



Consulting & Training Group

August 21, 2006

New Mexico Energy, Minerals, & Natural Resources Department
Oil Conservation Division
District I
Attention: Ms. Pat Caperton & Mr. Larry Johnson
1625 North French Drive
Hobbs, NM 88240



Re: Written Notification
Wagner Oil Company
Lea County: Geronimo Federal Battery #3

Dear Ms. Caperton & Mr. Johnson:

On behalf of Wagner Oil Company, this letter will serve as written notification in accordance with 20.5.700, 701, 702, and 703 NMAC. The following information pertains to the reportable release of crude oil that was discovered on Wednesday, August 9, 2006 at the Wagner Oil Company, Geronimo Federal Battery #3 located in Lea County, New Mexico.

1. Mr. Raymond Dodd, Wagner Oil Company
Field Superintendent
500 Commerce
Suite 600
Fort Worth, TX 76102
Phone: 432-208-1231

Ms. Sabrina Bonner, Wagner Oil Company
HS&E Department
500 Commerce
Suite 600
Fort Worth, TX 76102
Phone: 817-335-2222

2. Geronimo Federal Battery #3
Section 31, Township 19S, Range 33 East
Lea County, New Mexico
The storage tank system was located on the far west side of the Wagner Oil Company property with the storage tank area being located on the southwest corner of the Geronimo Federal Battery #3.
3. The crude oil release was discovered at the Geronimo Federal Battery #3 on Wednesday, August 9, 2006 at approximately 1200 hours.
4. The source of the release was a hole in a 300 barrel crude oil storage tank that was believed to be the result of corrosion on the crude oil storage tank.
5. Approximately 230 barrels of crude oil was released into the storage tank secondary containment dike located at the Geronimo Federal Battery #3. The release was the result

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of a hole located on a 300 barrel crude oil storage tank that had developed due to corrosion.

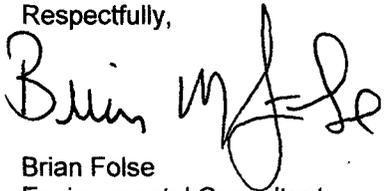
6. The estimated volume of the crude oil release was 230 barrels.
7. As per Mr. Raymond Dodd, Wagner Oil Company, approximately 185 barrels of the released crude oil was removed from the storage tank secondary containment dike via vacuum truck with the remaining crude oil having been absorbed by the soil. Mr. Dodd further stated that the contaminated soil would be removed from the affected areas, mixed with fresh soil, left to sit temporarily, and then hauled off for proper disposal.

The following verbal notifications were made to the pertinent agencies by Mr. Brian Folsie, ES&H Consulting & Training Group, on behalf of Wagner Oil Company:

1. New Mexico Environment Department, Petroleum Storage Tank Bureau: 8/10/06; 1404 hours; Operator #4 – It was stated that someone from the New Mexico Environment Department would contact Mr. Folsie in regards to the incident.
2. New Mexico Bureau of Land Management: 8/10/06; 1411 hours; Mr. Vincent – A voice message was left from Mr. Vincent.
3. National Response Center: 8/10/06; 1414 hours; Mr. Prebble; #807381
4. Lea County Emergency Management Coordinator: 1430 hours; Mr. Jerry Reynolds
5. New Mexico Energy Minerals Natural Resources, Oil Conservation Division: 8/10/06; 1500 hours; Mr. Wayne Price, Environmental Bureau Chief – A voice message was left for Mr. Price.
6. New Mexico Energy Minerals Natural Resources, Oil Conservation Division (Hobbs): 8/11/06; 1550 hours; Mr. Larry Johnson
7. New Mexico Energy Minerals Natural Resources, Oil Conservation Division (Hobbs): 8/11/06; 1556 hours; Ms. Pat Caperton – A voice message was left for Ms. Caperton.

If any additional information is required regarding this incident, please contact us at (985) 851-5055 or by the e-mail addresses listed below.

Respectfully,



Brian Folsie
Environmental Consultant
ES&H Consulting & Training Group
bfolsie@esandh.com



Pat Bergeron, R.E.M.
Vice President of Operations
ES&H Consulting & Training Group
pat@esandh.com

cc: New Mexico Environment Department
P.O. Box 26110
Santa Fe, NM 87502

New Mexico Environment Department
Petroleum Storage Tank Bureau
2044 Galisteo Street
Santa Fe, NM 87505

Bureau Land Management
New Mexico State Office
Attention: Mr. Vince Vogt
P.O. Box 27115
Santa Fe, NM 87502

Lea County Environmental Management Coordinator
Attention: Mr. Jerry Reynolds
100 North Main Street
Lovington, NM 88260

New Mexico Energy, Minerals, & Natural Resources Department
Oil Conservation Division
Attention: Mr. Wayne Price, Environmental Bureau Chief
1220 South St. Francis Drive
Santa Fe, NM 87505

Wagner Oil Company
Attention: Ms. Sabrina Bonner
500 Commerce
Suite 600
Fort Worth, TX 76102