

QUARTERLY PROGRESS REPORT

AS REQUIRED BY

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

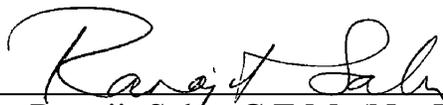
SECTION XIII, PARAGRAPHS 1 and 2.

SUBMITTED BY

BASIC REMEDIATION COMPANY

DATED JANUARY 15, 2012

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.



1/15/12

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 October 1 and December 31, 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 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 and the NDEP continue to discuss various aspects of the long-term groundwater monitoring at 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) submitted the Southern RIBS sub-area HRA to the NDEP and held numerous follow discussions on the same; (c) submitted the Phase 1 Development sub-area HRA to the NDEP for review; (d) had discussions with the NDEP relating to soil flux and is awaiting NDEP comments on this item; (e) completed sampling related to the fourth and final round of semi-annual CAMU area groundwater monitoring and received comments on the third round data report from the NDEP; (f) is awaiting comments from the NDEP on the Eastside Upgradient Report; (g) initiated sampling at the Hook/Open Space sub-areas in order to obtain greater density of samples for metals such as arsenic that will then assist in the refining of future closure efforts; and (h) initiated sampling at the Hook/Open Space as well as remaining Eastside scrape polygons with a view to reducing the scrape areas in these polygons.

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 as noted above.

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: finalization of HRAs for the Galleria HS subarea, the Southern RIBs subarea and, possibly, the HRA for the Phase I Development subarea; finalizing the path-forward on side-by-side flux and soil gas analysis; submittal of the final report for the baseline CAMU groundwater monitoring program, including the path forward for long term monitoring in this area; 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). This item is under active discussions between BRC and the NDEP and will not be submitted as part of this report for this quarter.
- (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
Greg Lovato, Bill Knight	Ron Sahu	10/14/2011	BRC Quarterly Progress Report dated October 15, 2011
Greg Lovato, Bill Knight	Ron Sahu	10/31/2011	Tech Memo for Long-Term GW Monitoring at the BRC CAMU
Bill Knight	ERM on behalf of Ron Sahu	10/25/2011	HHRA and Closure Report for the Galleria North School Site Sub-Area Rev2
Bill Knight	ERM on behalf of Ron Sahu	11/21/2011	HHRA and Closure Report for the Southern RIBs Sub-Area Rev0
William Knight	ERM on behalf of Ron Sahu	12/20/2011	Human Health Risk Assessment and Closure Report for the Phase 1 Development Sub-Area; Revision 0
William Knight	ERM on behalf of Ron Sahu	12/21/2011	Data Validation Summary Report for the TIMET Ponds Sub-Area Soil Investigations (Dataset 75); Revision 1
William Knight	ERM on behalf of Ron Sahu	12/22/2011	Appendix L (Legal Description) of the Human Health Risk Assessment and Closure Report for the Phase 1 Development Sub-Area

Appendix B - Documents Received From NDEP

TO	FROM	DATE	SUBJECT
Mark Paris	Michael Friend	11/1/2011	Repairs to the BRC CAMU and leachate removal from the BRC CAMU sumps
Mark Paris	Greg Lovato	11/14/2011	NDEP's Response to: DVSR for the TIMET Ponds Sub-Area Soil Investigations (Dataset 65) dated September 1, 2010
Mark Paris	Michael Friend	11/22/2011	BRC CAMU Sump Monitoring
Mark Paris (& Plants)	Shannon Harbour	11/23/2011	BMI Plant Sites and Common Areas Projects, Guidance on Qualifying Data due to Blank Contamination for the BMI Complex and Common Areas
Mark Paris	Michael Friend	12/5/2011	NDEP's Response to: Technical Memorandum, Framework for Discussions Between BRC and the NDEP Regarding Long-Term Groundwater Monitoring at the BRC CAMU; Dated October 31, 2011
Mark Paris	Michael Friend	12/12/2011	BRC CAMU Solar Proposal
Mark Paris	Michael Friend	12/22/2011	CAMU/BMI Landfill Surface Use Photovoltaic Project