

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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

Form C-141
Revised August 8, 2011

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

| | |
|-----------------------------------------|------------------------------|
| Name of Company Linn Operating | Contact Brian Wall |
| Address 2130 W. Bender, Hobbs, NM 88240 | Telephone No. (806) 367-0645 |
| Facility Name Max Friess #1 | Facility Type Injection well |
| Surface Owner BLM | Mineral Owner BLM |
| API No. 3001505459 | |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| B | 30 | 17S | 31E | 660 | N | 1980 | E | Eddy |

Latitude 32°48'39.1" Longitude -103°54'24.6"

NATURE OF RELEASE

| | | |
|------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------|
| Type of Release Produced Water/Oil | Volume of Release 2/8 | Volume Recovered 0.5/1 |
| Source of Release Tank | Date and Hour of Occurrence 11/15/2011 4:54pm | Date and Hour of Discovery 11/15/2011 5:15pm |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? M. Bratcher - NMOCD / T. Gregston - BLM | |
| By Whom? Joe Hernandez | Date and Hour 11/16/2011 10:00am | |
| 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.* Tied 500 bbl flow back to well head to flow back for acid job, well flowed at steady for 5hr and well kicked off overflowed tank oil/produced water came out top. Flow direction SW off location, N NW, on location and then off location. Contractor drove up to location as tank started to run over, and shut well in. Called vac truck.

Describe Area Affected and Cleanup Action Taken.* A total of 10,756 square feet of lease pad and pasture land was affected by the release. RECS personnel were on site beginning on February 6th, 2014 to assess the site. Five points throughout the release were sampled at the surface and with depth. Representative samples were taken to a commercial laboratory for analysis. Based on the laboratory data, a Corrective Action Plan (CAP) was submitted to NMOCD and BLM on April 21st, 2014. BLM approved the CAP on April 28th, 2014 and NMOCD approved the CAP on April 29th, 2014. Corrective actions began at the site on April 28th, 2014. The site was excavated to a depth of 1.5 ft bgs as approved in the CAP. A total of 512 cubic yards of contaminated soil was taken to a NMOCD approved facility for disposal. At the base of the 1.5 ft excavation, a 5 point bottom composite sample was taken and sent to a commercial laboratory for analysis. The 5 point composite returned a laboratory chloride value of 800 mg/kg and GRO, DRO and BTEX results of non-detect. The caliche on the pad was scraped up as part of the reclamation activities. A request to backfill the site was sent to NMOCD and BLM on May 5th, 2014. BLM approved the site to be backfilled on May 6th, 2014, and NMOCD approved the site to be backfilled on May 7th, 2014. A total of 24 cubic yards of caliche and 552 cubic yards of top soil were imported to the site. The imported caliche was blended with the scraped caliche. Composite samples of the imported top soil and the blended caliche were taken to a commercial laboratory for analysis. The imported top soil returned a laboratory chloride reading of non-detect. The blended caliche returned a laboratory chloride reading of 160 mg/kg and GRO, DRO and BTEX results of non-detect. The scraped areas and excavated areas were backfilled with the imported top soil and contoured to the surrounding location. The blended caliche was used to create berms along the lease road to inhibit vehicular traffic and provide erosion controls. On May 13th, 2014, the site was seeded with LPC mix.

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.

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|-------------------------------------|---------------------------------------|-----------------------------------|
| Signature: <i>Fred B Wall</i> | OIL CONSERVATION DIVISION | |
| Printed Name: Brian Wall | Approved by Environmental Specialist: | |
| Title: Construction Foreman II | Approval Date: 7/31/2014 | Expiration Date: N/A |
| E-mail Address: Bwall@linenergy.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: 7/30/14 | Phone: (806) 367-0645 | Final |