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

Received 6/8/2016 NMOCD Artesia

Form C-141 Revised August 8, 2011

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

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

Release Notification and Corrective Action **OPERATOR** Initial Report Final Report Name of Company: Linn Operating Inc. Contact: E. L. Gonzales Address: 2130 W Bender Blvd, Hobbs, NM 88240 Telephone No: 575-738-1739 Facility Name: Lea D #023 Facility Type: Oil Producer Surface Owner: Federal Mineral Owner: API No. 30-015-29703 LOCATION OF RELEASE Township Unit Letter Section Range Feet from the North/South Line Feet from East/West Line County F 26 178 31E 1322 North 1322 West Eddy Latitude: 32.8092232 Longitude: -103.8445892 NATURE OF RELEASE Type of Release: Oil / Produced Water Volume of Release:3 bbls / 3 bbls Volume Recovered: 0/0 Source of Release: Flow Line Fuse Date and Hour of Occurrence Date and Hour of Discovery 07/03/15 07/03/15 1:13 PM Was Immediate Notice Given? If YES, To Whom? ☐ Yes ☐ No ☐ Not Required By Whom? Date and Hour: Was a Watercourse Reached? If YES, Volume Impacting the Watercourse. ☐ Yes ☒ No If a Watercourse was Impacted, Describe Fully.* Describe Cause of Problem and Remedial Action Taken.* As I was driving to the Lea D #023, just north east of Lea D #007 injection well, I saw the flow line from well #023 spraying fluid into the pasture. I drove to the Lea D #023 and shut the well in to stop it from making a bigger mess. The fluid was coming out from an old fuse that gave out. I called the roustabout gang to come and refuse the flow line and also called a backhoe to come and clean up the impacted area. The impacted area was about a 10 ft by 10 ft area. Describe Area Affected and Cleanup Action Taken. On November 20, 2015, DFSI personnel on site to obtain samples within the leak area. Three samples were obtained and field sampled for chloride levels, as well as BTEX. The BTEX samples were performed using a Mini Rae Photoionization Detector (PID). Auger refusal was encountered at 8' and 9', SP2 and SP3, respectively. A clean field sample at SP1 was obtained and submitted for laboratory analysis at Cardinal Laboratories of Hobbs, NM for confirmation. On December 8, 2015, DFSI personnel returned to the location to install one soil bore. At 50' bgs, refusal was encountered. The 50' sample was submitted for laboratory analysis at Cardinal Laboratories of Hobbs, NM. A work plan was submitted to NMOCD and BLM on January 21, 2016, and approved on February 4, 2016 by BLM and on February 18, 2016 by NMOCD, with stipulations. Beginning May 5, 2016, DFSI personnel were on site to excavate to 4' bgs around SP2 and SP3. At the base of the excavation, a 20-mil liner was installed and properly seated. As per NMOCD request, sidewall samples of the excavation were obtained and submitted for analysis at Cardinal Laboratories of Hobbs, NM, resulting in low chloride, TPH and BTEX concentrations below regulatory limits. The excavation was backfilled with clean, imported soil to ground surface and contoured to the surrounding area. Contaminated soil was properly disposed of at an NMOCD approved facility. The pasture area of the site was seeded with a mixture of blended vegetation. I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations. OIL CONSERVATION DIVISION Signature: Approved by Environmental Specialist: Printed Name: EL Gonzales Title: Production Supervisor Approval Date: 6/9/2016 Expiration Date: N/A E-mail Address: elgonzales@linnenergy.com Conditions of Approval: Attached

Phone: 505-504-8002

05-26-2016

FINAL