STRATUS
ENVIRONMENTAL, INC.

3330 Cameron Park Drive, Ste 550
Cameron Park, California 95682
(530) 676-6004 ~ Fax: (530) 676-6005

February 6, 2006

Ms. Julia Amaral
P.O. Box 1450
Nevada City, California 95959

Re: Abandonment of Groundwater Monitoring Wells and Closure of Environmental Case at 12008 Plaza Drive, Grass Valley, CA

Dear Ms. Amaral:

Stratus Environmental, Inc. (Stratus), on behalf of Nella Oil Company (Nella), has prepared this letter regarding the environmental oversight case on your property located at 12008 Plaza Drive, Grass Valley, California. As you are aware, the California Regional Water Quality Control Board (RWQCB) has required that Nella conduct periodic sampling of groundwater beneath your property to monitor concentrations of dissolved petroleum hydrocarbons and gasoline fuel additives. Given the general absence of petroleum hydrocarbons in the well samples, and the very low concentrations of the fuel additive methyl tertiary butyl ether (MTBE) in groundwater, RWQCB personnel recently determined that groundwater monitoring beneath your property is no longer required and the environmental oversight case for the property will be closed. Nella has subsequently been directed to properly abandon the five groundwater monitoring wells currently present on your property (see attached letter).

Stratus has tentatively scheduled a California C-57 licensed drilling contractor to complete the required well abandonments on Monday, February 20, 2006. Prior to initiating work activities, the necessary permits will be secured from Nevada County Department of Environmental Health (NCDEH). A Stratus geologist and an NCDEH inspector will oversee destruction of the wells. Once the work has been completed, the manhole covers currently covering each well will be removed and the ground surface will be patched to match the surrounding asphalt or gravel surface.

Any waste material generated during the well abandonments will be placed in 55-gallon steel drums and temporarily stored on-site pending disposal. The drilling contractor will make every effort to minimize the inconvenience associated with completing the work.

If you have any questions, please contact Scott Bittinger at (530) 676-2062.

Sincerely,
STRATUS ENVIRONMENTAL, INC.

Jay R. Johnson, P.G.
Senior Project Supervisor

Scott G. Bittinger, P.G.
Project Manager

Attachment: RWQCB letter, dated January 17, 2006

cc: Amanda Massey, Nella Oil Company

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California Regional Water Quality Control Board

Central Valley Region

Robert Schneider, Chair

Alan C. Lloyd, Ph.D.
Secretary for Environmental Protection

Sacramento Main Office
11020 Sun Center Drive #200, Rancho Cordova, California 95670-6114
Phone (916) 464-3291 • FAX (916) 464-4645
http://www.waterboards.ca.gov/centralvalley

Arnold Schwarzenegger
Governor

COPY

CC: JJ
SB
SCAN

17 January 2006

Ms. Amanda Massey
Nella Oil Company, LLC
2360 Lindbergh Street
Auburn, CA 95602

REQUEST FOR ABANDONMENT OF MONITORING WELLS, NELLA OIL STATION #31, 12008 PLAZA DRIVE, GRASS VALLEY, NEVADA COUNTY (LUSTIS #290194)

Based on my review of case file and submitted reports, no further action appears warranted for your site. On 14 December 2005, notifications were sent to property owners within 200 feet of the site. The property owners were to provide within 30 days any comments or concerns they may have regarding the closure of the site. To date, we have not received a response from the property owners.

We will continue the site closure process after you submit documentation verifying that the five groundwater monitoring wells have been properly abandoned in accordance with the requirements of the Nevada County Department of Environmental Health. Please be aware that quarterly monitoring must continue until the wells are abandoned and your site is officially closed.

If you have any questions, please call me at (916) 464-4728.

MICHAEL SMITH
Environmental Scientist

cc: Dave Huff, Nevada County Department of Environmental Health, Nevada City
Scott Bittinger and Jay Johnson, Stratus Environmental, Inc., Cameron Park