

Wickham, Jerry, Env. Health

From: george.net [wege@cal.net]
Sent: Tuesday, June 23, 2009 3:09 PM
To: Wickham, Jerry, Env. Health
Cc: George Converse
Subject: DP 793 progress, 4035 Park Blvd., Oakland, CA

Good Afternoon Jerry

The following is the progress concerning your approval letter dated October 7, 2008. The permitting to perform the work had been achieved and paid for. Funding to complete the work was lost. Currently Desert Petroleum owes Western Geo-Engineers \$20,664.34, not including work conducted in June 2009. The groundwater pumping system was turned off on June 19, 2009 and the groundwater pump removed for cleaning and inspection. A pin hole leak was noted in the #1 water carbon unit and this carbon has been removed from service. A replacement carbon has not been ordered. An order can not be placed due to the clients unable to pay and Western Geo-Engineers has run out of funds. DP 793 November 2008 Tank Fund Reimbursement Request for \$21,212 is on hold for revenue. Desert Petroleum (a bankrupt company) is in C priority class and may not receive this reimbursement for months.

The site owners tried to borrow the necessary funds to complete the work as approved in your October 7, 2008 letter. This funding was removed by the lender and as of today no other funding has been obtained. Once funding has been obtained we will complete the tasks as outlined in your approval letter dated October 7, 2008.

Western Geo-Engineers is requesting that the 2nd Quarter 2009 well sampling event be postponed until a replacement carbon has been delivered to the site and we obtain funds from our clients enabling us to pay for laboratory cost. We are currently on a pay as we go to all of our suppliers. Because of our financial strain "we are completely out of moneys " (most of our clients are on the tank fund and have not been reimbursed and owe us approximately \$200,000.00). As we receive partial payments from our clients we first have to pay our operating costs, i.e. insurance, office, employees, etc. then pay our outstanding bills to our subcontractors etc. We are currently sampling sites that have made a partial payment to us.

Regards,

George Converse