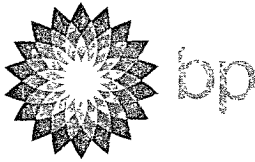


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**Amoco Production Company**

380 Airport Road  
Durango, Colorado 81303  
Phone. 970-247-6800  
Fax. 970-247-6825

June 27, 2001

Bureau of Land Management  
1235 La Plata Highway  
Farmington, NM 87401  
Attn: Mr. Vincente Balderaz



RE: GCU #267 Spill Report; Lease # NM NM 78391A

Dear Mr. Balderaz:

Confirming my phone call to Mr. Jim Lovato of your office on Monday, June 25, 2001, a produced water spill occurred at the Gallegos Canyon Unit #267 wellsite located SW/4 NE/4 Section 23 T28N-R12W, San Juan County, New Mexico. The lease number is NM NM 78391A. The total amount spilled was 12 barrels of produced water from the PC formation. The spill was discovered at 1:45 pm on June 25, 2001. The spill did not leave the wellsite location and, consequently, did not enter a waterway. None of the water spilled was recovered. The cause of the spill was a leak from a poly pipe gathering line. The specific reason for the poly pipe failure is being investigated.

Should you have any additional questions, please feel free to contact either Brittany Benko at 326-9235 or Buddy Shaw at 326-9219 in our Farmington office.

Sincerely,

A handwritten signature in cursive script, appearing to read "Dave Brown".

Dave Brown  
Environmental Specialist

cc: Navajo Nation Environmental Protection Agency-Water Quality  
Shiprock, NM 87420  
Attn: Mr. Steve Austin

Navajo Nation Environmental Protection Agency-Hazardous Waste Program  
P.O. Box 339  
Window Rock, Arizona 86515  
Attn: Mr. Ronnie Ben

New Mexico Oil Conservation Division  
1000 Rio Brazos Rd  
Aztec, NM 87410  
Attn: Mr. Denny Foust

ABGF 0117655103