

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

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MAR 13 2014
NMOCD ARTESIA

Form C-141
Revised August 8, 2011

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 Blvd., Hobbs, NM 88240 | Telephone No. | (806) 367-0645 |
| Facility Name | Max Friess and Fren Supply Line | Facility Type | Supply Line |
| Surface Owner | BLM | Mineral Owner | |
| | | API No. | 3001505284 |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| L | 20 | 17S | 31E | 1618 | FSL | 701 | FWL | Eddy |

Latitude 32°49'2.178"N Longitude 103°53'53.514"W

NATURE OF RELEASE

| | | | | | |
|-----------------------------|---|---|-----------|----------------------------|-----------|
| Type of Release | Produced Water | Volume of Release | 716 bbls | Volume Recovered | 0 bbls |
| Source of Release | Supply Line | Date and Hour of Occurrence | 5/20/2013 | Date and Hour of Discovery | 5/20/2013 |
| Was Immediate Notice Given? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? | | | |
| By Whom? | Date and Hour | | | | |
| 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.*

A break in the supply line lead to a release of 20 bbls of produced water, which covered 3,621 sq ft of pasture land. The site was sample in 5 places throughout the release and representative samples were taken to a commercial laboratory for analysis. A soil bore was installed at the site on August 9th, 2013. The soil bore showed elevated chloride levels at 20 ft bgs, which decreased to below 250 mg/kg at 40 ft bgs.

Describe Area Affected and Cleanup Action Taken.*

The release affected 3,621 square feet of pasture land and a remediated, abandoned well site. RECS received this site after another company began remediation efforts. The previous company took surface samples from 5 points within the release. At SP-2, a soil bore was installed on August 9th, 2013 to a depth of 40 ft bgs. Representative samples from these sampling events were taken to a commercial laboratory for analysis. SP-1, SP-2 and SP-3 returned elevated chloride values with depth but returned Gasoline Range Organics (GRO), Diesel Range Organics (DRO) and BTEX readings of non-detect. SP-4 returned laboratory chloride levels, GRO, DRO and BTEX below regulatory standards at the surface and at 1 ft bgs. SB-5 returned an elevated chloride level at the surface that dropped to non-detect at 1 ft bgs. GRO, DRO and BTEX readings at the surface and at 1 ft bgs were non-detect. A Corrective Action Plan was submitted to NMOCD and BLM, and approved by both agencies, on December 5th, 2013. CAP activities began on December 31st, 2013. The area around SP-1, SP-2 and SP-3 was excavated to 4 ft bgs. Wall samples were taken from the excavation and sent to commercial laboratory for analysis. All wall samples returned laboratory chloride readings below 1,000 mg/kg and GRO, DRO and BTEX readings of non-detect. At 4 ft bgs a 20-mil reinforced poly liner was installed and properly seated at the base of the excavation. The area around SP-4 and SP-5 was scraped down 6 inches. A total of 424 yards of contaminated soil was taken to a NMOCD approved facility for disposal. A total of 580 yards of top soil was imported to the site to serve as backfill. The excavation and scrape were backfilled with the clean, imported soil and contoured to the surrounding location. A sample of the imported top soil was submitted to a commercial laboratory for analysis, returning a chloride concentration below of non-detect. On February 5th, 2014, soil amendments were added to the site and the site was seeded with a BLM mix of #2 and #4.

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: <i>[Signature]</i> | | |
| Title: Construction Foreman II | Approval Date: <i>4/16/15</i> | Expiration Date: <i>N/A</i> | |
| E-mail Address: Bwall@linenergy.com | Conditions of Approval: <i>Final</i> | | Attached <input type="checkbox"/> |
| Date: 3/7/14 | Phone: (806) 367-0645 | | |

* Attach Additional Sheets If Necessary

2RP-2033