



October 22, 2007

Mr. Bill Janes
Alaska Department of Environmental Conservation
Division of Spill Prevention and Response
410 Willoughby Avenue, Suite 303
Juneau, Alaska 99811-1800

Project No. 33107-007637.00

Subject: Weekly Progress Report No. 1
Thane Bunker Fuel Tanks Site, Juneau, Alaska
Alaska Department of Environmental Conservation ID No. 1990110111601

Dear Mr. Janes:

In accordance with the approved Removal Action Work Plan (Revision 1.0) dated October 1, 2007, Bureau Veritas North America, Inc. ("Bureau Veritas") has prepared this weekly progress report describing removal activities completed to date, scheduled work for the upcoming week, and deviations from the Work Plan.

Completed Work Activities

- On October 9, 2007, two 55-gallon drums of oil blended with cutter stock were prepared to test the material for use as a fuel at Southeast Paving's asphalt batch plant. A decision from Southeast Paving regarding the suitability of the blended oil as kiln fuel is expected by the close of business on October 22, 2007.
- On October 11, 2007, authorization was obtained from the City and Borough of Juneau (CBJ) Wastewater Utility Division to discharge water from the tanks to the sanitary sewer system. The water layers were pumped from the tanks, passed through a screening filter to remove solids, and discharged to the CBJ sanitary sewer system beginning on October 12, 2007. As of October 16, 2007, approximately 74,000 gallons of water have been pumped from the tanks and discharged to the sanitary sewer system.
- Sludge solidification activities began on October 16, 2007. By October 19, 2007, approximately 150 to 175 tons of solidified sludge had been loaded into seven lined, transport containers for shipment to the landfill.
- Cleared, segregated, and stockpiled metal and wood debris contained in the North Tank. Collect additional waste thickness measurements.

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Scheduled Work Activities

- Water will continue to be segregated and removed from the tanks. Water removal rates have been decreased to minimize mixing with the oil and sludge layers.
- A decision is expected on Monday, October 22, 2007 from Southeast Paving regarding their acceptance of blended oil from the Site for use as fuel. ADEC will be informed as soon as a decision is received. If the material is acceptable for use by Southeast Paving, fuel blending will begin immediately.
- An additional 100 tons of diatomaceous earth (DE) is scheduled to arrive in Juneau on Tuesday, October 23 or Wednesday, October 24, 2007.
- It is anticipated that approximately 250 tons of solidified sludge will be prepared and loaded into transport containers for shipment to the landfill.

Work Plan Deviations

Based on further probing and waste phase measurements, the volume of waste materials contained in the North Tank was approximately 52,000 gallons greater than previously estimated. The increase in calculated waste volumes appears to be attributable to rain water accumulation in the North Tank since the last set of phase measurements were collected in August 2007 and a thicker sludge layer than previously measured. It appears that measurements were not previously collected from the bottom of the tank due to the presence of significant metal debris resulting in an under estimation of the sludge thickness and volume.

The impact of the additional waste volumes on schedule and budget is uncertain at this time. There will be less impact if the additional waste volume is predominantly water that can be phase separated and discharged to the sanitary sewer. This uncertainty should be significantly reduced by the end of this upcoming week.

If you have any questions or concerns, please contact me at john.werfal@us.bureauveritas.com or my cell phone at (925) 260-3113.

Sincerely,

John Werfal
Senior Project Manager
Environmental Services

Cc: Mr. David Stone, AJT Mining Properties, Inc.
Mr. Eric A. Kueffner, Faulkner Banfield, P.C.
Mr. John Rice, Alaska Trams Corp.
Mr. Michael Mills, Downey Brand