



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

15 W Yakima Ave, Ste 200 • Yakima, WA 98902-3452 • (509) 575-2490

June 9, 2010

Coleman Services IV, LLC
PO Box 1308
Lewiston, ID 83501

Re: A Reported Release of Hazardous Substances and Potential Liability for the Release at the following site:

- Name: Coleman Oil Company 1
- Address: 3 E. Chehalis St. (and 600 S. Worthen Street)
Wenatchee, WA 98807
- County Assessor's Parcel Number: 222011693005
- Facility/Site No.: 83844381

Dear Mr. Cash:

Under the Model Toxics Control Act (MTCA), chapter 70.105D RCW, which governs the cleanup of hazardous waste sites in Washington State, the Department of Ecology (Ecology) may identify persons that it finds liable for the release of hazardous substances at a site. Before making such a finding, Ecology must provide persons with notice and an opportunity to comment on the proposed finding. Any person whom Ecology finds, based on credible evidence, to be liable is known as a "potentially liable person" or "PLP".

As a result of an initial investigation conducted by Ecology at Coleman Oil Company 1, located at 3 E. Chehalis St. (and 600 S. Worthen Street) in Wenatchee on June 4, 2010, Ecology believes that a release of a hazardous substance has occurred and that further action will be required at this site. Based on this investigation, Ecology intends to add this property to our database of suspected hazardous waste sites.

Proposed Finding of Liability

Based on credible evidence, Ecology is proposing to find Coleman Oil Company (operator) AND Coleman Services IV, LLC (owner) liable under RCW 70.105D.040 for the release of hazardous substances at the Coleman Oil 1 facility (Site). This proposed finding is based on the following evidence:



1. Coleman Oil Company is the operator of a bulk oil distribution plant and business at the site based on information received from Mr. Jim Graff, Plant Manager, and from the Coleman Oil Company web site.
2. Coleman Services IV, LLC is the owner of the site (the property where the release occurred) based on information provided by the Chelan County Assessor's office.
3. On or about June 3, 2010, Mr. Jim Cash of Coleman Oil Company reported to the Department of Ecology (Ecology) Environmental Report Tracking System (ERTS Report # 620351) that about 200 gallons of unleaded gasoline has escaped the tank fill pipe containment area and been released to the soil.
4. Petroleum is defined in Chapter 173-340 WAC as a hazardous substance. Cleanup contractors report that vapor levels in the excavation trench exceed the Lower Explosive Limit (LEL) at times, a condition that is a threat to human health and safety.

Opportunity to Respond to Proposed Finding of Liability

In response to Ecology's proposed finding of liability, you may either:

1. Accept your status as a PLP without admitting liability and expedite the process through a voluntary waiver of your right to comment. This may be accomplished by signing and returning the enclosed form or by sending a letter containing similar information to Ecology;
2. Challenge your status as a PLP by submitting written comments to Ecology within thirty (30) calendar days of the date you receive this letter; or
3. Choose not to comment on your status as a PLP.

Please submit your waiver or written comments to the following address:

Norm Peck
CRO Toxics Cleanup Program
15 W Yakima Avenue, Suite 200
Yakima, WA 98902

After reviewing any comments submitted, or after 30 days if no response has been received, Ecology will make a final determination regarding your status as a PLP and provide you with written notice of that determination.

Identification of Other Potentially Liable Persons

Ecology will be notifying Coleman Oil Company that they may be potentially liable for the release of hazardous substances at the Site:

If you are aware of any other persons who may be liable for the release of hazardous substances at the Site, Ecology encourages you to provide us with their identities and the reason you believe they are liable. Ecology also suggests you contact these other persons to discuss how you can jointly work together to most efficiently clean up the Site.

Responsibility and Scope of Potential Liability

Please note that Ecology may either conduct, or require PLPs to conduct, remedial actions to investigate and clean up the release of hazardous substances at a site. PLPs are encouraged to initiate discussions and negotiations with Ecology and the Office of the Attorney General that may lead to an agreement on the remedial action to be conducted.

Please also note that each liable person is strictly liable, jointly and severally, for all remedial action costs and for all natural resource damages resulting from the release of hazardous substances at a site. If Ecology incurs remedial action costs in connection with the investigation or cleanup of real property and those costs are not reimbursed, then Ecology has the authority under RCW 70.105D.055 to file a lien against that real property to recover those costs.

Next Steps in Cleanup Process

In response to the release of hazardous substances at the Site, Ecology intends to conduct the following actions under MTCA:

1. Oversee the emergency spill response to assure the release is stabilized and does not pose an imminent threat or cause an immediate release to surface waters (the Columbia River);
2. Conduct a Site Hazard Assessment to evaluate risk at the site.

For a description of the process for cleaning up a hazardous waste site under MTCA, please refer to the enclosed fact sheet.

Ecology's policy is to work cooperatively with PLPs to accomplish the prompt and effective cleanup of hazardous waste sites. Please note that your cooperation in planning or conducting remedial actions at the Site is not an admission of guilt or liability.

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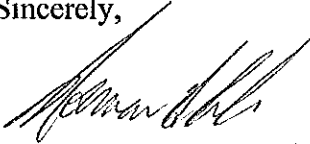
Site Listing

Also enclosed is the information on this facility that Ecology intends to add to our database of suspected hazardous waste sites. Please review this information for its accuracy and return your comments within thirty (30) days of receipt of this letter.

Contact Information

If you have any questions regarding this letter or if you would like additional information regarding the cleanup of hazardous waste sites, please call me at 509-454-7837. Thank you for your cooperation.

Sincerely,



Norman D. (Norm) Peck
CRO Toxics Cleanup Program

Enclosures: 2

- (1) FOCUS: MODEL TOXICS CONTROL ACT CLEANUP REGULATION: PROCESS FOR CLEANUP OF HAZARDOUS WASTE SITES (Pub. No. #94-129)
- (2) VOLUNTARY WAIVER OF RIGHT TO COMMENT FORM

By certified mail: 7009 2250 0004 4951 6992

CC: Tom Graff, Coleman Oil Co.
Jim Cash, Coleman Oil Company
Mark Layman, Dept. of Ecology