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13 November 2007
File No. 28591-500

Mr. Jerry Wickham
Hazardous Materials Specialist
Alameda County Health Care Services Agency
1131 Harbor Bay Parkway, Suite 250

Subject: Third Quarter 2007 Groundwater Monitoring/Remediation Report
Fuel Leak Case No. R0000498
Tesoro Station No. 67107
San Lorenzo, CA Site

Dear Mr. Wickham:

Attached to this letter please find the 3rd Quarter 2007 Groundwater Monitoring/Remediation report for Tesoro Station No. 67107 located in San Lorenzo, California.

In response to the comments provided in your 27 September 2007 letter, we have composed the following cover letter to address the issues raised. Responses are presented in the following section:

TECHNICAL COMMENTS

1. Groundwater Monitoring.
MW-12 has been added to the quarterly groundwater monitoring program. The initial results from the well indicated the presence of contaminants related to the installation process. Subsequent well development and sampling activities have provided more representative groundwater quality data.

2. Measurement of Water Levels in Well RW-1.
The depth to water gauge was in contact with the top of the pump head, and the pump is a bottom loading pump. The water gauge was not in contact with the ground, yet the field technician reported the well dry.

3. Extent of Capture Zone.
On 15 October 2006, pumping from RW-2 and MW-3R was initiated and groundwater levels were monitored periodically over the following two (2) weeks. The data collected demonstrated that the capture zone for groundwater recovered from MW-3R included the former release area on-site. It was also shown that groundwater recovery from RW-2 impacted the groundwater elevation in MW-10. This data suggests that a hydrologic connection exists between RW-2 and MW-10. Groundwater elevations were measured 5 times between 15 October and 30 October 2006 until stabilization of the groundwater elevations in the site monitoring wells was established. Drawdown within the recovery wells, MW-3R and RW-2 stabilized at approximately 23 feet below ground surface. The zone of influence for this pumping configuration encompasses MW-2 (-1.5 feet) located in front of the current service station, upgradient from the former UST, through MW-10 (-0.3 feet) approximately 120 feet down

gradient. It should be noted that the results above indicate that the pumping configuration limits additional contaminant migration from the source area to well MW-10. These findings were presented in the text and Figures 8 through 10 of the Fourth Quarter 2006 Groundwater Monitoring/Remediation Report submitted to the Agency on 15 February 2007.

4. Increase in concentration of TPHg in groundwater at well MW-11.
In response to this observation, RW-1 was re-started after the second quarter of 2007 to determine if the increase concentration at MW-11 may have been a result of the change in pumping configuration performed in October 2006. However, based on further evaluation of the chromatograms from these analyses and the laboratory methods used to determine TPH-g, EPA 8260B, the compounds determined by the analysis are not specific to TPH as gasoline. If it is determined that the method currently employed is incorrectly identifying and quantifying TPH-g, Tesoro will conduct additional sampling during the Fourth Quarter and analyze the samples using forensic methods to verify the presence of these compounds.

5. Addition of Well RW-1 to Groundwater Extraction System.
Wells MW-3R, RW-1 and RW-2 are currently operating as extraction wells for the groundwater recovery and treatment system. The groundwater recovery rate increased with the addition of RW-1 to the pumping configuration and the observed zone of influence is presented in Figure 3 of the attached 3rd Quarter Monitoring Report.

6. Additional Remedial Alternatives
Currently, Tesoro is evaluating the potential effectiveness and comparing the cost of several methods to inject oxygen or ozone into the groundwater down gradient of the source area at the site. The purpose of the injection system will be to enhance the rate of intrinsic biodegradation at this site. The options investigated and a proposed method of implementation will be included in the Remedial Action Work Plan requested by the Agency by 6 December 2007.

Several of the comments addressed above are also discussed in the attached report. If you have any questions please feel free to contact us at (916) 415-1134.

Sincerely yours,
RDM ENVIRONMENTAL, INC.

Richard D. Munsch
Project Manager

Michael G. Lee, P.E.
CA Reg. Civil Engineer No. C055795

Attachment:
Third Quarter 2007 Groundwater Monitoring/Remediation Report