

DESERT PETROLEUM INC.

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2:22 pm, Jan 05, 2011

Alameda County
Environmental Health

Mr. Jerry Wickham
Alameda County Health Care Services
Environmental Health Services
1131 Harbor Bay Parkway, Suite 250
Alameda, CA 94502-6577
(510) 567-6791
FACSMILE (510) 337-9335

January 3, 2011

RE: The attached update status letter report prepared by Western Geo-Engineers for former Desert Petroleum Site DP793" dated January 3, 2011, documents the activities that have occurred in response to your September 8, 2010 correspondence.

Dear Mr. Wickham:

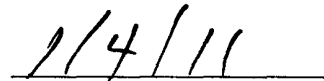
I have reviewed the enclosed letter report that I contracted Western Geo-Engineers to prepare.

I declare, under penalty of perjury, that the information and/or recommendations contained in the attached report are true and correct to the best of my knowledge.

Sincerely,



William Thompson, Desert Petroleum, Inc.



Date



**WESTERN
GEO-ENGINEERS**

REGISTERED GEOLOGISTS

1386 EAST BEAMER STREET
WOODLAND CA 95776-6003
(530) 668-5300.
FAX (530) 662-0273
wege@cal.net

Mr. William Thompson
Desert Petroleum
3781 Telegraph Road
Ventura, CA. 93003-3420

January 3, 2011

Dear Mr. Thompson:

Update Status and schedule for planning and implementing electrical upgrade of treatment compound, connection of intercept trench and geotechnical evaluation for the excavation for Desert Petroleum #792, 4035 Park Blvd., Oakland, CA.

As requested by Alameda County Health in their September 6, 2010 correspondence the following update is being provided for site activities in regards to Fuel Leak Case No. RO0000429, DP 793, located at 4035 Park Blvd., Oakland, CA.

Compliance Schedule

Alameda County Health requested implementation of:

- 1) **Resume of groundwater extraction from well RS-5 on November 18, 2010.** In order to resume groundwater extraction from RS-5 a new sewer discharge permit was necessary; the old permit expired on July 1, 2010. The new application was signed by Mr. Thompson and submitted on October 29, 2010. Conversations with Ms. Angelee Cari of East Bay Municipal Utility District (EBMUD) indicated that the permit would be approved in December 2010. As of today's date the new permit has not been received. Another issue concerning discharge of extracted groundwater was the transfer and upgrade of the electrical service for the remediation of the site. Mr. Kin Man Li approved the transfer of the temporary electrical service to Desert Petroleum on November 5, 2010. Western Geo-Engineers paid the PG&E engineering fees and contracted Gils Electrical to perform the upgrade to the electrical service. PG&E has approved the upgrade and will schedule the disconnect for the upgrade dependent upon Weather conditions (non rainy days), email correspondence from PG&E dated December 23, 2010.
- 2) **Complete Permitting Process for construction of treatment compound for intercept trench by November 18, 2010.** The permitting was completed in November 2010.
- 3) **Complete Permitting Process for excavation by November 30, 2010.** The contract for completing the geotechnical study required for the grading permit and slope stability

study was signed on January 3, 2011. It is anticipated that approval to proceed with the excavation will be May 30, 2011.

4) Begin construction of treatment compound by December 6, 2010. The move on date for the construction of the treatment compound was postponed due to heavy rain events. The move on date for construction of the treatment compound and connection of the intercept trench is January 17, 2011. This construction is anticipated to take 3 weeks to complete.

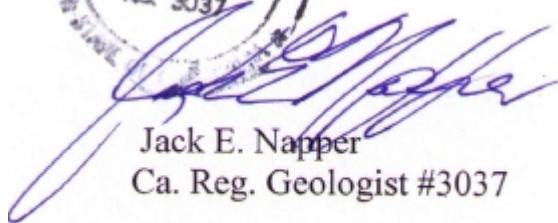
5) Treatment compound operational by January 6, 2011. The new startup date for the new treatment compound is February 7, 2011.

The next semiannual sampling event for the monitor wells associated with this site is scheduled for March 2011.

Sincerely submitted



George Converse
Project Geologist



Jack E. Napper
Ca. Reg. Geologist #3037

Cc: Mr. Kin Man Li et al, property owners
Mr. Jerry Wickham, Alameda County Health Care Services