

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

RECEIVED

AUG 02 2012

NMOCD ARTESIA

Form C-141
Revised October 10, 2003

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

Release Notification and Corrective Action

nJMW 12222 31509

OPERATOR

☒ Initial Report ☐ Final Report

| | |
|--|-----------------------------|
| Name of Company: Linn Operating | Contact: Joe Hernandez |
| Address: 2130 W. Bender Hobbs, NM 88240 | Telephone No.: 575-738-1739 |
| Facility Name: Skelly A Tank Battery- Skelly 128 | Facility Type: Battery |

| | | |
|------------------------|------------------------|---------------------|
| Surface Owner: Federal | Mineral Owner: Federal | API No.: 3001522262 |
|------------------------|------------------------|---------------------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|----------------------|---------------------------|----------------------|------------------------|----------------|
| Unit Letter A | Section 22 | Township 17S | Range 31E | Feet from the 450 | North/South Line North | Feet from the 450 | East/West Line East | County Eddy |
|------------------|---------------|-----------------|--------------|----------------------|---------------------------|----------------------|------------------------|----------------|

Latitude: 32.8261140037943 Longitude: -103.850406737217

NATURE OF RELEASE

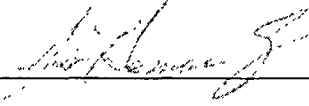
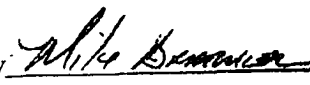
| | | |
|--|---|--|
| Type of Release: Oil | Volume of Release: 3 bbls | Volume Recovered: 0 |
| Source of Release: Poly Pipeline | Date and Hour of Occurrence: 07/28/2012 9am | Date and Hour of Discovery: 07/28/2012 9:30am |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input 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 07/28/2012 11:35am | |
| 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, caused high pressure, gas started venting and then burning at flare. Fluid started coming out and fluid caught on fire. Fire spread and caught plastic liner on fire. Fire jumped over dike burning 3" poly line for COG. 2" hole was blown in line. Further remedial action pending...

Describe Area Affected and Cleanup Action Taken.*: A 40' x 25' area was sprayed with oil. Gang repaired line, Roger(pumper) called Loco Hills fire department. Fire was extinguished and foam was sprayed over area. 40' Electric line for Skelly #128 had to be replaced.

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 District Supervisor: Signed By:  | |
| Title: Production Foreman | Approval Date: AUG 09 2012 | Expiration Date: |
| E-mail Address: jhernandez@linenergy.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: 08/02/2012 Phone: 575-942-9492 | | |

* Attach Additional Sheets If Necessary

Remediation per OCD Rules &
Guidelines. **SUBMIT REMEDIATION
PROPOSAL NOT LATER THAN:**

9/9/12

2RP-1247