



Remediation Summary Report Form

General Information

This section provides general information about the operator and the site where the spill occurred.

Date: October 22, 2012

Client: LINN Energy

Site Name: Skelly Unit 3

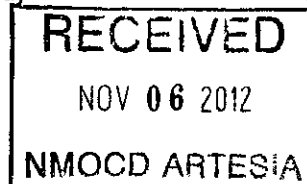
County: Eddy

State: NM

Site Coordinates Latitude: N32 49' 16.8"
Longitude: W103 52' 23.1"

Property Owner: Federal

State Report No.: 2RP-1154



Release Description and Assessment

The information below is related to the spill (Date, Type, Cause and Quantity) and the area impacted.

Date of Spill: May 19, 2012

Type of Spill: ☒ Oil ☒ Produced Water ☐ Condensate ☐ Other (Specify):

Cause of Spill: ☐ Equipment Failure ☐ Valve Failure ☒ Line Rupture ☐ Leaking Tank ☐ Tank Overfill
☐ Other (List):

Other Contributing Factors or Comments:

Quantity Spilled: 55 bbls. Quantity Recovered: 40 bbls. Total Released: 15 bbls.

Method of Recovery: ☒ Vacuum Truck ☐ Other (Specify):

OCD Notified: ☒ Yes ☐ No C-141 Completed and Submitted: ☒ Yes ☐ No

Spill Area Impacted: ☐ Inside Firewall ☒ On Production Pad ☒ In Pasture ☐ In Cultivated Land
☐ Other (List):

Total Square Footage Impacted: 3000 Estimated Depth: 1-6' Volume (Cu. Yds): 700

Other Comments:

Remediation Activity Summary

The following summarizes the activities used to remediate the spill.

Impacted soils above regulatory threshold levels were manually and mechanically excavated from the spill area. However, there is still impacted soil at SP1. A soil Boring was performed at SP1 to a depth of 10ft, where refusal was met, the delineation determined the chloride levels to be 752mg. Please note the intervals of the samples collected were measured from the bottom of the excavation, not from ground level. Consequently, 6 feet needs to be added to the sample depth to get the true depth from surface.

Additional excavation was not practical at this point due to, numerous flow lines that traverse through all parts of the excavation, which restricted any further excavation due to safety concerns. As discussed in section 5 of the Corrective Action Plan dated May 25, 2012, LINN proposed to apply a calcium amendment to the bottom of the excavation (gypsum) then backfill with clean compacted fill material to within 1.5 – 2ft of surface then complete the backfill with compatible soil which is conducive to growing vegetation.

Impacted soils were transported off-site to Lea Land Landfill. Once the impacted soils were removed to acceptable levels, the production pad and pasture areas were backfilled with like materials and smoothed to grade, then the pasture area was seeded with a BLM mix #2 & #4. Water bars were installed to prevent wind and water erosion.

Analytical Summary

Results of analyses following remediation activities are as follows:

Summary of Remediation Sampling Analytical Results						
Total Petroleum Hydrocarbons - [TPH (mg/kg)] & Chlorides [Chl (mg/kg)]						
Sample #	Depth (ft)	Date	TPH C6-C10	TPH C10-C28	Total TPH	Chl
SP1 Bottom	6	7/09/2012				10800
SP1 - HA1 Bottom	4-5	7/18/2012				6400
SP1 - HA1 Bottom	9-10	7/18/2012				752
SP1 South Wall	3	7/09/2012				1100
SP1 North Wall	3	7/09/2012				<16.0
SP1 East Wall	3	7/09/2012				48
SP2 Bottom	6	7/09/2012				<16.0
SP2 West Wall	3	7/09/2012				96
SP2 South Wall	3	7/09/2012				32
SP3 Bottom	6	7/09/2012				560
SP3 West Wall	3	7/09/2012				48
SP3 North Wall	3	7/09/2012				<16.0
SP3 East Wall	3	7/09/2012				<16.0

* ND = Non-Detect; concentration below mg/kg.

A review of the analytical data indicated the sample is within the Oil Conservation Division (OCD) regulatory threshold limits. Based upon this information it has been determined that remediation of the site is complete. Copies of analytical reports, seed tickets, photographs, BLM closure and final C-141 are attached.

Prepared by:



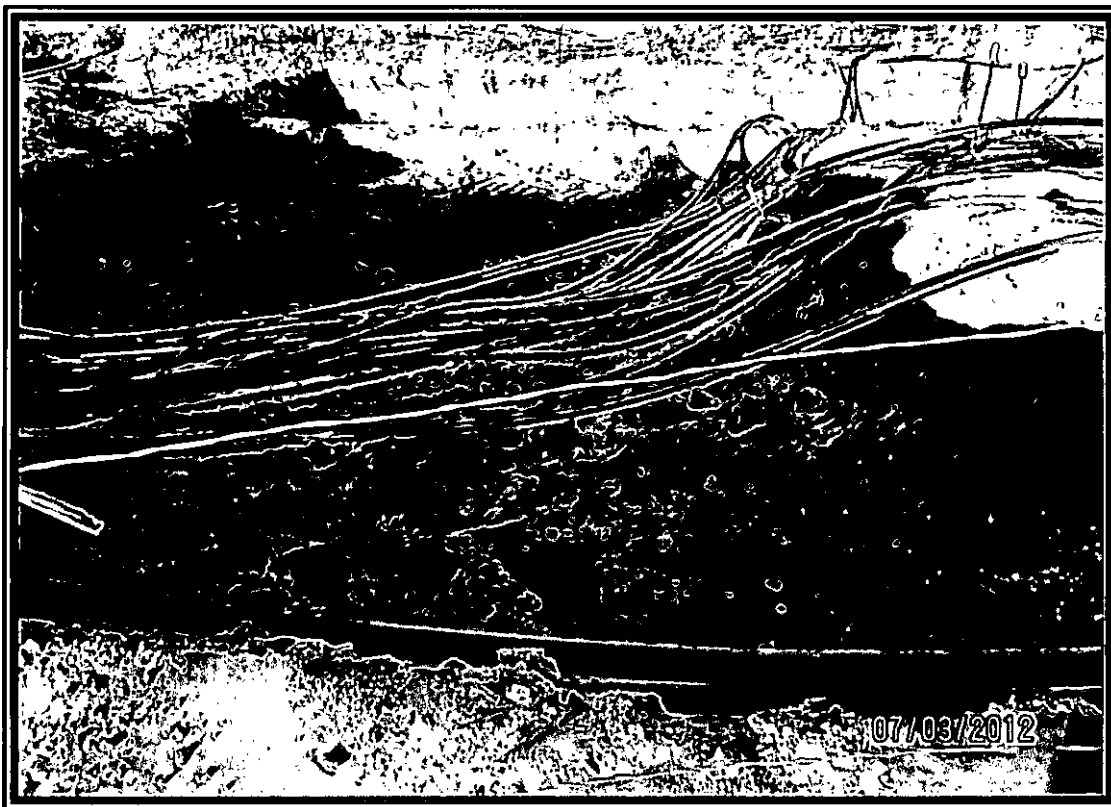
Kit Prichard
Etech Environmental & Safety Solutions, Inc.



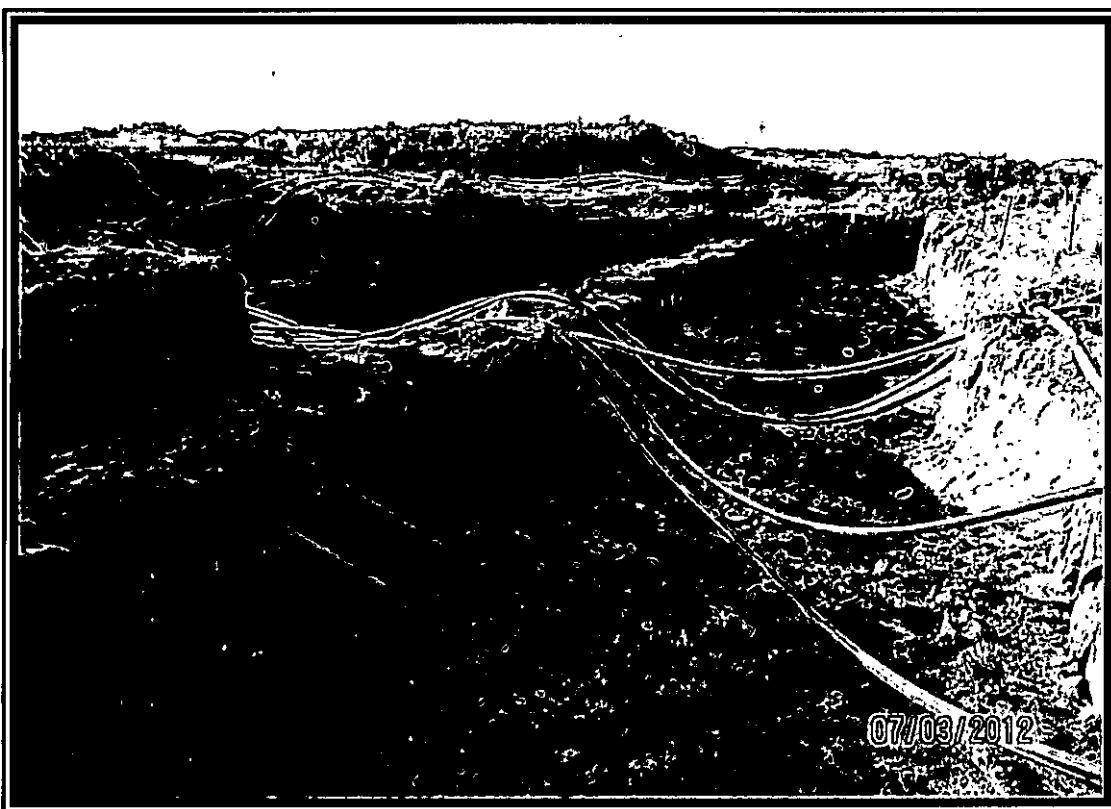
Spill area before excavation.



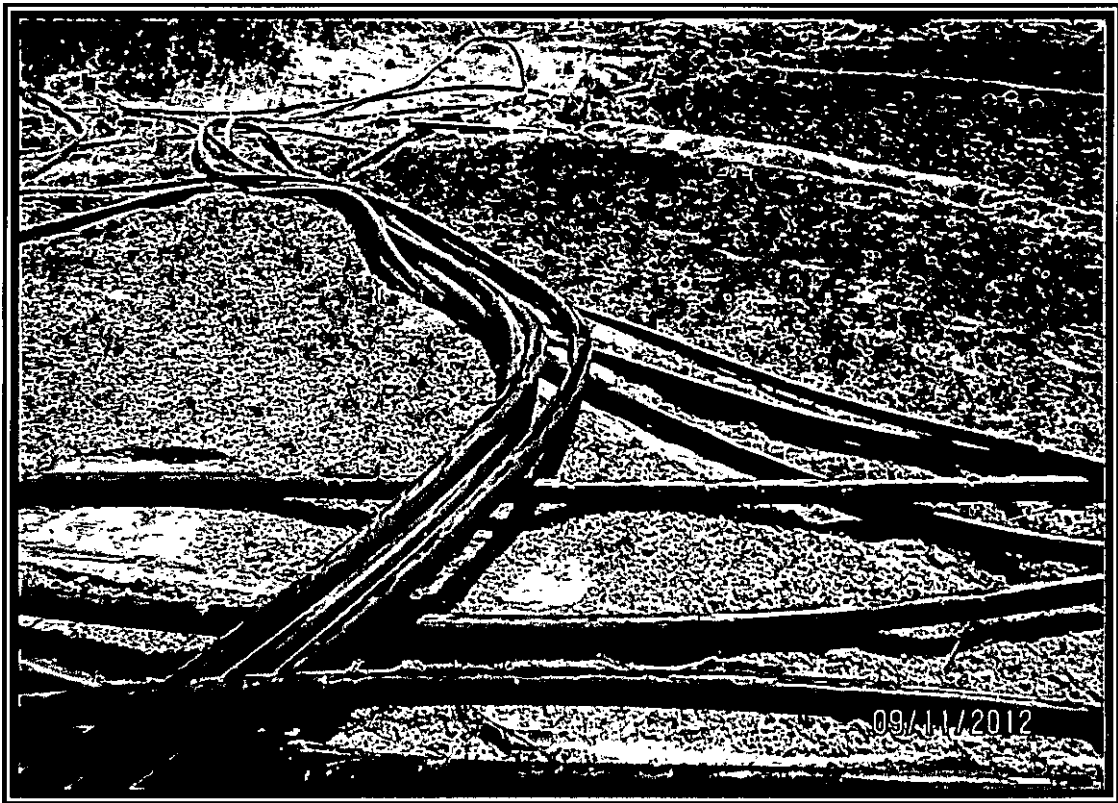
Spill area before excavation.



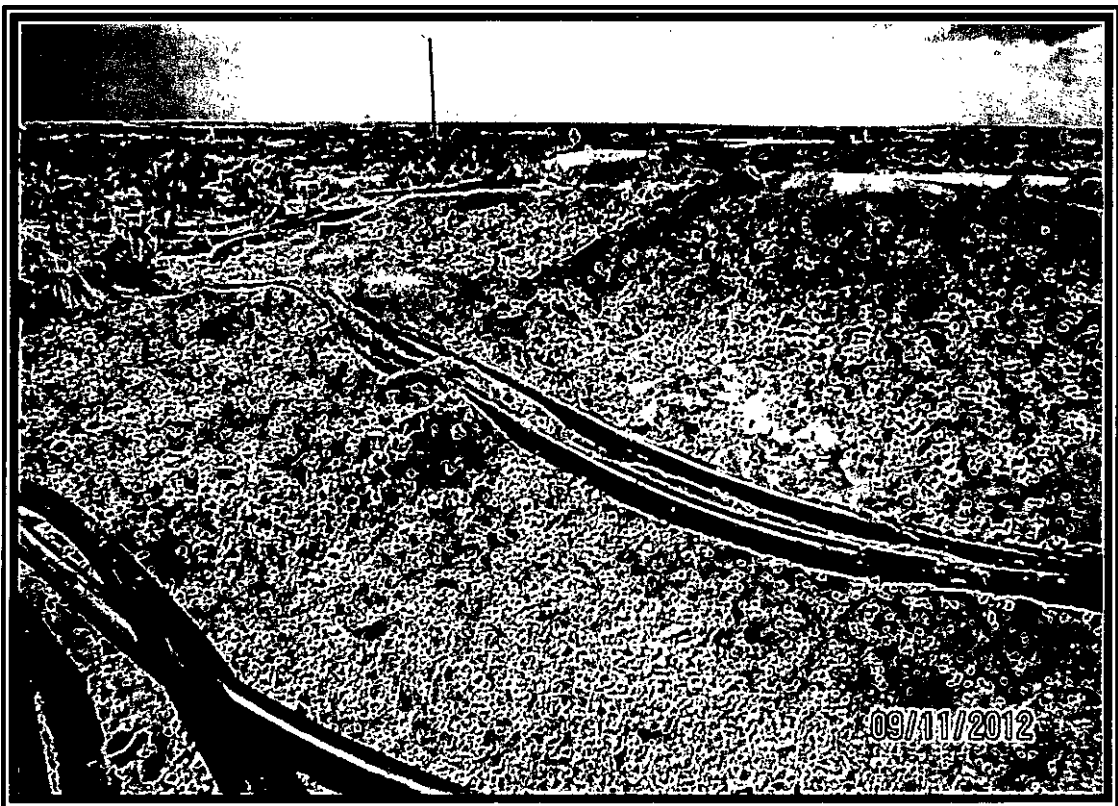
Spill area during excavation.



Spill area during excavation.



Spill area after backfill and seeding.



Spill area after backfill and seeding.

July 11, 2012

FRED HOLMES

ETECH Environmental & Safety Solutions, Inc.

P. O. BOX 8469

MIDLAND, TX 79708

RE: SKELLY UNIT #3

Enclosed are the results of analyses for samples received by the laboratory on 07/09/12 16:00.

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/ga/lab_accred_certif.html.

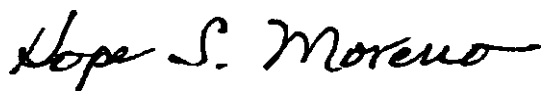
Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

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,



Hope Moreno

Inorganic Technical Director

Analytical Results For:

ETECH Environmental & Safety Solutions, Inc.
FRED HOLMES
P. O. BOX 8469
MIDLAND TX, 79708
Fax To: (432) 563-2213

Received: 07/09/2012
Reported: 07/11/2012
Project Name: SKELLY UNIT #3
Project Number: 253-3423-000
Project Location: EDDY COUNTY, NM

Sampling Date: 07/09/2012
Sampling Type: Soil
Sampling Condition: ** (See Notes)
Sample Received By: Jodi Henson

Sample ID: SP 1 BOTTOM 6' (H201562-01)

Chloride, SM4500CI-B		mg/kg	Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	10800	16.0	07/10/2012	ND	416	104	400	3.92	

Sample ID: SP 1 S WALL 3' (H201562-02)

Chloride, SM4500CI-B		mg/kg	Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	1100	16.0	07/10/2012	ND	416	104	400	3.92	

Sample ID: SP 1 N WALL 3' (H201562-03)

Chloride, SM4500CI-B		mg/kg	Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	<16.0	16.0	07/10/2012	ND	416	104	400	3.92	

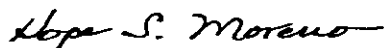
Sample ID: SP 1 E WALL 3' (H201562-04)

Chloride, SM4500CI-B		mg/kg	Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	48.0	16.0	07/10/2012	ND	416	104	400	3.92	

Cardinal Laboratories

*=Accredited Analyte

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Hope Moreno, Inorganic Technical Director

Analytical Results For:

 ETECH Environmental & Safety Solutions, Inc.
 FRED HOLMES
 P. O. BOX 8469
 MIDLAND TX, 79708
 Fax To: (432) 563-2213

 Received: 07/09/2012
 Reported: 07/11/2012
 Project Name: SKELLY UNIT #3
 Project Number: 253-3423-000
 Project Location: EDDY COUNTY, NM

 Sampling Date: 07/09/2012
 Sampling Type: Soil
 Sampling Condition: ** (See Notes)
 Sample Received By: Jodi Henson

Sample ID: SP 2 BOTTOM 6' (H201562-05)

Chloride, SM4500CI-B mg/kg			Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	<16.0	16.0	07/10/2012	ND	416	104	400	3.92	

Sample ID: SP 2 W WALL 3' (H201562-06)

Chloride, SM4500CI-B mg/kg			Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	96.0	16.0	07/10/2012	ND	400	100	400	0.00	

Sample ID: SP 2 S WALL 3' (H201562-07)

Chloride, SM4500CI-B mg/kg			Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	32.0	16.0	07/10/2012	ND	400	100	400	0.00	

Sample ID: SP 3 BOTTOM 6' (H201562-08)

Chloride, SM4500CI-B mg/kg			Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	560	16.0	07/10/2012	ND	400	100	400	0.00	

Sample ID: SP 3 W WALL 3' (H201562-09)

Chloride, SM4500CI-B mg/kg			Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	48.0	16.0	07/10/2012	ND	400	100	400	0.00	

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* = Accredited Analyte

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FRED HOLMES
P. O. BOX 8469
MIDLAND TX, 79708
Fax To: (432) 563-2213

Received: 07/09/2012
Reported: 07/11/2012
Project Name: SKELLY UNIT #3
Project Number: 253-3423-000
Project Location: EDDY COUNTY, NM

Sampling Date: 07/09/2012
Sampling Type: Soil
Sampling Condition: ** (See Notes)
Sample Received By: Jodi Henson

Sample ID: SP 3 N WALL 3' (H201562-10)

Chloride, SM4500Cl-B		mg/kg	Analyzed By: AP							
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	<16.0	16.0	07/10/2012	ND	400	100	400	0.00		


Sample ID: SP 3 E WALL 3' (H201562-11)

Chloride, SM4500Cl-B		mg/kg	Analyzed By: AP							
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	<16.0	16.0	07/10/2012	ND	400	100	400	0.00		

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* = Accredited Analyte

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Hope Moreno, Inorganic Technical Director

Notes and Definitions

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

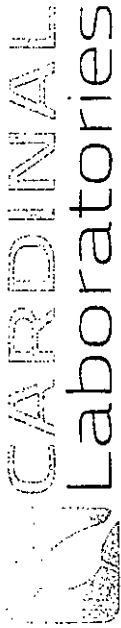
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Hope Moreno, Inorganic Technical Director



CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

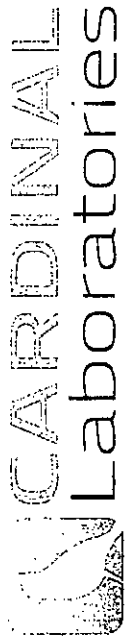
101 East Marland, Hobbs, NM 88240
(575) 393-2326 FAX (575) 393-2476

Company Name: E-tech		BILL TO		ANALYSIS REQUEST																											
Project Manager: Fred Holmes		P.O. #:																													
Address:		Company:																													
City:		Attn:																													
Phone #:		Address:																													
Project #:		City:																													
Project Name: SKULLY Unit #3		State:																													
Project Location: Eddy county		Zip:																													
Sampler Name: Terry Osborn		Phone #:																													
Fax #:		Fax #:																													
FOR LAB USE ONLY		MATRIX		PRESERV		SAMPLING																									
Lab I.D.		# CONTAINERS		(G)RAU OR (C)OMP		WASTEWATER		SOIL		SLUDGE		OTHER		ACID/BASE		ICE/COOL		OTHER													
Sample I.D.																															
H201502																															
1 SPI Bottom 6'																															
2 SPI S.Wall 3'																															
3 SPI N.Wall 3'																															
4 SPI E.Wall 3'																															
5 SP2 Bottom 6'																															
6 SP2 W.Wall 3'																															
7 SP2 S.Wall 3'																															
8 SP3 Bottom 6'																															
9 SP3 W.Wall 3'																															
10 SP3 N.Wall 3'																															

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Relinquished By: <i>[Signature]</i>	Received By: <i>[Signature]</i>	Date: 7/11/12	Time: 4:00
Relinquished By:	Received By:	Date:	Time:
Delivered By: (Circle One)	Sample Condition	Checked By: <i>[Signature]</i>	
Sampler - UPS - Bus - Other:	Cool <input checked="" type="checkbox"/> Intact <input checked="" type="checkbox"/>	Initials	
	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		

† Cardinal cannot accept verbal changes. Please fax written changes to (575) 393-2326



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

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

BILL TO		ANALYSIS REQUEST									
Company Name: <u>E-tech</u>		P.O. #:									
Project Manager: <u>Fred Holmes</u>		Company:									
Address:		Attn:									
City:		State:	Zip:								
Phone #:		Address:									
Fax #:		City:									
Project Name: <u>Skelly unit #3</u>		State:	Zip:								
Project Location: <u>Eddy County</u>		Phone #:									
Sampler Name: <u>Terry Osborn</u>		Fax #:									
Lab I.D.	Sample I.D.	MATRIX	PRESERV	SAMPLING	DATE	TIME					
<u>H201562</u>	<u>SP3 E. wall 3'</u>	WASTEWATER	ACID/BASE		<u>7/11/12</u>	<u>11:39</u>					
		GROUNDWATER	ICE/COOL								
		# CONTAINERS	OTHER:								
			SLUDGE								
			SOIL								
			OTHER:								

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Relinquished By: <u>[Signature]</u>	Received By: <u>[Signature]</u>	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #: _____
Relinquished By: <u>[Signature]</u>	Received By: <u>[Signature]</u>	Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #: _____
REMARKS:			
Delivered By: (Circle One) <u>UPS</u>			
Sampler - UPS - Bus - Other: _____			
Sample Condition: <u>Intact</u>			
Cool: <input type="checkbox"/> Yes <input type="checkbox"/> No			
Unfilled: <input type="checkbox"/> Yes <input type="checkbox"/> No			

† Cardinal cannot accept verbal changes. Please fax written changes to (575) 393-2326

July 20, 2012

FRED HOLMES

ETECH Environmental & Safety Solutions, Inc.

P. O. BOX 8469

MIDLAND, TX 79708

RE: SKELLY UNIT #3

Enclosed are the results of analyses for samples received by the laboratory on 07/18/12 16:15.

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.

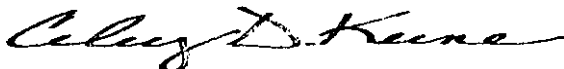
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Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

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:

ETECH Environmental & Safety Solutions, Inc.
FRED HOLMES
P. O. BOX 8469
MIDLAND TX, 79708
Fax To: (432) 563-2213

Received: 07/18/2012
Reported: 07/20/2012
Project Name: SKELLY UNIT #3
Project Number: 253-3423-000
Project Location: EDDY COUNTY, NM

Sampling Date: 07/18/2012
Sampling Type: Soil
Sampling Condition: ** (See Notes)
Sample Received By: Jodi Henson

Sample ID: HA 4-5' (H201643-01)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	6400	16.0	07/19/2012	ND	416	104	400	0.00	


Sample ID: HA 9-10' (H201643-02)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	752	16.0	07/19/2012	ND	416	104	400	0.00	

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Notes and Definitions

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



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

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name: <u>E Tech</u>		P.O. #:		BILL TO												ANALYSIS REQUEST																	
Project Manager: <u>Fred Holmes</u>		Company:																															
Address:		Attn:																															
City:		State:		Zip:																													
Phone #:		Fax #:																															
Project #: <u>253-3423-000</u>		Project Owner:																															
Project Name: <u>SKULLY UNIT #3</u>		City:		State:		Zip:																											
Project Location:		Phone #:																															
Sampler Name: <u>Tony Oxborn</u>		Fax #:																															
FOR LAB USE ONLY		# CONTAINERS		(GRAB OR (COMP		MATRIX		PRESERV		SAMPLING																							
Lab I.D.		Sample I.D.				GROUNDWATER		WASTEWATER		SOIL		SLUDGE		OTHER		ACID/BASE		ICE / COOL		OTHER													
47011643		HA 4-S'		2 HA 9-10'		✓																											
								</																									

Etech Env.

Project Skelly Unit 3

Project No. 253-3423-000

Date Started 9-10-12

Date Finished 9-10-12

Bamert Seed Company				
1897 CR 1018		Muleshoe, TX 79347		
806-272-5506		Texas Permit# 00905		
BLM BLEND #4		43609		
Description	Pure Seed	Germ.	Dormant	Origin
FOURWING SALTBUSS (<i>Atriplex canescens</i>)	87.61%	3.00%	20.00%	TX
ALKALI SACATON, VNS (<i>Sporobolus Airoides</i>)	4.16%	88.00%	9.00%	NM
Purity: 91.77%		Inert Matter: 8.20%	Other Crop Seed: 0.01%	Weed Seed: 0.02%
Noxious Weeds: None		Test Date: 04-2012		Net Wt: 25

Supervisor

Stephen McShan

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 August 8, 2011

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

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company: LINN Energy	Contact: Joe Hernandez	
Address: 2130 W Bender Blvd. - Hobbs, NM	Telephone No.: 575-942-8675	
Facility Name: Skelly Satellite 3 / Skelly #65	Facility Type: Satellite	
Surface Owner: Federal	Mineral Owner: Federal	API No.: 3001505342

LOCATION OF RELEASE

Unit Letter G	Section 21	Township 17S	Range 31E	Feet from the 2080	North/South Line N	Feet from the 1980	East/West Line E	County Eddy
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Latitude: N32.82152 Longitude: W103.87262

NATURE OF RELEASE


Type of Release: Oil / Produced Water	Volume of Release: 30 / 25	Volume Recovered: 22 / 18
Source of Release: Steel Pipeline	Date and Hour of Occurrence: 05/19/2012 - 0830	Date and Hour of Discovery: 05/19/2012 - 0900
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher - OCD, Terry Gregston - BLM	
By Whom? Joe Hernandez	Date and Hour: 05/21/2012 - 0900	
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.*: Compressor went down on reset which caused the separator to fill up. The fluid had no where to go and with the compressor not expelling the gas, the header pressured up and found a weak point on a repair clamp that was on a TA line.

Describe Area Affected and Cleanup Action Taken.* : Repaired the leak and recovered 40bbls.
Impacted soils above regulatory threshold levels were manually and mechanically excavated from the spill area. However, there is still impacted soil at SPI. A soil Boring was performed at SPI to a depth of 10ft, where refusal was met, the delineation determined the chloride levels to be 752mg. Please note the intervals of the samples collected were measured from the bottom of the excavation, not from ground level. Consequently, 6 feet needs to be added to the sample depth to get the true depth from surface.
Additional excavation was not practical at this point due to, numerous flow lines that traverse through all parts of the excavation, which restricted any further excavation due to safety concerns. As discussed in section 5 of the Corrective Action Plan dated May 25, 2012, LINN proposed to apply a calcium amendment to the bottom of the excavation (gypsum) then backfill with clean compacted fill material to within 1.5 - 2ft of surface then complete the backfill with compatible soil which is conducive to growing vegetation.
Impacted soils were transported off-site to Lea Land Landfill. Once the impacted soils were removed to acceptable levels, the production pad and pasture areas were backfilled with like materials and smoothed to grade, then the pasture area was seeded with a BLM mix #2 & #4. Water bars were installed to prevent wind and water erosion.

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: Jose Hernandez	Approved by District Supervisor:		
Title: Foreman	Approval Date:	Expiration Date:	
E-mail Address: jhernandez@linneenrgy.com	Conditions of Approval:		Attached <input type="checkbox"/>
Date: 10/22/2012	Phone: 575-738-1739		

* Attach Additional Sheets If Necessary