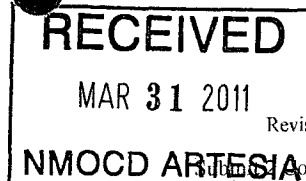


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

This report applies to appropriate District Office in accordance with Rule 116 on back side of form

Release Notification and Corrective Action

n kmw 1109555366

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Linn Energy	Contact Dennis Potter
Address PO Box 69, Loco Hills, NM 88255	Telephone No. 575 677 2327
Facility Name J L Keel B #52	Facility Type Oil Well

Surface Owner BLM	Mineral Owner BLM	Lease No. NMLC029435B API 30-015-28098
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
P	6	17S	31E					Eddy

Latitude N32.8595 Longitude W103.9006 (Release Site)

NATURE OF RELEASE

Type of Release Produced Water/Hydrocarbons	Volume of Release Unknown	Volume Recovered Unknown
Source of Release Flow Line	Date and Hour of Occurrence Unknown	Date and Hour of Discovery Feb 11
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? N/A	
By Whom? N/A	Date and Hour N/A	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	

If a Watercourse was Impacted, Describe Fully.*
N/A

Describe Cause of Problem and Remedial Action Taken.*

The release appears to be from the well head/stuffing box failure. The released fluid exited the location and entered the pasture on the south side of the location running between two sand dunes for approx 150'. The affected area has visible hydrocarbons staining and is approximately 3' x 150'. The affected area will be delineated and a work plan submitted to NM OCD and BLM for review and approval.

Describe Area Affected and Cleanup Action Taken.*

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: <i>Dennis J. Potter</i>
Printed Name: Dennis Potter
Title: Assistant Production Foreman
E-mail Address: dpotter@linenergy.com
Date: 30Mar11 Phone: 505 206 7673

OIL CONSERVATION DIVISION

Approved by District Supervisor: <i>M. L. Brannon</i>	
Approval Date: <i>4/5/11</i>	Expiration Date:
Conditions of Approval: Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN: <i>5/5/11</i>	
Attached. <input type="checkbox"/>	

* Attach Additional Sheets If Necessary

2 RP-711

3

OPERATOR'S COPY

Number 11TG013

Page 1 of 2

☒ Certified Mail - Return
Receipt Requested
70101870000352261375

☐ Hand Delivered Received
by

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NOTICE OF INCIDENTS OF NONCOMPLIANCE

Identification	
IID	
Lease	NMLC029435B
CA	
Unit	
PA	

Bureau of Land Management Office CARLSBAD FIELD OFFICE				Operator LINN OPERATING INC.			
Address 620 E GREENE STREET CARLSBAD NM 88220				Address 600 TRAVIS STREET SUITE 5100 HOUSTON TX 77002			
Telephone 575-234-5958				Attention			
Inspector GREGSTON				Attn Addr			
Site Name J L KEEL B	Well or Facility 52	1/4 1/4 Section SESE 6	Township 17S	Range 31E	Meridian NMP	County EDDY	State NM
Site Name	Well or Facility	1/4 1/4 Section	Township	Range	Meridian	County	State

THE FOLLOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ABOVE

Date 03/17/2011	Time (24 - hour clock) 18:00	Violation NTL-3A, 43 CFR 3163.1(a)	Gravity of Violation MINOR
Corrective Action To Be Completed By	Date Corrected	Assessment for Noncompliance	Assessment Reference
04/01/2011			43 CFR 3163.1(i)

Remarks

Operator failed to provide a written report on an undesirable event on this location within 15 days as required under NTL-3A and failed to comply with subsequent verbal requests by the Authorized Officer to provide a spill report. The following actions must be completed by 04/01/11.
CORRECTIVE ACTION: Provide a spill report for the spill that occurred on this location. Failure (Remarks continued on following page(s).)

When violation is corrected, sign this notice and return to above address.

Company Representative Title

Asst. Prod. Foreman

Signature

Dennis J. Potts

Date

3-30-11

Company Comments

phone: 505-204-7673

WARNING

Incidents of Noncompliance correction and reporting timeframes begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above. Please note that you already may have been assessed for noncompliance (see amount under "Assessment for Noncompliance"). If you do not comply as noted above under "Corrective Action To Be Completed By" you may incur an additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits, false, inaccurate, or misleading reports, notices, affidavits, record, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

REVIEW AND APPEAL RIGHTS

A person contesting a violation shall request a State Director review of the Incidents of Noncompliance. This request must be filed within 20 working days of receipt of the Incidents of Noncompliance with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Lands Appeals, 801 North Quincy Street, Suite 300, Arlington VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer <i>J. Gregston</i>				Date 03/17/11	Time 18:15
FOR OFFICE USE ONLY					
Number 51	Date	Assessment	Penalty	Termination	
Type of Inspection SV					

Bratcher, Mike, EMNRD

From: Vernon Black [vernon@hungry-horse.com]
Sent: Thursday, March 31, 2011 3:53 PM
To: Bratcher, Mike, EMNRD; Terry_gregston@nm.blm.gov; avalero@linnenergy.com; dpotter@linnenergy.com
Subject: Emailing: Initial C 141 J L Keel B #52
Attachments: Initial C 141 J L Keel B #52.pdf

Your message is ready to be sent with the following file or link attachments:

Initial C 141 J L Keel B #52

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.