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DEPT OF ECOLOGY
Toxics Cleanup Program

ConocoPhillips

Myron W. Smith
Area Manager
Risk Management & Remediation
ConocoPhillips Company
1230 W. Washington, Ste. 212
Tempe, AZ 85281
Office: 602-452-2505

November 6, 2008

VIA CERTIFIED MAIL,
RETURN RECEIPT REQUESTED

Washington State Department of Ecology
Northwest Regional Office, Toxics Cleanup Program
Attn: Russ Olsen, Voluntary Cleanup Program Unit Supervisor
3190 160th Ave. SE
Bellevue, WA 98008-5452

Washington State Department of Ecology
The Site Register, Toxics Cleanup Program
PO Box 47600
Olympia, WA 98504-7600

Re: **Notice of Independent Remedial Action and Private Right of Action for
Contribution/Cost Recovery Under Washington Model Toxics Control Act**
Westlake/Mercer Cleanup Site
600 Westlake Avenue North
Seattle, Washington 98109
Ecology Facility/Site No. 46445373
VCP No. NW1714

To Washington State Department of Ecology ("Ecology"):

ConocoPhillips Company has been conducting and is proposing to conduct independent remedial action at the Westlake/Mercer Cleanup Site ("the Site"), as described below. The Site is located on and around the city block surrounded by Westlake Avenue North, Valley Street, Terry Avenue North, and Mercer Street, in the South Lake Union area of Seattle. The Site was and is impacted by past releases of petroleum products and related compounds. ConocoPhillips is the current owner of the property that comprises the south half of the block, which included a 76-branded gasoline retail service station that operated until March 2008 and was demolished in September 2008 ("the Westlake 76 Station"). Other parties involved at the Site include: Union Oil Company of California ("Unocal"), former owner of the Westlake 76 Station property; City Investors XI, LLC ("City Investors"), current owner of the property that comprises the north half of the block; and the City of Seattle ("the City"), former owner of the City Investors property and current holder of easements for public rights-of-way on the streets surrounding the block.

The purpose of this letter is to provide public notice, sufficient to satisfy the requirements of Washington's Model Toxics Control Act (Chapter 70.105D RCW) and the Model Toxics Control Act Cleanup Regulation (Chapter 173-340 WAC) (collectively, "MTCA"), of remedial actions conducted and to be conducted by ConocoPhillips, in cooperation with the parties identified above, in order to address historical releases of petroleum products and related hazardous substances at the Site, and of ConocoPhillips' intent to pursue a private right of action against any other potentially liable parties for contribution and recovery of remedial action costs incurred and to be incurred at the Site. In compliance with WAC 173-340-545(2)(c)(iii) and (3), we are sending you this written notification, which describes the releases being

remedied, the remedial actions conducted to date, the additional remedial actions proposed to be conducted, and the anticipated timetable for those remedial actions.

Releases Discovered and Remedial Actions Conducted to Date

In May 1980, Unocal discovered a release of supreme leaded gasoline from a leaking product line at the Westlake 76 Station. At the time, the amount of the release was estimated at approximately 80,000 gallons. Following this discovery, the underground storage tanks (USTs) and lines were removed and replaced, and product recovery trenches and wells were installed. Recovery of free product continued until October 1982. Between October 1982 and 1988, various remediation options were explored for addressing residual impacts from the 1980 release. In 1988, a soil vapor extraction (SVE) system was installed, utilizing the product recovery wells and trenches for vapor extraction. By 1990, extracted vapor concentrations had decreased and the SVE system was shut down. The SVE system was pulsed on and off several times and manual free product recovery was employed at selected wells during the 1990s.

ConocoPhillips' predecessor in interest (Tosco Corporation) acquired the Westlake 76 Station property from Unocal in 1997. In May 2001, a contractor broke a product line during removal of the waste oil and heating oil USTs at the Westlake 76 Station. An estimated 600 gallons of unleaded gasoline was released. The contractor had a vacuum truck on site at the time and recovery of free product was initiated immediately from the UST excavation. Vacuum trucks continued to be used for enhanced fluid recovery (EFR) from adjacent monitoring wells through 2002, which was effective at removing impacts from the 2001 release.

In 2003, ConocoPhillips installed a new *in situ* remediation system at the Westlake 76 Station. This remediation system consisted of an air sparging/soil vapor extraction (AS/SVE) trench, SVE wells, and several deep AS wells. The new remediation system began operating in August of 2003.

Despite these remediation efforts, further investigation conducted by ConocoPhillips and other parties in 2004 and 2005 indicated that significant levels of petroleum products and related compounds remained present in soil and groundwater in various areas of the Site. In addition to residual impacts from the 1980 release on the Westlake 76 Station property, these investigations indicated the presence of petroleum products released from past operations on the City Investors property, including a Union 76-branded gasoline service station formerly located on the western portion and the Brace Lumber Mill formerly located on the eastern portion of the City Investors property. Additional investigation also indicated that petroleum products were released during past operations of service station and/or fuel storage facilities formerly located on neighboring properties, including the former Rosen property located at 961-965 Mercer Street across the street to the south from the ConocoPhillips property. Releases of petroleum products on and from the properties identified above and potentially other sources had impacted the City street and utility rights-of-way surrounding the block on which the ConocoPhillips and City Investors properties are located.

Pursuant to a Settlement and Remedial Action Agreement entered into with the City, City Investors, and Unocal, ConocoPhillips undertook what is referred to as "Phase I" of the Westlake/Mercer Cleanup Project (WMCP) at the Site during the period from July 2006 to April 2007. The remedial activities included: installation of steel shoring and excavation and off-site disposal of a large volume of petroleum-impacted soil from the eastern lanes of Westlake Avenue North; installation of AS wells and SVE trenches in the western lanes of Westlake Avenue North, installation of SVE and EFR wells in Terry Avenue North, and installation of piping back to the ConocoPhillips property; soil and groundwater sampling and analysis; and backfilling and surface restoration. Phase I of the WMCP was performed as an independent remedial action and designed and completed on an expedited basis, as required to meet

the City's timeline for construction of the South Lake Union Streetcar line and to avoid disruption of the Streetcar line due to remedial action at the Site. The *in situ* remediation systems in Westlake and Terry have been connected to the existing treatment equipment on the ConocoPhillips property and are being operated on a temporary basis, pending commencement of Phase II cleanup work at the Site.

Proposed Phase II Cleanup Activities and Anticipated Timetable

In Phase II of the WMCP, ConocoPhillips is proposing to remediate residual petroleum hydrocarbon impacts present on the ConocoPhillips property, present on the City Investors property, or originating on the ConocoPhillips property and/or the City Investors property and present in abutting City street rights-of-way. The proposed cleanup initially will focus on removal of source soil from the private properties, which presumably will include the following activities:

- Demolition and removal of existing structures (most of which has already been completed);
- Excavation of soils containing hydrocarbon concentrations in excess of cleanup levels for unrestricted land use, to the extent reasonably practicable;
- Performing erosion control, groundwater management, and site security during excavation;
- Performing compliance monitoring, soil sampling, and air monitoring during excavation;
- Performing laboratory analysis of soil samples to document compliance with cleanup goals;
- Transportation of impacted soils off-site for disposal at a licensed disposal facility;
- Backfilling excavated areas with noncontaminated fill material; and
- Installing groundwater monitoring wells and performing compliance monitoring.

Following excavation of impacted soils from the private properties, ConocoPhillips is proposing to install AS/SVE wells and piping in areas of Valley Street and Mercer Street where significant residual hydrocarbon impacts remain. These *in situ* remediation well and piping networks will be connected to new remediation equipment to be located on the ConocoPhillips property, along with the *in situ* remediation systems previously installed in Westlake Avenue and Terry Avenue during Phase I of the WMCP. Groundwater monitoring will be conducted during and following operation of the *in situ* remediation systems to confirm progress toward compliance with cleanup goals.

ConocoPhillips currently is in the process of seeking the permits and approvals required for performance of the initial Phase II Site cleanup activities on the private properties. We do not anticipate receiving those permits and beginning to mobilize to the Site until at least mid-November 2008, and we do not anticipate commencing Phase II remedial construction work at the Site before January 2009.

Further Information

If you have or if you receive any questions or comments regarding the remedial actions performed or to be performed at this Site, please direct them to our project manager or to me, as follows:

Kipp W. Eckert, P.E.
Site Manager for ConocoPhillips
Shaw Environmental, Inc.
19909 120th Ave N.E., Ste. 101
Bothell, WA 98011-8233
(425) 402-3221 (direct)
(206) 890-6293 (cell) (preferred)
kipp.w.eckert@contractor.conocophillips.com

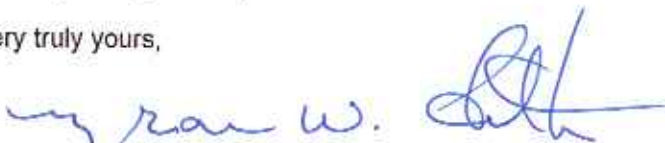
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Myron W. Smith, R.G.
Area Manager, Western Region
Risk Management & Remediation
ConocoPhillips Company
1230 W. Washington St., Ste. 212
Tempe, AZ 85281
(602) 452-2505 (office)
(602) 432-1578 (cell)
myron.w.smith@conocophillips.com

If further information on the Site is needed, Ecology's file at the Northwest Regional Office contains numerous independent remedial action reports documenting investigation and monitoring and interim remedial actions conducted at the Site over the past 28 years. ConocoPhillips enrolled the Site in Ecology's Voluntary Cleanup Program (VCP) in December 2006 and submitted these reports to Ecology for review under the VCP. The Site initially was assigned to Site Manager Michael Kuntz in Ecology's Headquarters Office, who completed his initial review and provided us with Ecology's questions and comments on the Site in December 2007. As you are aware, the Site subsequently was transferred to Ecology's Northwest Regional Office and assigned to Site Manager Joe Hickey, to whom we submitted ConocoPhillips' responses to Ecology's questions and comments in July 2008. In the meantime, in April 2008, ConocoPhillips submitted a formal Request for Consent Decree along with a draft Cleanup Action Plan to Ecology, which provide additional information on the Site and the proposed Phase II cleanup activities. Pending entry of the Site into the formal consent decree negotiation process, work at the Site is continuing to be conducted and reviewed under Ecology's Voluntary Cleanup Program, pursuant to your June 24, 2008 letter to me.

Thank you for your cooperation in this matter.

Very truly yours,



Myron W. Smith

cc: Joe Hickey, Ecology Site Manager
Kipp Eckert, Site Manager for ConocoPhillips