

Linn Energy Skelly #26

CLOSURE REPORT

API No. 30-015-05157

Release Date: October 04/04/2012

Unit Letter J, Section 15, Township 17 South, Range 31 East

RP# 2RP-1115

BLM Event# NU12109TG

October 6, 2014

Prepared by:

Environmental Department Diversified Field Service, Inc. 206 W. Snyder Hobbs, NM 88240 Phone: (575)964-8394

Fax: (575)393-8396

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Linn Energy Skelly #26 October 7, 2014

Skelly #26

1 Introduction

Linn Energy (Linn) has retained Diversified Field Service, Inc. (DFSI) to address environmental issues for the site detailed herein.

The site is located south west of Maljamar NM, Unit letter 'O', sec. 15, T17S R31E, in Eddy County. The incident at this site location was as the result of an injection line leak. There existed an approximate impact in volume of 30bbl of produced water. The fluids were generated from the injection line leak at the well head, traversing westward across the lease road to the pasture area. There was a combined impact of approximately 4,687 sq. ft. of impact to pad, and lease road inclusive of pasture area. (Figure).

A form C-141 was submitted to the NMOCD on January 14, 2013 2RP-1115 (Appendix I)

2 SITE ACTIVITIES

On February 12, 2014 DFSI personnel paid an initial visit to the site in order to map the spill area and delineate the site. Four (4) sample points were established: SP1 located at the leak source, SP2 at point of impact on the lease road, SP3 west of lease road in pasture area and SP4 at end point of leak in the pasture. Using a hand auger, soil samples were collected at 1ft. bgs. intervals, and field tested using a Mini Rae Photoionization Detector (PID). SP1 was sampled to a depth of 11 ft. bgs., whereby auger refusal was encountered. The chloride return at that depth was 474 mg/kg. SP2 was tested to a depth of 1ft. bgs., SP3 was hand augured to 4ft. bgs., whereby chlorides remained elevated. SP4 indicated acceptable Chloride levels at surface (Appendix IV field analyses).

On February 19, 2014 representative soil samples were retrieved of Sample points Two thru Four and sent to a commercial laboratory for confirmation. The following is a recap of the analyses:

SP2 @ 1ft. bgs. returned Chlorides of 224 mg/kg.

SP3 @ 5ft. bgs. returned Chlorides of 528 mg/kg.

SP3 @ 6 ft. bgs. returned confirmation of acceptable regulatory levels of Chlorides at 288 mg/kg.

SP4 @ 1ft. bgs. returned Chlorides of 32.0 mg/kg.

On February 26, 2014 DFSI personnel revisited the site to confirm delineation of SP1, since prior analysis indicated elevated Chloride levels. Representative soil samples were retrieved of Sample Point 1, and sent to a commercial laboratory for confirmation. The following is a recap of the results:

SP1 @ 10.5 ft. bgs. returned Chlorides of 848 mg/kg.

SP1 @ 11.5 ft. bgs. returned Chlorides of 512 mg/kg (confirming field delineation).

Diversified Field Service, Inc.

Linn Energy Skelly #26 October 7, 2014

On March 04, 2014 DFSI submitted to the NMOCD and BLM a written proposal to remediate the above site. The proposal was to excavate SP1 and SP3 to 4ft. bgs., install a 20 mil liner at SP1. Inclusive of removing all visual staining and impacted soils to an NMOCD approved facility. Backfill with fresh topsoil and reseed the pasture area.

On March 18, 2014 The BLM approved the said plan to remediate the site. In addition to fresh backfill it was authorized to utilize surrounding terrain for backfill.

On June 17, 2014 excavation activities were complete. And, on same said date representative sidewall soil samples were retrieved and sent to a commercial laboratory in order to confirm vertical delineation. The following is a recap of that analyses:

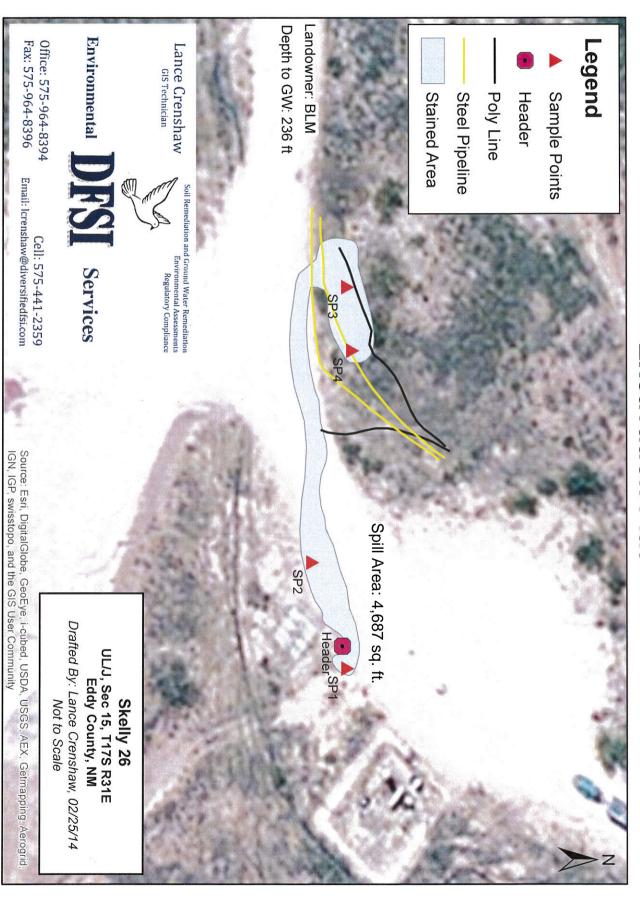
SW1 North returned BTEX of <.300 mg/kg., Chlorides <16.0 mg/kg, GRO and DRO were non-detect. SW2 South returned BTEX of <.300 mg/kg., Chlorides 48.0 mg/kg, GRO and DRO were non-detect. SW3 East returned BTEX of <.300 mg/kg., Chlorides <16.0 mg/kg, GRO and DRO were non-detect. SW4 West returned BTEX of <.300 mg/kg., Chlorides 16.0 mg/kg, GRO and DRO were non-detect.

Photographs of site activities can be viewed in Appendix II.

3 Conclusion

According to the U.S. Geological Survey and the NM Office of the State Engineer, there were no records of groundwater in the immediate vicinity, however depth to groundwater in the area averages greater than 236 ft. bgs indicating no potential threat to groundwater or life forms (Appendix III). On June 23, 2014 the site backfilling activities were complete. The site was seeded with 25 lbs. of native Lesser Prairie Chicken seed mixture and contoured to surrounding pasture area. Based on the removal of soils containing elevated chlorides and visual staining at the site, DFSI, on behalf of Linn, submits the final form C-141 (Appendix V), and respectfully requests the closure of the regulatory file for the site.

Excavation Plat



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

State of New Mexico
Energy Minerals and Natural Resources

APR 20 2012

RECEIVED

Form C-141 Revised October 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe. NIM 87505

NMOCUMAH Gray to appropriate District Office in

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* Attach Additional Sheets If Necessary

Remediation per OCD Rules &
Guidelines. SUBMIT REMEDIATION
PROPOSAL NOT LATER THAN:

2RP-1115

Bratcher, Mike, EMNRD

From:

Theresa McCracken [TMcCracken@linnenergy.com]

Sent:

To:

Friday, April 20, 2012 10:27 AM
Bratcher, Mike, EMNRD; Terry Gregston (tgregsto@blm.gov)

Cc:

Daniel Frick; Ron Ragland Linn- Skelly 26 Initial C141

Subject: Attachments:

Skelly #26 Initial C141 4-4-12.pdf

Please find attached the initial C-141 for the above referenced location.

Thank you,

Theresa McCracken LINN Operating 2130 W. Bender Blvd Hobbs, NM 88240 (575)738-1739

tmccracken@linnenergy.com

Linn Operating Inc., Skelly #26 Section 15, T17S R31E



Sign marking site 02/04/14



Excavation of Impact 02/25/2014



Impacted area 2013



Hand excavation 06/10/14

Linn Operating Inc., Skelly #26 Section 15, T17S R31E



Excavated area at completion 06/17/14



Excavated pasture area 06/17/14



Seeded Pasture area at completion 06/28/14

GROUND WATER SEARCH

Linn Energy Skelly #26

| UL: | Sec: | 15T: | 17S R: | 31E |
|--|---|---------------------|-------------------------|------------------------------------|
| Groundwa | iter Depth: | 236 | ft. | |
| = NM Office of the= U.S. Geological S= Site Location | e State Engineer Survey (unknown well) | | | Date: 02/12/14 By: Rebecca Pons |
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| | | | | |
| | | 288'● | • 248' •275' | 65' |
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| | 17S 30E | 17S 31E | 17S 32E | |
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field Sampling
Needs Delineation and confirmation samples

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Company Name: _____ Linn Energy Location Name: _____ Skelly #026

Date: 2/19/2014 2/12/2014



March 04, 2014

BRIAN WALL

LINN OPERATING-HOBBS

2130 W. BENDER

HOBBS, NM 88240

RE: SKELLY UNIT #26

Enclosed are the results of analyses for samples received by the laboratory on 02/26/14 15:25.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-13-5. 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 accredited certif.html.

Cardinal Laboratories is accreditated 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.

Celey & Keine

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



LINN OPERATING-HOBBS **BRIAN WALL** 2130 W. BENDER HOBBS NM, 88240

Fax To:

(575) 738-1740

Received:

02/26/2014

Reported:

03/04/2014

Project Name: Project Number: SKELLY UNIT #26 NONE GIVEN

Project Location:

NOT GIVEN

Sampling Date:

02/26/2014

Sampling Type:

Soil

Sampling Condition:

Cool & Intact

Sample Received By:

Jodi Henson

Sample ID: SP 1 @ 10.5 (H400584-01)

Chloride, SM4500CI-B

Chloride

Chloride

mg/kg

Analyzed By: AP

Analyte

Analyte

Result

848

Analyzed

03/04/2014

Method Blank ND

BS 432 % Recovery 108

True Value QC 400

RPD 3.77 Qualifier

Sample ID: SP 1 @ 11.5 (H400584-02)

Chloride, SM4500Cl-B

mg/kg

Analyzed By: AP

Result Reporting Limit Analyzed 512 16.0

Reporting Limit

16.0

03/04/2014

Method Blank ND

BS 432 % Recovery 108

True Value QC 400

RPD

3.77

Qualifier

Cardinal Laboratories

*=Accredited Analyte

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Celeg & Keine

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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Celeg & Keens



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| Company Name: | 2 | | BILL TO | • | A | ANALYSIS REQUEST | OUEST | |
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Delivered By: (Circle One)

Time:

bwall@linneneryy.com

Rélinquished By:



CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

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

| Company Name: | | OL THE | ANALYSIS REQUEST |
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| Sp. 20 Surface Sp. 30 Surface Sp. 30 Surface | 16 | 140 | 10 | .22 549 | 0.9 1.57 | |
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Rite in the Rain.



CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

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

| Company Name: Linn Energy | Energy | | | | | | | | 0 | BILL TO | 9 | torris | | | ANA | YSIS | ANALYSIS REQUEST | UES | L | | | |
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PLEASE NOTE: Liability and Damages. Cardinal's liability a analyses. All claims including those for negligence and any service. In no event shall Cardinal be liable for incidental or

| Date: / / Received By: Phone Result: Yes No Add'I Phone #: | Time: No Add'l Fax #: | MAN | Date: Received By: () E-mail Results 10: | Time: Ngladden@diversifiedfsi.com | Sample Condition CH | - other: (c) (Type Type Type Type Type Type Type Type |
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June 19, 2014

BRIAN WALL LINN OPERATING-HOBBS 2130 W. BENDER HOBBS, NM 88240

RE: SKELLY UNIT #26

Enclosed are the results of analyses for samples received by the laboratory on 06/12/14 16:14.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-13-5. 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 accreditated 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.

Celey D. Keens

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



LINN OPERATING-HOBBS BRIAN WALL 2130 W. BENDER HOBBS NM, 88240

Fax To: (575) 738-1740

Received: 06/12/2014 Reported: 06/19/2014

Project Name: SKELLY UNIT #26
Project Number: NONE GIVEN
Project Location: NOT GIVEN

Sampling Date: 06/11/2014

Sampling Type: Soil

Sampling Condition: Cool & Intact
Sample Received By: Kathy Perez

Sample ID: SW 1 NORTH (H401804-01)

| BTEX 8021B | mg/ | kg | Analyze | d By: CK | | | | | |
|--------------------------------------|---------|-----------------|------------|--------------|------|------------|---------------|-------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Benzene* | <0.050 | 0.050 | 06/17/2014 | ND | 2.08 | 104 | 2.00 | 0.303 | |
| Toluene* | <0.050 | 0.050 | 06/17/2014 | ND | 2.23 | 112 | 2.00 | 0.554 | |
| Ethylbenzene* | <0.050 | 0.050 | 06/17/2014 | ND | 2.01 | 101 | 2.00 | 0.264 | |
| Total Xylenes* | < 0.150 | 0.150 | 06/17/2014 | ND | 6.21 | 103 | 6.00 | 0.529 | |
| Total BTEX | <0.300 | 0.300 | 06/17/2014 | ND | | | | | |
| Surrogate: 4-Bromofluorobenzene (PID | 111 9 | 6 89.4-12 | 6 | | | | | | |
| Chloride, SM4500CI-B | mg/ | kg | Analyze | d By: HM | | | | | |
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 64.0 | 16.0 | 06/18/2014 | ND | 416 | 104 | 400 | 0.00 | |
| TPH 8015M | mg/ | kg | Analyze | d By: MS | | | | | |
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| GRO C6-C10 | <10.0 | 10.0 | 06/19/2014 | ND | 207 | 104 | 200 | 7.29 | |
| DRO >C10-C28 | <10.0 | 10.0 | 06/19/2014 | ND | 216 | 108 | 200 | 8.55 | |
| Surrogate: 1-Chlorooctane | 93.8 | % 65.2-14 | 0 | | | | | | |
| Surrogate: 1-Chlorooctadecane | 109 9 | 63.6-15 | 4 | | | | | | |

Cardinal Laboratories *=Accredited Analyte

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LINN OPERATING-HOBBS BRIAN WALL 2130 W. BENDER HOBBS NM, 88240

Fax To: (575) 738-1740

Received: 06/12/2014 Sampling Date: 06/11/2014

Reported: 06/19/2014 Sampling Type: Soil

Project Name: SKELLY UNIT #26 Sampling Condition: Cool & Intact
Project Number: NONE GIVEN Sample Received By: Kathy Perez

Project Location: NOT GIVEN

Sample ID: SW 2 EAST (H401804-02)

| BTEX 8021B | mg/ | kg | Analyze | d By: CK | | | | | |
|--------------------------------------|--------|-----------------|------------|--------------|------|------------|---------------|-------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Benzene* | <0.050 | 0.050 | 06/17/2014 | ND | 2.08 | 104 | 2.00 | 0.303 | |
| Toluene* | <0.050 | 0.050 | 06/17/2014 | ND | 2.23 | 112 | 2.00 | 0.554 | |
| Ethylbenzene* | <0.050 | 0.050 | 06/17/2014 | ND | 2.01 | 101 | 2.00 | 0.264 | |
| Total Xylenes* | <0.150 | 0.150 | 06/17/2014 | ND | 6.21 | 103 | 6.00 | 0.529 | |
| Total BTEX | <0.300 | 0.300 | 06/17/2014 | ND | | | | | |
| Surrogate: 4-Bromofluorobenzene (PID | 111 % | 6 89.4-12 | 6 | | | | | | |
| Chloride, SM4500CI-B | mg/ | kg | Analyze | d By: HM | | | | | |
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 240 | 16.0 | 06/18/2014 | ND | 400 | 100 | 400 | 3.92 | |
| TPH 8015M | mg/ | kg | Analyze | d By: MS | | | | | |
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| GRO C6-C10 | <10.0 | 10.0 | 06/19/2014 | ND | 207 | 104 | 200 | 7.29 | |
| DRO >C10-C28 | <10.0 | 10.0 | 06/19/2014 | ND | 216 | 108 | 200 | 8.55 | |
| Surrogate: 1-Chlorooctane | 90.2 9 | % 65.2-14 | 0 | | | | | | |
| Surrogate: 1-Chlorooctadecane | 95.79 | % 63.6-15 | 4 | | | | | | |

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LINN OPERATING-HOBBS **BRIAN WALL** 2130 W. BENDER HOBBS NM, 88240

Fax To: (575) 738-1740

Received: 06/12/2014 Sampling Date: 06/11/2014

Reported: 06/19/2014 Sampling Type: Soil

Project Name: SKELLY UNIT #26 Sampling Condition: Cool & Intact Sample Received By: Project Number: NONE GIVEN Kathy Perez

Project Location: **NOT GIVEN**

Sample ID: SW 3 WEST (H401804-03)

| BTEX 8021B | mg/ | /kg | Analyze | d By: CK | | | | | |
|--------------------------------------|--------|-----------------|------------|--------------|------|------------|---------------|-------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Benzene* | <0.050 | 0.050 | 06/17/2014 | ND | 2.08 | 104 | 2.00 | 0.303 | |
| Toluene* | <0.050 | 0.050 | 06/17/2014 | ND | 2.23 | 112 | 2.00 | 0.554 | |
| Ethylbenzene* | <0.050 | 0.050 | 06/17/2014 | ND | 2.01 | 101 | 2.00 | 0.264 | |
| Total Xylenes* | <0.150 | 0.150 | 06/17/2014 | ND | 6.21 | 103 | 6.00 | 0.529 | |
| Total BTEX | <0.300 | 0.300 | 06/17/2014 | ND | | | | | |
| Surrogate: 4-Bromofluorobenzene (PID | 111 9 | % 89.4-12 | 6 | | | | | | |
| Chloride, SM4500Cl-B | mg/ | /kg | Analyze | d By: HM | | | | | |
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 32.0 | 16.0 | 06/18/2014 | ND | 400 | 100 | 400 | 3.92 | |
| TPH 8015M | mg/ | /kg | Analyze | d By: MS | | | | | |
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| GRO C6-C10 | <10.0 | 10.0 | 06/19/2014 | ND | 207 | 104 | 200 | 7.29 | |
| DRO >C10-C28 | <10.0 | 10.0 | 06/19/2014 | ND | 216 | 108 | 200 | 8.55 | |
| Surrogate: 1-Chlorooctane | 89.7 | % 65.2-14 | 0 | | | | | | |
| Surrogate: 1-Chlorooctadecane | 105 | % 63 6-15 | 4 | | | | | | |

Surrogate: 1-Chlorooctadecane 105 % 63.6-154

Cardinal Laboratories *=Accredited Analyte

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LINN OPERATING-HOBBS **BRIAN WALL** 2130 W. BENDER HOBBS NM, 88240

Fax To: (575) 738-1740

Received: 06/12/2014 Sampling Date: 06/11/2014

Reported: 06/19/2014 Sampling Type: Soil

Project Name: SKELLY UNIT #26 Sampling Condition: Cool & Intact Sample Received By: Project Number: NONE GIVEN Kathy Perez

Project Location: **NOT GIVEN**

Sample ID: SW 4 SOUTH (H401804-04)

| BTEX 8021B | mg/ | /kg | Analyze | d By: CK | | | | | |
|--------------------------------------|--------|-----------------|-----------------|--------------|------|------------|---------------|-------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Benzene* | <0.050 | 0.050 | 06/17/2014 | ND | 2.08 | 104 | 2.00 | 0.303 | |
| Toluene* | <0.050 | 0.050 | 06/17/2014 | ND | 2.23 | 112 | 2.00 | 0.554 | |
| Ethylbenzene* | <0.050 | 0.050 | 06/17/2014 | ND | 2.01 | 101 | 2.00 | 0.264 | |
| Total Xylenes* | <0.150 | 0.150 | 06/17/2014 | ND | 6.21 | 103 | 6.00 | 0.529 | |
| Total BTEX | <0.300 | 0.300 | 06/17/2014 | ND | | | | | |
| Surrogate: 4-Bromofluorobenzene (PID | 110 9 | % 89.4-12 | 6 | | | | | | |
| Chloride, SM4500Cl-B | mg/kg | | Analyzed By: HM | | | | | | |
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 224 | 16.0 | 06/18/2014 | ND | 400 | 100 | 400 | 3.92 | |
| TPH 8015M | mg/ | /kg | Analyze | d By: MS | | | | | |
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| GRO C6-C10 | <10.0 | 10.0 | 06/19/2014 | ND | 207 | 104 | 200 | 7.29 | |
| DRO >C10-C28 | <10.0 | 10.0 | 06/19/2014 | ND | 216 | 108 | 200 | 8.55 | |
| Surrogate: 1-Chlorooctane | 93.1 | % 65.2-14 | 0 | | | | | | |
| Surrogate: 1-Chlorooctadecane | 108 | % 63 6-15 | 1 | | | | | | |

Surrogate: 1-Chlorooctadecane 108 % 63.6-154

Cardinal Laboratories *=Accredited Analyte

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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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CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

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

| | BILL TO | ANALYSIS REQUEST |
|--|--|--|
| 0110 | P.O. #: | |
| | Company: Linn Tracky | |
| City: State: | Zip: Attn: Brian Wall | |
| Phone #: Fax #: | Address: | |
| Project #: Project Owner: | | |
| Project Name: Side wall samples | State: Zip: | |
| Project Location: SWILL 76 | # | |
| Sampler Name: A AND | | |
| FOR LAR LISE ONLY | Fax #: | |
| FOR LAB USE UNLY | MATRIX PRESERV. SAMPLING | |
| W. Commission of the Commissio | # CONTAINERS GROUNDWATER WASTEWATER SOIL OIL SLUDGE OTHER: ACID/BASE: ICE / COOL OTHER: | TIME CLIDH BIEX |
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| LEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remody for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the manual paid by the client for the manual paid by the client for the | In y claim anising whether based in contract or tort, shall be limited to the amount paid by the deemed waived unless made in writing and received he Cardinal within 20 down and the contract of the contract | e client for the |
| ervice. In no event shall cardinal be liable for incidental or consequental damages, including without limitation, business interruptions, loss of use, fillating or successors arising out of or related to the performance of services hereunder by Cerdinal tregardiess of whether such claim is based up. Refine the performance of services hereunder by Cerdinal tregardiess of whether such claim is based up. Refine the performance of services hereunder by Cerdinal tregardiess of whether such claim is based up. Refine the performance of services hereunder by Cerdinal tregardiess of whether such claim is based up. Refine the performance of services hereunder by Cerdinal tregardiess of whether such claim is based up. Refine the performance of services hereunder by Cerdinal tregardiess of whether such claim is based up. Refine the performance of services hereunder by Cerdinal tregardiess of the performance of services hereunder by Cerdinal tregardiess of the performance of services hereunder by Cerdinal tregardiess of the performance of services hereunder by Cerdinal tregardiess of the performance of services hereunder by Cerdinal tregardiess of the performance of services hereunder by Cerdinal tregardiess of the performance of services hereunder by Cerdinal tregardiess of the performance of services hereunder by Cerdinal tregardiess of the performance of services hereunder by Cerdinal tregardies of the performance of services hereunder by Cerdinal tregardies of the performance of services hereunder by Cerdinal tregardies of the performance of | without initiation, business interruptions, loss of tess put-gas of profits incurred by diet entities of each state of test state of test and the state of test and the state of test and test a | elion of the applicable subjects to the applicable subjects of the applicable of the |
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| Relinquished By: Date: | Beceived By: REF | l Results To: |
| Time: | | Ngladden@diversifiedfsi.com |

Sample Condition
Cool Intact
Yes 11 Yes
No No

CHECKED BY:

Rpons@diversifiedfsi.com Tjennings@diversifiedfsi.com

Delivered By: (Circle One)
Sampler - UPS - Bus - Other:

Pardinal rannot arrent workal channes Blease fav written channes to 15751 202,2326



June 23, 2014

BRIAN WALL LINN OPERATING-HOBBS 2130 W. BENDER HOBBS, NM 88240

RE: SKELLY UNIT #26

Enclosed are the results of analyses for samples received by the laboratory on 06/17/14 16:40.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-13-5. 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 accreditated 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.

Celey D. Keens

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



LINN OPERATING-HOBBS BRIAN WALL 2130 W. BENDER HOBBS NM, 88240

Fax To: (575) 738-1740

Received: 06/17/2014 Sampling Date: 06/17/2014

Reported: 06/23/2014 Sampling Type: Soil

Project Name: SKELLY UNIT #26 Sampling Condition: Cool & Intact
Project Number: NONE GIVEN Sample Received By: Jodi Henson

Project Location: NOT GIVEN

Sample ID: SW 1 NORTH (H401843-01)

| BTEX 8021B | mg/ | kg | Analyze | d By: CK | | | | | |
|--------------------------------------|---------|-----------------|------------|--------------|------|------------|---------------|-------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Benzene* | <0.050 | 0.050 | 06/19/2014 | ND | 2.12 | 106 | 2.00 | 0.456 | |
| Toluene* | < 0.050 | 0.050 | 06/19/2014 | ND | 2.26 | 113 | 2.00 | 0.332 | |
| Ethylbenzene* | < 0.050 | 0.050 | 06/19/2014 | ND | 2.04 | 102 | 2.00 | 1.48 | |
| Total Xylenes* | <0.150 | 0.150 | 06/19/2014 | ND | 6.39 | 106 | 6.00 | 1.76 | |
| Total BTEX | <0.300 | 0.300 | 06/19/2014 | ND | | | | | |
| Surrogate: 4-Bromofluorobenzene (PID | 114 % | 6 89.4-12 | 6 | | | | | | |
| Chloride, SM4500Cl-B | mg/ | kg | Analyze | d By: HM | | | | | |
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | <16.0 | 16.0 | 06/18/2014 | ND | 400 | 100 | 400 | 0.00 | |
| TPH 8015M | mg/ | kg | Analyze | d By: MS | | | | | |
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| GRO C6-C10 | <10.0 | 10.0 | 06/21/2014 | ND | 161 | 80.6 | 200 | 0.473 | |
| DRO >C10-C28 | <10.0 | 10.0 | 06/21/2014 | ND | 185 | 92.3 | 200 | 0.868 | |
| Surrogate: 1-Chlorooctane | 98.2 | % 65.2-14 | 0 | | | | | | |
| Surrogate: 1-Chlorooctadecane | 96.5 | % 63.6-15 | 4 | | | | | | |

Cardinal Laboratories *=Accredited Analyte

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LINN OPERATING-HOBBS **BRIAN WALL** 2130 W. BENDER HOBBS NM, 88240

Fax To: (575) 738-1740

Received: 06/17/2014 Sampling Date: 06/17/2014

Reported: 06/23/2014 Sampling Type: Soil

Project Name: SKELLY UNIT #26 Sampling Condition: Cool & Intact Sample Received By: Project Number: NONE GIVEN Jodi Henson

Project Location: **NOT GIVEN**

Sample ID: SW 2 SOUTH (H401843-02)

| BTEX 8021B | mg/ | /kg | Analyze | d By: CK | | | | | |
|--------------------------------------|--------|-----------------|------------|--------------|------|------------|---------------|-------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Benzene* | <0.050 | 0.050 | 06/19/2014 | ND | 2.12 | 106 | 2.00 | 0.456 | |
| Toluene* | <0.050 | 0.050 | 06/19/2014 | ND | 2.26 | 113 | 2.00 | 0.332 | |
| Ethylbenzene* | <0.050 | 0.050 | 06/19/2014 | ND | 2.04 | 102 | 2.00 | 1.48 | |
| Total Xylenes* | <0.150 | 0.150 | 06/19/2014 | ND | 6.39 | 106 | 6.00 | 1.76 | |
| Total BTEX | <0.300 | 0.300 | 06/19/2014 | ND | | | | | |
| Surrogate: 4-Bromofluorobenzene (PID | 114 9 | % 89.4-12 | 6 | | | | | | |
| Chloride, SM4500Cl-B | mg/ | /kg | Analyze | d By: HM | | | | | |
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 48.0 | 16.0 | 06/18/2014 | ND | 400 | 100 | 400 | 0.00 | |
| TPH 8015M | mg/ | /kg | Analyze | d By: MS | | | | | |
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| GRO C6-C10 | <10.0 | 10.0 | 06/21/2014 | ND | 161 | 80.6 | 200 | 0.473 | |
| DRO >C10-C28 | <10.0 | 10.0 | 06/21/2014 | ND | 185 | 92.3 | 200 | 0.868 | |
| Surrogate: 1-Chlorooctane | 97.0 | % 65.2-14 | 0 | | | | | | |
| Surrogate: 1-Chlorooctadecane | 103 | % 63 6-15 | 4 | | | | | | |

Surrogate: 1-Chlorooctadecane 103 % 63.6-154

Cardinal Laboratories *=Accredited Analyte

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LINN OPERATING-HOBBS
BRIAN WALL
2130 W. BENDER
HOBBS NM, 88240
Fax To: (575) 738-1740

(* - 1)

Received: 06/17/2014 Sampling Date: 06/17/2014

Reported: 06/23/2014 Sampling Type: Soil

Project Name: SKELLY UNIT #26 Sampling Condition: Cool & Intact
Project Number: NONE GIVEN Sample Received By: Jodi Henson

Project Location: NOT GIVEN

Sample ID: SW 3 EAST (H401843-03)

| BTEX 8021B | mg/ | kg | Analyze | d By: CK | | | | | |
|--------------------------------------|---------|-----------------|------------|--------------|------|------------|---------------|-------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Benzene* | <0.050 | 0.050 | 06/19/2014 | ND | 2.12 | 106 | 2.00 | 0.456 | |
| Toluene* | < 0.050 | 0.050 | 06/19/2014 | ND | 2.26 | 113 | 2.00 | 0.332 | |
| Ethylbenzene* | < 0.050 | 0.050 | 06/19/2014 | ND | 2.04 | 102 | 2.00 | 1.48 | |
| Total Xylenes* | <0.150 | 0.150 | 06/19/2014 | ND | 6.39 | 106 | 6.00 | 1.76 | |
| Total BTEX | <0.300 | 0.300 | 06/19/2014 | ND | | | | | |
| Surrogate: 4-Bromofluorobenzene (PID | 113 % | % 89.4-12 | 6 | | | | | | |
| Chloride, SM4500Cl-B | mg/ | kg | Analyze | d By: HM | | | | | |
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | <16.0 | 16.0 | 06/18/2014 | ND | 400 | 100 | 400 | 0.00 | |
| TPH 8015M | mg/ | kg | Analyze | d By: MS | | | | | |
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| GRO C6-C10 | <10.0 | 10.0 | 06/21/2014 | ND | 161 | 80.6 | 200 | 0.473 | |
| DRO >C10-C28 | <10.0 | 10.0 | 06/21/2014 | ND | 185 | 92.3 | 200 | 0.868 | |
| Surrogate: 1-Chlorooctane | 94.7 | % 65.2-14 | 0 | | | | | | |
| Surrogate: 1-Chlorooctadecane | 87.5 | % 63.6-15 | 4 | | | | | | |

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LINN OPERATING-HOBBS BRIAN WALL 2130 W. BENDER HOBBS NM, 88240

Fax To: (575) 738-1740

Received: 06/17/2014 Sampling Date: 06/17/2014

Reported: 06/23/2014 Sampling Type: Soil

Project Name: SKELLY UNIT #26 Sampling Condition: Cool & Intact
Project Number: NONE GIVEN Sample Received By: Jodi Henson

Project Location: NOT GIVEN

Sample ID: SW 4 WEST (H401843-04)

| BTEX 8021B | mg/ | kg | Analyze | d By: CK | | | | | |
|--------------------------------------|--------|-----------------|------------|--------------|------|------------|---------------|-------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Benzene* | <0.050 | 0.050 | 06/19/2014 | ND | 2.12 | 106 | 2.00 | 0.456 | |
| Toluene* | <0.050 | 0.050 | 06/19/2014 | ND | 2.26 | 113 | 2.00 | 0.332 | |
| Ethylbenzene* | <0.050 | 0.050 | 06/19/2014 | ND | 2.04 | 102 | 2.00 | 1.48 | |
| Total Xylenes* | <0.150 | 0.150 | 06/19/2014 | ND | 6.39 | 106 | 6.00 | 1.76 | |
| Total BTEX | <0.300 | 0.300 | 06/19/2014 | ND | | | | | |
| Surrogate: 4-Bromofluorobenzene (PID | 114 % | 89.4-12 | 6 | | | | | | |
| Chloride, SM4500Cl-B | mg/ | kg | Analyze | d By: HM | | | | | |
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 16.0 | 16.0 | 06/18/2014 | ND | 400 | 100 | 400 | 0.00 | |
| TPH 8015M | mg/ | kg | Analyze | d By: MS | | | | | |
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| GRO C6-C10 | <10.0 | 10.0 | 06/21/2014 | ND | 161 | 80.6 | 200 | 0.473 | |
| DRO >C10-C28 | <10.0 | 10.0 | 06/21/2014 | ND | 185 | 92.3 | 200 | 0.868 | |
| Surrogate: 1-Chlorooctane | 81.0 | % 65.2-14 | 0 | | | | | | |
| 6 | 00.5 | 0/ /2 / 15 | | | | | | | |

Surrogate: 1-Chlorooctadecane 88.5 % 63.6-154

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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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CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

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

| | 010)000 =0=0 | | ANALYSIS | ט אבעטבטי |
|---|--|--|--|-----------|
| Company Name: | Linn Empaul | | SIEL I G | |
| Project Manager: | Brian Wall | P.O. #: | | |
| Address: | | Company: | Linatracy | |
| City: | State: | Zip: Attn: Br | Attn: Brian Wall | |
| Phone #: | Fax #: | Address: | | |
| Project #: | Project Owner: | city: | | |
| ame. | m les and | State: | Zip: | |
| Project Name: | | Phone #: | | |
| Project Location | Project Location: See 19 Co | Ct Academ Fax #: | | |
| Sampler Name: | Michael Aluct | | RV SAMPLING | |
| FOR LAB USE ONLY | | MATRIX | | |
| Lab I.D. | Sample I.D. | CAB OR (C)OMPONTAINERS DUNDWATER STEWATER L JDGE HER: D/BASE: | HER: | |
| 52410 hH | | — # | 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 | |
| 7- | SUI NOTE | X | 13 14 16.30 X X | |
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| | SW WW | | | |
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| | nd Pompages Cardinal's liability and client's exclusive remedy | Decrease Cardina'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 | limited to the amount paid by the client for the | |
| analyses. All claims includ | ing those for negligence and any other cause whatsoever sha Cardinal be liable for incidental or consequental damages, incl | analyses. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless rade in writing and received by claims including those for negligence and any other cause whatsoever shall be deemed waived unless rade in writing and received by clein, its subsidiaries, service. In no event shall Cardinal be liable for incidental or consequental damages, including without installation, business interruptions, loss of use, or loss of profits incrured by cleint, its subsidiaries, service. In no event shall Cardinal be liable for incidental or consequental damages, including without installation, business interruptions, loss of use, or loss of profits incrured by cleint, its subsidiaries. | | t. |
| Relinquished By: | y: Date: M | affiliates or successors arising out of or related to the performance of services interestive by General By: Relinquished By: Park Result | Phone Result: Yes No Add'l Fax #: | (#: |
| 100000000000000000000000000000000000000 |) | | | |

Relinquished By:

Time:

Received By:

Phone Result: Fax Result: REMARKS:

E-mail Results To:

Sampler - UPS - Bus - Other: Delivered By: (Circle One)

Cool Intact
Wes Yes
No No

Rpons@diversifiedfsi.com Ngladden@diversifiedfsi.com

Tjennings@diversifiedfsi.com

Relinquished

Diversified Field Services, Inc.

Reclamation Form

| Site Name | 5 Kelly Unit 26 |
|--------------------------|--|
| Legal Des | cription: |
| Start Date | 6-28-14 |
| Completio | on Date: <u>4-28-14</u> |
| <u>Step 1</u> | Remove caliche and/or all discolored material (soil, caliche, et al) for disposal. |
| Step 2 | Look for any discolored material under pad. Sample and perform field tests. If above limits, remove 1' and resample and test. If sample is still above limits, contact Environmental director before proceeding further. |
| Step 3 | Grid clean area and establish between 2 and 5 sample points. |
| Step 4 | Take appropriate samples and run field tests on samples. |
| | <u>Note</u> : If any samples come back higher than allowed limit or are close to limit, contact environmental director before proceeding. |
| Step 5 | When field sample tests are shown to be acceptable, backfill and contour soil to depth as required. |
| Step 6 | Re-seed reclaimed area with seed required by landowner (BLM) and give seed tag to Environmental Office upon completion. |
| | Seed Type: Lbs. Used: 25 :tt |
| Step 7 Returned to th | Ensure samples are taken to the appropriate Scientific Lab for analyses and <u>this form</u> is e Environmental Office upon job completion. |
| Notes: | John completed |

Barnert Seed Company Inc.

1897 CR 1018 Muleshoe, TX 79347 (800) 262-9892 LPC Sand Shinery W/Fourwing & Ragweed 650#

Permit # TX00905 INV53965

| Description | | Pure Seed | Germ | Dormant | Hard Seed | Origin |
|--|-----------------------------|-----------|------------|---------|-----------|------------|
| Bluestem, Big "Kaw | " (Andropogon gerardii) | 16.62% | 95.00% | 0.00% | 0.00% | TX |
| scoparium) | narron" (Schizachyrium | 8.00% | 90.00% | 8.00% | 0.00% | TX |
| Bluestern, Sand "Whatlii) | oodward" (Andropogon | 13.80% | 95.00% | 0.00% | 0.00% | TX |
| Bristlegrass, Plains | , "VNS" (Setaria vulpiseta) | 14.48% | 90.00% | 0.00% | 0.00% | TX |
| Coreopsis Plains (C | oreopsis Tinctoria) | 5.39% | 97.00% | 0.00% | 0,00% | TX |
| Dropseed, Sand, "VNS" (Sporobolus cryptandrus) | | 2.68% | 95.00% | 3.00% | 0.00% | TX |
| Fourwing saltbush, "VNS" (Atriplex canescens) | | 15.59% | 52.00% | 15.00% | 0.00% | NM |
| Ragweed, Western | (Ambrosia L.) | 6.79% | 9.00% | 68.00% | 0.00% | KY |
| Purity: 83.35% Inert Matter: 10.31% | | Other Cr | op Seed: 6 | 3.32% | Weed S | eed: 0.02% |

Noxious Weeds: None

Test Date: 02/2014

Net Wt: 25.00 lbs

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

Submit 1 Copy to appropriate District Office in

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

accordance with 19.15.29 NMAC.

Attached

Form C-141

Revised August 8, 2011

Release Notification and Corrective Action OPERATOR Initial Report Final Report Name of Company: Linn Operating, Inc. Contact: Brian Wall Address: 2130 W. Bender Hobbs, NM 88240 Telephone No. (575)-738-1739 Facility Name: Turner Skelly #26 Facility Type: Injection Surface Owner Federal Mineral Owner Federal API No. 300150515 LOCATION OF RELEASE Unit Letter Section Township Range Feet from the North/South Line Feet from East/West Line County Eddy 15 17S 31E 1880 South 1980 East Latitude: 32.8325111956535 Longitude -103.855428013811 NATURE OF RELEASE Volume of Release 30 Volume Recovered 0 Type of Release: Produced Water Source of Release: Steel pipeline Date and Hour of Occurrence Date and Hour of Discovery 04/04/2012 04/04/2012 9:30 AM 10 AM Was Immediate Notice Given? If YES, To Whom? M. Bratcher NMOCD- Terry Gregston BLM Date and Hour: 04/05/2012 4:39 PM By Whom? Joe Hernandez If YES, Volume Impacting the Watercourse. Was a Watercourse Reached? ☐ Yes ⊠ No If a Watercourse was Impacted, Describe Fully.* NA Describe Cause of Problem and Remedial Action Taken.* Production Foreman drove to the location and discovered injection line leaking and shut in the well. Describe Area Affected and Cleanup Action Taken: DFSI was retained to fully remediate the site according to NMOCD and BLM guidelines and respectfully request closure of this incident. I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations. OIL CONSERVATION DIVISION Signature: Fred B Wall Approved by Environmental Specialist: Printed Name: Brian Wall Title: Construction Foreman II Approval Date: **Expiration Date:**

Conditions of Approval:

09/17/2014

E-mail Address: bwall@linnenergy.com

Phone: 806-367-0645

^{*} Attach Additional Sheets If Necessary