

Transferring Operator Water Reuse Plan

For Water Transfers Between

LINN Operating Inc.

And

WPX Energy Rocky Mountain, LLC

September 2, 2014

Purpose and Need

This water re-use plan is to be submitted to the Colorado Oil and Gas Conservation Commission (COGCC) with a Form 4 (sundry) to allow a temporary produced water transfer agreement between LINN Operating Inc. (LINN) and WPX Energy Rocky Mountain, LLC (WPX).

WPX has a need for up to 50,000 barrels (bbls) of produced water for exploration and production operations in Garfield County, Colorado. LINN operates wells in the Grand Valley/Trail Ridge field located in Garfield County, Colorado located near the WPX location currently in need of produced water.

WPX would like to receive LINN excess water for beneficial re-use. If permitted to do so, water will be collected at the approved Chevron I31 (COGCC Facility ID 335964, NESE, Sec31, T5S, R96W), Latham CD32 (COGCC Facility ID 335842, NWNW Sec32, T5S, R96W), Latham O29 (COGCC Facility ID 335836, SWSE Sec29, T5S, R96W), and Chevron C19 (COGCC Facility ID 417618, NENW Sec19, T5S, R96W) and trucked to the WPX TR 41-35-597 Pit #2 (COGCC Facility ID 422272, NENE Sec 35, T5S, R97W) via existing roads used by LINN. From the WPX TR 41-35-597 pit, WPX will transfer water via pump and existing WPX pipeline to the TR 24-28-597 well pad (COGCC Facility ID 335925, SESW Sec 28, T5S, R97W). WPX will test and verify compatibility of the produced water provided by LINN. Transfer of produced water would begin upon COGCC approval and terminate after 90 days with an option for extension.

Benefits

Under this plan, each party shall use reasonable and available means to safely transfer production water, in sufficient volumes and quality, to meet the other party's transfer request, when mutually agreeable to do so. The benefits include:

- Less fresh water withdraws from surface water sources;
- Less reliance on injection wells for disposal of production/flowback water;
- Increased operational efficiencies from reusing local supplies of production/flowback water to meet water demands for drilling, completion and workover activities.

Produced Fluid Pickup and Transfer Location

Produced water will be collected by LINN at the COGCC approved LINN Locations: Chevron I31 (COGCC Facility ID 335964, NESE, Sec31, T5S, R96W), Latham CD32 (COGCC Facility ID 335842, NWNW Sec32, T5S, R96W), Latham O29 (COGCC Facility ID 335836, SWSE Sec29, T5S, R96W), and Chevron C19 (COGCC Facility ID 417618, NENW Sec19, T5S, R96W) and trucked to the TR 41-35-597 Pit (COGCC Facility ID 422272, NENE Sec 35, T5S, R97W) via existing roads used by LINN. The custody point will be the WPX TR 41-35-597 pit (Lat: 39.574474, Long: 108.240640). The transferring company (LINN) shall maintain all regulatory responsibility, custody and control for all water until such time as the water is transferred into the WPX TR 41-35-597 Pit (custody transfer point). Once the water is delivered to the custody transfer point, the receiving company (WPX) will assume all regulatory responsibility, custody and control of the water (See map exhibit for detail). From the WPX TR 41-35-597 pit, WPX will transfer water via pump and existing WPX pipeline to the TR 24-28-597 well pad (COGCC Facility ID 335925, SESW Sec 28, T5S, R97W).

Custody Transfer Point

- WPX TR 41-35-597 Pit - COGCC Facility ID 422272, NENE Sec 35, T5S, R97W, Lat: 39.574474, Long: 108.240640— Garfield County, CO

Receipt

WPX's receiving activities will consist of the following:

Receipt of water from the Chevron I31 (COGCC Facility ID 335964, NESE, Sec31, T5S, R96W), Latham CD32 (COGCC Facility ID 335842, NWNW Sec32, T5S, R96W), Latham O29 (COGCC Facility ID 335836, SWSE Sec29, T5S, R96W), and Chevron C19 (COGCC Facility ID 417618, NENW Sec19, T5S, R96W) will occur at the WPX TR 41-35-597 Pit (COGCC Facility ID 422272, NENE Sec 35, T5S, R97W) via existing roads used by WPX and LINN. The custody point will be the WPX TR 41-35-597 pit (Lat: 39.574474, Long: 108.240640). From the WPX TR 41-35-597 pit, WPX will transfer water via pump and existing WPX pipeline to the TR 24-28-597 well pad (COGCC Facility ID 335925, SESW Sec 28, T5S, R97W).

The volumes of fluid to be delivered will be up to 5,000 bbls/day; actual transferred volumes will be metered.

The transfer operator will maintain records with the following information:

- Changes to the approved plan;
- Applicable training requirements for its contractors (lock out/ tag out, job hazard analysis at the transfer location, etc.);
- Types and results of internal and contractor audits conducted;
- Tabulated waste generator records, if required by Rule 907.b.(2) including:
 - Date of transport
 - Identity of water generator
 - Identity of water transporter
 - Volume of water transported
 - Location of receiving point(Transport tickets will be maintained for each load)
- Summary of spills, incidents or upsets;

Spill Response and Cleanup Measures

WPX and LINN facilities are covered under a Spill Prevention Control and Countermeasure (SPCC) Plan.

Analytical Data

An analysis representative of the water to be transferred to WPX will be sent to the COGCC within 45 days after approval of this water re-use plan by the COGCC.

Operator Contact Information

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Summary

Proposed use of water – WPX Garfield County Trail Ridge drilling and completion activities

Destination of water – WPX TR 24-28-597 well pad located in Garfield County, Colorado

Water Transportation – All water transported to WPX will be trucked via existing roads used by LINN

Estimated volume of water transferred – up to 5,000 bbls/day, for up to 90 days, with the possibility for extension via sundry notice

The transfer operator shall implement the following:

- IF LOCATIONS ARE IN A SENSITIVE AREA BECAUSE OF PROXIMITY TO SURFACE WATER, OPERATOR MUST ENSURE 110 PERCENT SECONDARY CONTAINMENT FOR ANY VOLUME OF FLUIDS CONTAINED AT THE WATER HANDLING FACILITY SITE DURING NATURAL GAS DEVELOPMENT ACTIVITIES AND OPERATIONS; INCLUDING, BUT NOT LIMITED TO, CONSTRUCTION OF A BERM OR DIVERSION DIKE, DIVERSION/COLLECTION TRENCHES WITHIN AND/OR OUTSIDE OF BERMS/DIKES, SITE GRADING, OR OTHER COMPARABLE MEASURES (I.E., BEST MANAGEMENT PRACTICES (BMPS) ASSOCIATED WITH STORMWATER MANAGEMENT) SUFFICIENTLY PROTECTIVE OF NEARBY SURFACE WATER. ANY BERM CONSTRUCTED AT THE WELL PAD LOCATION WILL BE STABILIZED, INSPECTED AT REGULAR INTERVALS (AT LEAST EVERY 14 DAYS), AND MAINTAINED IN GOOD CONDITION.
- OPERATOR MUST IMPLEMENT BEST MANAGEMENT PRACTICES TO CONTAIN ANY UNINTENTIONAL RELEASE OF FLUIDS, INCLUDING ANY FLUIDS CONVEYED VIA TEMPORARY SURFACE PIPELINES.
- OPERATOR SHALL PROVIDE OVERFLOW PROTECTION FOR EACH TANK PROPOSED IN THE FACILITY PLANS, IF TANKS ARE USED.
- TERMINATION OF ACTIVITIES: BOTH LINN AND WPX SHALL NOTIFY THE COGCC VIA SUNDRY IMMEDIATELY UPON TERMINATION OF ACTIVITIES.
- LINN AND WPX WILL EACH SEPARATELY SUBMIT AN ANNUAL REPORT TO THE COGCC SUMMARIZING THE TRANSFER OF PRODUCTION WATER (BOTH AS TRANSFER AND RECEIVING OPERATOR) DURING THE CALENDAR YEAR AND INCLUDING LABORATORY ANALYTICAL RESULTS FOR REPRESENTATIVE SAMPLE(S) OF THE PRODUCTION WATER PROVIDED AS THE TRANSFER/RECEIVER. THE ANNUAL REPORT SHALL BE SUBMITTED ON OR BEFORE THE ANNIVERSARY OF THE FIRST DATE OF TRANSFER.