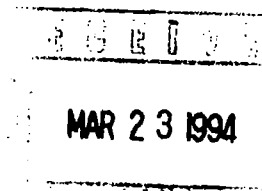


Pacific Northern Environmental



March 18, 1994

Mr. Tony Dalero
Washington Department of Ecology
106 South 6th Ave.
Yakima, Washington 98902-3387

Re: 20 Day Release Report
De Vere & Sons Dist., Inc.
Cle Elum, Washington

Dear Sir:

Pacific Northern Environmental Corp. ("PNE") has prepared this letter to summarize the activities performed to date in response to the diesel fuel release that occurred at the De Vere & Sons Distributing, Inc., Cle Elum, Washington Mini Mart Service Station / Bulk Facility ("the Site"). This report is prepared in conformance with the WDOE publication "Guidance for Remediation of Releases from UST's".

On March 9, 1994, a PNE technician was performing a Tracer Tank/Line Test at the site. The technician noted that one probe installed by PNE in conjunction with previous tracer testing, conducted a year earlier, had been removed. The technician conferred with the facility operator about this and it was agreed that the missing probe should be replaced. The operator did not disclose that a new fiberglass line had been installed at the facility since the last tracer test. PNE's technician replaced the missing Tracer probe, completed his regular testing procedures and left the site.

On March 10, 1994 the facility operator's personnel performed a tank volume measurement of the 15,000 gallon diesel above ground storage tank at the site. Their calculations indicated an inventory loss of approximately 8400 gallons. The operator, assuming that the newly installed Tracer probe punctured the product line, began excavating soil in the vicinity of the probe. The operator's observation was that the probe had penetrated the 2 inch fiberglass product line. The line was repaired by the operator's personnel.

The missing Tracer probe had been removed during the installation of the new product line. PNE's technician was not informed and

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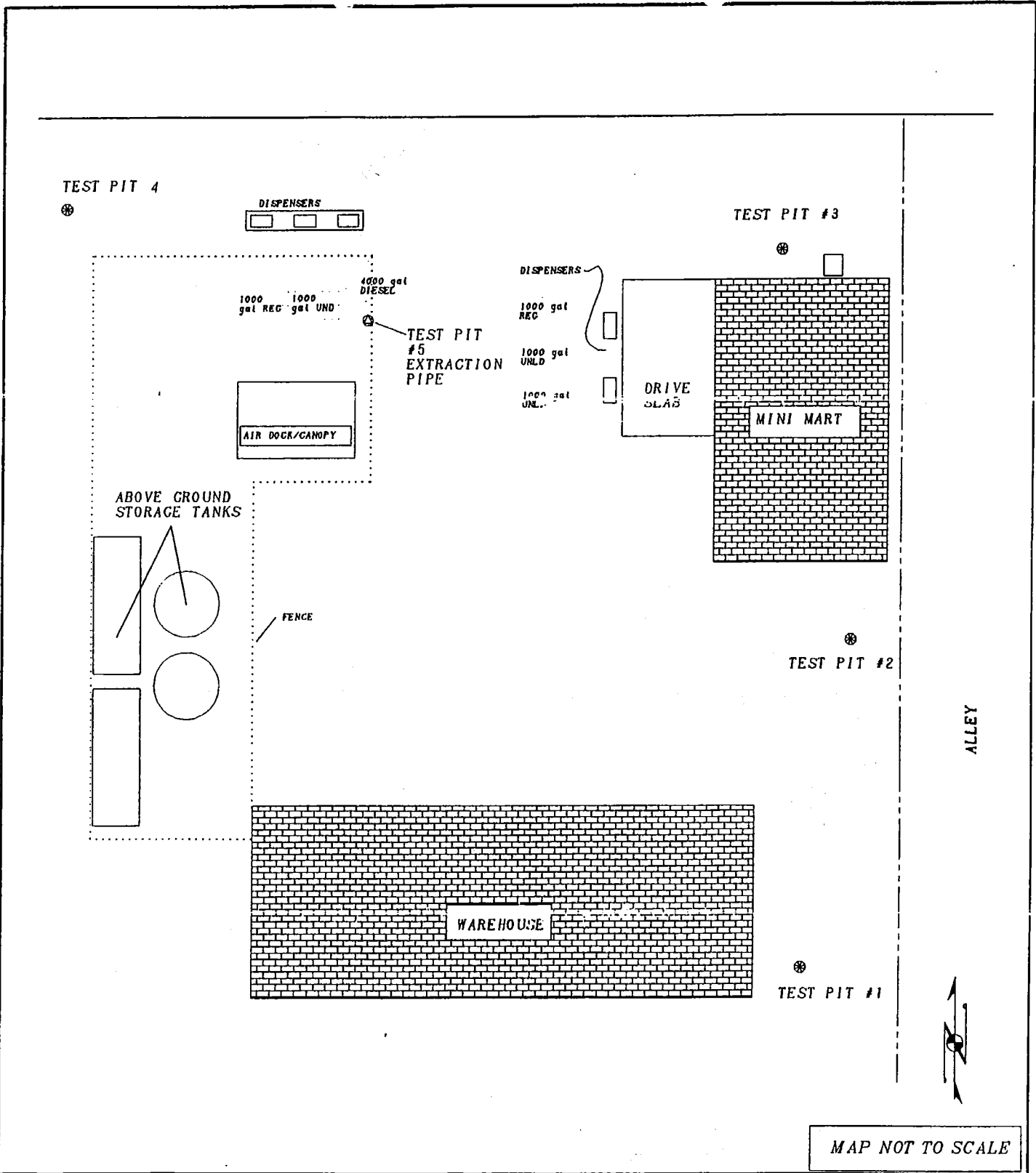
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DeVere & Sons Dist., Inc
 1000 EAST 1st STREET
 CLE ELUM, WASHINGTON

FIGURE 1

SITE MAP

PACIFIC NORTHERN ENVIRONMENTAL

therefore was unaware of the newly installed product line. The line was not equipped with any leak detection devices. The tank is equipped with a manual ball joint valve which was left in an open position, hence the line was constantly charged before and after the rupture. The tank and line are not equipped with any automatic shutdown mechanisms.

At the owner/operator's request, two environmental technicians and one equipment operator from PNE arrived onsite on March 11, 1994 to assist with response, containment and free product recovery. The primary objective was to prevent product migration and prevent any threat to humans, health and/or the environment. An onsite meeting was held with the owner/operator, the local public works department representative ("PW") and PNE. The owner/operator and PW indicated the site groundwater flow direction. Based on this information, it was decided to excavate a series of test pits on the east side of the site to determine if the threat of off site migration existed.

On March 12, 1994 PNE began excavating the test pits with a backhoe. Please refer to the attached Site Vicinity Map for test pit locations. Test pits 1,2,3 and 4 were excavated to a depth of 8 feet below ground surface; groundwater was encountered at approximately 7 feet 5 inches below ground surface. Field screening was performed on soil as it was excavated from the test pits. Field screening consisted of photoionization detector readings, visual observations and odors. Petroleum hydrocarbon compounds were not identified (via field screening) in soil. Groundwater was encountered in test pits 1,2,3 and 4, however no petroleum sheens or field screening detectable observations of petroleum hydrocarbon compounds were noted. Soil samples from the soil water interphase and groundwater samples were collected from the four test pits. The samples were delivered to a laboratory for chemical analyses to determine the presence of petroleum hydrocarbon compounds.

Test pit 5 was then excavated. Test pit 5 was located as close to the leak location as possible, approximately 15 feet away from the leak location to the east. At a depth of approximately 6 feet below ground surface, field screening of detectable petroleum hydrocarbon compounds was observed in soil. At a depth of 7 feet 5 inches below ground surface, groundwater was encountered. Liquid phase hydrocarbons was measured on the groundwater surface at approximately 1/2 of an inch in thickness. The test pit was further excavated to a depth of 9 feet below ground surface and a 12' diameter perforated PVC extraction pipe was installed into the test pit. The test pit was then backfilled with clean 7/8 inch minus gravel. The associated soil generated while excavating test pit 5 was placed on and covered with visqueen.

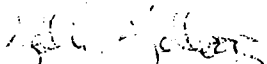
To begin liquid phase hydrocarbon recovery and to prevent further migration an interim product recovery system consisting of a two inch diaphragm pump was installed in the 12" casing of the extraction pipe and plumbed to two 20,000 gallon Baker tanks

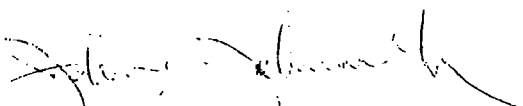
which were mobilized to the site. The Baker tanks are being used to temporarily store the recovered water and diesel. PNE has made application for a discharge permit. Any diesel-water mixture exceeding discharge permit parameters will be retained in the Baker tanks and transported to Longview for recycling.

PNE's activities at the site will be wound down over the next two weeks. PNE's position is that further investigation, reporting, site characterization and corrective action as may be required under WAC 173-349-450 are the responsibility of the facility owner/operator. PNE has advised the owner/operator by letter of even date that Ecology will notify potentially liable parties concerning further required investigation and corrective action for this site (a copy of that letter is enclosed). You will note that while PNE disclaims liability for the release, it is willing to stay involved in the investigation and remediation process through the auspices of its insurance company and its sister firm, Pacific Northern Geoscience.

If you have any questions or require additional information please feel free to contact me.

Sincerely,
Pacific Northern Environmental


Kelly W. Kellogg
Environmental Technician

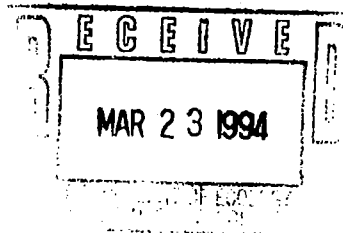

John C. Jabusch
President

Pacific Northern Environmental

P
N
E

March 18, 1994

Jim De Vere
Jim De Vere & Sons Dist., Inc.
PO Box 336
Cle Elum, WA 98922



Re: Diesel Release 3/9-10/94

Dear Sir:

Receipt of your letter dated March 14, 1994 is acknowledged. This letter is to advise that Pacific Northern Environmental Corp. ("PNE") disclaims liability for pollution damages arising from the above referenced release at your premises located at 1000 East 1st Street, Cle Elum, WA.

The legal and factual basis for this disclaimer of liability includes but is not limited to:

- (1) The Tank Testing Standard Terms and Conditions Agreement, paragraphs 8, 9, and 10;
- (2) Your failure to disclose material facts to the PNE representative concerning changed site conditions prior to commencing tightness testing;
- (3) Your failure to timely implement the site SPCC plan to respond to the release where otherwise the impacts of the release could have been mitigated;
- (4) The non-compliance of your facility with technical design and operation standards mandated by regulation which is material not only to the causation of the release but also to mitigation of damages.

At your request, PNE mobilized men and equipment to conduct response, containment and recovery activities to prevent product migration and to assess any threat to human health and/or the environment. PNE has submitted a "20 Day Release Report" to the Washington Department of Ecology (a copy is enclosed). PNE will be returning to the site to phase out and de-mobilize the temporary groundwater storage tanks and groundwater recovery equipment. PNE will provide you a letter describing what those

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phase out activities include. PNE's decision to leave the site is based on two factors: (a) the interim recovery system is not capturing significant amounts of liquid phase hydrocarbons and continued pumping efforts will be availing and (b) a comprehensive hydrogeological investigation is the next logical step, requiring the expertise of an environmental consulting firm with geologists on staff. PNE has a sister company in Seattle, Pacific Northern Geoscience, which has the professional-technical resources to conduct site investigations and assist throughout the remediation process. A representative will contact you to discuss PNG's role in site investigation/remediation and endeavor to arrange a meeting among you, Ecology, the insurance adjuster and PNG.

After Ecology's review of the 20 day Release Report, additional site investigation and submission of additional reports conforming to WAC 173-340-450 will be required. We expect that Ecology will notify you as the owner/operator of the facility to conduct an investigation, submit interim status reports, and a site characterization report. Ultimately, the agency may require a remedial investigation and feasibility study and implementation of cleanup. As soon as you receive notice from Ecology, please telephone me at the Seattle number noted below.

As you know, we have tendered notice of your claim to our insurance company. The insurer has appointed Crawford & Company as its adjuster. Your contact person, officed in Wenatchee, is Mr. Kelly Sullivan (509) 663-7422.

Sincerely,
Pacific Northern Environmental Corp.



David A. Waldschmidt

ccs: J. Whitfield, WDOE
J. Jabusch
K. Sullivan
J. Sortie

PNE



De Vere & Sons Dist., Inc.

P.O. Box 336 Cle Elum, WA 98922
(509) 674-2442 (509) 925-9711

JIM DE VERE

MAR 30 1994

- Chevron
- Union
- CEN Fueling Network
- Farm Fuel Delivery
- Baldwin Filters
- Standard Batteries

March 28, 1994

Mr. Tony Dalero
Washington State Department of Ecology
106 South 6th Ave.
Yakima, WA. 98902-3327

Re: Supplement to 20 Day Release Report
Suspected Diesel Fuel Release
De Vere & Sons Dist. Inc.
Cle Elum, WA.

Dear Sir:

This letter supplements the report filed by Pacific Northern Environmental ("PNE") on March 18, 1994, concerning the above referenced suspected diesel fuel release. This supplemental report is necessary to clarify the record concerning events leading up to the suspected release, as well as keep you up to date on the release response.

Following is a synopsis of events leading to, and steps taken after, the suspected diesel fuel release that occurred at the De Vere & Sons Dist. Inc. (D&S") bulk plant facility in Cle Elum, WA. ("the site") on March 9 and 10, 1994. On March 9 1994, at approximately 12 noon, a PNE employee arrived at the site to perform a yearly tank tightness test. D&S personell were not present at the site when he arrived, or while he performed his task. The PNE employee proceeded to install a probe to replace one he perceived as missing from the previous year's tank test. He did this without consulting the site operator. He then completed his testing procedures and left the site.

On March 10, 1994 at 8:00 am D&S personell performing a daily inventory procedure, discovered a discrepancy of approximately 9,000 gallons of diesel. Determining that the diesel was not in another tank, attention was turned to all other areas within the site. D&S personell then discovered that the probe that the PNE technician had installed had pierced an underground diesel line that is connected to the cardlock pump. This line was immediately repaired. PNE and the Department of Ecology were contacted as soon as this was discovered. Mitigation procedures were mutually agreed upon by PNE and D&S personell.

On March 11, 1994 a preliminary site assessment was made by PNE personell, and a plan of action was determined.

On March 12, 1994, PNE began excavating tesr holes with a backhoe. See attached map for test hole locations. No evidence of diesel was found in the first four holes. Test hole #5 was then dug in close proximity of the suspected release and evidence of diesel was found. A 12' extraction pipe was installed and pumping of water-diesel mixture was started. Pumping continued until a 20,000 gallon Baker tank was filled. Very little diesel was recovered.


On March 23, 1994, PNE disconnected the pump, pulled the extraction pipe out, and left the site. PNE indicated at that time that as very little product had been recovered that other means would have to be taken.

On March 25, 1994, representatives from PNE, Pacific Northern Geoscience and DOE met at the site. Alternatives for further action at the site were discussed. Decisions concerning further investigation or remediation have not yet been made. You will be kept informed of any further developemets concerning this site.

PNE apparently disclaims liability for the suspected release resulting from the actions of its employee. D&S believes and asserts that PNE is responsible for the release and retains liability under R.C.W. 70.105D.040 for any additional work required at the site. D&S does not admit that it is a potentially liable party under that statute, but intends to cooperate with DOE to assure that any required clean up os completed expeditiously, in compliance with the requirements of WAC 173-340-500.

Please contact me for any questions you may have, or for additional information you require.

Sincerely,
De Vere & Sons Dist. Inc.



James L. De Vere
Vice President

ccs: J. Jabusch PNE

D&S