

Rice Environmental Consulting & Safety

P.O. Box 2948, Hobbs, NM 88241
Phone 575.393.2967

September 30th, 2013

Mike Bratcher

New Mexico Energy, Minerals, & Natural Resources
Oil Conservation Division, Environmental Bureau – District 2
811 S. First St.
Artesia, NM 88210



**RE: Corrective Action Plan
Linn Energy – McClay Federal #7 (2RP-1914)
UL/C sec. 33 T18S R30E
API No. 3001510370**

Mr. Bratcher:

Linn Energy (Linn) has retained Rice Environmental Consulting and Safety (RECS) to address potential environmental concerns at the above-referenced site.

Background and Previous Work

The site is located approximately 7.5 miles south of Loco Hills, New Mexico in Eddy County. NM OSE and BLM records indicate that there is no groundwater located beneath the site.

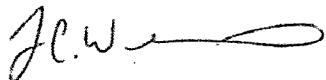
On September 8th, 2013, a hole at the base of the heater at the McClay #7 Battery released a total of 4 barrels of produced water and oil into the lined, bermed area surrounding the heater. A vacuum truck was called to the site and recovered one barrel of fluid from the bermed area and emptied the heater. A total of 31 sq ft of the lined, bermed area surrounding the heater was affected (Figure 1). An initial C-141 was sent by Linn to NMOCD and BLM on September 10th, 2013 (Appendix A).

RECS personnel arrived on site on September 10th, 2013. The site was photographed and mapped. The liner was found across the base of the heater and none of the release occurred outside the liner (Appendix B).

RECS recommends that the contaminated caliche above the liner be removed and taken to a NMOCD approved facility for disposal. Clean caliche will be imported to the site to replace the contaminated caliche. Once this has been completed, a Termination Request will be sent to BLM and NMOCD that will ask for 'remediation termination' or similar site closure status for the site along with a final C-141.

RECS appreciates the opportunity to work with you on this project. Please call Hack Conder at (575) 393-2967 or me if you have any questions or wish to discuss the site.

Sincerely,

A handwritten signature in black ink, appearing to read 'L.W.' followed by a long, horizontal flourish.

Lara Weinheimer
Project Scientist
RECS
(575) 441-0431

cc. Mike Burton, BLM

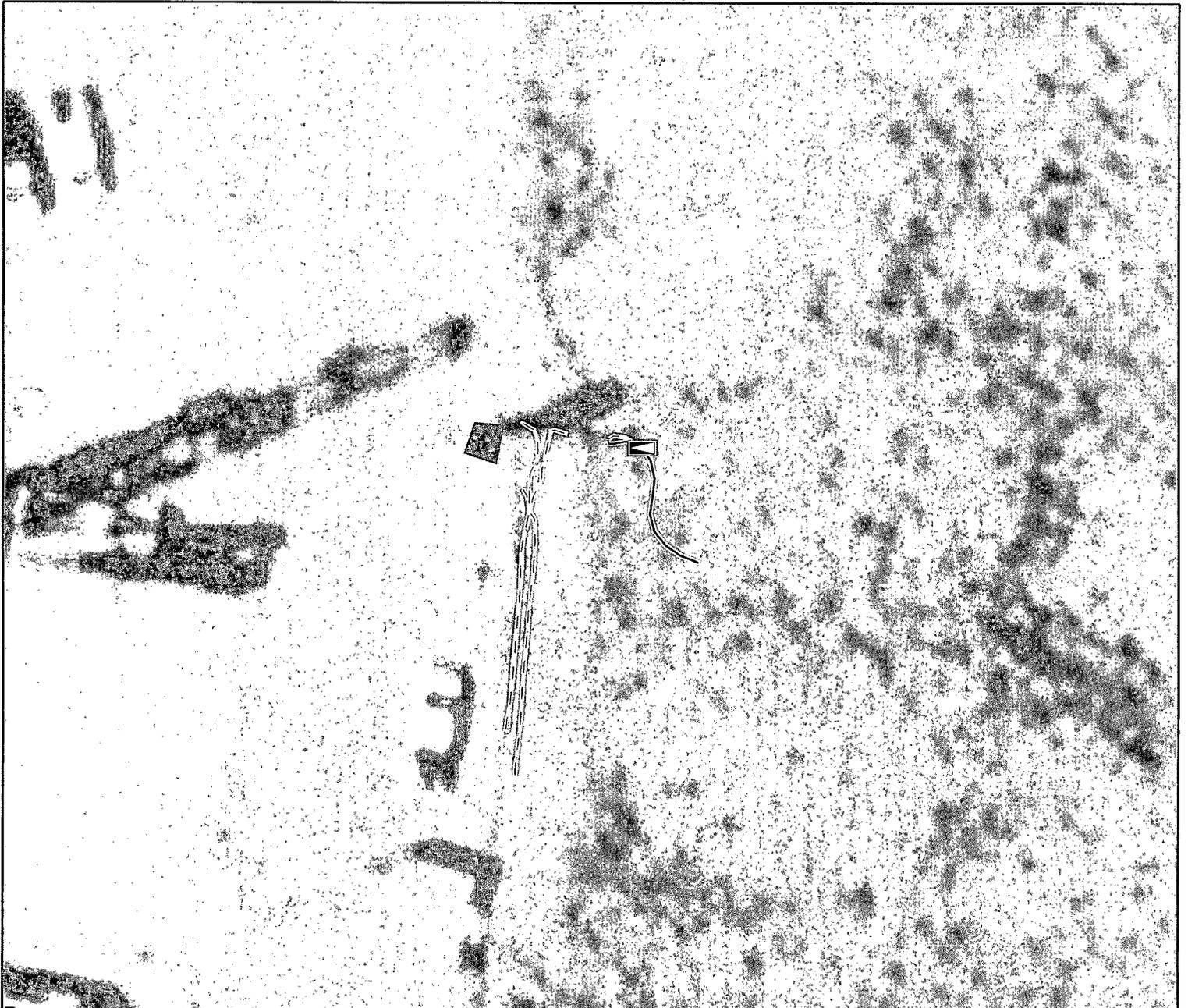
Attachments:

Figure 1 – Site Map
Appendix A – Initial C-141
Appendix B – Photo Documentation

Figures

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Site Map



Legend

-  GAS REGULATOR
-  3 in SURFACE POLY
-  3 in SURFACE STEEL
-  HEATER-TREATER

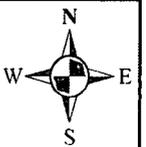
DGW: None
Landowner: BLM

Source: Esri, DigitalGlobe, GeoEye, I-cubed, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community



**LINN MCCLAY
FEDERAL #7
TANK BATTERY
(2RP-1914)**
LEGALS: UL/C sec. 33
T-18-S R-30-E
EDDY COUNTY, NM

Figure 1



0 10 20
 Feet

GPS date: 9/10/13 JK
Drawing date: 9/11/13
Drafted by: L. Weinheimer

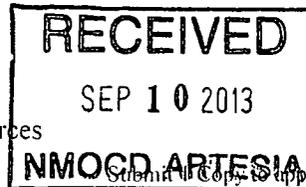
Appendix A

Initial C-141

RICE Environmental Consulting and Safety (RECS)
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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

Submit a Copy to appropriate District Office in accordance with 19.15.29 NMAC

Release Notification and Corrective Action

nJMW 1326252893

OPERATOR : Initial Report Final Report

Name of Company: Linn Operating <i>209324</i>	Contact: Brian Wall
Address: 2130 W. Bender Hobbs, NM 88240	Telephone No.: 575-738-1739
Facility Name: McClay Federal # 7	Facility Type: Oil Producer

Surface Owner: Federal	Mineral Owner:	API No.: 3001510370
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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
C	33	18S	30E	330	North	1650	West	Eddy

Latitude: 32.7103208597655 Longitude: -103.980175130974

NATURE OF RELEASE

Type of Release: Produced Water / Oil	Volume of Release: 4bbls/ 1bbl	Volume Recovered: 4 bbls / 1 bbl
Source of Release: Heater	Date and Hour of Occurrence: 09/08/2013 12:00am	Date and Hour of Discovery: 09/08/2013
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Burton- BLM Mike Bratcher-NM OCD	
By Whom? Brian Wall	Date and Hour 09/10/2013	
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.*: Hole in bottom of heater in side base ring.		
Describe Area Affected and Cleanup Action Taken.* : All fluid in dike area picked up with vaccum truck emptied heater. Cause degradation.		

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.

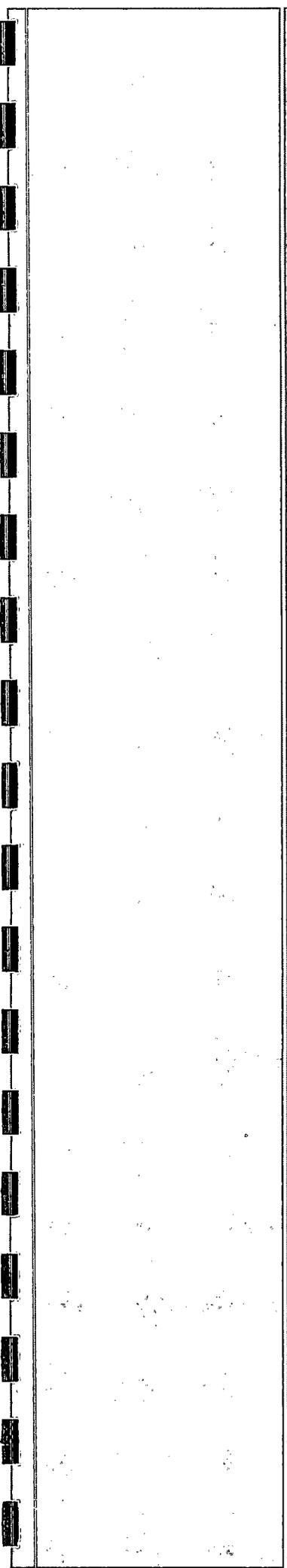
Signature: <i>Brian Wall</i>	OIL CONSERVATION DIVISION	
Printed Name: Brian Wall	Approved by District Supervisor:	Signed By: <i>Mike Bratcher</i>
Title: Construction Foreman II	Approval Date: SEP 19 2013	Expiration Date:
E-mail Address: bwall@linenergy.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 09/10/2013 Phone: 806-367-0645	Remediation per OCD Rule & Guidelines, & like approval by BLM. SUBMIT REMEDIATION PROPOSAL NO LATER THAN:	

* Attach Additional Sheets If Necessary

SUBMIT REMEDIATION PROPOSAL NO LATER THAN:

October 19, 2013

2RP-1914



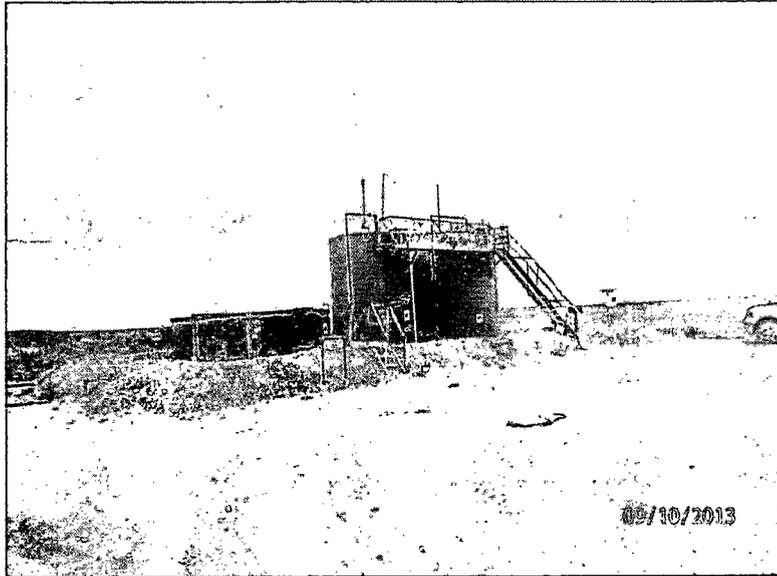
Appendix B

Photo Documentation

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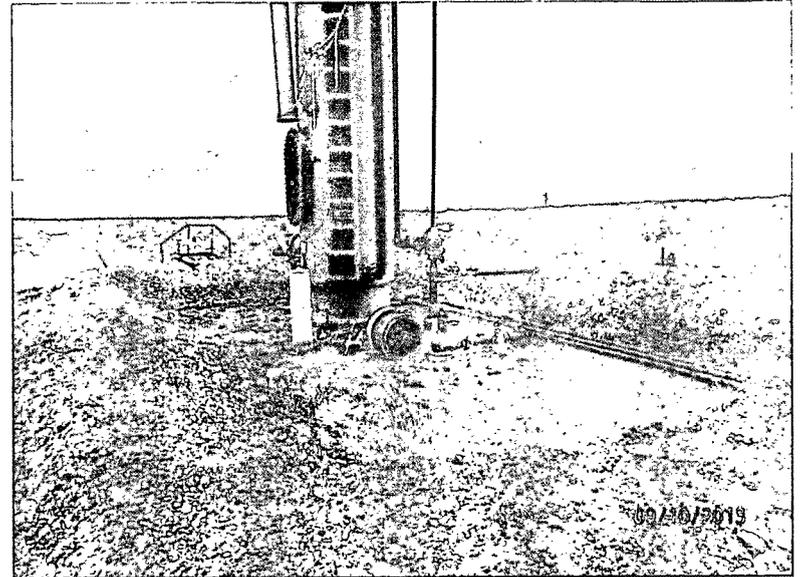
Linn McClay Federal #7 Tank Battery

Unit Letter C, Section 33, T18S, R30E



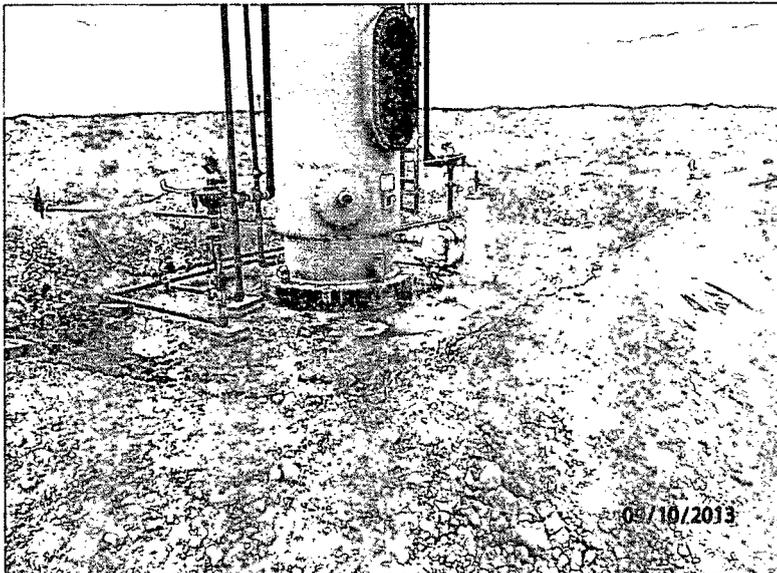
Initial site photo, facing southeast

9/10/13



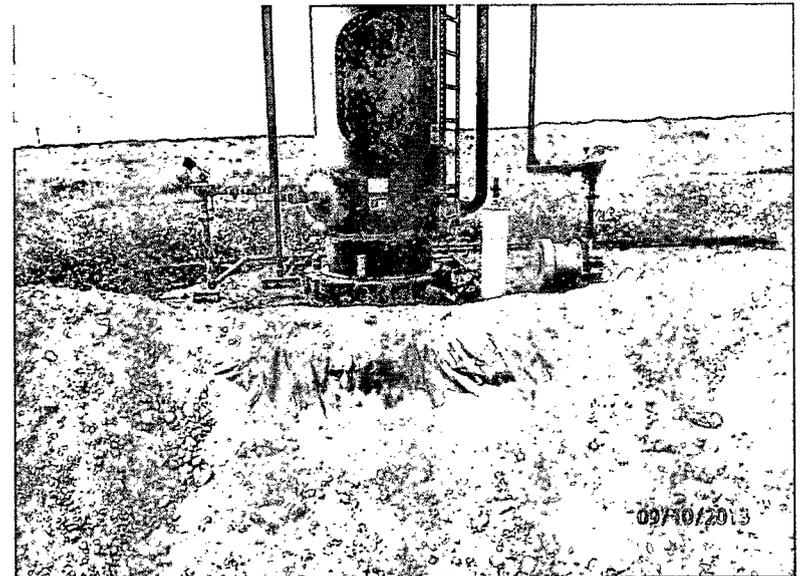
Initial site photo, facing northwest

9/10/13



Initial site photo, facing southwest

9/10/13



Showing berm with liner, facing west

9/10/13