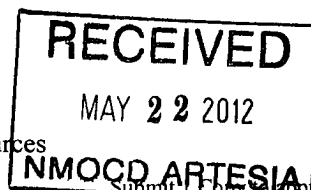


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

MLB 1215853411		OPERATOR	<input checked="" type="checkbox"/> Initial Report <input type="checkbox"/> 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 Satellite #3 / Skelly #65		Facility Type: Satellite	
Surface Owner: Federal		Mineral Owner: Federal	API No.: 3001505342

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
G	21	17S	31E	2080	North	1980	East	Eddy

Latitude: 32N 49' 17" / pulled 32N 49' 16.8" **Longitude:** 103W 52' 21.9" / 103W 52' 23.1"

NATURE OF RELEASE

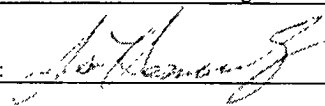
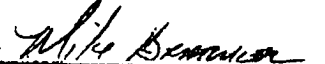
Type of Release: Oil / Produced Water	Volume of Release: 30 / 25	Volume Recovered: 22 / 18
Source of Release: Steel pipeline	Date and Hour of Occurrence: 05/19/2012 8:30am	Date and Hour of Discovery: 05/19/2012 9am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? M. Bratcher - NM OCD / Terry Gregston- BLM	
By Whom? Joe Hernandez	Date and Hour 5/21/2012 8am	
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 getting rid of the gas the header pressured up and found a weak point on a repair clamp that was on a t.a. line on the header. Fluid started coming out of repair clamp.

Describe Area Affected and Cleanup Action Taken.* : Recovered 40 bbls. Further remedial 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 Signed By  District Supervisor:	
Title: Production Foreman		Approval Date: JUN 06 2012	Expiration Date:
E-mail Address: jhernandez@linenergy.com		Conditions of Approval:	
Date: 05/22/2012 Phone: 575-942-9492		Attached <input type="checkbox"/>	

* Attach Additional Sheets If Necessary

Remediation per OCD Rules &
Guidelines. **SUBMIT REMEDIATION
PROPOSAL NOT LATER THAN:**
7/6/2012

2RP-1154