

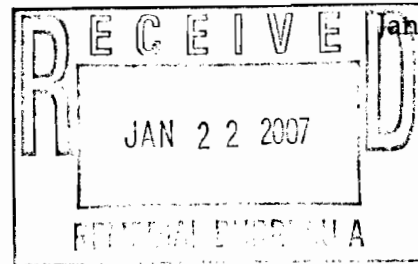


Miller Springs Remediation Management, Inc.

An affiliate of Glenn Springs Holdings, Inc.

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January 15, 2007

Mr. Paul Olivo
 Western New York Remediation Section
 Emergency and Remedial Response Division
 United States Environmental Protection Agency
 Region II
 290 Broadway, 20th Floor
 New York, NY 10007-1866

Dear Mr. Olivo:

Re: Quarterly Report – Fourth Quarter 2006 (October through December)
 Administrative Orders
 Hooker Chemical/Ruco Polymer Corporation Site
Index Nos. II-CERCLA-80216, II-CERCLA-94-0210, and II-CERCLA-02-2001-2018

Consistent with Sections 42, 91, and 55 of the above-referenced orders and the USEPA approved 100% Biosparge System Design Report, this letter and attached Table 1 provide the Quarterly Progress Report covering October through December 2006. This report covers OU-1, OU-2 and OU-3. Please note that the next Quarterly Progress Report will be submitted by April 15, 2007 and will cover January through March 2007.

The following activities were performed in October through December 2006.

- i) Operation and monitoring of the GP-1/GP-3 supplemental treatment system. The carbon bed and the potassium permanganate were changed out on November 30 and December 4, 2006, respectively.
- ii) Pre-start sampling for the Biosparge System was performed on October 24, 25, and 26, 2006. Wells MW-58 and MW-59 were also sampled during this event. Well MW-62 was not sampled as access permission from the landowner has not been received.
- iii) The Final Inspection of the Biosparge System was held at the Site on October 27, 2006. One minor item (i.e., the amendment pump) was not operational during the Final Inspection as permission for use of treated Northrop water had not been received. Approval for use of the

treated Northrop water was received on November 13, 2006. The USEPA will be informed of the date(s) the next time CRA personnel are on-site and the pump is operational.

- iv) The groundwater analytical results for the samples collected between March and June 2006 were submitted to the USEPA on October 30, 2006.

The biosparge system was shut down on November 18, 2006 due to the observed release of pressurized groundwater and air from monitoring well MW-61D2 during the injection of air into well IW-16D1A. The USEPA was verbally informed of this release on November 20, 2006. Based on the estimated volume of groundwater discharged and the most recent groundwater concentrations for Well MW-61D2, the calculated mass discharged was not a reportable quantity. A soil sample was collected on November 29, 2006 to confirm whether there has been an impact to the soil in the area around well MW-61D2.

To provide for the safe de-pressurization of the groundwater monitoring wells prior to any monitoring or sampling event, the groundwater monitoring wells were retrofitted with screw-on caps, a pressure gauge, and a valve for the slow release of any pressure buildup, should it occur. Any air discharged will be vented to the atmosphere and any water discharged will be contained and discharged to the sanitary sewer (as is done for well purging water).

The second monthly monitoring of the biosparge system was performed on December 20 and 21, 2006.

The following activities are planned for the first quarter of 2007:

- i) Perform quarterly sampling of the biosparge system starting the week of January 22, 2007;
- ii) Re-start the biosparge system the week of January 15, 2007 after completion of the system modifications;
- iii) Continue operation and monitoring of the GP-1/GP-3 supplemental system; and
- iv) Sumps 1 and 2 on the former Hooker/Ruco Site are to be back-filled by Simone Developments once the property transfer between Bayer and Simone is completed.

The following activities are pending an approval or review by an outside party or Agency. The follow-up schedule is based on receipt of the review or approval.

- i) Awaiting USEPA comments on the results of the final sampling for OU-1, which were submitted on March 16, 2006. The submittal included a recommendation that no further remedial actions need be implemented in the MW-E area and Sump 1.
- ii) Awaiting USEPA response regarding the requirements for completion certification of OU-1.
- iii) Awaiting USEPA comments on the draft Declaration of Covenants and Restrictions for the Site, which was submitted on April 20, 2006 by Bayer.

- iv) Within 30 days of the Final Inspection, the following documents were to be submitted to USEPA (due to difficulties in obtaining the required information from the Contractors to prepare the documents, an extension for submittal of the documents was granted by the USEPA). The current required submission date is January 31, 2007:
 - a. "As-Recorded" Construction Drawings;
 - b. Well Stratigraphic and Instrumentation Logs; and
 - c. Draft Operation, Maintenance and Monitoring Manual, including an updated Health and Safety Plan which incorporates O,M&M activities.
- v) Awaiting analytical results for:
 - a) the confirmatory soil sample collected November 29, 2006;
 - b) the first monthly groundwater samples collected November 28 to 30, 2006; and
 - c) the second monthly groundwater samples collected December 20 and 21, 2006.

Should you have any questions on the above, please do not hesitate to contact me at (859) 543-2152 or e-mail at rick_passmore@oxy.com.

Sincerely yours,

Handwritten signature of James K. Lynch, with the word "for" written below the signature.

Rick Passmore
Project Manager

KDS/cb/006883/19
Encl.

c.c.: K. Lynch (USEPA)
M. E. Wieder (USEPA)
S. Scharf (NYSDEC)
M. Popper (CDM)
T. Kelly (Nassau County)
J. Robinson (Bayer)
S. Whyte (MSRMI)
J. Kay (CRA)

MILLER SPRINGS REMEDIATION MANAGEMENT, INC.
HOOKER/RUCO SITE
HICKSVILLE, NEW YORK

Groundwater Investigations Beyond the Ruco Property (OU-3)

October through December 2006

<i>Task and Activity</i>	<i>Percentage of Activity Completed</i>	<i>Start Date</i>	<i>Scheduled Completion Date</i>	<i>Completion Date</i>
• Work Plan	100	July 1993		September 23, 1993
• Borehole/Well Installation (MW-50, MW-53, MW-54 and MW-55)	100	September 30, 1994		June 19, 1995
• Well Development, Sampling and Analysis	100	July 10, 1995		August 9, 1995
• Water Level Measurements	100	August 15, 1995		April, 1996
• Interim Report	100	May 23, 1995		June 15, 1995
• Interim Report - Addendum No. 1	100	July 28, 1995		August 2, 1995
• Grumman Production Wells Sample Collection and Analysis	100	August 1, 1995		October 4, 1995
• Well Installation (MW-51, MW-52, MW-56 and MW-57)	100	August 30, 1995		January 26, 1996
• Regional Groundwater Level Monitoring Event	100	October 3, 1995		October 3, 1995
• Well Development, Sampling and Analysis	100	January 22, 1996		July 5, 1996
• Grumman Groundwater Model	100	July 27, 1995		November 20, 1997
• Phase I Report	100	February 21, 1996		April 26, 1996
• Supporting Documentation Regarding the Effectiveness of In Situ Remediation	100	June 10, 1996		August 9, 1996
• Phase II Report	100	February 21, 1996		August 12, 1996
• Comments on DEC Draft Supplemental Feasibility Study	100	September 23, 1996		October 17, 1996
• Responses to Northrop Comments on the Phase I Report	100	April 17, 1997		June 6, 1997
• Comments on DEC Supplemental Feasibility Study	100	June 1, 1997		June 20, 1997
• Comments on Navy Regional Groundwater Feasibility Study	100	July 28, 1997		October 8, 1997
• Revised Pages for Navy Regional Groundwater Feasibility Study	100	July 28, 1997		November 3, 1997
• Comments on Groundwater Flow Model Report	100	November 20, 1997		December 5, 1997
• Comments on Draft Final Regional Groundwater Feasibility Study	100	March 27, 1998		May 1, 1998
• Comments on Northrop Letter Report	100	May 20, 1998		June 4, 1998
• Evaluation of MW-52 Area Groundwater Extraction System	100	July 1, 1998		July 29, 1998
• Remedial Investigation Report	100	December 1, 1998		January 21, 1999
• Feasibility Study Report	100	December 1, 1998		March 16, 1999
• Groundwater Treatability Study (GTS)	100	December 16, 1998		July 19, 1999
• Responses to EPA Comments on RI Report	100	May 25, 1999		June 11, 1999
• Responses to EPA Comments on FS Report	100	June 21, 1999		July 7, 1999
• Scope of Pre-design Investigative Activities - Initial	100	June 1, 1999		June 11, 1999
- Revised	100	February 16, 2001		May 28, 2001

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• Revised RI Report	100	May 25, 1999		November 16, 1999
• Revised FS Report	100	July 7, 1999		December 22, 1999
• Responses to EPA Comments on GTS	100	October 14, 1999		November 3, 1999
• Responses to EPA Comments on FS Report Responses	100	October 14, 1999		November 3, 1999
• Obtain access agreements	100	June 1999		December 2001
• Final RI Report	100	March 15, 2000		July 21, 2000
• Final FS Report	100	April 10, 2000		July 25, 2000
• PRAP	100			July 28, 2000
• ROD	100			September 29, 2000
• Unilateral Administrative Order	100			April 26, 2001
• Evaluate VCM presence in GP-3	100			August 15, 2001
• Design Supplemental System for VCM in GP-3	100	August 15, 2001		December 2001
• EPA Conditional Approval for Predesign Activities	100			September 28, 2001
• Issued Request for Bid for Well Installation	100			October 26, 2001
• Contractor Arrangements	100			January 15, 2002
• Arrangements for Biosparge Testing of Existing Wells	100			April 12, 2002
• Biosparge Testing of Existing Wells	100	April 15, 2002		August 13, 2002
• Phase 1 Well Installation	100	February 4, 2002		June 28, 2002
• Upgrade of GP-1/GP-3 Treatment System	100	April 8, 2002		July 9, 2003
• Sample Wells	100	June 17, 2002		July 12, 2002
• Evaluate Pre-Design Information / Develop Scope of Biosparge Remedy	100			November 22, 2002
• Install 2 Additional Wells (MW-67 / 68)	100	December 18, 2002		February 14, 2003
• Sample Wells MW-67 & MW-68				March 25/26, 2003
• Responses to EPA comments on Predesign Information Report	100	March 6, 2003		March 27, 2003
• EPA Meeting				April 17, 2003
• Closed Well T-1	100			May 12, 2003
• MW-67/68 Installation Report	100			May 23, 2003
• Responses to EPA comments on March 27, 2003 Responses	100	June 25, 2003		July 29, 2003
• Pre-Final (95%) RD Report	100	July 7, 2003		October 31, 2003
• Responses to EPA comments on 95% RD Report	100	April 12, 2004		May 27, 2004
• Submitted Due Diligence Request to Northrop	100			May 10, 2004

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<i>Task and Activity</i>	<i>Percentage of Activity Completed</i>	<i>Start Date</i>	<i>Scheduled Completion Date</i>	<i>Completion Date</i>
• Follow up Due Diligence Clarification to Northrop 6/11 Data Package	100			June 25, 2004
• Offer to Northrop for Property Purchase	100			October 1, 2004
• Sample 13 Wells and Submit Results	100	August 23, 2004		October 14, 2004
• Responses to EPA Comments on 95% RD Report	100	November 17, 2004		December 6, 2004
• Revised Property Purchase offer submitted to Northrop	100	December 22, 2004		December 22, 2004
• Prepare 100% RD Report	100	January 12, 2005		May 27, 2005
• Property Purchased	100			June 2005
• 100% Design Approved	100			July 7, 2005
• Obtain Building Permits	100	July 11, 2005		November 10, 2005
• Arrange Contractors	100	January 2005		July 22, 2005
• Well Installation	100	September 13, 2005		April 28, 2006
• Biosparge System Installation	100	November 2005		May 2006
• Closure of On-Site and Off-Site Wells	100	November 2005		May 10, 2006
• OU-1 Soil Borings	100	November 2005		January 11, 2006
• Background Groundwater Sampling	100	March 27, 2006		June 14, 2006
• Pre-Start Sampling	100			October 24, 25, and 26, 2006
• Biosparge System Start-Up	100			October 27, 2006
• First Monthly Sampling	100			November 28 to 30, 2006
• Second Monthly Sampling	100			December 20 and 21, 2006