

QUARTERLY PROGRESS REPORT

AS REQUIRED BY

**SETTLEMENT AGREEMENT AND
ADMINISTRATIVE ORDER ON CONSENT
(AOC3)**

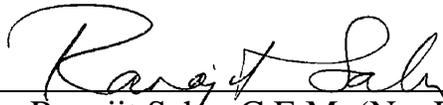
SECTION XIII, PARAGRAPHS 1 and 2.

SUBMITTED BY

BASIC REMEDIATION COMPANY

DATED OCTOBER 15, 2011

I hereby certify that I am responsible for the services described in this document and for the preparation of this document. The services described in this document have been provided in a manner consistent with the current standards of the profession and to the best of my knowledge comply with all applicable federal, state and local statutes, regulations and ordinances. I hereby certify that all laboratory analytical data was generated by a laboratory certified by the NDEP for each constituent and media presented herein.



10/15/2011

Dr. Ranajit Sahu, C.E.M. (No. EM-1699, Exp. 10/07/2013) Date
BRC Project Manager

1. Introduction

This Quarterly Progress Report is being submitted to the Nevada Division of Environmental Protection (NDEP) pursuant to the requirements of Paragraphs 1 and 2 of Section XIII of the AOC3 executed between the Parties and NDEP on February 15, 2006. The format of this report is based on the requirements stated in Paragraph 1 of Section XIII. This report covers activities between July 1 and September 30, 2011.

2. Actions Taken Towards Achieving Compliance

In addition to the various documents submitted to the NDEP discussed below, BRC and NDEP held meetings and telephone calls in order to achieve progress on project activities. Telephone meetings were held between the BRC management, the BRC Project Manager and the NDEP Project Manager (occasionally along with representatives from the City of Henderson as well as consultants representing the prospective property buyer) roughly every two weeks. Minutes of these meetings are maintained separately.

The last of several iterative rounds of limited remediation activities involving scraping, as needed, for the Phase I development/First 8 Rows sub-area were conducted, along with follow-up confirmation sampling. The CAMU (Phase V only) remains open in order to accept wastes as needed and will remain open till remediation activities cease or diminish. BRC and NDEP had several discussions relating to CAMU maintenance items relating to storm-water impacts and erosion due to rainfall. BRC continues to inspect and maintain the CAMU.

BRC: (a) continued discussions with the NDEP regarding the pending NFA for the Galleria High School sub-area – in particular, the issue of proper determination of COPCs for this sub-area (and similarly situated sub-areas) with extensive discussions regarding geochemical evaluations. In this regard, BRC has retained Dr. Jonathan Myers of Shaw Environmental to conduct geochemical statistical analyses; (b) had discussions with the NDEP relating to soil flux and is awaiting NDEP comments on this item; (c) submitted a revised report containing data for the third round of semi-annual CAMU area groundwater monitoring and received comments on same from the NDEP; (d) obtained comments from the NDEP on the Eastside groundwater Indicator Parameters Report; (e) is awaiting comments from the NDEP on the Eastside Upgradient Report; (f) submitted the DU/COPC selection package for the Southern RIBs area to the NDEP and received comments on same and had extensive follow-up discussions with the NDEP to clarify these comments; and (g) initiated data analysis for Phase I Development data to support the risk assessment for this sub area.

Results of previous confirmation sampling were received and analyzed and appropriate data validation activities also occurred.

3. Sampling Conducted

BRC collected various samples in support of the remediation effort including confirmation and re-confirmation soil samples.

4. Work Plans and Other Deliverables Submitted Including Modifications

Attachment A shows a list of all documents that were submitted to NDEP in this period. Attachment B shows a list of all NDEP documents received during this period.

5. Actions Scheduled for Next Quarter

Activities planned include: submittal of the HRA for the Galleria HS subarea; submittal of the HRA for the Southern RIBs subarea; submittal of the HRA for the Phase I Development subarea; finalizing the path-forward on side-by-side flux and soil gas analysis; conducting the Fourth/final semi-annual CAMU groundwater monitoring event; submittal of a Tech Memo outlining path forward for CAMU groundwater monitoring; and obtaining NDEP direction on the Eastside Upgradient tech memo and addressing comments on the Indicator Compounds tech memo.

The following Work Plans and Other Deliverables are planned to be submitted to the NDEP in the next period:

- (i) Revised Project Schedule (updated as needed). Since there are a small number of current activities, a list of the current activities along with status and schedule is attached to this report.
- (ii) Various Data Validation Summary Reports, as needed.
- (iii) Various documents discussed above.

Additional documents may also be submitted depending on project progress.

6. Completions, Delays and Mitigations

The remediation effort is generally on schedule. However, BRC will await NDEP approvals on outstanding documents and NFAs before planning for completing remediation in the remaining sub-areas. In addition to issues relevant to the items discussed earlier, policy issues relating to the Hook and Open Space parcels need to be resolved and are in discussion with the NDEP.

7. Planned Modifications to Remedial Actions

None planned.

8. Community Relations Plan Actions Taken

None.

9. Community Relations Plan Actions for Next Quarter

The project website is updated periodically, as needed, to include documents submitted to the NDEP.

Appendix A - Documents Submitted To NDEP

TO	FROM	DATE	SUBJECT
William Knight	ERM on behalf of BRC	7/7/2011	Data Validation Summary Report for the Eastside North Surface Flux Investigations (Remaining Sub-Areas) (Dataset 71); Revision 0
William Knight	Ron Sahu	7/13/2011	BRC Quarterly Progress Report dated 7/15/11
Greg Lovato	ERM on behalf of BRC	8/23/2011	Evaluations Conducted for Multiple Lines of Evidence for the Selection of Metal COPCs; Revision 1

Appendix B - Documents Received From NDEP

TO	FROM	DATE	SUBJECT
Mark Paris	Greg Lovato	7/11/2011	NDEP's Response to: DVSR for the CAMU Semi-Annual Groundwater Monitoring Event-March 2011 (Dataset 55g), BRC CAMU, Dated June 22, 2011
Mark Paris	Greg Lovato	7/14/2011	NDEP's Response to: Human Health Risk Assessment and Closure Report for the Southern RIBs Sub-Area, dated June 10, 2011
Mark Paris	William Knight	7/14/2011	BMI Plant Sites and Comon Areas Projects - July 2011 Guidance on Qualifying Data Due to Blank Contamination
Mark Paris	Greg Lovato	7/25/2011	NDEP's Response to: DVSR for the Eastside North Surface flux Investigations (Rmaining Su-Areas) (Dataset 71), Dated July 7, 2011
Mark Paris	Lisa Fleming	7/29/2011	Payment Request #57
Mark Paris	William Knight	8/11/2011	BMI Plant Sites and Common Areas Projects - Maintenance of the All Wells Database
Mark Paris	William Knight	8/11/2011	BMI All Companies All Wells Database
Mark Paris	Greg Lovato	9/28/2011	NDEP's Response to: Tech Memo-BRC Comments on NDEP Blank Contamination Guidance, BMI Common Areas (Eastside), dated August 15, 2011
Mark Paris	Greg Lovato	9/28/2011	NDEP's Response to: CAMU March 2011 Semi-Annual GW Monitoring Report, Clark County, Nevada; dated June 22, 2011

Ongoing Activities List and Schedule

- Additional Evaluation of Metals for Galleria HS Site. BRC preparing a revised technical memo responding to NDEP questions. Expected submittal date is October 20, 2011.
- Southern RIBs Risk Assessment. BRC expects to submit a HRA to the NDEP around 10/31/11.
- Soil Gas Evaluation. NDEP reviewing BRC submittal. Expect feedback by 11/15/11.
- First 8 Rows/Phase I Development. BRC is in the process of data evaluation. Expected HRA to the NDEP by 11/15/11..
- Groundwater. BRC is awaiting NDEP direction on Upgradient evaluation before addressing comments received on the Indicator Parameter Tech Memo.
- CAMU GW Monitoring. BRC will respond to comments received on the Third Event data report, including the requested Tech Memo. BRC is making plans to collect the Fourth/Last Event data in the last two weeks of October, 2011.
- CAMU CQA Issues. See items in minutes of CQA meetings, held separately.
- Access issues, MOSS. Land Sale close to final.
- Ampac Impacts on Hook Parcel. BRC and Ampac are in discussions regarding potential solutions.