ETECH

Environmental & Safety Solutions, Inc.

Electronic Correspondence

October 24, 2012

Mr. Mike Bratcher
State of New Mexico
Oil Conservation Division
811 S. 1st Street
Artesia, NM 88210
mike.bratcher@state.nm.us

Re: Corrective Action Plan
LINN Energy, Skelly Unit 18
API No.: 30-015-05154
Legal: Unit D, Section 15, T17S, R31E, 660FNL, 660 FWL, Eddy Co., NM
GPS: N32.84013, W103.86367

Dear Mike:

Etech Environmental & Safety Solutions, Inc. (Etech) is pleased to submit the following corrective action plan on the aforementioned site for your review and approval.

Scope of Work

The scope of this project is for the remediation of a produced water/hydrocarbon impact. Completion of remediation will involve the following actions:

1. Placement of a one-call for utility location.
2. Excavation of impacted soils as far as practicable or until the chloride levels are less than 1,000 mg/kg and/or hydrocarbon levels of less than 5,000 mg/kg are reached. Preliminary assessment data indicated the chlorides exceeded regulatory threshold levels to a depth of 0-1 feet. A copy of the assessment map and the screening data are attached. Please note: The delineation data was collected from the lowest point in the impacted area where it was evident liquids had pooled. The assessment map includes the delineation data and the sampling points (SP's) that will be used to determine that the excavation has reached remediation objectives.
3. During the course of excavation soil samples will be screened on site to determine the progress of the remediation. Screening is achieved using a YSI chloride meter with a tolerance of +/- 6% which is the same tolerance as laboratory titration methods.
4. Once the screening determines the remediation objectives have been reached, confirmation samples will be collected from the bottom of the excavation to confirm that remediation goals have been reached. If the excavation depth is greater than 2 feet vertical, side wall samples will be collected as well.
5. If the results of analysis determine that the chloride levels are above regulatory threshold levels, additional excavation will be performed until the remediation objectives are met. It should be noted that due to the depth of the impact from the delineation, there may be

circumstance that arise where additional excavation is not practical. This includes reaching the limits of excavation with chlorides that are close to objective levels, safety issues such as the close proximity of equipment, or other site specific issues. In this event, it will be likely to install a liner or a layer of gypsum at the bottom of the excavation before backfilling.

6. Backfilling of the excavated area(s) will be achieved by placing clean fill similar to the existing material from the site to within 2 foot of the surface. The last two feet will be backfilled with top soil of similar configuration to the surrounding area and contoured to match the existing grade.
7. Where pad areas or interior areas of tank batteries are excavated, they will be backfilled to within 6 inches of surface then backfilled to grade with compacted caliche. Any firewalls or containment berms removed during remediation will be reinstalled.
8. The site will be seeded with a 50/50 mixture of BLM #2 and #4 seed. Seeding will take place when the seasonal conditions are conducive to maximizing the potential for seed germination. Actual seeding will be accomplished by broadcast or drilling; whichever is the most practical for the site.

Notifications and Special Conditions

1. The OCD and BLM will be notified prior to the commencement of on-site operations.
2. The OCD and BLM will be notified prior to each sampling event to allow the opportunity to witness the sampling events. Splits will be made available if requested.
3. The OCD and BLM (if applicable) will be notified when the site is closed for final inspection prior to seeding.
4. A final report documenting the closure of the site will be submitted along with a final C-141.

Thank you for your assistance on this matter. Should you have any questions, require additional information, or have any additional stipulations for this site, please contact Mr. Gary Wink at (575) 738-1739 (Office) or via email at gawink@linnenergy.com or myself at (432) 563-2200 (office) or via email at kit@etechenv.com.

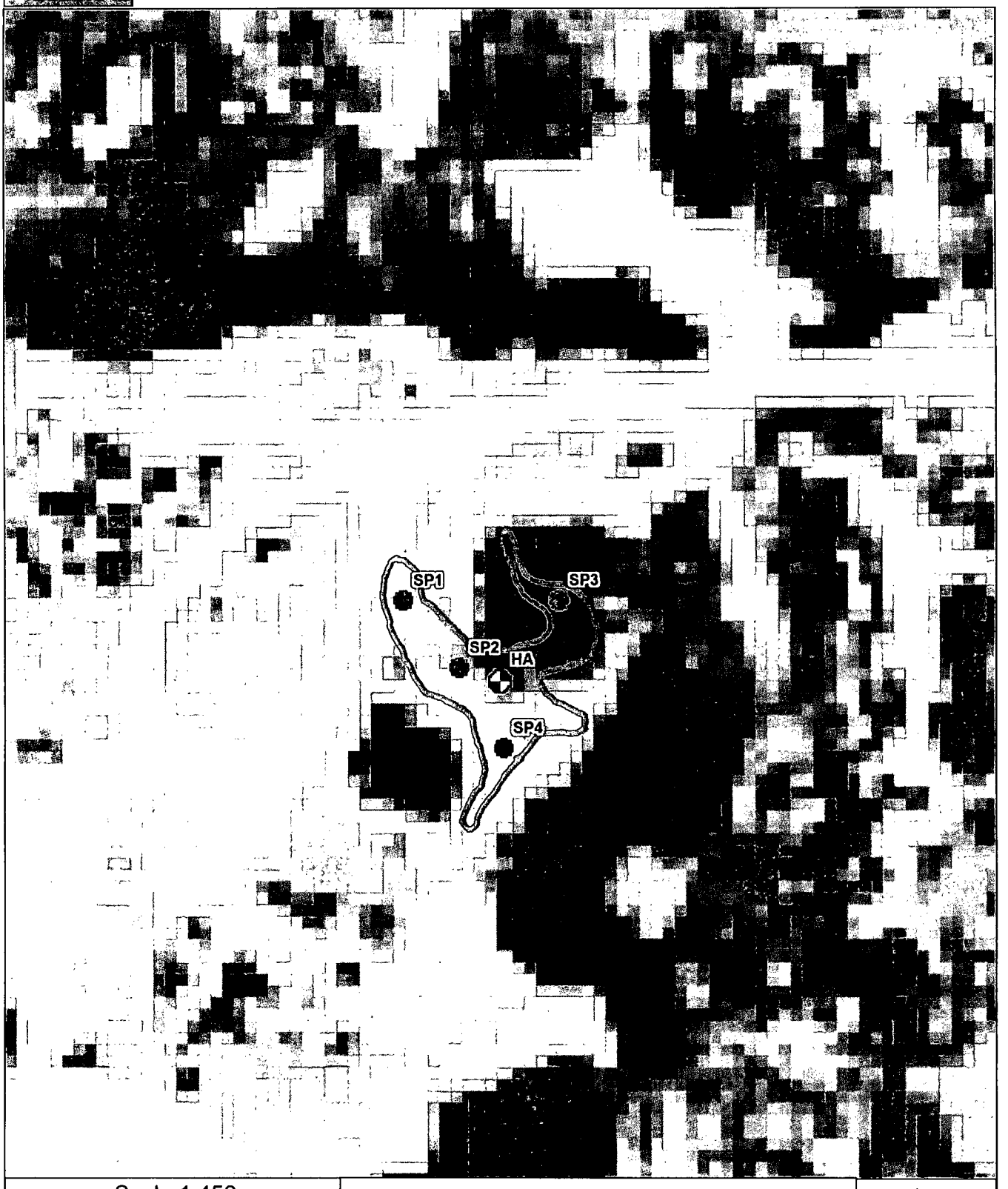
Respectfully:

Kit Prichard
Environmental Professional

cc: Terry Gregston, BLM Carlsbad District Office

DeLORME

XMap® 7



Scale 1:450

0 14 28 42 56 70 ft

1" = 37.5 ft Data Zoom 17-7

LINN Energy
Skelly Unit 18
Sample Points and Excavation Map

MN (7.6° E)

CARDINAL Laboratories

PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

October 22, 2012

FRED HOLMES

ETECH Environmental & Safety Solutions, Inc.

P. O. BOX 8469

MIDLAND, TX 79708

RE: SKELLY #18

Enclosed are the results of analyses for samples received by the laboratory on 10/18/12 14:56.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. 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_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.

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

Celey D. Keene

Lab Director/Quality Manager

CARDINAL Laboratories

PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

Analytical Results For:

ETECH Environmental & Safety Solutions, Inc.
FRED HOLMES
P. O. BOX 8469
MIDLAND TX, 79708
Fax To: (432) 563-2213

Received:	10/18/2012	Sampling Date:	10/18/2012
Reported:	10/22/2012	Sampling Type:	Soil
Project Name:	SKELLY #18	Sampling Condition:	** (See Notes)
Project Number:	253-3627-000	Sample Received By:	Celey D. Keene
Project Location:	EDDY COUNTY, NM		

Sample ID: HA1 0-1' (H202551-01)

Chloride, SM4500Cl-B mg/kg **Analyzed By: HM**

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	**28800**	16.0	10/19/2012	ND	416	104	400	0.00	

Sample ID: HA1 4-5' (H202551-02)

Chloride, SM4500Cl-B mg/kg **Analyzed By: HM**

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	**336**	16.0	10/19/2012	ND	416	104	400	0.00	

Sample ID: HA1 9-10' (H202551-03)

Chloride, SM4500Cl-B mg/kg **Analyzed By: HM**

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	**272**	16.0	10/19/2012	ND	416	104	400	0.00	

Cardinal Laboratories

*=Accredited Analyte

Celey D. Keene, Lab Director/Quality Manager

CARDINAL Laboratories

PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

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

Celey D. Keene, Lab Director/Quality Manager

CARDINAL Laboratories

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

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

Company Name:	Etech	BILL TO	
Project Manager:	Fred Holmes	P.O. #:	253-3627-000
Address:		Company:	Etech
City:	State: Zip:	Attn:	
Phone #:	Fax #:	Address:	
Project #:	253-3627-000 Project Owner:	City:	
Project Name:	Skelly #18	State: Zip:	
Project Location:	Eddy county	Phone #:	
Sampler Name:	Terry Osborn	Fax #:	

FOR LAB USE ONLY Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP.	# CONTAINERS	MATRIX: GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	PRESERV.: ACID/BASE:	ICE / COOL	OTHER:	SAMPLING: DATE	TIME	ANALYSIS REQUEST: Chlorides
H202551- 01	HA1 0-1'					✓							10/18		✓
02	HA1 4-5'					✓							"		✓
03	HA1 9-10'					✓							"		✓

PLEASE NOTE: Liability and Damages. Cardinal'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 analyses. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Relinquished By:	Date: 10-18-12 Time:	Received By:	Phone Result: ☐ Yes ☐ No Add'l Phone #:
Relinquished By:	Date: 10/18/12 Time: 2:56p	Received By:	Fax Result: ☐ Yes ☐ No Add'l Fax #:
Delivered By: (Circle One) Sampler - UPS - Bus - Other:	25.5°C	Sample Cool ☐ Yes ☑ No / Condition Intact ☑ Yes ☐ No	CHECKED BY: (Initials) coh

REMARKS:

† Cardinal cannot accept verbal changes. Please fax written changes to (575) 393-2326

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