State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Ken McQueenCabinet Secretary

Matthias Sayer

Deputy Cabinet Secretary

David Catanach
Division Director



Response Required - Deadline Enclosed

Field Inspection Program
"Preserving the Integrity of Our Environment"

27-Jul-17

LINN OPERATING, INC.

600 Travis Street Suite 1400 Houston TX 77002-7002

LETTER OF VIOLATION - Inspection

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

INSPECTION DETAIL SECTION

V L FOSTE Inspection Date	CR No.010 Type Inspection		Inspector	Violation?	H-17-17S-31E *Significant Non-Compliance?	30-015-29647-00-00 Corrective Action Due By:	Inspection No.
07/27/2017	Routine/Periodic Violations General Housekeeping (Rule 114)		Tony Morales	Yes	No	10/30/2017 i	TM1720833727
Comments	on Inspection:	OK. All Equipm 19.15.35.7B	nent and Location in	Good Shape	. PJ. STAINING AR	OUND WELL HEAD	
V L FOSTE Inspection Date	CR No.011 Type Inspection		Inspector	Violation?	H-17-17S-31E *Significant Non-Compliance?	30-015-29648-00-00 Corrective Action Due By:	Inspection No.
07/27/2017	Routine/Period Violations General Housekee	dic	Tony Morales	Yes	No	•	TM1720834271
Comments	on Inspection:	OK. All Equipn 19.15.35.7B	nent and Location in	God Shape.	PJ. STAINING ARC	OUND WELL HEAD	

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Divison Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

Sincerely,

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.

*Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.