

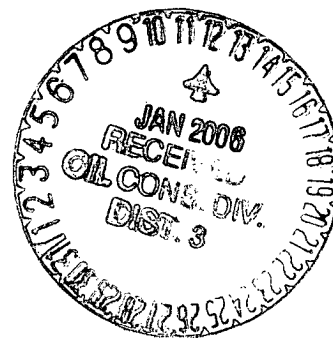
BLAGG ENGINEERING INC.

P.O. Box 87, Bloomfield, New Mexico 87413
Phone: (505)632-1199 Fax: (505)632-3903

January 11, 2006

Mr. Glenn von Gonten, Hydrologist
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: BP America Production Company
Notice of Potential Groundwater Impact
Jaquez GC C1
(O)Sec. 6 - T29N - R9W, San Juan County, NM



API
30-045-08647

Dear Mr. von Gonten:

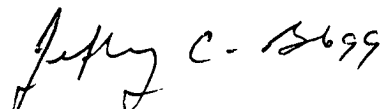
On behalf of BP America Production Company, Blagg Engineering, Inc. (BEI) has identified potential groundwater impacts at the subject location. During location modifications on January 10, 2006 soils impacted with produced hydrocarbon were identified around a sub-grade tank. During removal of this tank, groundwater was found at a depth of approximately 3 feet below ground surface. Visual inspection indicated that produced hydrocarbon liquids were in contact with groundwater in the area of the sub-grade tank.

The Jaquez GC C1 is located on private property near Blanco, New Mexico. BP intends to address the impact by excavating contaminated soils and transporting them to the BP Crouch Mesa landfarm/compost facility. Following this remedial effort, the site will be placed on BP's groundwater monitoring program to quantify residual water quality.

Mr. Denny Foust of the NMOCD Aztec District office was notified via voice mail of this impact on January 10, 2006. Additionally, the private landowner (Mr. John Jaquez) was personally contacted and appraised of the site status.

If you have questions or need additional information, please contact either myself at (505)632-1199 or Mr. Don Brooks of BP at (505)326-9200.

Respectfully:
Blagg Engineering, Inc.


Jeffrey C. Blagg, P.E.
President

cc: Denny Foust - NMOCD Aztec
Don Brooks - BP SJ Op. Ctr.