



October 12, 2007

Mr. Edward Hampston, P.E.
New York State Department of Environmental Conservation
Division of Environmental Remediation
Remedial Bureau D – 12th Floor
625 Broadway
Albany, NY 12233-7013

Re: Former Paragon Oil Terminal
Texaco Facility #304209
Greenpoint Section – Brooklyn, New York
Phase 1 Recovery System Startup Completion

Dear Mr. Hampston:

Science Applications International Corporation (SAIC), on behalf of Texaco, Inc. (Texaco), respectfully submits to the New York State Department of Environmental Conservation (NYSDEC) this data transmittal documenting completion of the Startup Phase of the Phase 1 Recovery System at the above referenced facility. Pursuant to Sections I and IX of Consent Order D2-1111-01-05 and in accordance with the Revised Project Schedule and Milestones outlined in an August 15, 2007 NYSDEC letter, Texaco has now completed Milestone 4B (Completion of Startup Phase: Deadline October 12, 2007.) As of October 12, 2007, Texaco has transitioned from Startup (Milestone 4) to the Operation, Monitoring and Maintenance (OMM) Phase of the Phase 1 Recovery System operation.

The Phase 1 Recovery System was constructed at the above referenced facility with the objective of abating an on-going phase separated hydrocarbon (PSH) seep into Newtown Creek. The system extracts both groundwater and PSH from the subsurface via 6 recovery wells. The recovered liquids are transferred to an onsite treatment system where the PSH is separated from the groundwater and transported offsite for recycling. The dissolved phased contaminants are then removed from the groundwater and the treated effluent water is discharged under permit to the New York City Department of Environmental Protection (NYCDEP) combined sewer. A Process Flow Schematic for the Phase 1 Recovery System is presented in Figure 1. A site map detailing both recovery and system performance monitoring wells is presented in Figure 2. Final Construction photographs depicting the Phase 1 Recovery System are presented in Appendix A.

Operation of the Phase 1 Recovery System commenced on Friday, September 14, 2007 at 10:00 AM. Since startup, various parameters have been monitored to evaluate system performance. Table 1 summarizes operational parameters including pump intake settings, recovery well and system flow rates, and water and PSH recovery volumes. As of Friday, October 5, 2007 a total of

2,535 gallons of PSH and 167,315 gallons of treated effluent water have been processed through the system.

Pressure transducers and data loggers have also been utilized to collect groundwater elevations in observation wells before, during and after system startup. This data will be used to assess changing hydrologic characteristics in the shallow water bearing zone in response to system operation. Appendix B contains hydrographs depicting groundwater elevations measured in select observation wells.

In accordance with NYCDEP water quality permitting guidelines, groundwater discharges are monitored to ensure compliance with applicable sewerage discharge requirements. Table 2 presents analytical data from samples collected on September 18, 2007. The September 18, 2007 monitoring event consisted of samples collected from four (4) sample ports denoted: TS-1 (Treatment System-1) TS-2, TS-3, and TS-4.

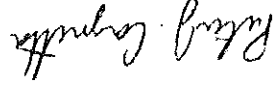
- TS-1, untreated water effluent from the Oil Water Separator (OWS)
- TS-2, water effluent from the 1,000 lb organo clay unit
- TS-3, water effluent from the first of two (2) 2,000 lb granular activated carbon (GAC) units
- TS-4, final discharge water to the combined sewer

Table 2 presents the NYCDEP water quality standards promulgated for effluent discharges into the sanitary/combined sewer systems and the laboratory analytical results for the four (4) samples. The treated effluent water sampled as TS-4 is compliant with all NYCDEP permitted water quality standards. Laboratory reports from the September 18, 2007 sampling event are presented in Appendix C.

If you have any questions concerning the information presented in this report, please do not hesitate to contact either Ms. Geselle Harris of Texaco at 770-984-4190 or Mr. Pete Cagnetta of SAIC at 717-901-8841.

Sincerely,

SCIENCE APPLICATIONS INTERNATIONAL CORPORATION



Peter J. Cagnetta, CPSSc
Project Manager/Soil Scientist

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