulting & Safety

P.O. Box 2948, Hobbs, NM 88241

Phone 575.393.2967

CERTIFIED MAIL

RETURN RECEIPT NO. 7007 2560 0000 4569 8401

August 28th, 2013

Mike Bratcher

New Mexico Energy, Minerals, & Natural Resources

Oil Conservation Division, Environmental Bureau – District 2

811 S. First St.

Artesia, NM 88210

**RE: CAP Report and Termination Request
Linn Energy – Skelly Unit #2 (2RP-1293)
UL/C sec. 22 T17S R31E
API No. 3001505344**

Mr. Bratcher:

Linn Energy (Linn) has retained Rice Environmental Consulting and Safety (RECS) to address potential environmental concerns at the above-referenced site

Background and Previous Work

On August 31st, 2012, an accidental discharge of produced water and oil from a ruptured 3 inch poly fusion weld released a total of 3 barrels of produced water and 2 barrels of oil into the pasture. A vacuum truck was called to clean up the standing fluid and a total of 1 barrel of produced water and 1 barrel of oil was recovered. An initial C-141 was submitted by Linn Energy on September 7th, 2012 (Appendix A). The site is located 5.5 miles west of Maljamar in unit letter 'C', sec. 22, T17S R31E in Eddy County, New Mexico. Soil bore installation at the site showed that there was no groundwater in the area.

On March 7th, 2013, a Corrective Action Plan (CAP) was submitted to NMOCD and BLM. In the CAP, RECS recommended excavating the release area to a maximum depth of 4 ft bgs or to a laboratory chloride level of 1,000 mg/kg. Final chloride and hydrocarbon samples would be taken to a commercial laboratory for analysis. The site would then be backfilled with clean, imported soil. BLM approved the CAP on May 3rd, 2013.

The site was excavated to 28 ft x 31 ft x 4 ft deep beginning on May 15th, 2013 (Figure 1). A total of 156 yards of excavated soil was taken to a NMOCD approved facility for disposal. Confirmatory samples from the excavation walls and bottom were taken to a commercial laboratory for analysis. All the wall samples returned laboratory chloride results below 1,000 mg/kg. The bottom sample at 4 ft bgs returned a laboratory chloride

result of 17,200 mg/kg, a GRO reading of 778 mg/kg, a DRO reading of 15,200 mg/kg and a Total BTEX reading of 40.5 mg/kg (Appendix B). This data was sent to BLM and NMOCD. BLM and NMOCD responded on June 3rd, 2013, that the bottom of the excavation needed to be further delineated. NMOCD requested that a vertical be completed at the base of the excavation.

On June 4th, 2013, a vertical was installed at the base of the 4 ft bgs excavation (Figure 2). The vertical was installed to a depth of 17 ft bgs, and samples were taken at regular intervals as it was being advanced. The field samples were field tested for chlorides and hydrocarbons and representative samples were taken to a commercial laboratory for analysis. The 17 ft bgs sample returned a laboratory chloride reading of 7,440 mg/kg, a GRO reading of 72.5 mg/kg, a DRO reading of 2,040 mg/kg and a BTEX reading of 2.34 mg/kg (Appendix C).

Based on the vertical data, a soil bore was installed through the excavation to determine the depth of contamination. Per BLM's approval on June 27th, 2013, a caliche road was installed from the well pad to the site to facilitate the soil bore installation. On July 24th, 2013, a soil bore was installed through the center of the excavation (Figure 2). The soil bore was advanced to a depth of 39 ft bgs and field samples were taken at regular intervals and field tested for chlorides and hydrocarbons. The 39 ft bgs sample was taken to a commercial laboratory for analysis and returned a chloride result of 64 mg/kg, a DRO result of 11.3 mg/kg and GRO and BTEX results of non-detect (Appendix D). A temporary monitor well was installed at the site to determine whether groundwater existed in the area. The temporary monitor well was drilled to 45 ft bgs. Red bed clay was encountered at 43 ft bgs, which indicates the base of the aquifer. The bore was gauged and no groundwater was discovered in the bore.

The soil bore data was sent to NMOCD and BLM with a request to backfill the site. On August 2nd, 2013, BLM denied the request for backfilling and requested a liner be installed at the base of the excavation. An Addendum to the CAP was sent to NMOCD and BLM on August 5th, 2013, that stated a 20-mil reinforced poly liner would be installed at the base of the excavation. The liner would be key set per BLM's direction and the site would be backfilled with clean, imported soil. On August 15th, 2013, NMOCD concurred with BLM on the installation of a liner and approved the Addendum.

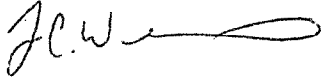
On August 21st, 2013, RECS personnel were on site to install the liner. A trench was excavated along the base of the 4 ft bgs excavation to key set the liner. A 20-mil reinforced poly liner was then installed and properly seated into the base of the excavation. 120 yards of clean topsoil and 72 yards of clean caliche were imported to the site to serve as backfill. A 2 ft layer of topsoil was placed over the liner to prevent it from punctures. A 1.5 ft layer of caliche was placed over the topsoil and then additional topsoil was used to backfill the site to the surface. On August 23rd, 2013, amendments were added to the soil and the site was seeded with LPC seed mix.

Photo documentation can be found in Appendix E.

Since the CAP activities have been completed, Linn respectfully requests 'remediation termination' or similar closure to the regulatory file. A final C-141 is attached for approval (Appendix F).

RECS appreciates the opportunity to work with you on this project. Please call Hack Conder at (575) 393-2967 or me if you have any questions or wish to discuss the site.

Sincerely,

A handwritten signature in black ink, appearing to read 'L. Weinheimer', with a long horizontal flourish extending to the right.

Lara Weinheimer
Project Scientist
RECS
(575) 441-0431

Attachments:

- Figure 1 – Excavation Lab Sampling Map
- Figure 2 – Vertical and SB Installation Data
- Appendix A – Initial C-141
- Appendix B – Excavation Laboratory Analyses
- Appendix C – Vertical Laboratory Analyses
- Appendix D – Soil Bore Installation Documentation
- Appendix E – Photo Documentation
- Appendix F – Final C-141

Figures

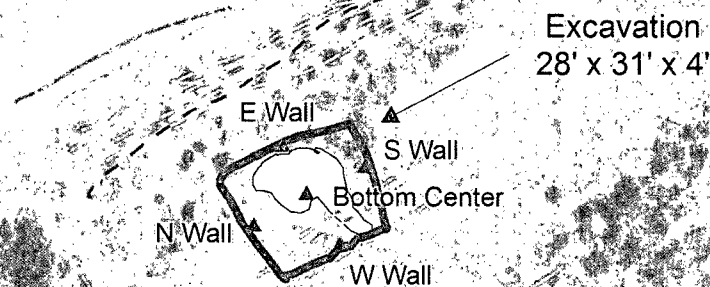
RICE Environmental Consulting and Safety (RECS)

P.O. Box 2948, Hobbs, NM 88241

Phone 575.393.2967

Excavation Lab Sampling

| | CI- | GRO | DRO | B | T | E | X | BTEX |
|--------------------|-------|-----|-------|-------|-------|-------|-------|------|
| North Wall Center | 48 | <10 | <10 | <0.05 | <0.05 | <0.05 | <0.15 | <0.3 |
| East Wall Center | 80 | <10 | <10 | <0.05 | <0.05 | <0.05 | <0.15 | <0.3 |
| South Wall Center | 464 | <10 | <10 | <0.05 | <0.05 | <0.05 | <0.15 | <0.3 |
| West Wall Center | 128 | <10 | <10 | <0.05 | <0.05 | <0.05 | <0.15 | <0.3 |
| Bottom Center @ 4' | 17200 | 778 | 15200 | 0.152 | 3.4 | 10.3 | 26.6 | 40.5 |



Landowner = BLM

DGW = None

Source: Esri, DigitalGlobe, GeoEye, AeroGRID, IGN, and the GIS User Community

Legend

- ▲ FINAL SAMPLE POINTS
 — EXCAVATION
 - - - POSSIBLE ROW CHEVRON
 - - - SURFACE ELECTRICAL LINE
 — SURFACE PIPELINE
 [] STAIN (267 sq ft)



**LINN ENERGY
SKELLY UNIT
#2 AD (2RP-1293)**

**LEGALS: UL/C sec. 22
T-17-S R-31-E
EDDY COUNTY, NM**

Figure 1

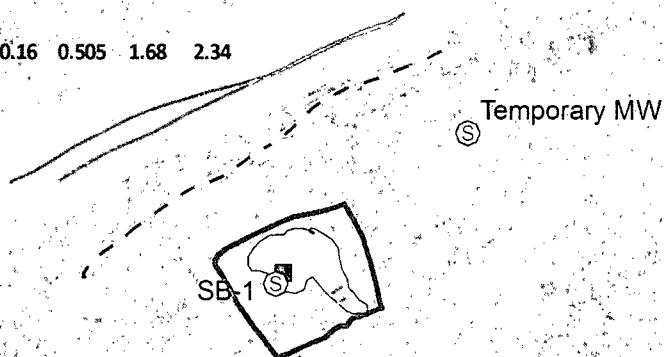


A number line from 0 to 60 with major tick marks at 0, 30, and 60. A bar graph is drawn below the number line. The x-axis is labeled 'Feet' at the right end. The bar for Grade 5 is shaded gray and extends to the 30 mark on the number line.

GPS date: 5/16/13 DH
Drawing date: 5/17/13
Drafted by: L. Weinheimer

Vertical and SB Installation Data

| Vertical | | | | | | | | | | | SB-1 | | | | | | | | | | |
|----------|------|-------|------|-------|-------|------|-------|------|------|--|-------|------|-------|---------|-----|------|-------|-------|-------|-------|------|
| Depth | CI- | PID | GRO | DRO | B | T | E | X | BTEX | | Depth | CI- | PID | Lab CI- | GRO | DRO | B | T | E | X | BTEX |
| 4.5' | 7736 | 179.2 | | | | | | | | | 4' | 89 | 0.2 | | | | | | | | |
| 5' | 4966 | 393.6 | | | | | | | | | 6' | 845 | 19.6 | | | | | | | | |
| 5.5' | 5607 | 419.5 | | | | | | | | | 9' | 2941 | 1026 | | | | | | | | |
| 6' | 5570 | 826.3 | | | | | | | | | 12' | 4805 | 3358 | | | | | | | | |
| 6.5' | 4390 | 509.6 | | | | | | | | | 15' | 4619 | 1817 | | | | | | | | |
| 7' | 5760 | 1467 | 1860 | 16700 | 0.615 | 15.3 | 22.2 | 57.9 | 96 | | 18' | 2468 | 1011 | | | | | | | | |
| 7.5' | 9235 | 363.1 | | | | | | | | | 21' | 299 | 137.8 | | | | | | | | |
| 8' | 7364 | 380.5 | | | | | | | | | 24' | 250 | 197.7 | | | | | | | | |
| 8.5' | 8834 | 357 | | | | | | | | | 27' | 235 | 121.9 | | | | | | | | |
| 9' | 7690 | 427.5 | | | | | | | | | 30' | 256 | 149 | | | | | | | | |
| 9.5' | 5925 | 576.1 | | | | | | | | | 33' | 260 | 149.3 | | | | | | | | |
| 10' | 3881 | 644.7 | | | | | | | | | 36' | 148 | 69.1 | | | | | | | | |
| 11' | 3963 | 749.2 | | | | | | | | | 39' | 115 | 26.5 | 64 | <10 | 11.3 | <0.05 | <0.05 | <0.05 | <0.15 | <0.3 |
| 12' | 4632 | 524.5 | | | | | | | | | | | | | | | | | | | |
| 13' | 3299 | 754.2 | | | | | | | | | | | | | | | | | | | |
| 14' | 3904 | 667.7 | | | | | | | | | | | | | | | | | | | |
| 15' | 5069 | 1035 | | | | | | | | | | | | | | | | | | | |
| 16' | 4743 | 652.2 | | | | | | | | | | | | | | | | | | | |
| 17' | 7440 | 288.1 | 72.5 | 2040 | <0.05 | 0.16 | 0.505 | 1.68 | 2.34 | | | | | | | | | | | | |



Legend

- ⊙ SOIL BORE
- VERTICAL
- EXCAVATION
- - - POSSIBLE ROW CHEVRON
- - - SURFACE ELECTRICAL LINE
- SURFACE PIPELINE
- STAIN (267 sq ft)

Landowner = BLM

DGW = None

bing

CI- FIELD DATA

CI- LAB DATA

©2013 Microsoft Corporation/ ImagePatch.com



LINN ENERGY
SKELLY UNIT
#2 AD (2RP-1293)
 LEGALS: UL/C sec. 22
 T-17-S R-31-E
 EDDY COUNTY, NM

Figure 2



0 30 60
 Feet

GPS date: 6/4/13 KL
 Drawing date: 6/7/13
 Drafted by: L. Weinheimer

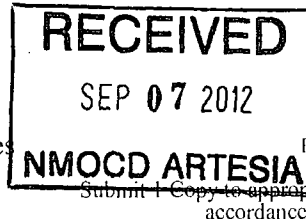
Appendix A

Initial C-141

RICE Environmental Consulting and Safety (RECS)
P.O. Box 2948 Hobbs, NM 88241
Phone 575.393.2967

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

JMW 1225750374 **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 Unit # 2 | Facility Type: Oil |

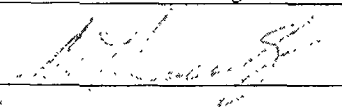
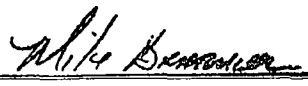
| | | |
|------------------------|------------------------|---------------------|
| Surface Owner: Federal | Mineral Owner: Federal | API No.: 3001505344 |
|------------------------|------------------------|---------------------|

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| C | 22 | 17S | 31E | 1980 | N | 660 | West | Eddy |

Latitude: 32.8218898807163 Longitude: -103.863963690097

NATURE OF RELEASE

| | | |
|--|---|--|
| Type of Release: Oil / Produced Water | Volume of Release: 3 / 2 | Volume Recovered: 1 / 1 |
| Source of Release: Poly Pipeline | Date and Hour of Occurrence: 08/31/2012 9:30am | Date and Hour of Discovery: 08/31/2012 10am |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? M. Bratcher- NM OCD Terry Gregston- BLM | |
| By Whom? Joe Hernandez | Date and Hour 09/04/2012 7 35am | |
| 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.*: 3" polyline split on fusion weld | | |
| Describe Area Affected and Cleanup Action Taken.* : area 15' x 15' picked up all fluid, gang fixed line, well back on. Assessment has been done Cleanup 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 | |
| Printed Name: Joe Hernandez | Approved by District Supervisor: Signed By  | |
| Title: Production Foreman | Approval Date: SEP 13 2012 | Expiration Date: |
| E-mail Address: jhernandez@linenergy.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: 09/07/2012 Phone: 575-942-9492 | | |

* Attach Additional Sheets If Necessary

Remediation per OCD Rules &
Guidelines. **SUBMIT REMEDIATION
PROPOSAL NOT LATER THAN:
October 13th 2012**

2RP-1293

Appendix B

Excavation Laboratory Analyses

RICE Environmental Consulting and Safety (RECS)

P.O. Box 2948 Hobbs, NM 88241

Phone 575.393.2967

May 23, 2013

BRUCE BAKER

RICE ENVIRONMENTAL CONSULTING & SAFETY LLC

112 W. TAYLOR

HOBBS, NM 88240

RE: SKELLY UNIT #2 AD

Enclosed are the results of analyses for samples received by the laboratory on 05/20/13 17:00.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

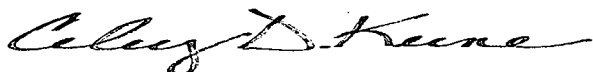
Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

| | |
|------------------|------------------------------|
| Method EPA 552.2 | Haloacetic Acids (HAA-5) |
| Method EPA 524.2 | Total Trihalomethanes (TTHM) |
| Method EPA 524.4 | Regulated VOCs (V1, V2, V3) |

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,



Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

RICE ENVIRONMENTAL CONSULTING & SAFETY
BRUCE BAKER
112 W. TAYLOR
HOBBS NM, 88240
Fax To: (575) 397-1471

Received: 05/20/2013
Reported: 05/23/2013
Project Name: SKELLY UNIT #2 AD
Project Number: NONE GIVEN
Project Location: NOT GIVEN

Sampling Date: 05/20/2013
Sampling Type: Soil
Sampling Condition: Cool & Intact
Sample Received By: Jodi Henson

Sample ID: NORTH WALL CENTER (H301205-01)

| BTX 8021B | | mg/kg | | Analyzed By: AP | | | | | |
|----------------|--------|-----------------|------------|-----------------|------|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Benzene* | <0.050 | 0.050 | 05/23/2013 | ND | 2.29 | 114 | 2.00 | 2.88 | |
| Toluene* | <0.050 | 0.050 | 05/23/2013 | ND | 2.08 | 104 | 2.00 | 1.96 | |
| Ethylbenzene* | <0.050 | 0.050 | 05/23/2013 | ND | 2.32 | 116 | 2.00 | 2.27 | |
| Total Xylenes* | <0.150 | 0.150 | 05/23/2013 | ND | 6.70 | 112 | 6.00 | 2.65 | |
| Total BTX | <0.300 | 0.300 | 05/23/2013 | ND | | | | | |

Surrogate: 4-Bromofluorobenzene (PIE) 117 % 89.4-126

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: DW | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 48.0 | 16.0 | 05/22/2013 | ND | 448 | 112 | 400 | 3.64 | |

| TPH 8015M | | mg/kg | | Analyzed By: MS | | | | | |
|--------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| GRO C6-C10 | <10.0 | 10.0 | 05/22/2013 | ND | 206 | 103 | 200 | 4.75 | |
| DRO >C10-C28 | <10.0 | 10.0 | 05/22/2013 | ND | 200 | 100 | 200 | 6.06 | |


Surrogate: 1-Chlorooctane 108 % 65.2-140

Surrogate: 1-Chlorooctadecane 116 % 63.6-154

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

RICE ENVIRONMENTAL CONSULTING & SAFETY
BRUCE BAKER
112 W. TAYLOR
HOBBS NM, 88240
Fax To: (575) 397-1471

Received: 05/20/2013
Reported: 05/23/2013
Project Name: SKELLY UNIT #2 AD
Project Number: NONE GIVEN
Project Location: NOT GIVEN

Sampling Date: 05/20/2013
Sampling Type: Soil
Sampling Condition: Cool & Intact
Sample Received By: Jodi Henson

Sample ID: EAST WALL CENTER (H301205-02)

| BTX 8021B | | mg/kg | | Analyzed By: AP | | | | | |
|----------------|--------|-----------------|------------|-----------------|------|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Benzene* | <0.050 | 0.050 | 05/23/2013 | ND | 2.29 | 114 | 2.00 | 2.88 | |
| Toluene* | <0.050 | 0.050 | 05/23/2013 | ND | 2.08 | 104 | 2.00 | 1.96 | |
| Ethylbenzene* | <0.050 | 0.050 | 05/23/2013 | ND | 2.32 | 116 | 2.00 | 2.27 | |
| Total Xylenes* | <0.150 | 0.150 | 05/23/2013 | ND | 6.70 | 112 | 6.00 | 2.65 | |
| Total BTX | <0.300 | 0.300 | 05/23/2013 | ND | | | | | |

Surrogate: 4-Bromofluorobenzene (PIE) 118 % 89.4-126

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: DW | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 80.0 | 16.0 | 05/22/2013 | ND | 448 | 112 | 400 | 3.64 | |

| TPH 8015M | | mg/kg | | Analyzed By: MS | | | | | |
|--------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| GRO C6-C10 | <10.0 | 10.0 | 05/22/2013 | ND | 206 | 103 | 200 | 4.75 | |
| DRO >C10-C28 | <10.0 | 10.0 | 05/22/2013 | ND | 200 | 100 | 200 | 6.06 | |

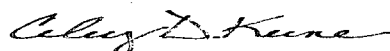
Surrogate: 1-Chlorooctane 108 % 65.2-140

Surrogate: 1-Chlorooctadecane 116 % 63.6-154

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

RICE ENVIRONMENTAL CONSULTING & SAFETY
BRUCE BAKER
112 W. TAYLOR
HOBBS NM, 88240
Fax To: (575) 397-1471

Received: 05/20/2013
Reported: 05/23/2013
Project Name: SKELLY UNIT #2 AD
Project Number: NONE GIVEN
Project Location: NOT GIVEN

Sampling Date: 05/20/2013
Sampling Type: Soil
Sampling Condition: Cool & Intact
Sample Received By: Jodi Henson

Sample ID: SOUTH WALL CENTER (H301205-03)

| BTEX 8021B | | | mg/kg | | Analyzed By: AP | | | | |
|----------------|--------|-----------------|------------|--------------|-----------------|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Benzene* | <0.050 | 0.050 | 05/23/2013 | ND | 2.29 | 114 | 2.00 | 2.88 | |
| Toluene* | <0.050 | 0.050 | 05/23/2013 | ND | 2.08 | 104 | 2.00 | 1.96 | |
| Ethylbenzene* | <0.050 | 0.050 | 05/23/2013 | ND | 2.32 | 116 | 2.00 | 2.27 | |
| Total Xylenes* | <0.150 | 0.150 | 05/23/2013 | ND | 6.70 | 112 | 6.00 | 2.65 | |
| Total BTEX | <0.300 | 0.300 | 05/23/2013 | ND | | | | | |

Surrogate: 4-Bromofluorobenzene (PIC) 119 % 89.4-126

| Chloride, SM4500Cl-B | | | mg/kg | | Analyzed By: DW | | | | |
|----------------------|--------|-----------------|------------|--------------|-----------------|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 464 | 16.0 | 05/22/2013 | ND | 448 | 112 | 400 | 3.64 | |

| TPH 8015M | | | mg/kg | | Analyzed By: MS | | | | |
|--------------|--------|-----------------|------------|--------------|-----------------|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| GRO C6-C10 | <10.0 | 10.0 | 05/22/2013 | ND | 206 | 103 | 200 | 4.75 | |
| DRO >C10-C28 | <10.0 | 10.0 | 05/22/2013 | ND | 200 | 100 | 200 | 6.06 | |

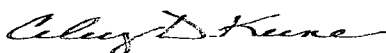
Surrogate: 1-Chlorooctane 111 % 65.2-140

Surrogate: 1-Chlorooctadecane 119 % 63.6-154

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

RICE ENVIRONMENTAL CONSULTING & SAFETY
BRUCE BAKER
112 W. TAYLOR
HOBBS NM, 88240
Fax To: (575) 397-1471

Received: 05/20/2013
Reported: 05/23/2013
Project Name: SKELLY UNIT #2 AD
Project Number: NONE GIVEN
Project Location: NOT GIVEN

Sampling Date: 05/20/2013
Sampling Type: Soil
Sampling Condition: Cool & Intact
Sample Received By: Jodi Henson

Sample ID: WEST WALL CENTER (H301205-04)

| BTX 8021B | | mg/kg | | Analyzed By: AP | | | | | |
|----------------|--------|-----------------|------------|-----------------|------|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Benzene* | <0.050 | 0.050 | 05/23/2013 | ND | 2.29 | 114 | 2.00 | 2.88 | |
| Toluene* | <0.050 | 0.050 | 05/23/2013 | ND | 2.08 | 104 | 2.00 | 1.96 | |
| Ethylbenzene* | <0.050 | 0.050 | 05/23/2013 | ND | 2.32 | 116 | 2.00 | 2.27 | |
| Total Xylenes* | <0.150 | 0.150 | 05/23/2013 | ND | 6.70 | 112 | 6.00 | 2.65 | |
| Total BTX | <0.300 | 0.300 | 05/23/2013 | ND | | | | | |

Surrogate: 4-Bromofluorobenzene (PIE) 118 % 89.4-126

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: DW | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 128 | 16.0 | 05/22/2013 | ND | 448 | 112 | 400 | 3.64 | |

| TPH 8015M | | mg/kg | | Analyzed By: MS | | | | | |
|--------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| GRO C6-C10 | <10.0 | 10.0 | 05/22/2013 | ND | 206 | 103 | 200 | 4.75 | |
| DRO >C10-C28 | <10.0 | 10.0 | 05/22/2013 | ND | 200 | 100 | 200 | 6.06 | |

Surrogate: 1-Chlorooctane 111 % 65.2-140

Surrogate: 1-Chlorooctadecane 120 % 63.6-154

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

RICE ENVIRONMENTAL CONSULTING & SAFETY
BRUCE BAKER
112 W. TAYLOR
HOBBS NM, 88240
Fax To: (575) 397-1471

Received: 05/20/2013
Reported: 05/23/2013
Project Name: SKELLY UNIT #2 AD
Project Number: NONE GIVEN
Project Location: NOT GIVEN

Sampling Date: 05/20/2013
Sampling Type: Soil
Sampling Condition: Cool & Intact
Sample Received By: Jodi Henson

Sample ID: BTTM CENTER @ 4' (H301205-05)

| BTX 8021B | | mg/kg | | Analyzed By: AP | | | | S-04 | |
|-----------------------|--------------|-----------------|------------|-----------------|------|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Benzene* | 0.152 | 0.100 | 05/23/2013 | ND | 2.29 | 114 | 2.00 | 2.88 | |
| Toluene* | 3.43 | 0.100 | 05/23/2013 | ND | 2.08 | 104 | 2.00 | 1.96 | |
| Ethylbenzene* | 10.3 | 0.100 | 05/23/2013 | ND | 2.32 | 116 | 2.00 | 2.27 | |
| Total Xylenes* | 26.6 | 0.300 | 05/23/2013 | ND | 6.70 | 112 | 6.00 | 2.65 | |
| Total BTX | 40.5 | 0.600 | 05/23/2013 | ND | | | | | |

Surrogate: 4-Bromofluorobenzene (PIE) 230 % 89.4-126

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: DW | | | | | |
|----------------------|--------------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 17200 | 16.0 | 05/22/2013 | ND | 448 | 112 | 400 | 3.64 | |

| TPH 8015M | | mg/kg | | Analyzed By: MS | | | | S-06 | |
|------------------------|--------------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| GRO C6-C10 | 778 | 100 | 05/22/2013 | ND | 206 | 103 | 200 | 4.75 | |
| DRO >C10-C28 | 15200 | 100 | 05/22/2013 | ND | 200 | 100 | 200 | 6.06 | |

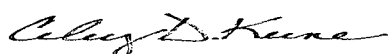
Surrogate: 1-Chlorooctane 177 % 65.2-140

Surrogate: 1-Chlorooctadecane 480 % 63.6-154

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

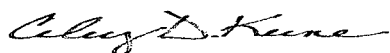
Notes and Definitions

- S-06 The recovery of this surrogate is outside control limits due to sample dilution required from high analyte concentration and/or matrix interference's.
- S-04 The surrogate recovery for this sample is outside of established control limits due to a sample matrix effect.
- ND Analyte NOT DETECTED at or above the reporting limit
- RPD Relative Percent Difference
- ** Samples not received at proper temperature of 6°C or below.
- *** Insufficient time to reach temperature.
- Chloride by SM4500Cl-B does not require samples be received at or below 6°C
Samples reported on an as received basis (wet) unless otherwise noted on report

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

101 East Marland, Hobbs, NM 88240
(575) 393-2326 FAX (575) 393-2476

| | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------------------|--|----------------|--|-------------------------------|--|--|--|-------------------------------------|--|----------------------|--|---|--|--|--|--|--|--|--|------|--|--|--|
| Company Name: <u>Recs</u> | | | | BILL TO | | | | ANALYSIS REQUEST | | | | | | | | | | | | | | | |
| Project Manager: <u>Bruce Baker</u> | | | | P.O. #: | | | | | | | | | | | | | | | | | | | |
| Address: | | | | Company: | | | | | | | | | | | | | | | | | | | |
| City: | | State: | | Zip: | | Attn: | | | | | | | | | | | | | | | | | |
| Phone #: | | Fax #: | | Address: | | | | | | | | | | | | | | | | | | | |
| Project #: | | Project Owner: | | City: | | | | | | | | | | | | | | | | | | | |
| Project Name: <u>Skelly Unit #2</u> | | | | State: | | | | | | | | | | | | | | | | Zip: | | | |
| Project Location: | | | | Phone #: | | | | | | | | | | | | | | | | | | | |
| Sampler Name: <u>Dak Harris</u> | | | | Fax #: | | | | | | | | | | | | | | | | | | | |
| FOR LAB USE ONLY | | | | | | | | | | | | | | | | | | | | | | | |
| Lab I.D. | | Sample I.D. | | (G)RAB OR (COMP. # CONTAINERS | | MATRIX | | PRESERV. | | SAMPLING | | | | | | | | | | | | | |
| | | | | | | GROUNDWATER WASTEWATER SOIL OIL SLUDGE OTHER: | | ACID/BASE: ICE / COOL OTHER: | | DATE TIME | | | | | | | | | | | | | |
| <u>H301703</u> | | | | | | | | | | | | | | | | | | | | | | | |
| <u>1 North Wall Center</u> | | <u>G 1</u> | | | | <input checked="" type="checkbox"/> | | <input checked="" type="checkbox"/> | | <u>5/20/13 11:57</u> | | <input checked="" type="checkbox"/> <u>C1</u> | | | | | | | | | | | |
| <u>2 East Wall Center</u> | | <u>G 1</u> | | | | <input checked="" type="checkbox"/> | | <input checked="" type="checkbox"/> | | <u>5/20/13 11:54</u> | | <input checked="" type="checkbox"/> <u>TPH</u> | | | | | | | | | | | |
| <u>3 South Wall Center</u> | | <u>G 1</u> | | | | <input checked="" type="checkbox"/> | | <input checked="" type="checkbox"/> | | <u>5/20/13 12:00</u> | | <input checked="" type="checkbox"/> <u>BTEX</u> | | | | | | | | | | | |
| <u>4 West Wall Center</u> | | <u>G 1</u> | | | | <input checked="" type="checkbox"/> | | <input checked="" type="checkbox"/> | | <u>5/20/13 11:52</u> | | | | | | | | | | | | | |
| <u>5 BHM Centre 4'</u> | | <u>G 1</u> | | | | <input checked="" type="checkbox"/> | | <input checked="" type="checkbox"/> | | <u>5/20/13 11:50</u> | | | | | | | | | | | | | |

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| | | | | | | | | | |
|--|--|----------------------|--|---|--|--|--|----------------|--|
| Relinquished By: <u>Dak Harris</u> | | Date: <u>5/20/13</u> | | Received By: <u>Jodi Benson</u> | | Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No | | Add'l Phone #: | |
| | | Time: <u>5:50</u> | | | | Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No | | Add'l Fax #: | |
| Relinquished By: | | Date: | | Received By: | | REMARKS: <u>heander@rice-ecs.com</u> <u>b.baker@rice-ecs.com</u> <u>Liweinheim@rice-ecs.com</u> | | | |
| | | Time: | | | | | | | |
| Delivered By: (Circle One) Sampler - UPS - Bus - Other: | | | | Sample Condition Cool <input checked="" type="checkbox"/> Intact <input checked="" type="checkbox"/> <input type="checkbox"/> Yes <input type="checkbox"/> No | | CHECKED BY: <u>[Signature]</u> | | | |

Appendix C

Vertical Laboratory Analyses

RICE Environmental Consulting and Safety (RECS)
P.O. Box 2948 Hobbs, NM 88241
Phone 575.393.2967

June 06, 2013

BRUCE BAKER

RICE ENVIRONMENTAL CONSULTING & SAFETY LLC

112 W. TAYLOR

HOBBS, NM 88240

RE: LINN ENERGY SKELLY UNIT #2

Enclosed are the results of analyses for samples received by the laboratory on 06/05/13 13:45.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

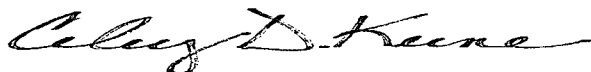
Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

| | |
|------------------|------------------------------|
| Method EPA 552.2 | Haloacetic Acids (HAA-5) |
| Method EPA 524.2 | Total Trihalomethanes (TTHM) |
| Method EPA 524.4 | Regulated VOCs (V1, V2, V3) |

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,



Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

RICE ENVIRONMENTAL CONSULTING & SAFETY
BRUCE BAKER
112 W. TAYLOR
HOBBS NM, 88240
Fax To: (575) 397-1471

| | | | |
|-------------------|----------------------------|---------------------|---------------|
| Received: | 06/05/2013 | Sampling Date: | 06/04/2013 |
| Reported: | 06/06/2013 | Sampling Type: | Soil |
| Project Name: | LINN ENERGY SKELLY UNIT #2 | Sampling Condition: | Cool & Intact |
| Project Number: | NONE GIVEN | Sample Received By: | Jodi Henson |
| Project Location: | NOT GIVEN | | |

Sample ID: VERTICAL @ 7' (H301311-01)

| BTX 8021B | | mg/kg | | Analyzed By: DW | | | | S-04 | |
|-----------------------|--------------|-----------------|------------|-----------------|------|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Benzene* | 0.615 | 0.500 | 06/06/2013 | ND | 2.20 | 110 | 2.00 | 3.07 | |
| Toluene* | 15.3 | 0.500 | 06/06/2013 | ND | 1.99 | 99.4 | 2.00 | 2.98 | |
| Ethylbenzene* | 22.2 | 0.500 | 06/06/2013 | ND | 2.16 | 108 | 2.00 | 3.42 | |
| Total Xylenes* | 57.9 | 1.50 | 06/06/2013 | ND | 6.24 | 104 | 6.00 | 3.27 | |
| Total BTX | 96.0 | 3.00 | 06/06/2013 | ND | | | | | |

Surrogate: 4-Bromofluorobenzene (PI) 178 % 89.4-126

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: DW | | | | | |
|----------------------|-------------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 5760 | 16.0 | 06/06/2013 | ND | 416 | 104 | 400 | 3.77 | |

| TPH 8015M | | mg/kg | | Analyzed By: MS | | | | S-06 | |
|------------------------|--------------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| GRO C6-C10 | 1860 | 100 | 06/06/2013 | ND | 212 | 106 | 200 | 3.07 | |
| DRO >C10-C28 | 16700 | 100 | 06/06/2013 | ND | 222 | 111 | 200 | 3.64 | |

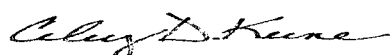
Surrogate: 1-Chlorooctane 274 % 65.2-140

Surrogate: 1-Chlorooctadecane 438 % 63.6-154

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

RICE ENVIRONMENTAL CONSULTING & SAFETY
BRUCE BAKER
112 W. TAYLOR
HOBBS NM, 88240
Fax To: (575) 397-1471

| | | | |
|-------------------|----------------------------|---------------------|---------------|
| Received: | 06/05/2013 | Sampling Date: | 06/04/2013 |
| Reported: | 06/06/2013 | Sampling Type: | Soil |
| Project Name: | LINN ENERGY SKELLY UNIT #2 | Sampling Condition: | Cool & Intact |
| Project Number: | NONE GIVEN | Sample Received By: | Jodi Henson |
| Project Location: | NOT GIVEN | | |

Sample ID: VERTICAL @ 17' (H301311-02)

| BTEX 8021B | | mg/kg | | Analyzed By: DW | | | | S-04 | |
|-----------------------|--------------|-----------------|------------|-----------------|------|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Benzene* | <0.050 | 0.050 | 06/06/2013 | ND | 2.20 | 110 | 2.00 | 3.07 | |
| Toluene* | 0.160 | 0.050 | 06/06/2013 | ND | 1.99 | 99.4 | 2.00 | 2.98 | |
| Ethylbenzene* | 0.505 | 0.050 | 06/06/2013 | ND | 2.16 | 108 | 2.00 | 3.42 | |
| Total Xylenes* | 1.68 | 0.150 | 06/06/2013 | ND | 6.24 | 104 | 6.00 | 3.27 | |
| Total BTEX | 2.34 | 0.300 | 06/06/2013 | ND | | | | | |

Surrogate: 4-Bromofluorobenzene (PIE) 173 % 89.4-126

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: DW | | | | | |
|----------------------|-------------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 7440 | 16.0 | 06/06/2013 | ND | 416 | 104 | 400 | 3.77 | |

| TPH 8015M | | mg/kg | | Analyzed By: MS | | | | | |
|------------------------|-------------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| GRO C6-C10 | 72.5 | 50.0 | 06/06/2013 | ND | 212 | 106 | 200 | 3.07 | |
| DRO >C10-C28 | 2040 | 50.0 | 06/06/2013 | ND | 222 | 111 | 200 | 3.64 | |

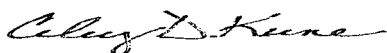
Surrogate: 1-Chlorooctane 118 % 65.2-140

Surrogate: 1-Chlorooctadecane 137 % 63.6-154

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

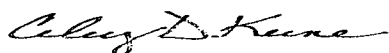
Notes and Definitions

| | |
|------|--|
| S-06 | The recovery of this surrogate is outside control limits due to sample dilution required from high analyte concentration and/or matrix interference's. |
| S-04 | The surrogate recovery for this sample is outside of established control limits due to a sample matrix effect. |
| ND | Analyte NOT DETECTED at or above the reporting limit |
| RPD | Relative Percent Difference |
| ** | Samples not received at proper temperature of 6°C or below. |
| *** | Insufficient time to reach temperature. |
| - | Chloride by SM4500Cl-B does not require samples be received at or below 6°C Samples reported on an as received basis (wet) unless otherwise noted on report |

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*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

101 East Mariland, Hobbs, NM 88240
(575) 393-2326 FAX (575) 393-2476

| | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|----------------|-------------------|--------------|--------------------|------------|--------|-----|-------------------------|--------|------------|----------|--------|--------|------|------|--|--|--|--|--|--|--|--|--|--|--|
| Company Name: <u>Linn Energy</u> | | | | BILL TO | | | | ANALYSIS REQUEST | | | | | | | | | | | | | | | | | | |
| Project Manager: <u>Bruce Baker</u> | | | | P.O. #: | | | | | | | | | | | | | | | | | | | | | | |
| Address: <u>419 W. Cain</u> | | | | Company: | | | | | | | | | | | | | | | | | | | | | | |
| City: <u>State: NM Zip: 88240</u> | | | | Attn: | | | | | | | | | | | | | | | | | | | | | | |
| Phone #: <u>Fax #:</u> | | | | Address: | | | | | | | | | | | | | | | | | | | | | | |
| Project #: <u>Project Owner:</u> | | | | City: | | | | | | | | | | | | | | | | | | | | | | |
| Project Name: | | | | State: <u>Zip:</u> | | | | | | | | | | | | | | | | | | | | | | |
| Project Location: <u>Linn Energy Skelly Unit #2</u> | | | | Phone #: | | | | | | | | | | | | | | | | | | | | | | |
| Sampler Name: <u>KARANTA LEWIS</u> | | | | Fax #: | | | | | | | | | | | | | | | | | | | | | | |
| FOR LAB USE ONLY | | | | | | MATRIX | | PRESERV. | | SAMPLING | | | | | | | | | | | | | | | | |
| Lab I.D. | Sample I.D. | (G)RAB OR (C)OMP. | # CONTAINERS | GROUNDWATER | WASTEWATER | SOIL | OIL | SLUDGE | OTHER: | ACID/BASE: | ICE/COOL | OTHER: | DATE | TIME | | | | | | | | | | | | |
| H301311 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Verticle @ 7' | G | | | | ✓ | | | | | | | 6-4-13 | | BTEX | | | | | | | | | | | |
| 2 | Verticle @ 17' | G | | | | ✓ | | | | | | | 6-4-13 | | TPH | | | | | | | | | | | |
| | | | | | | | | | | | | | | | CI | | | | | | | | | | | |

Please
Rush

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analyses. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

| | | | | | | |
|------------------------------|---|--------------------|--|-----|----|----------------|
| Relinquished By: | Date: | Received By: | Phone Result: | Yes | No | Add'l Phone #: |
| <u>KARANTA LEWIS</u> | <u>6-5-13</u> | <u>Jodi Henson</u> | Fax Result: | Yes | No | Add'l Fax #: |
| Relinquished By: | Date: | Received By: | REMARKS: | | | |
| | Time: | | <u>klewis@rice-ecs.com</u> <u>bbaker@rice-ecs.com</u> <u>lweinstein@rice-ecs.com</u> | | | |
| Delivered By: (Circle One) | Sample Condition | CHECKED BY: | | | | |
| Sampler - UPS - Bus - Other: | Cool <input checked="" type="checkbox"/> Intact <input checked="" type="checkbox"/> | (Initials) | | | | |
| | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> | | | | | |

Appendix D

Soil Bore Installation Documentation

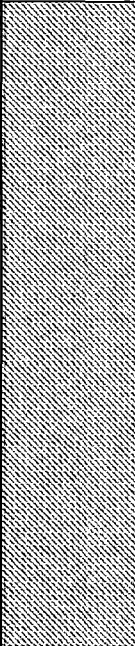
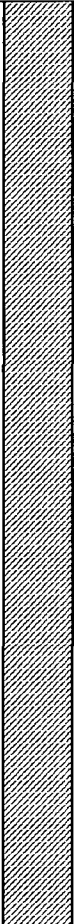

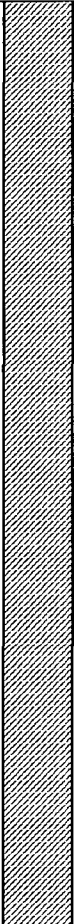
RICE Environmental Consulting and Safety (RECS)

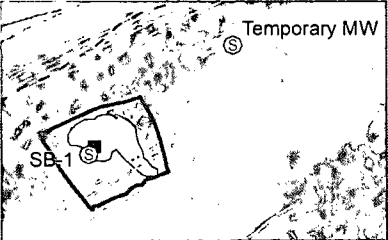

P.O. Box 2948 Hobbs, NM 88241

Phone 575.393.2967

| Logger: | Edward Cesareo | | | | | |
|--|-------------------------|-----|---|--------------------------|-----------|-------------------|
| Driller: | Harrison & Cooper, Inc. | | | | | |
| Drilling Method: | Air Rotary | | Project Name: | Well ID: | | |
| Start Date: | 7/24/2013 | | Linn Skelly Unit #2 | SB-1 | | |
| End Date: | 7/24/2013 | | | | | |
| Comments: SB-1 was located by the vertical in the release area. All samples were from cuttings. DRAFTED BY: L. Weinheimer TD = 39 ft GW = None | | | Location: UL/C sec. 22 T17S R31E Lat: 32°49'32.674"N County: Lea Long: 103°51'32.202"W State: NM | | | |
| Depth (feet) | Chloride field tests | LAB | PID | Description | Lithology | Well Construction |
| | | | | REGOLITH | | |
| SS | | | | | | |
| | | | | RED SAND | | |
| 4 ft | 89 | | 0.2 | | | |
| | | | | | | |
| 6 ft | 845 | | 19.6 | TAN SAND WITH SAND STONE | | |
| | | | | | | |
| 9 ft | 2941 | | 1026 | | | |
| | | | | | | |
| 12 ft | 4805 | | 3358 | | | |
| | | | | | | |
| 15 ft | 4619 | | 1817 | | | |
| | | | | RED SAND | | |
| 18 ft | 2468 | | 1011 | | | |
| | | | | | | |
| 21 ft | 299 | | 137.8 | | | |
| | | | | | | |
| 24 ft | 250 | | 197.7 | | | |

bentonite
seal

| Depth (feet) | Chloride field tests | LAB | PID | Description | Lithology | Well Construction |
|-------------------------|-------------------------|-------|----------|--------------------------|--|--|
| | | | | RED SAND WITH SAND STONE |  |  |
| | | | | | | |
| 27 ft | 235 | | 121.9 | | | |
| | | | | | | |
| | | | | | | |
| 30 ft | 256 | | 149.0 | | | |
| | | | | | | |
| | | | | | | |
| 33 ft | 260 | | 149.3 | | | |
| | | | | | | |
| 36 ft | 148 | | 69.1 | RED SAND |  |  |
| | | | | | | |
| | | | | | | |
| 39 ft | 115 | Cl-64 | 26.5 | | | |
| B <0.05 T <0.05 E <0.05 | | | GRO <10 | | | |
| X <0.15 BTEX <0.3 | | | DRO 11.3 | | | |

| | | | | |
|--|-------------------------|---|---|-----------------|
| Logger: | Edward Cesareo |  |  | |
| Driller: | Harrison & Cooper, Inc. | | | |
| Drilling Method: | Air Rotary | | Project Name: | Well ID: |
| Start Date: | 7/24/2013 | | Linn Skelly Unit #2 | Temporary MW |
| End Date: | 7/24/2013 | | | |
| Comments: The temporary MW was located 45 ft northeast of the center of the release. All samples were from cuttings. DRAFTED BY: L. Weinheimer TD = 45 ft GW = None | | | Location: UL/C sec. 22 T17S R31E Lat: 32°49'33.001"N County: Lea Long: 103°51'31.675"W State: NM | |

| Depth (feet) | Chloride field | LAB | PID | Description | Lithology | Well Construction |
|--------------|----------------|-----|-----|--|-----------|-------------------|
| | | | | NO SAMPLES TAKEN AS WELL WAS BEING INSTALLED | | |
| | | | | | | |
| SS | | | | | | |
| | | | | | | |
| 5 ft | | | | | | |
| | | | | | | |
| 10 ft | | | | | | |
| | | | | | | |
| 15 ft | | | | | | |
| | | | | | | |
| 20 ft | | | | | | |
| | | | | | | |
| 25 ft | | | | | | |
| | | | | | | |
| 30 ft | | | | | | |
| | | | | | | |
| 35 ft | | | | | | |
| | | | | | | |
| 40 ft | | | | | | |
| | | | | | | |
| 45 ft | | | | RED BED CLAY | | |

bentonite seal

July 31, 2013

JACOB KAMPLAIN

RICE ENVIRONMENTAL CONSULTING & SAFETY LLC

419 W. CAIN

HOBBS, NM 88240

RE: SKELLY UNIT #2 AD

Enclosed are the results of analyses for samples received by the laboratory on 07/25/13 11:00.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

| | |
|------------------|------------------------------|
| Method EPA 552.2 | Haloacetic Acids (HAA-5) |
| Method EPA 524.2 | Total Trihalomethanes (TTHM) |
| Method EPA 524.4 | Regulated VOCs (V1, V2, V3) |

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,



Mike Snyder

Organic Supervisor

Analytical Results For:

RICE ENVIRONMENTAL CONSULTING & SAFETY
JACOB KAMPLAIN
419 W. CAIN
HOBBS NM, 88240
Fax To: (575) 397-1471

Received: 07/25/2013
Reported: 07/31/2013
Project Name: SKELLY UNIT #2 AD
Project Number: NONE GIVEN
Project Location: NOT GIVEN

Sampling Date: 07/24/2013
Sampling Type: Soil
Sampling Condition: Cool & Intact
Sample Received By: Jodi Henson

Sample ID: SB @ 39' (H301749-01)

| BTX 8021B | | | mg/kg | | Analyzed By: DW | | | | |
|----------------|--------|-----------------|------------|--------------|-----------------|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Benzene* | <0.050 | 0.050 | 07/29/2013 | ND | 1.80 | 89.9 | 2.00 | 2.74 | |
| Toluene* | <0.050 | 0.050 | 07/29/2013 | ND | 1.80 | 89.9 | 2.00 | 2.64 | |
| Ethylbenzene* | <0.050 | 0.050 | 07/29/2013 | ND | 1.91 | 95.6 | 2.00 | 2.12 | |
| Total Xylenes* | <0.150 | 0.150 | 07/29/2013 | ND | 5.75 | 95.8 | 6.00 | 1.35 | |
| Total BTX | <0.300 | 0.300 | 07/29/2013 | ND | | | | | |

Surrogate: 4-Bromofluorobenzene (PIE) 106 % 89.4-126

| Chloride, SM4500Cl-B | | | mg/kg | | Analyzed By: AP | | | | |
|----------------------|--------|-----------------|------------|--------------|-----------------|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 64.0 | 16.0 | 07/29/2013 | ND | 416 | 104 | 400 | 0.00 | |

| TPH 8015M | | | mg/kg | | Analyzed By: MS | | | | |
|--------------|--------|-----------------|------------|--------------|-----------------|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| GRO C6-C10 | <10.0 | 10.0 | 07/26/2013 | ND | 186 | 92.8 | 200 | 5.17 | |
| DRO >C10-C28 | 11.3 | 10.0 | 07/26/2013 | ND | 195 | 97.5 | 200 | 7.65 | |

Surrogate: 1-Chlorooctane 77.3 % 65.2-140

Surrogate: 1-Chlorooctadecane 94.6 % 63.6-154

Cardinal Laboratories

*=Accredited Analyte

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Mike Snyder, Organic Supervisor

Analytical Results For:

RICE ENVIRONMENTAL CONSULTING & SAFETY
JACOB KAMPLAIN
419 W. CAIN
HOBBS NM, 88240
Fax To: (575) 397-1471

Received: 07/25/2013
Reported: 07/31/2013
Project Name: SKELLY UNIT #2 AD
Project Number: NONE GIVEN
Project Location: NOT GIVEN

Sampling Date: 07/24/2013
Sampling Type: Soil
Sampling Condition: Cool & Intact
Sample Received By: Jodi Henson

Sample ID: SB @ 36' (H301749-02)

| BTX 8021B | | mg/kg | | Analyzed By: DW | | | | | |
|----------------|--------|-----------------|------------|-----------------|------|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Benzene* | <0.050 | 0.050 | 07/29/2013 | ND | 1.80 | 89.9 | 2.00 | 2.74 | |
| Toluene* | <0.050 | 0.050 | 07/29/2013 | ND | 1.80 | 89.9 | 2.00 | 2.64 | |
| Ethylbenzene* | <0.050 | 0.050 | 07/29/2013 | ND | 1.91 | 95.6 | 2.00 | 2.12 | |
| Total Xylenes* | <0.150 | 0.150 | 07/29/2013 | ND | 5.75 | 95.8 | 6.00 | 1.35 | |
| Total BTX | <0.300 | 0.300 | 07/29/2013 | ND | | | | | |

Surrogate: 4-Bromofluorobenzene (PIE) 105 % 89.4-126

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: AP | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 160 | 16.0 | 07/29/2013 | ND | 416 | 104 | 400 | 0.00 | |

| TPH 8015M | | mg/kg | | Analyzed By: MS | | | | | |
|--------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| GRO C6-C10 | <10.0 | 10.0 | 07/26/2013 | ND | 186 | 92.8 | 200 | 5.17 | |
| DRO >C10-C28 | 135 | 10.0 | 07/26/2013 | ND | 195 | 97.5 | 200 | 7.65 | |


Surrogate: 1-Chlorooctane 77.4 % 65.2-140

Surrogate: 1-Chlorooctadecane 94.5 % 63.6-154

Cardinal Laboratories

*=Accredited Analyte

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Mike Snyder, Organic Supervisor

Analytical Results For:

RICE ENVIRONMENTAL CONSULTING & SAFETY
JACOB KAMPLAIN
419 W. CAIN
HOBBS NM, 88240
Fax To: (575) 397-1471

Received: 07/25/2013
Reported: 07/31/2013
Project Name: SKELLY UNIT #2 AD
Project Number: NONE GIVEN
Project Location: NOT GIVEN

Sampling Date: 07/24/2013
Sampling Type: Soil
Sampling Condition: Cool & Intact
Sample Received By: Jodi Henson

Sample ID: SB @ 12' (H301749-03)

| BTX 8021B | | mg/kg | | Analyzed By: DW | | | | S-04 | |
|----------------|--------|-----------------|------------|-----------------|------|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Benzene* | <1.00 | 1.00 | 07/30/2013 | ND | 1.80 | 89.9 | 2.00 | 2.74 | |
| Toluene* | 13.2 | 1.00 | 07/30/2013 | ND | 1.80 | 89.9 | 2.00 | 2.64 | |
| Ethylbenzene* | 18.1 | 1.00 | 07/30/2013 | ND | 1.91 | 95.6 | 2.00 | 2.12 | |
| Total Xylenes* | 56.8 | 3.00 | 07/30/2013 | ND | 5.75 | 95.8 | 6.00 | 1.35 | |
| Total BTX | 89.1 | 6.00 | 07/30/2013 | ND | | | | | |

Surrogate: 4-Bromofluorobenzene (PIE) 128 % 89.4-126

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: AP | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 4340 | 16.0 | 07/29/2013 | ND | 416 | 104 | 400 | 0.00 | |

| TPH 8015M | | mg/kg | | Analyzed By: MS | | | | S-06 | |
|--------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| GRO C6-C10 | 1130 | 100 | 07/26/2013 | ND | 188 | 93.9 | 200 | 7.00 | |
| DRO >C10-C28 | 8340 | 100 | 07/26/2013 | ND | 195 | 97.4 | 200 | 9.12 | |

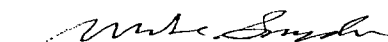
Surrogate: 1-Chlorooctane 132 % 65.2-140

Surrogate: 1-Chlorooctadecane 238 % 63.6-154

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*=Accredited Analyte

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Mike Snyder, Organic Supervisor

Notes and Definitions

| | |
|------|--|
| S-06 | The recovery of this surrogate is outside control limits due to sample dilution required from high analyte concentration and/or matrix interference's. |
| S-04 | The surrogate recovery for this sample is outside of established control limits due to a sample matrix effect. |
| ND | Analyte NOT DETECTED at or above the reporting limit |
| RPD | Relative Percent Difference |
| ** | Samples not received at proper temperature of 6°C or below. |
| *** | Insufficient time to reach temperature. |
| - | Chloride by SM4500Cl-B does not require samples be received at or below 6°C Samples reported on an as received basis (wet) unless otherwise noted on report |

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*=Accredited Analyte

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Mike Snyder, Organic Supervisor

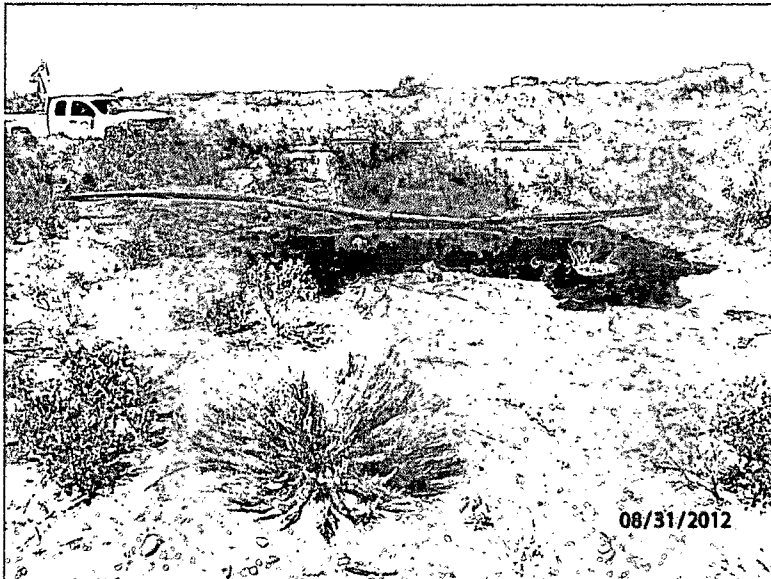
Appendix E

Photo Documentaton

RICE Environmental Consulting and Safety (RECS)
P.O. Box 2948 Hobbs, NM 88241
Phone 575.393.2967

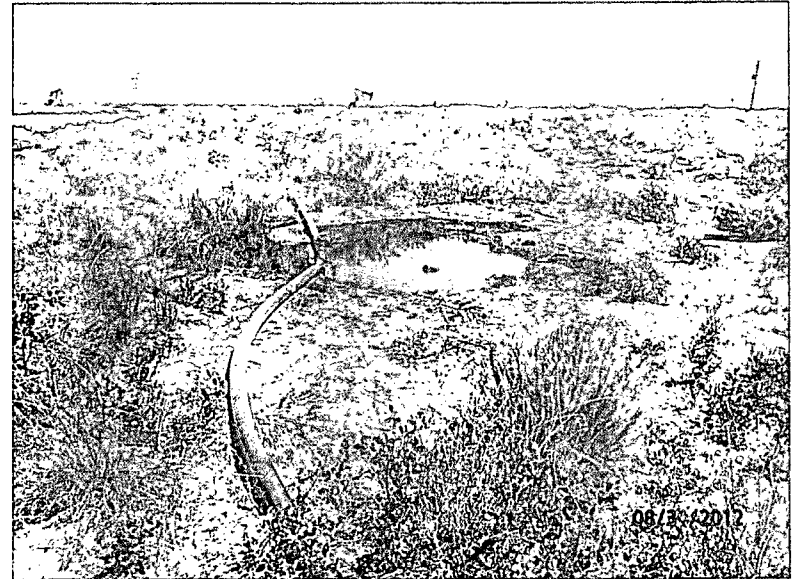
Linn Skelly Unit #2

Unit C, Section 22, T17S, R31E



Initial release, facing east

8/31/2012



Initial release, facing south

8/31/2012



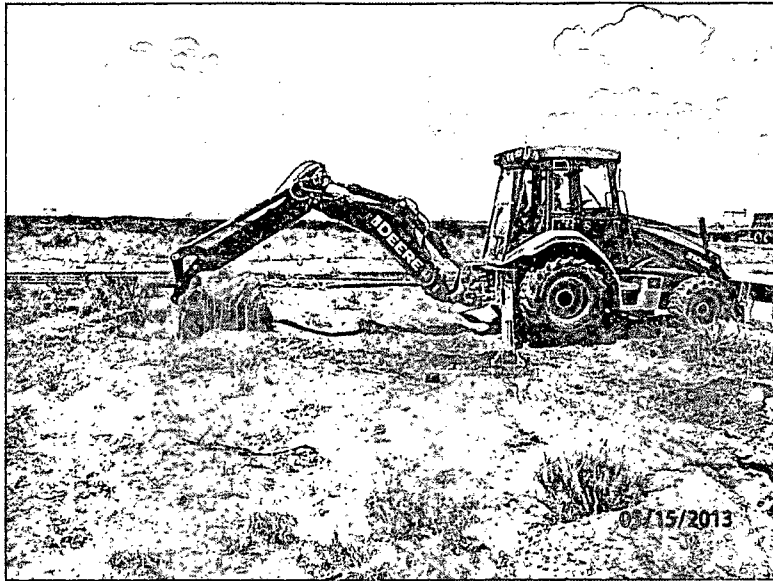
Initial release, facing west

8/31/2012



Initial release, facing north

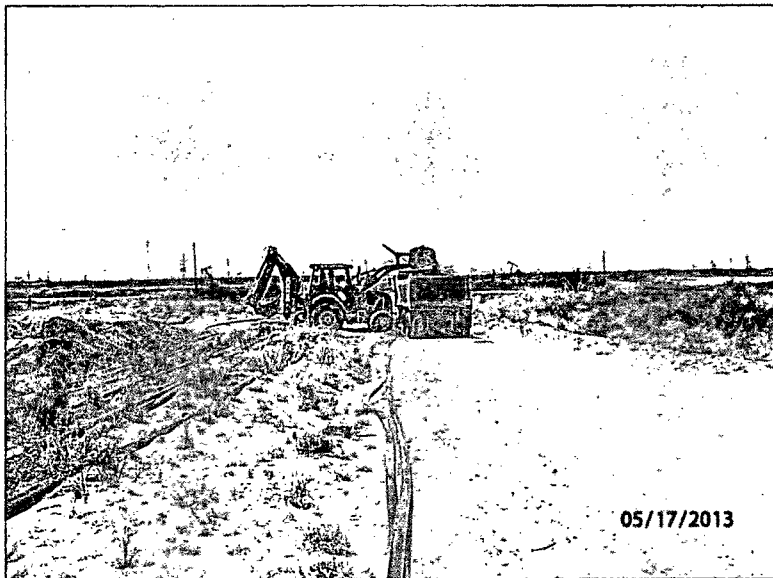
8/31/2012



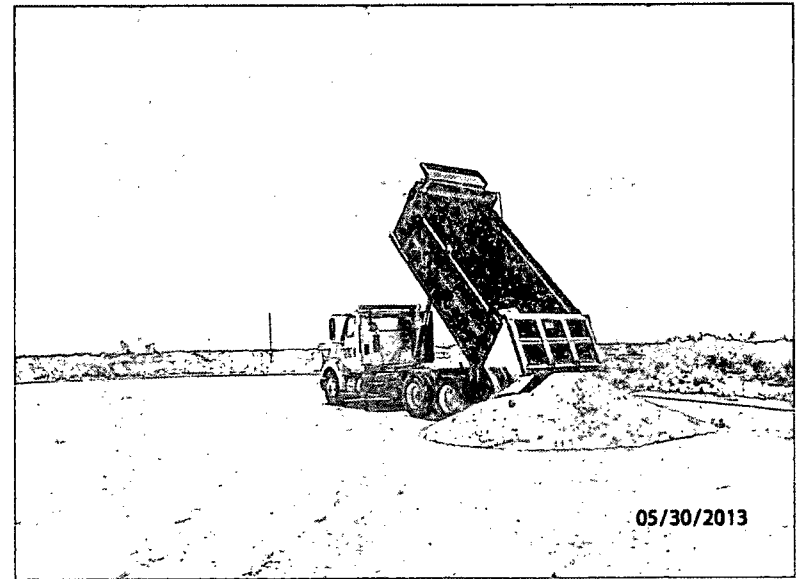
Excavating release area, facing east 5/15/13



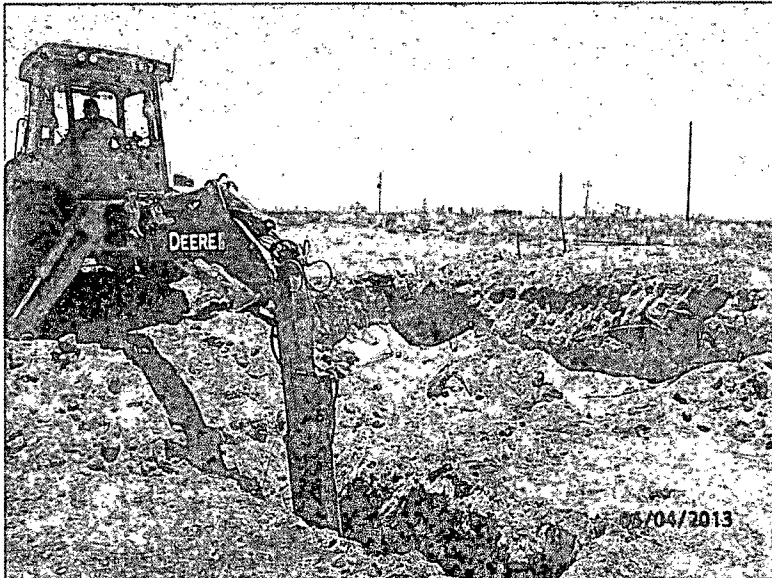
Excavating release area, facing south 5/16/13



Exporting soil, facing north 5/17/13

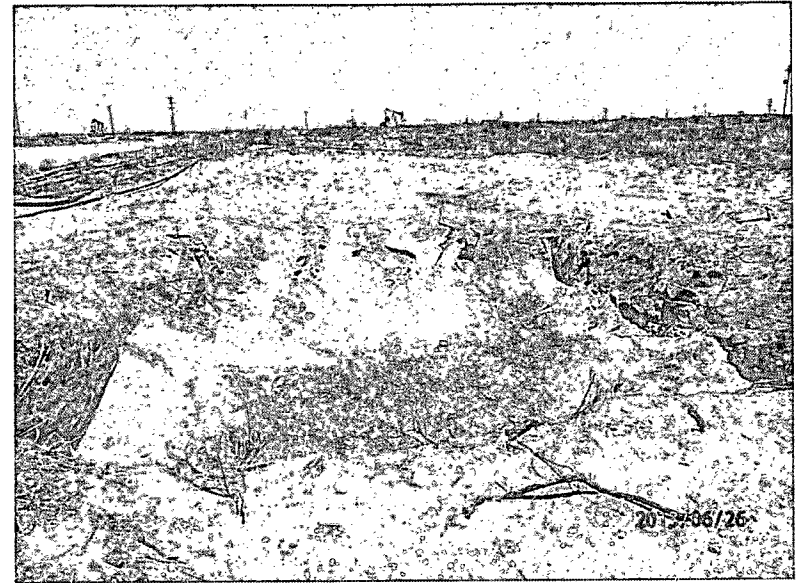


Importing soil, facing southwest 5/30/13



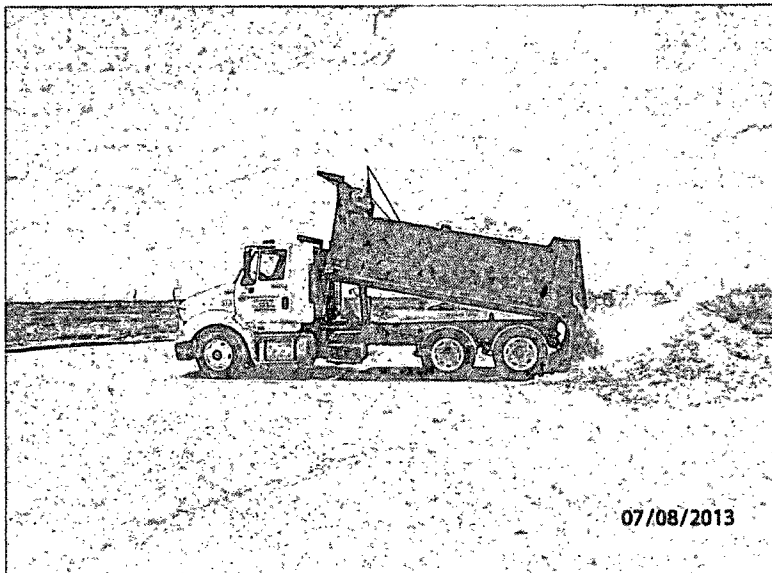
Installing vertical, facing southeast

6/4/13



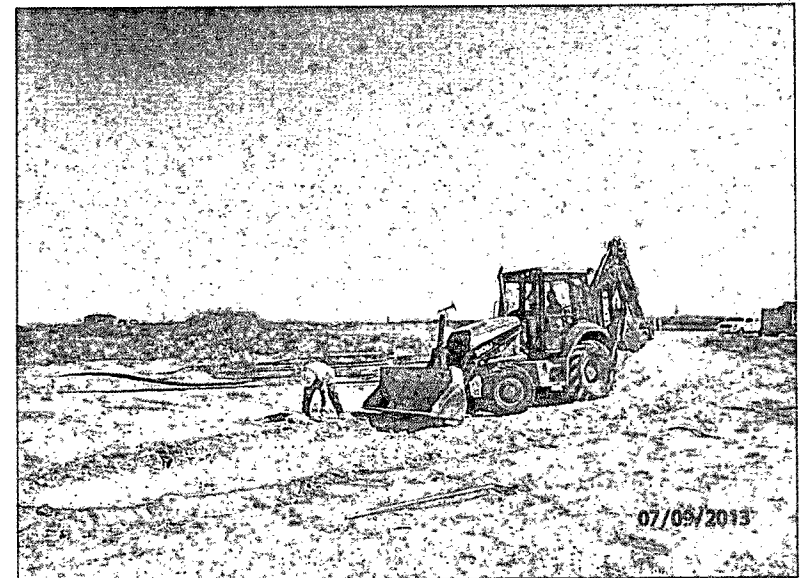
Completed excavation, facing east

6/26/13

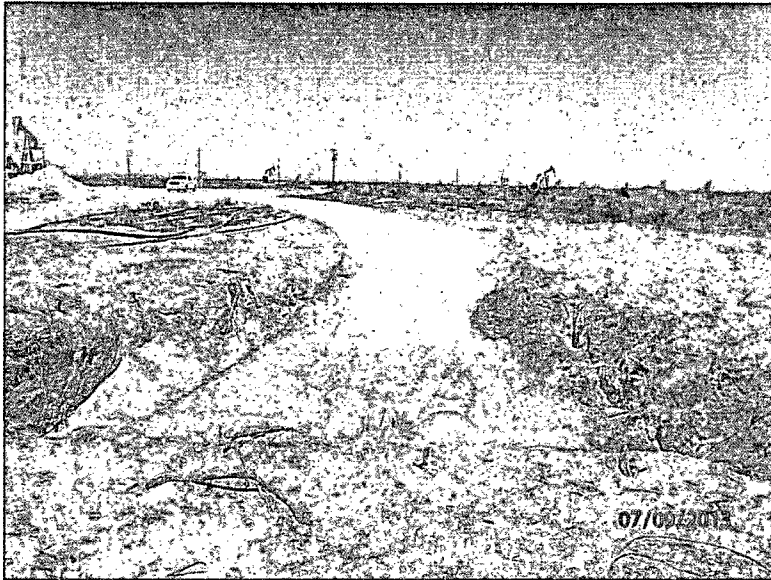


Importing caliche, facing southwest

7/8/13

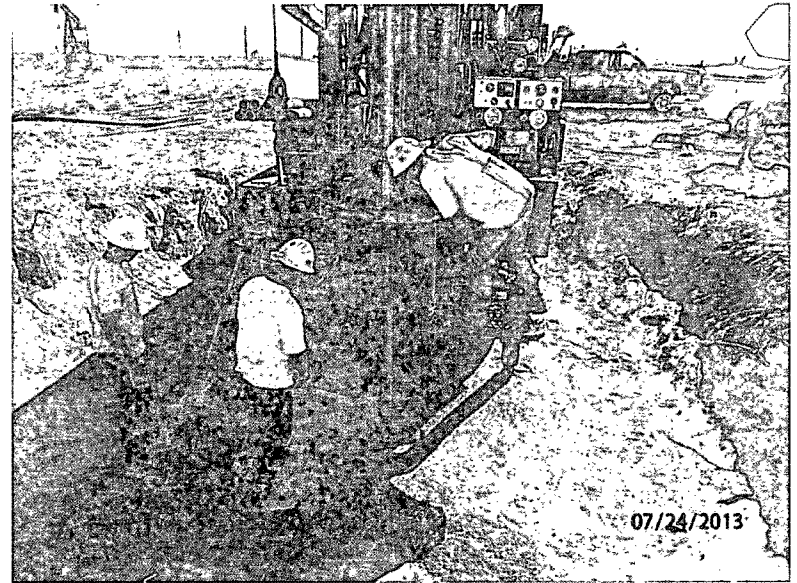


Creating road for SB installation, facing northwest 7/9/13



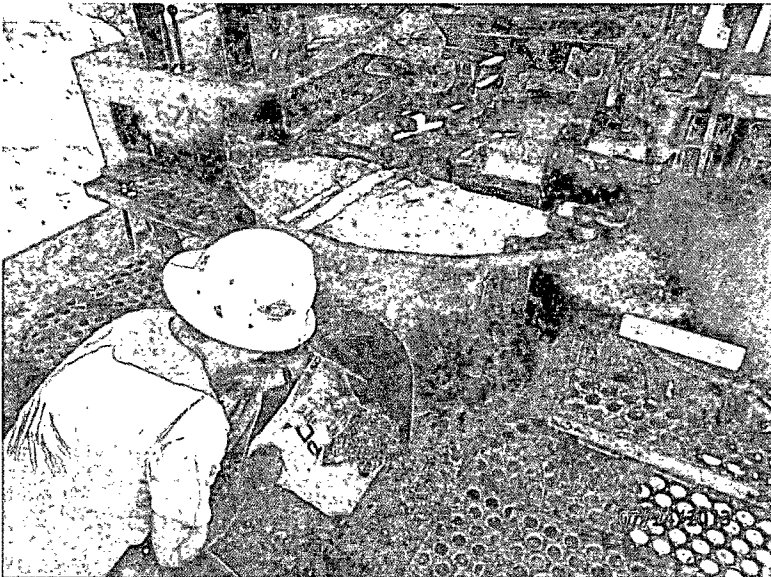
Road completed, facing northeast

7/9/13



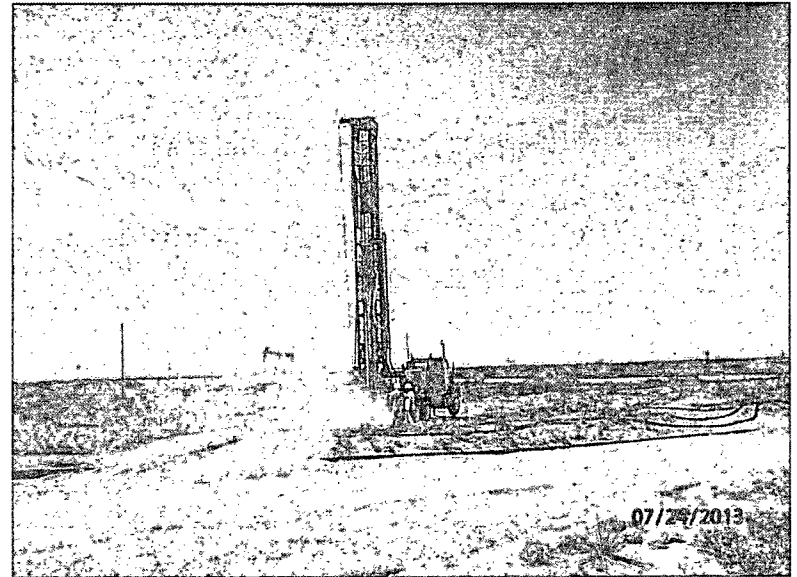
Installing SB-1, facing northeast

7/24/13



Plugging SB-1 in total with bentonite

7/24/13



Installing temporary monitor well, facing SW

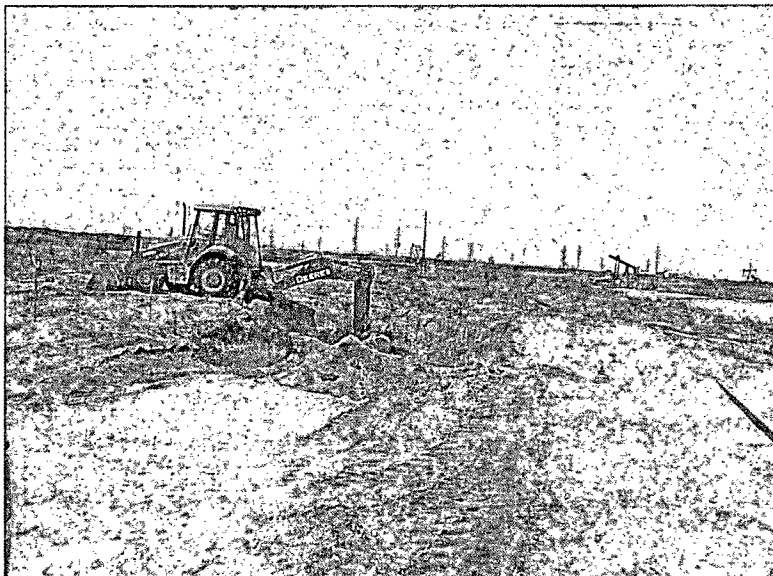
7/24/13



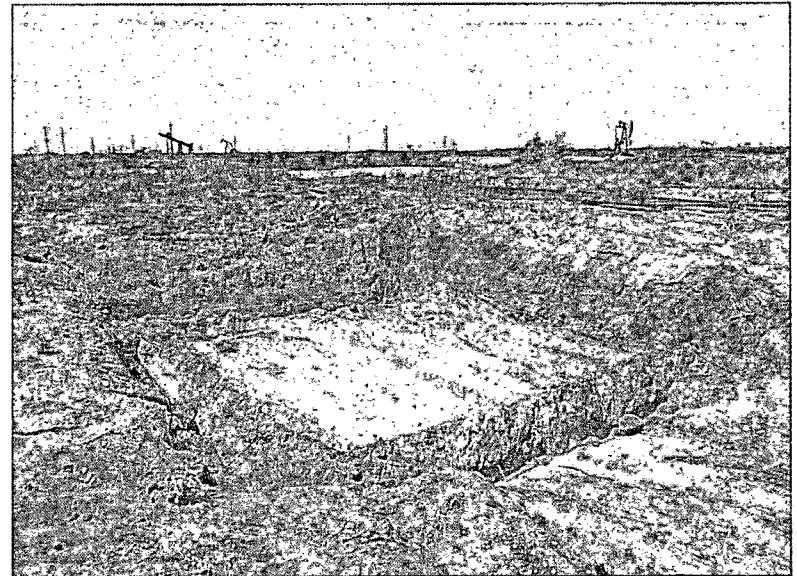
Plugging temporary monitor well in total with bentonite
Facing northeast
7/24/13



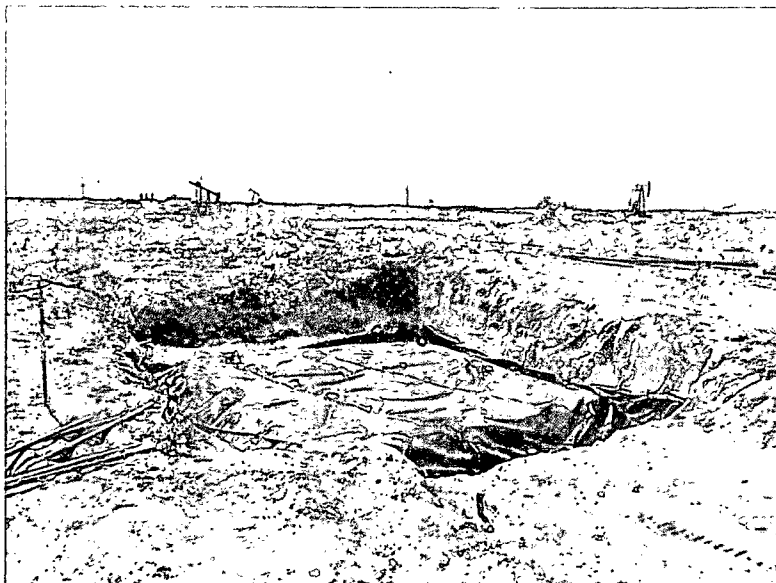
Completed temporary monitor well, facing NE 7/24/13



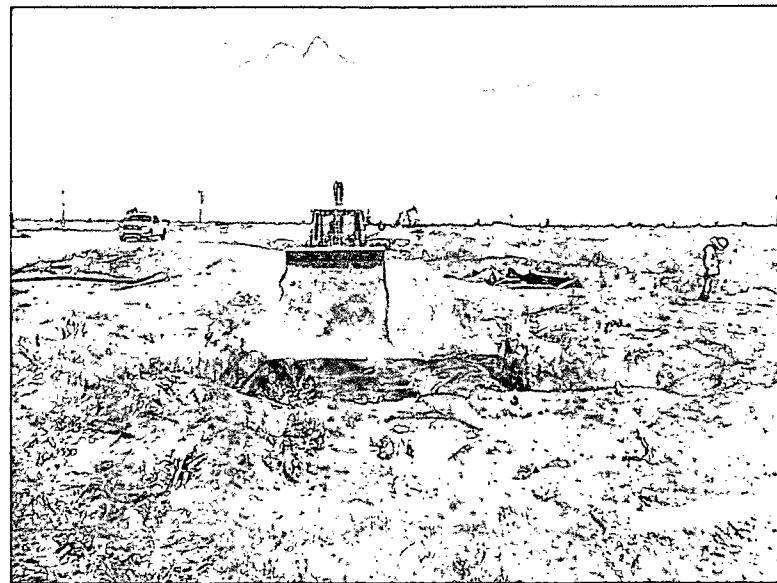
Digging trench to key set liner, facing SW 8/21/13



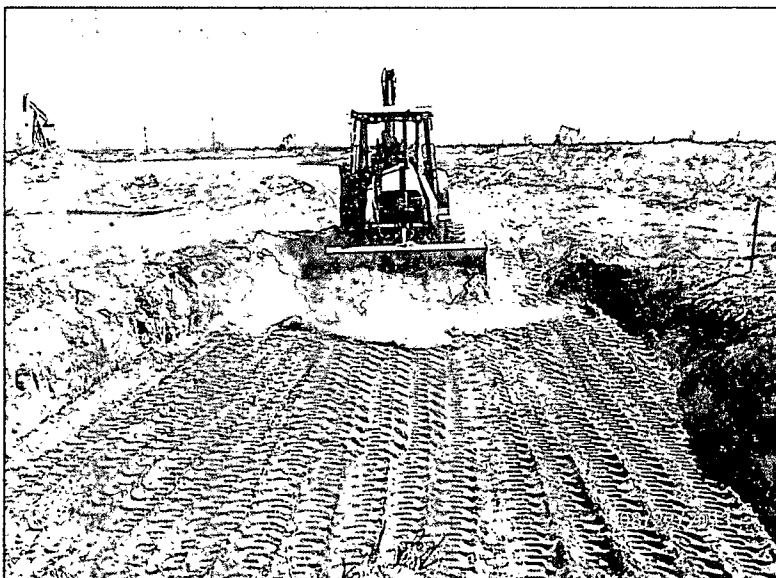
Trench completed, facing northwest 8/21/13



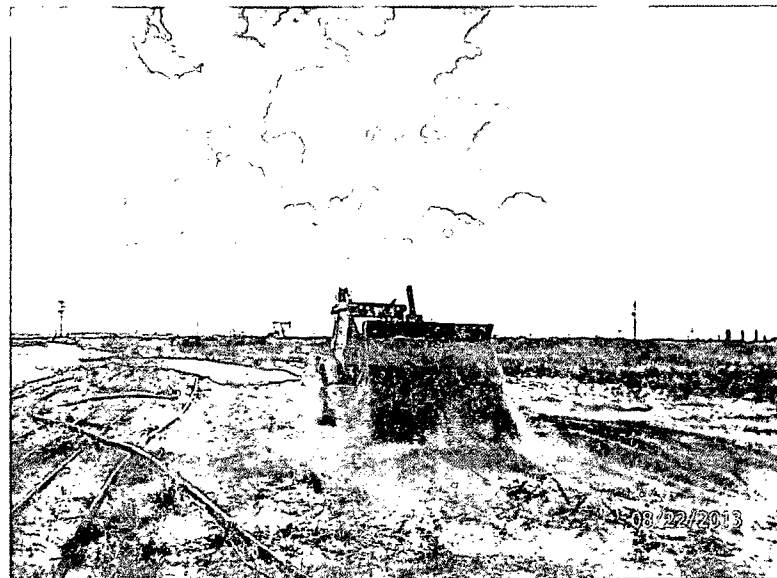
20-mil reinforced poly liner installed, facing NW
8/21/13



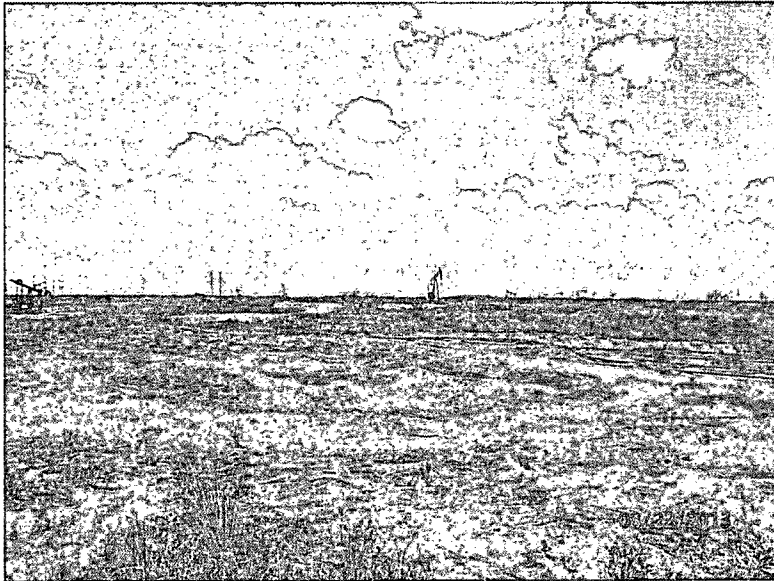
Padding above liner, facing east
8/21/13



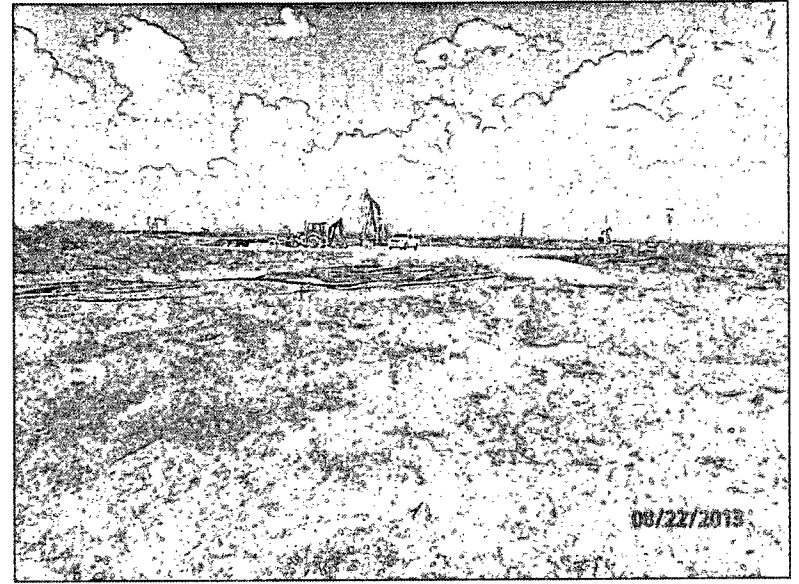
Padding over liner completed; backfilling with caliche
facing east
8/22/13



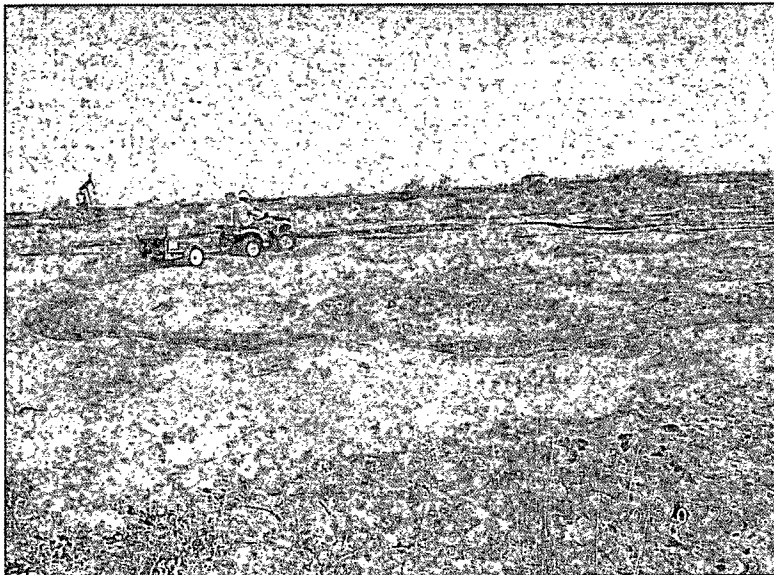
Backfilling with topsoil, facing northeast
8/22/13



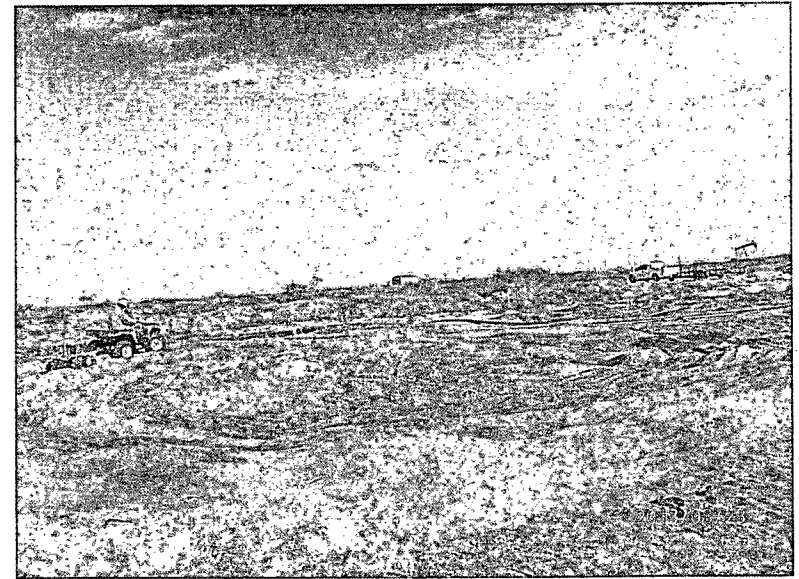
Backfilling completed, facing northwest 8/22/13



Backfilling completed, facing northeast 8/22/13



Adding soil amendments, facing northeast 8/23/13

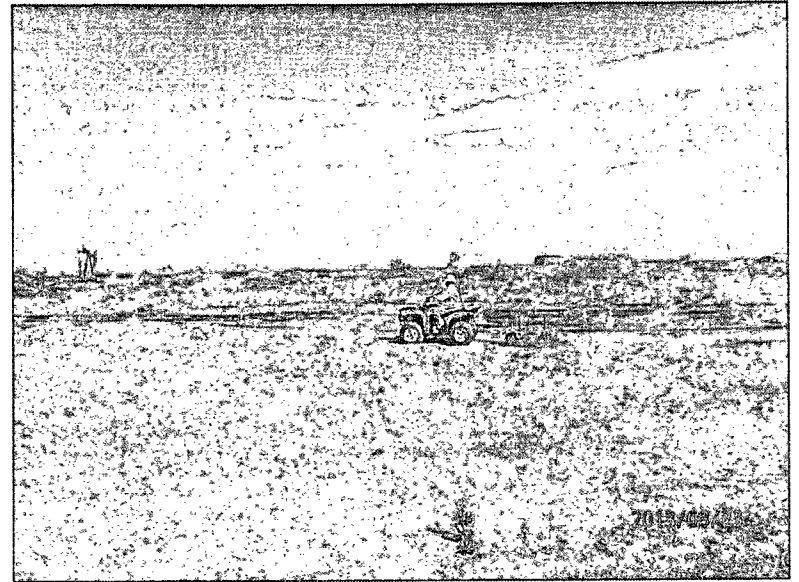


Tilling in soil amendments, facing northeast 8/23/13



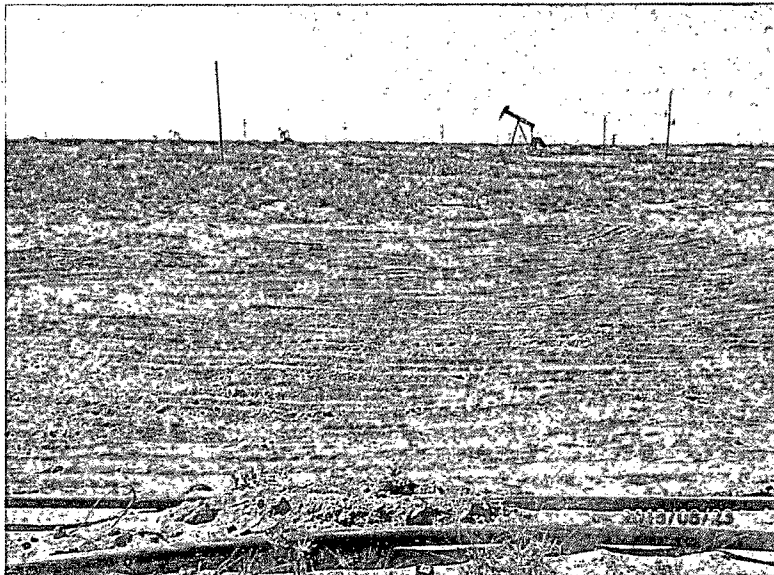
Seeding site with LPC mix, facing east

8/23/13



Tilling in seed, facing northeast

8/23/13



Site completed, facing west

8/23/13



Site completed, facing northeast

8/23/13

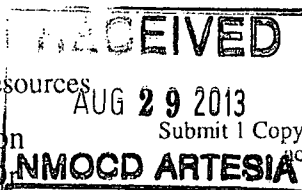
Appendix F

Final C-141

RICE Environmental Consulting and Safety (RECS)
P.O. Box 2948 Hobbs, NM 88241
Phone 575.393.2967

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

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 August 8, 2011

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

| | | |
|---|------------------------------|--------------------|
| Name of Company Linn Energy | Contact Brian Wall | |
| Address 2130 W. Bender Blvd., Hobbs, NM 88240 | Telephone No. (806) 367-0645 | |
| Facility Name Skelly Unit #2 | Facility Type Oil | |
| Surface Owner BLM | Mineral Owner BLM | API No. 3001505344 |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| C | 22 | 17S | 31E | 1980 | FNL | 660 | FWL | Eddy |

Latitude _____ Longitude _____

NATURE OF RELEASE

| | | |
|--|--|---|
| Type of Release Oil/Produced Water | Volume of Release 3 bbls/2 bbls | Volume Recovered 1 bbls/1 bbls |
| Source of Release Poly Pipeline | Date and Hour of Occurrence 8/31/12 9:30 am | Date and Hour of Discovery 8/31/12 10:00 am |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? M. Bratcher - NMOCd Terry Gregston - BLM | |
| By Whom? Joe Hernandez | Date and Hour 9/4/12 7:35 am | |
| 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.* The 3" poly line split on the fusion weld. The fluid was picked up, a gang fixed the line and the well was turned back on.

Describe Area Affected and Cleanup Action Taken.* The release affected 267 sq ft of the pasture area. On March 7th, 2013, a Corrective Action Plan (CAP) was submitted to NMOCd and BLM. BLM approved the CAP on May 3rd, 2013. The site was excavated to 28 ft x 31 ft x 4 ft deep beginning on May 15th, 2013. A total of 156 yards of excavated soil was taken to a NMOCd approved facility for disposal. Confirmatory samples from the excavation walls and bottom were taken to a commercial laboratory for analysis. All the wall samples returned laboratory chloride results below 1,000 mg/kg. The bottom sample at 4 ft bgs returned a laboratory chloride result of 17,200 mg/kg, a GRO reading of 778 mg/kg, a DRO reading of 15,200 mg/kg and a Total BTEX reading of 40.5 mg/kg. This data was sent to BLM and NMOCd. BLM and NMOCd responded on June 3rd, 2013, that the bottom of the excavation needed to be further delineated. NMOCd requested that a vertical be completed at the base of the excavation. On June 4th, 2013, a vertical was installed at the base of the 4 ft bgs excavation. The vertical was installed to a depth of 17 ft bgs, and samples were taken at regular intervals as it was being advanced. The field samples were field tested for chlorides and hydrocarbons and representative samples were taken to a commercial laboratory for analysis. Based on the vertical data, a soil bore was installed through the excavation to determine the depth of contamination. Per BLM's approval on June 27th, 2013, a caliche road was installed from the well pad to the site to facilitate the soil bore installation. On July 24th, 2013, a soil bore was installed through the center of the excavation. The soil bore was advanced to a depth of 39 ft bgs and field samples were taken at regular intervals and field tested for chlorides and hydrocarbons. The 39 ft bgs sample was taken to a commercial laboratory for analysis. A temporary monitor well was installed at the site to determine whether groundwater existed in the area. The temporary monitor well was drilled to 45 ft bgs. Red bed clay was encountered at 43 ft bgs, which indicates the base of the aquifer. The bore was gauged and no groundwater was discovered in the bore. On August 21st, 2013, RECS personnel were on site to install a liner. A trench was excavated along the base of the 4 ft bgs excavation to key set the liner. A 20-mil reinforced poly liner was then installed and properly seated into the base of the excavation. 120 yards of clean topsoil and 72 yards of clean caliche were imported to the site to serve as backfill. A 2 ft layer of topsoil was placed over the liner to prevent it from punctures. A 1.5 ft layer of caliche was placed over the topsoil and then additional topsoil was used to backfill the site to the surface. On August 23rd, 2013, amendments were added to the soil and the site was seeded with LPC seed mix.

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 | | Approved by Environmental Specialist: | |
| Title: Construction Foreman II | | Approval Date: | Expiration Date: |
| E-mail Address: Bwall@linenergy.com | | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: | Phone: (806) 367-0645 | | |

* Attach Additional Sheets If Necessary