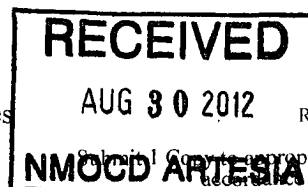


District I
1625 N French Dr, Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S St Francis Dr, Santa Fe, NM 87505

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 1 Copy to appropriate District Office in addition with 19.15.29 NMAC

Release Notification and Corrective Action

nJMW/1225640874 OPERATOR ☒ Initial Report ☐ 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: Fren Battery- Friess Fed # 5 Inj Facility Type: Battery
Surface Owner: Federal Mineral Owner: Federal API No.: 3001529719

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| J | 19 | 17S | 31E | 2220 | South | 1434 | East | Eddy |

Latitude: 32.8188881725711 Longitude: -103.905195940205

NATURE OF RELEASE

| | | |
|---|--|--|
| Type of Release: Produced Water | Volume of Release: 60 bbls | Volume Recovered: 45 bbls |
| Source of Release: Pipeline Steel | Date and Hour of Occurrence: 08/23/2012 10am | Date and Hour of Discovery: 08/23/2012 10:30am |
| 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 08/23/2012 12pm | |
| 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.*: Pulled up to Battery found water inside dike, Water dump line was corroded going to tanks and dumped water out of hole into dike. | | |
| Describe Area Affected and Cleanup Action Taken.* : 45'x45' area, 45 bbls were picked up by trucking company. 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 NMOC D 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 NMOC D 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, NMOC D 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: SEP 12 2012 | Expiration Date: |
| E-mail Address: jhernandez@linenergy.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: 08/30/2012 Phone: 575-942-9492 | | |

* Attach Additional Sheets If Necessary

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

October 12th 2012

ZRP-1286