CROWLEY, HAUGHEY, HANSON, TOOLE & DIETRICH PLLS. ATTOMNEYS AT LAW

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June 10, 2004

VIA FACSIMILE: (406) 841-5050

Jane B. Amdahl Montana Dept. of Environmental Quality P.O. Box 200901 Helena, MT 59620-0901

Fulton Fuel Company

Fred and George Creek, Toole County

CVID #7972

Dear Ms. Amdahl:

This letter is written in response to your June 4, 2004 correspondence. Fulton Fuel was not aware that the Department of Environmental Quality ("DEQ") had issues with Fulton's continued clean up of Fred and George Creek. After letters were sent to Fulton Fuel by the DEQ, Fulton Fuel employees were in direct contact with the DEQ. Since the occurrence of the leak on February 29, 2004, Fulton Puel has acted expeditiously and continues to do so. In fact, it was Gary McDermott of Fulton Fael who contacted the landowners, Steve Sasaki with MBOGC, Dan Kenny with the DEQ and Ms. Johnson with the NRC about the leak. On March 1, 2004, Prewett Excavation, Fugle Welding and Rocky's Welding were all directed to the spill site, where Pulton representatives met with governmental agencies. At that time, Bill Halverson of the MBOGC recommended that the spilled oil be burned, and the proper authorities were contacted. Permit #E-131 and instructions were received to conduct the burn. This was reported to Dan Kenny.

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June 10, 2004 Page 2

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Thus, despite the tone of the DEQ correspondence, Pulton Puel has not ignored this site. In fact, it has hired HydroSolutions, Inc. to complete the remediation of the area. A final work plan and schedule for completion have not yet been received. I spoke with Tom Osborne, HydroSolutions, yesterday, and given the workloads of the parties involved, we do not enticipate receiving the work plan and schedule for at least a month. Accordingly, we are requesting an extension until July 16, 2004 to submit the documents to the DEQ. In the meantime, Fulton Fuel will continue to monitor the site and replace the booms and absorbent pads as necessary. At this juncture, we cannot comment on the 15 requirements set forth in Ms. Alvey's April 20, 2004 letter, as such action is better left to the environmental expects, HydroSolutions. We do express a willingness to work with the DEQ through our environmental consultant to take all action legally necessary to remediate the site.

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Tam Osbarne, HydroSchutions

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Fred and George Creek, Tools County

CVID #7972

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Cc. Bill Fulton