

HAHN AND ASSOCIATES, INC.
ENVIRONMENTAL CONSULTANTS

January 18, 2012

Mr. Dana Bayuk
Oregon Department of Environmental Quality
Northwest Region, Portland Office
Portland Harbor Section
2020 SW Fourth Avenue, Suite 400
Portland Oregon 97201-4987

HAI Project No. 2708
DEQ ECSI File No. 84

**SUBJECT: Revised Progress Report, NW Natural Gasco Property, 7900 NW St.
Helens Avenue, Portland, Oregon**

Dear Mr. Bayuk:

Hahn and Associates, Inc. (HAI) has prepared this monthly Progress Report summarizing Remedial Investigation/Feasibility Study (RI/FS) and source control-related work activities conducted by NW Natural that have occurred relating to the Gasco property during the month of November 2011. NW Natural is completing upland investigatory activities at the subject property under the Voluntary Agreement No. ECVC-WMCVC-NWR-94-13 (Voluntary Agreement) between NW Natural and the Oregon Department of Environmental Quality (DEQ). This November 2011 Progress Report, originally transmitted to DEQ in correspondence dated December 15, 2011, has been revised at DEQ's request to incorporate the description of a meeting conducted November 16, 2011.

1.0 Communications and Document Submittals

In correspondence dated November 4, 2011 (John Edwards to Dana Bayuk), Anchor QEA, on behalf of NW Natural, provided a response to DEQ's September 22, 2011 letter commenting on the May 2011 Draft Groundwater Source Control Final Design Report, for the NW Natural Gasco Site.

In e-mail correspondence dated November 4, 2011 (Ben Hung to Dana Bayuk), AQ, on behalf of NW Natural, provided DEQ with a condensed list of agreements and unresolved issues as related to finalization of the risk assessment for the Gasco upland site.

In e-mail correspondence dated November 10, 2011 (Dana Bayuk to Bun Hung), DEQ provided comments and clarifying information as related to NW Natural's November 4 e-mail related to finalization of the risk assessment.

A meeting with representatives of NW Natural, Siltronic, and DEQ was conducted on November 16, 2011 to discuss Gasco upland source control design, with particular emphasis on the Fill water-bearing zone interceptor trench.

A meeting with representatives of NW Natural and DEQ was conducted on November 18, 2011. The goal of this meeting was to discuss positions related to unresolved issues and reach agreement as possible to work towards finalization of the Gasco uplands risk assessment.

A meeting with representatives of NW Natural, Siltronic, DEQ, and EPA was held on November 21, 2011 to discuss NW Natural's November 4, 2011 responses to DEQ comments on the Draft Groundwater Source Control Final Design Report and NW Natural's proposal for moving Gasco Source Control forward.

A meeting with representatives of NW Natural, DEQ, and EPA was held on November 30, 2011 to discuss hydrogeological and modeling topics as related to Gasco upland source control design.

In correspondence dated November 30, 2011 (Ben Hung to Dana Bayuk), AQ, on behalf of NW Natural, provided a summary of agreements made between NW Natural and DEQ related to finalizing the risk assessments for the Gasco site, including a list of deliverables and a schedule.

2.0 Field Work

Field activities related to monitoring and maintenance of the dense non-aqueous phase liquid (DNAPL) extraction system at surficial fill well locations MW-6-32 and MW-13-30 occurred during November. The system recovered approximately 20 gallons of fluids (primarily DNAPL) during November.

Discharge of treated water (groundwater from the LNG containment basin) to the City of Portland sanitary sewer was initiated on March 16, 2007 under Temporary Wastewater Discharge Permit 500.022 (expires February 15, 2012). Results of NW Natural's effluent sampling are provided to BES in Discharge Monitoring Reports that are submitted for any month that effluent sampling occurs – which is at least every other month in accordance with the permit. As of December 1, 2011, a total of 10,304,263 gallons of treated water have been discharged to the sanitary sewer in 2011.

3.0 Anticipated Activities in December 2011 and January 2012

NW Natural and DEQ technical working group meetings are anticipated to occur during December 2011 and January 2012, as needed, so that discussion of critical items related to upland risk assessment and groundwater source control tasks may be conducted.

The Fourth Quarter 2011 routine groundwater monitoring event (water level measurements and DNAPL checks) will occur in December.

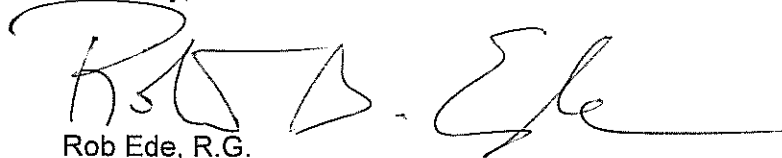
The following reports and work plans for the Site have been submitted to DEQ through the end of November. Unless otherwise noted, these reports and work plans have not received DEQ review and comment.

- *Source Control Evaluation Report, "Segment 3" Siltronic Property Related to NW Natural "Gasco" Site*, February 19, 2009, Anchor QEA. Based on DEQ feedback, DEQ review of this document is prioritized behind reviews for Segments 1 and 2 Source Control Design documents and upland Risk Assessment-related reviews (DEQ Comments Received December 7, 2011).
- *Final Stormwater Source Control Data Summary Report*, September 2010, Anchor QEA. Based on DEQ feedback, DEQ review of this document is prioritized behind reviews for Segments 1 and 2 Source Control Design documents and upland Risk Assessment-related reviews.

- *Remedial Investigation Data Summary Report, Historical Manufactured Gas Plant Activities, Siltronic Corporation Property, March 31, 2011, HAI. Based on DEQ feedback, it is understood that DEQ review is being conducted at this time, but that comments are not anticipated until after completion of DEQ's review of the May 2011 Draft Groundwater Source Control Final Design Report.*
- *Updated Beneficial Use Determination for Groundwater, NW Natural Gasco and Siltronic Properties, 7900 NW St. Helens Road and 7200 NW Front Avenue, Portland, Oregon, October 21, 2011, HAI.*
- Technical Memorandum describing technical justification for a proposed alternative ecological cyanide screening level for soils, October 31, 2011, Anchor QEA.
- *Summary of Agreements for Remaining Issues Related to the NW Natural Gasco Uplands Risk Assessments, November 30, 2011, Anchor QEA. Based on DEQ feedback, NW Natural anticipates a letter from DEQ during December in response to this November 30 letter and directing / confirming NW Natural's moving forward with completing the Gasco upland risk assessments.*

Should you have any questions, please contact the undersigned.

Sincerely,



Rob Ede, R.G.
Principal

robe@hahnenv.com

- c:
- Ms. Sandra Hart, NW Natural (electronic only)
 - Mr. Bob Wyatt, NW Natural (electronic only)
 - Ms. Patty Dost, Pearl Legal Group PC (electronic only)
 - Ms. Sarah Riddle, Pearl Legal Group PC (electronic only)
 - Mr. Carl Stivers, Anchor QEA, L.L.C. (electronic only)
 - Mr. John Edwards, Anchor QEA, L.L.C. (electronic only)
 - Mr. Ben Hung, Anchor QEA, L.L.C. (electronic only)
 - Mr. Ryan Barth, Anchor QEA, L.L.C. (electronic only)
 - Mr. Henning Larsen, DEQ NW Region (electronic only)
 - Mr. Tom Gainer, DEQ NW Region (electronic only)
 - Mr. Tom McCue, Siltronic Corporation (electronic only)
 - Ms. Kristine Koch, Region 10 EPA (electronic only)
 - Mr. Sean Sheldrake, Region 10 EPA (electronic only)
 - Mr. Rene Fuentes, Region 10 EPA (electronic only)
 - Mr. Chip Humphrey, Region 10 EPA (electronic only)
 - Mr. Lance Peterson, CDM, Inc. (electronic only)