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RDD Operations, LLC
28470 Citrin Drive
Romulus MI 48174
(734) 946-1000 - Phone
(734) 946 1002 - Fax

November 28, 2006

Ms. Dana Rzeznik
USEPA Region 5
77 West Jackson Blvd
Chicago, IL 60604-3590

Mr. Ray Vugrinovich
Michigan Department of Environmental Quality
Geological Survey Division
525 West Allegan Street
Lansing, MI 48933

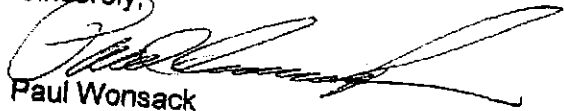
Dear Ms. Rzeznik and Mr. Vugrinovich;

Due to circumstances beyond the control of the current operators (RDD, Operations, LLC) at the EDS facility, we are unable at this time to submit the Monthly Operating Reports and the Monthly Mineral Well Injection Reports for the EDS wells 1-12 and 2-12 for the months of October and November 2006. We have suffered a main computer malfunction. All data for the months of October and November are currently unretrievable.

We have contacted a computer contractor and they are attempting to retrieve the lost data and bring our main plant computers back on-line. We do not have a guarantee that the data can be retrieved.

We will update as to the status of the situation as soon as possible. Please contact Paul Wonsack or Karen Kapala at 734-946-1000 with any questions or concerns.

Sincerely,



Paul Wonsack
Interim General Manager
psw@edsdeepwells.com

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King, Ronald A.

From: Ronda Blayer [blayerr@michigan.gov]
Sent: Wednesday, December 06, 2006 11:43 AM
To: King, Ronald A.
Subject: RE: EDS permit application

You will have to check in at the security desk at the east entrance to Constitution Hall. We will be meeting in the Rachel Carson Conference Room - Atrium North.

Ronda L. Blayer, Environmental Engineering Specialist Hazardous Waste Management Unit
Hazardous Waste Section Waste and Hazardous Materials Division Michigan Department of
Environmental Quality Constitution Hall - Atrium North P.O. Box 30241 Lansing, MI 48909

Phone: 517-373-9548
Fax: 517-373-4797
E-mail: blayerr@michigan.gov

>> "King, Ronald A." <RKing@ClarkHill.com> 12/6/2006 9:51 AM >>>
Thanks for the prompt response. I am not exactly sure who will be present from our team, but I will let you know before the meeting tomorrow. Thanks.

Ron King

Ronald A. King
Clark Hill PLC
12 East Grand River Avenue
Lansing, MI 48906
Phone: 517-318-3015
Fax: 517-318-3099
Mobile: 517-449-2860
E-mail: rking@clarkhill.com

-----Original Message-----

From: Ronda Blayer [mailto:blayerr@michigan.gov]
Sent: Wednesday, December 06, 2006 9:32 AM
To: King, Ronald A.
Cc: Ronda Blayer; George Bruchmann; Stephen Buda; Lindacarol Leiter; Delores Montgomery; Liane Shekter Smith; David Slayton; Clay Spencer; Jim Sygo
Subject: RE: EDS permit application

We would be able to meet tomorrow at 1:00 p.m. Attending on behalf of the Waste and Hazardous Materials Division (WHMD) will be Steve Buda (Acting Chief of the Hazardous Waste Section) and Dave Slayton, Clay Spencer, and myself (Hazardous Waste Program staff assigned to the facility). By copy of this note, Liane Shekter Smith (Acting WHMD Assistant Chief) and George Bruchmann (WHMD Chief) to feel free to participate if able or perhaps just stop by and introduce themselves if able.

Linda,
Please secure a conference room for this meeting send out an appt. Steve will not be attending the staff meeting. However, unless De feels one is necessary and can run it, Steve indicated that we don't need the staff meeting. So, Rachel Carson will be free.

Ronda L. Blayer, Environmental Engineering Specialist Hazardous Waste Management Unit
Hazardous Waste Section Waste and Hazardous Materials Division Michigan Department of
Environmental Quality Constitution Hall - Atrium North P.O. Box 30241 Lansing, MI 48909

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>> "King, Ronald A." <RKing@ClarkHill.com> 12/6/2006 8:24 AM >>>

onda -- Do you have time to get together tomorrow? I am quite flexible with respect to the time. I am meeting with staff at the Romulus facility today to get an update on the response to the DEQ correspondence, including the November 28, 2006 correspondence. I will provide an update. Please let me know if you have availability. Thanks.

on King

onald A. King
lark Hill PLC
12 East Grand River Avenue
ansing, MI 48906
h. 517-318-3015
ax 517-318-3099
obile 517-449-2860
king@clarkhill.com

-----Original Message-----

rom: Ronda Blayer [mailto:blayer@michigan.gov]
ent: Monday, November 27, 2006 3:51 PM
o: King, Ronald A.
c: Stephen Buda
ubject: RE: EDS permit application

ust let me know when you are interested in meeting and I can check against my calendar. My office hours are generally 8:30 a.m. to 5:00 p.m. Monday-Thursday.

onda L. Blayer, Environmental Engineering Specialist Hazardous Waste Management Unit
azardous Waste Section Waste and Hazardous Materials Division Michigan Department of
nvironmental Quality Constitution Hall - Atrium North P.O. Box 30241 Lansing, MI 48909

h: 517-373-9548
ax: 517-373-4797
-mail: blayer@michigan.gov

>> "King, Ronald A." <RKing@ClarkHill.com> 11/27/2006 11:02 AM >>>

onda - Thanks for the prompt follow-up. As you may recall, I represent the Police and Fire Retirement System of the City of Detroit. I may be able to find the provisions of the application I am looking for from the copy maintained in Romulus. We are trying to quickly and comprehensively address the staffing concerns raised in your October 20, 2006 letter. Also, I apologize for the phone tag over the past week.

would like to set a time to meet or speak with you regarding the appropriate process for transfer or modification of the license in light of recent events involving EDS. Thank you for your assistance.

onald A. King
lark Hill PLC
12 East Grand River Avenue
ansing, MI 48906
h. 517-318-3015
ax 517-318-3099
obile 517-449-2860
king@clarkhill.com

-----Original Message-----

rom: Ronda Blayer [mailto:blayer@michigan.gov]
ent: Monday, November 27, 2006 9:34 AM
o: King, Ronald A.
c: Stephen Buda
ubject: Re: EDS permit application

ve Sliver forwarded me your e-mail inquiry. I am the DEQ contact relative to the EDS, inc. hazardous waste management facility operating license. The application is readily available for your review. If you have some available dates and times, please forward

em to me and I'll see if we have a location available for you to review the information.

onda L. Blayer, Environmental Engineering Specialist Hazardous Waste Management Unit
azardous Waste Section Waste and Hazardous Materials Division Michigan Department of
nvironmental Quality Constitution Hall - Atrium North P.O. Box 30241 Lansing, MI 48909

Phone: 517-373-9548

Fax: 517-373-4797

E-mail: blayerr@michigan.gov

> "King, Ronald A." <RKing@ClarkHill.com> 11/27/2006 8:42 AM >>>
Slivers:

According to the EDS page on the MDEQ website, you are the contact person for purposes of reviewing the EDS permit application at the MDEQ Headquarters in Lansing. I would like to make arrangements to review the application as soon as possible. If you could confirm that you are the appropriate contact person and/or when the application is available for review, it would be greatly appreciated. Thanks.

Ronald A. King

Clark Hill PLC

2 East Grand River Avenue

Lansing, MI 48906

Phone: 517-318-3015

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Mobile: 517-449-2860

rkking@clarkhill.com

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RDD OPERATIONS, LLC
28470 Citrin Drive
Romulus, MI 48174

December 14, 2006

Mr. Steve Buda and Ms. Ronda Blayer
Environmental Engineering Specialist
Hazardous Waste Section
Waste and Hazardous Materials Division
Michigan Department of Environmental Quality
P.O. Box 30241
Lansing, MI 48909-7741

Mr. Thomas Sampson
Environmental Quality Analyst
Waste and Hazardous Materials Division
Southeast Michigan District Office
Michigan Department of Environmental Quality
27700 Donald Ct.
Warren, Michigan 48092-2793

Mr. Raymond Vugrinovich
Geology Specialist
Office of Geological Survey
Michigan Department of Environmental Quality
P.O. Box 30256
Lansing, Michigan 48909-7756

Mr. Walter Danyluk
District Supervisor
Office of Geological Survey
Michigan Department of Environmental Quality
P.O. Box 30242
Lansing, MI 48909-7742

Ms Leslie Patterson, Underground Injection Control Branch
US EPA-Region 5, WU-16J
77 West Jackson Blvd
Chicago, IL 60604-3590

RE: *Environmental Disposal Systems, Inc.*
28470 Citrin Drive
Romulus, Michigan 48174
WHMD-MIR000016055
OGS-Permit 452 Well 1-12; OGS-Permit 453 Well 2-12
UIC-MI-163-1W-C007; UIC-MI-163-1W-C008

INTERIM RESPONSE TO REGULATORY CORRESPONDENCE

Dear Sirs and Madame:

RDD Operations, L.L.C. ("RDD"), as the present manager of the above-reference facility ("Facility"), is submitting this interim response to the regulatory correspondence listed below, including, but not limited to, the Michigan Department of Environmental Quality ("MDEQ") November 28, 2006 Second Letter of Warning and Notice of Noncompliance and the United States Environmental Protection Agency ("EPA") November 20, 2006 Request for Information. This response is not being submitted on behalf of Environmental Disposal Systems, Inc. Rather, as the present manager of the Facility, RDD intends to demonstrate in this response its efforts to address and correct the various compliance issues set forth in the regulatory correspondence in an effort to ensure MDEQ and EPA that proper and prudent actions are occurring at the facility while steps are being taken to develop and implement an appropriate plan and request for transfer of operations of the facility consistent with federal and state statutes and regulations. In some instances, the information requested is not available and/or a more comprehensive response is being developed while the request for license modification and transfer is being prepared.

In the interim, RDD is fully aware the MDEQ suspension of operations and will ensure that the Facility (including the deep disposal wells) is not operated without the appropriate approvals from MDEQ and EPA.

The following regulatory correspondence are addressed below:

Date	Agency	Signatory
October 20, 2006	MDEQ-WHMD	Steve Buda
October 25, 2006	MDEQ-OGS	Raymond Vugrinovich
October 27, 2006	MDEQ-OGS	Walter Danyluk
November 2, 2006	MDEQ-WHMD	George Bruchmann
November 20, 2006	USEPA-Water Division	JoLynn Traub
November 20, 2006	USEPA-Water Division	JoLynn Traub

As there are multiple agencies requesting information that is interrelated and overlaps, this single comprehensive response is being submitted to address, in some manner, all of concerns set forth in the regulatory correspondence. The response is organized according to the chronological dates of the letters.

October 20, 2006	MDEQ-WHMD	Personnel Training Program
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The MDEQ-WHMD identified concerns that staffing of the operations at the facility were not consistent with the information provided in the license application relative to the organization chart, job descriptions and personnel training. MDEQ-WHMD requested that notification be submitted of any changes at the facility that are not

consistent with the operating license application. In the interim, the following information addresses certain of the staffing concerns:

1. Request for updated version of the personnel training program, originally provided as Section 2.110 of the operating license application. Before commencement of operations the positions consistent to those described in Section 2.110 of the operating license application will be filled. The personnel training program is under review and a modification request may be made in the future.
2. List of person holding each of the positions noted in the organization chart will be submitted before commencement of operations.
3. A demonstration of how each person holding each position meets the requisite requirements for the position in the applicable job description will be submitted before commencement of operations.
4. Request for updated information for persons serving as the Facility Emergency Coordinator and Backup Emergency Coordinator and updated Contingency Plan. The current Emergency Coordinator is Paul Wonsack, Interim General Manager and the Backup Emergency Coordinator is John Webb, Plant Manager.
5. Name and qualification of the persons conducting the personnel training. Training has been provided by:

Caroline Depp
Rick Harding

As the request for license modification and transfer are developed, a more detailed and comprehensive list of proposed staff and qualifications will be included in this request. In the interim, Austin Marshall is assisting and consulting with respect to staffing and operational issues at the Facility.

October 25, 2006

MDEQ-OGS

Well Leak and Injectate Loss, Well 2-12
Well Conditions, Well 1-12

MDEQ-OSG visited the Facility on October 23, 2006 and observed a leak in the injectate flow line of well 2-12. Well 1-12 was observed during the same visit and it was noted that the well 'cellar' was nearly filled with water.

1. Request to provide results of the investigation to determine why the gasket failed causing the leak. If the results indicate that contact with the injectate caused the failure then suspend operation of both wells until it is demonstrated that gaskets not susceptible to degradation by the injectate are installed in both wells. The report providing details of this incident, prepared pursuant to Rule 299.2389, is found in Appendix A.
2. If the investigation shows that the leak was not due to gasket failure, provide an explanation for the failure. If the failure was due to mechanical problems, the direction was that use of both wells was to be suspended

until notification in writing that corrective measures had been completed on both wells.

3. Requirement that a procedure to conduct regular visual inspections of the wells when they are in use be implemented. The required procedure should include visual inspection of the well within five minutes of initiating pumping and follow up inspections every half hour while the well was on line. A log of the inspections is to be maintained for the life of the well and available for inspection. A copy of visual inspection plan and log are found in Appendix B.
4. Clarification as to what substance had been injected into well 2-12 from 5 PM October 22 through October 23rd and the nature of the "rinse water" being injected into Well 2-12 is included in the report found in Appendix C.
5. Provide a detailed description of the training and experience of the well operator, specifically in the area of deep injection well operation.

This information will be provided once individuals are retained to fill these positions and prior to the time a request to operate the wells is made.
6. Pump the cellars on a regular schedule that permits no more than 5 inches of water to accumulate. Submit an explanation of why the cellar in Well 1-12 accumulated so much water. A plan to address the liquid accumulation in the cellars is addressed in Appendix C.

**October 27, 2006 MDEQ-OSG Well Leak and Injectate Loss, Well 1-12
Well Conditions, Well 2-12**

MDEQ-OSG visited the site on October 26, 2006 and observed strong, pungent acid odor, hissing sound, and wet floor through the open well house door on Well 1-12. Dead vegetation was observed on the north side of the concrete base of the well house for Well 1-12. Stressed and/or dying grass in front of the well house door for Well 2-12 was observed and it was indicated that the cause was the "brine" leak that occurred on October 23, 2006. Several inches of liquid were observed in the cellar of Well 2-12.

1. Provide a report detailing the cause of the failure of the wellhead on Well 1-12, the nature of the injectate at the time of the failure, and a plan to restore mechanical integrity. The report prepared pursuant to Rule 299.2389 is found in Appendix D.

**November 2, 2006 MDEQ-WHMD Letter of Warning
Suspension of Operations**

1.
 - A. Present a plan on how cleanup of all areas impacted by the releases from the wells observed on October 23 and 26, 2006 will be

accomplished. Sampling of the soils immediately adjacent to the well building has been accomplished. That data is being analyzed and a plan for implementing any remedial action is being developed.

- B. A plan to seal sumps (cellars) is found in Appendix C. The buildings around the wellheads are not intended as containment buildings but rather to provide protection of the wellhead from the weather. With the liquid level monitoring and automatic pump shut off system to be installed it is anticipated that the cellars will provide adequate containment to prevent overflow. To address squirt protection from the wellhead a curtain will be installed around the wellhead to direct any liquid that leaks into the cellar. See Appendix C for details.
 - C. A plan to install a leak detection system with automatic shut offs to prevent conditions that may result in a release is found in Appendix C.
 - D. A plan to provide constant staff monitoring of the well during pumping operations is found in Appendix B.
2. Provide a written report containing all of the information in License FConditions ILL.6.(a)(i)-(iii) to the Chief of WHMD with copies to the cities of Romulus and Taylor and Wayne County. These reports are included in Appendix A and D.
 3. Liquid accumulated in the secondary containments is now removed within 24 hours of detection and is managed in accordance with the requirements.
 4. The contents of the Rinse Wastewater Vault and the Storm Water Run-off Vault are now removed on a daily basis.
 5. Submit a P.E. certification for all repairs and a recertification of the facility's capability of treating, storing, and disposing of hazardous waste as required in Condition I.E.1.g of the license. A P.E. certification will be submitted as part of the request for license modification and transfer.

November 20, 2006 USEPA-Water Notice of Noncompliance
Division MDEQ-OGS

During a site visit on November 2-3, 2006 concerns were identified that included:

- No calibration records or original chart recordings for continuous monitoring instrumentation
- Inadequate level of staffing
- Large discrepancies in the readings of the gauges used to monitor the injection pressure and annulus pressure
- Three separate leaks at or adjacent to the wellhead observed by MDEQ on October 23 and 26, and observed by EPA on November 2, 2006.

Take actions to ensure that records of all monitoring information, including all calibration and maintenance records and all original chart recordings for continuous monitoring instrumentation are complete and available.

1. Ensure that all staff associated with operating the injection wells have completed all required training that the training records are updated. The current level of facility staffing, including job titles, employee names, job descriptions, and training requirements will be provided prior to the commencement of operations.
2. Properly calibrate all gauges that measure the operating conditions that are limited by the UIC permits. Gauge calibration records are found in Appendix E.
3. Submit a signed certification of the completion of the above activities.

October 20, 2006 USEPA-Water Division Request for Information

1. The current level of facility staffing, including job titles, employee names, job descriptions, and training requirements will be provided prior to the commencement of operations. Records of completed training for all employees from January 2006 to present are found in Appendix F.
2. Changes in staffing at in the Facility are detailed in Appendix F.
3. EDS employees at the facility during the leaks were:
 - a. October 23, 2006-Appendix A
 - b. October 26, 2006-Appendix D


4. The following individuals were considered 'trained operators':

Don Anderson
Paul McConnell

Details of the leak associated with Well 2-12 that occurred on October 23, 2006 are found in Appendix A. Details of the leak associated with Well 1-12 that occurred on October 26, 2006 are found in Appendix C.
5. In the future the deep well operator will notify USEPA of permit noncompliance that may endanger health or the environment in accordance with Section I(E)(12)(d)(1) of the UIC permits by phone and facsimile.
6. Copies of the well calibration records and copies of the original chart recordings for continuous monitoring instrumentation required under Section I(E)(9)(a) of the UIC permits are found in Appendix F.
7. The well calibration records recordings were not available during the November 2-3, 2006 inspection because copies had been provided to the EPA contractor and MDEQ representative on October 23, 2006. The originals have not been found, but copies were obtained from the MDEQ representative and are found in Appendix E. It is unclear as to who was asked for the chart recordings during the November 2-3, 2006 inspection. Some of the recordings were filed in the administrative offices, others were stored in the production office. Copies of available chart records are attached in Appendix E.
8. The digital gauges are considered the accurate reading of the injection pressure on both wells. The manual gauge is not used for monitoring purposes. It is not known why the manual gauges were installed.
9. The digital gauges are considered the accurate reading of the annulus pressure on both wells. The manual gauge is not used for monitoring purposes. The reason the manual gauges were installed is not known.
10. There are site gauges on the side of the tanks that store the oil in each annulus system. There are also tank level indicators on the computer monitoring systems, the computer systems was not working for well 2-12 during the second test, it has been repaired.
11. The 'rinse water' that leaked from the wellhead of Well 2-12 of October 23, 2006 is described in Appendix A.
12. RDD is presently functioning in the capacity as facility manager during an interim period. A formal request for permit transfer is being developed.

Given present interim nature of the operations at the Facility, it is not possible for a certification to be made under 40 CFR 270.11(d) or 40 CFR 144.32(d) by a representative of RDD.

Very truly yours,



Paul Wonsack
Interim General Manager
RDD Operations, L.L.C

cc: Rebecca Harvey, Chief, EPA UIC
George Bruchmann, Chief, MDEQ-WHMD
Bruce Waldo, MDEQ-OGS

APPENDIX A
INCIDENT REPORT FOR
OCTOBER 23, 2006
WELL 2-12

INCIDENT REPORT

FACILITY: Environmental Disposal Systems, Inc.
28470 Citrin Drive
Romulus, Michigan 49174
PHONE: 734 946 1000
HW ID: MIR000016055
MDEQ UIC: 453
EPA UIC: UTC-MI-163-1W-C008
WELL: 2-12
OPERATOR: Environmental Disposal Systems, Inc.
OWNER: Remus Joint Venture

DATE: October 23, 2006
TIME: 08:30 (Military Time)
TYPE: Hazardous Waste Release

DESCRIPTION OF EVENT/IMMEDIATE RESPONSE

In preparation of an integrity test to be conducted on Monday, October 23, 2006, tank RT-6 was power-washed and approximately 100 gallons of rinse water was discharged to the filterpress secondary containment vault. The tank was then filled with 15,000 gallons of city water from a source within the plant.

On October 22, 2006 at approximately 17:00 injection into well 2-12 was initiated. Injection continued through the night. At 7:00 on October 23, 2006, Plant Manager, John Webb, inspected the well and found no leaks. He then went to the control room to monitor the well operations through the computer system.

Paul McConnell met with representatives of the US EPA and MDEQ. The group proceeded to the well 2-12. They heard noise and saw water coming out the door of the well house. John Webb was contacted to turn off the pumps to the well. Approximately 7,000 gallons remained in tank RT-6.

Paul McConnell and John Webb then opened the door of the wellhouse. They observed water leaking from the bottom of the wellhead. The master valve located down the well was closed, but liquid was still leaking from the wellhead.

The back pressure in the well was 10-11 psi pushing the liquid from the well past the closed master valve to continue the leak from between the well casing and well head.

To repair the leaking master valve and gasket the back pressure in the well had to be eliminated. Brine water was delivered to the site and 3,300 gallons was pumped into the well. The weight of the brine water overcame the backpressure of the well to keep the liquid from flowing upward. This allowed for removal of the well head.

During the brine pumping operation, which lasted approximately 20 minutes, the wellhead continued to leak, causing spillage of the brine water and backflow from the well. When sufficient brine solution was pumped into the well the leak stopped.

A well service company was contacted that came to the site, removed the wellhead and replaced the failed gasket and master valve.

MATERIAL BEING INJECTED/RELEASED

Municipal supplied water from the City of Romulus that had been stored in tank RT-6. Tank RT-6 had been flushed prior to being filled with approximately 15,000 gallons of water from the faucet located inside of the plant.

The liquid released from the well was primarily municipally supplied drinking water. Since some of the liquid that leaked from the wellhead had been injected into the well before leaking from the wellhead, due to the contact rule the liquid released is considered a hazardous waste. The well had previously been injected with wastes that carried the listed hazardous waste codes listed below, the released liquid carried the same codes:

F002, 5, 6, 7, 9, 39
K062
U220

Characteristic codes include:

D001, 4-11, 18, 39, 40

The quantity of liquid released, including municipal water, back flow from the well, and brine, is estimated to be 2,000 gallons.

INJURIES

There were no injuries associated with this incident.

PERSONS ON SITE DURING INCIDENT

Operations Staff

John Webb-Plant Manager

Paul McConnell-Well Operator

Arron Moody-Process Technician

Robert Meserschmidt-Laboratory Director

Regulatory Agency

Charles E. Brown-EPA Contractor

Raymond Vugrinovich-MDEQ OGS

Administrative Staff

Paul Wonsack-Sales & Marketing Manager

Karen Kapala-Customer Relations Manager

CAUSE OF INCIDENT

The leak was caused by failure of the stainless steel gasket ring located between the well casing and well head. The failure of the stainless steel gasket ring was caused by injection of ferric chloride waste stream.

CORRECTIVE ACTION

The stainless steel gasket ring replaced with a Teflon coated stainless steel gasket at approximately 19:30 the same day.

Well 1-12 had an extra valve on the top of the well head. This valve was removed from well 1-12 and used to replace the leaking master valve on well 2-12.

Soil samples to define the extent of contamination have been collected and analyzed. Evaluation of the results indicates that the contaminant concentrations are below background. A plan to excavate the surface soil, backfill and re-seed is being prepared.

APPENDIX B
WELL HEAD VISUAL INSPECTION PLAN

WELLHEAD MONITORING PLAN

WELLHEAD MONITORING

During injection operations a qualified wellhead operator is onsite monitoring well conditions from the control room.

VISUAL INSPECTION

During injection operations the wellhead of each well will be inspected on a regular basis and a record of these inspections will be maintained.

Within five minutes of initiating liquid injection the well head will be visually inspected by entering the wellhouse. After the initial inspection the wellhead is inspected every 30 minutes. If any leakage, air or liquid, shut down of the injection operation will be initiated.

If the liquid being injected is considered corrosive or a health concern municipally supplied water will be flushed through the piping. After 5 minutes of supplied water flush the pumps will be shut down. If the liquid being injected is not considered a hazard then the pumps can be shut down immediately.

After the injection pumps are shut down, if it is safe to enter the wellhouse then the master valve on the well is closed.

In the event that video cameras that deliver a realtime image of the wellhead to the control room are installed the inspections conducted after the initial inspection may be done via camera. The initial inspection, within 5 minutes of initiating injection, must be conducted by visiting the wellhouse, but the subsequent inspections conducted every 30 minutes can be performed using the video camera.

APPENDIX C
PLAN TO ADDRESS
LIQUID ACCUMULATON IN CELLARS

ACCUMULATED LIQUID MANAGEMENT PLAN FOR THE WELL VAULTS

Where each well comes out of the ground there is a circular concrete well vault. The dimensions of vault for well #1 are depth: 55" x diameter: 85" and well #2 is depth 51.5" and diameter: 85". The respective capacities are Well #1: 1,350 gallons and Well #2 1,275 gallons. Around each well vault is a concrete slab. The concrete slab provides a hard surface to work on the wellhead and is the floor of the wellhouse. The dimensions of the concrete slabs are 148" X 217.5" X 28" and 148" x 264.5"x 26", respectively. On top of the concrete slab is the wooden wellhouse that protects the wellhead from the weather.

The concrete well vault and concrete slab were poured at different times and the joint between them was not sealed.

The groundwater in the area is approximately 95 feet below surface. It is considered that surface water runoff from the surrounding grassy area flows under the concrete slab and through the joint between the well vault and concrete slab into the well vault.

PREVENTION OF INFILTRATION

The joint between the well vault and slab is being evaluated by a contractor. A final implementation plan will be developed by January 15, 2007. It is expected that the sealing process will eliminate the infiltration of liquid from outside the well vault. In the event that liquid accumulates in the well vault from infiltration it will be pumped out and managed with the stormwater that is injected into the wells.

HIGH LEVEL MONITORING SYSTEM

A liquid level monitoring system with high level shut off is planned to be installed in each of the well vaults prior to the commencement of operations. A high level alarm, to be set at 2 inches with notification to the operator in the control room that there is an accumulation of liquid. A high-high level set at 5 inches will shut down the injectate pumps.

In the event that liquid, from any source, is detected in the well vaults above 5 inches the pumps that inject liquid into the wells automatically be shut down. The source of the accumulated liquid will be identified, the liquid removed and managed accordingly.

SQUIRT PROTECTION

Around each wellhead a curtain system including a structure to support and a curtain will be installed. The curtain will hang from ceiling above the wellhead to approximately 6" into the well vault, below the well vault/slab joint. Liquid that is released from the wellhead will be directed into the well vault and the high level shut off system will shut down the injection pumps and notify the well operator on-site of a problem.

APPENDIX D
INCIDENT REPORT FOR
OCTOBER 26, 2006
WELL 1-12

INCIDENT REPORT

FACILITY: Environmental Disposal Systems, Inc.
28470 Citrin Drive
Romulus, Michigan 49174
PHONE: 734 946 1000
HW ID: MIR000016055
MDEQ UIC: 452
EPA UIC UIC-MI-1W-C007
WELL: 1-12

OPERATOR: Environmental Disposal Systems, Inc.
OWNER: Remus Joint Venture

DATE: October 26, 2006
TIME: 14:00 (Military Time)
TYPE: Hazardous Waste Release

DESCRIPTION OF EVENT/IMMEDIATE RESPONSE

When the door to the wellhouse for Well 1-12 was opened there was an distinct odor. John Webb immediately closed the door. After retrieving a full-face respirator, John entered the wellhouse and could hear hissing from the plug on the top plate of the wellhead. He then used a pipe wrench to tighten the plug. Since acid was being injected into the well at the time of the incident, the line was flushed with water prior to stopping the injection to prevent injury to repair personnel. The pumps to the well were then shut down. No liquid was released from the wellhead.

MATERIAL BEING INJECTED/RELEASED

The liquid being injected was a mixture of sulfuric acid, nitric acid and water with nickel, chrome and iron. This liquid is considered a hazardous waste for corrosivity (D002) and chrome (D007).

The released material was an sulfuric/nitric acid mist.

INJURIES

There were no injuries associated with this incident.

PERSONS ON SITE DURING INCIDENT

Operations Staff

John Webb-Plant Manager
Paul McConnell-Well Operator
Arron Moody-Process Technician
Robert Messerschmidt-Laboratory Director

Regulatory Agency

Walter Danyluk-MDEQ OGS

Administrative Staff

Paul Wonsack-Sales & Marketing Manager
Karen Kapala-Customer Relations Manager

CAUSE OF INCIDENT

Prior to the October 23, 2006 incident with well 2-12 there has been an extra valve assembly on the wellhead for well 1-12. The extra valve had been removed to replace the master valve on well 2-12. The 2-inch opening left in the top plate of well 1-12 was plugged using a 2-inch carbon steel plug that was not designed for high pressure applications.

CORRECTIVE ACTION

The plug used to close the hole left by the removed valve was replaced with a plug designed for high pressure applications.

No material spilled onto the ground, therefore there is no need for a cleanup.

APPENDIX E
GUAGE CALIBRATION RECORDS
And
AVAIABLE CHART RECORDINGS

J O Well Service
6825 Lea Pick Drive
Mount Pleasant, MI 48858

October 22, 2006

Verification of Annulus Pressure Transducer Calibration


EDS 2-12 Annulus Transducer

Instrument Make: Rosemount
 Instrument Model #: 300S1AFM5
 Instrument Serial #: 0058975
 Instrument Range: 0-4000 psig
 Allowable Variance (0.5%): 20 psig

Test Gauge Make: ~~Well Test Solutions~~ *Falcon*
 Test Gauge Model #: ~~EMR-300~~ *Electronic Deadweight*
 Test Gauge Serial #: ~~9842~~ *30175*
 Test Gauge Calibration Date: ~~8/23/03~~
 Test Gauge Range: ~~0-5000 psig~~ *0 - 5000.0 psig*
 Test Gauge Accuracy: ~~0.05%~~ full scale

Test Pressure psig	Instrument Reading psig	<i>Falcon D.W.</i> EMR-300 Reading psig	Variance psig
200	192	193.9	1.9
400	400	401.5	1.5
600	616	618.1	2.1
800	833	835.3	2.3
1000	974	975.2	1.2
1200	—	—	—

Certified by:


 Timothy R. Auker

J O Well Service
6825 Lea Pick Drive
Mount Pleasant, MI 48858

October 22, 2006

Verification of Annulus Pressure Transducer Calibration

EDS 1-12 Annulus Transducer

Instrument Make: Rosemount
 Instrument Model #: 300S1AFM5
 Instrument Serial #: 0058973
 Instrument Range: 0-4000 psig
 Allowable Variance (0.5%): 20 psig

Test Gauge Make: ~~Well Test Solutions~~ *Falcon*
 Test Gauge Model #: ~~EMR 300~~ *Electronic Deadweight*
 Test Gauge Serial #: ~~9847~~ *30175*
 Test Gauge Calibration Date: ~~04/03/03~~
 Test Gauge Range: ~~0-6000 psig~~ *0 - 5000.0 psig*
 Test Gauge Accuracy: ~~0.004%~~ *full scale*

Test Pressure psig	Instrument Reading psig	<i>Falcon D.W.</i> EMR 300 Reading psig	Variance psig
200	214	214.6	0.6
400	423	424.5	1.5
600	612	613.1	1.1
800	814	814.3	0.3
1000	1001	1002.6	1.6
1200	—	—	—

Certified by:

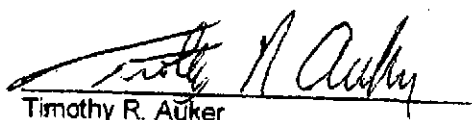

 Timothy R. Auker

CHART RECORDER DISCS

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APPENDIX F
EMPLOYEE SUMMARY
TRAINING RECORDS

Employee Summary

NAME	POSITION	START DATE	TERMINATION DATE
Don Anderson (Contractor)	Deep Well Operator	1/2006	6/30/2006
Karen Kapala	Customer Relations Mgr	4/3/2006	12/08/2006
Yaser Mahmoud	Operations Manager	3/2006	10/2006
Austin Marshall (Contractor)	General Manager		
Paul McConnell (Contractor)	Deep Well Operator	12/2005	10/31/2006
Rob Messerschmidt	Laboratory	3/6/2006	Present
Aaron Moody	Process Technician	9/1/2006	Present
Wandra Rasberry	Receptionist	9/2005	3/2006
Terrance Tresvant	Process Technician	1/10/2006	Present (Medical)
John Webb	Plant Manager		Present
Paul Wonsack	Interim General Manager Sales & Marketing	1/28/2006	Present

Employment dates are estimated, EDS employee records are no longer available.

EMPLOYEE TRAINING RECORDS

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PER THEIR REQUEST

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14



Paul Wonsack <pwonsack@gmail.com>

Chart Recorders

1 message

Paul Wonsack <pwonsack@gmail.com>

To: Rziznik.Dana@epamail.epa.gov

Wed, Dec 27, 2006 at 9:18 AM

Dana,

These are the calibration settings for the three chart recorders:

Well #1 and Well #2 Chart Recorders:

Channel #1: Well Injection Pressure 0-1500 psi

Channel #2: Well Annulus Pressure 0-1500 psi

Channel #3: Well flow rate 0-200 gpm

Channel #4: Annulus Tank Level 0-50"

Local Control Panel #6 Chart Recorder:

Channel #1: Well pH level 0-15 pH

Channel #2: Well #1 Monthly Volume 0-5,000,000 gallons

Channel #3: Well #2 Monthly Volume 0-5,000,000 gallons

Channel #4: Spare

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CLARK HILL
PLC
ATTORNEYS AT LAW

212 East Grand River Avenue
Lansing, Michigan 48906
Tel. (517) 318-3100 ■ Fax (517) 318-3099
www.clarkhill.com

Ronald A. King
Phone: (517) 318-3015
E-Mail: rking@clarkhill.com

January 8, 2007

VIA ELECTRONIC MAIL AND U.S. FIRST CLASS MAIL

Ms. Ronda Blayer
Environmental Engineering Specialist
Hazardous Waste Section
Waste and Hazardous Materials Division
Michigan Department of Environmental Quality
525 W. Allegan
P.O. Box 30241
Lansing, Michigan 48909-7973

Re: *Former Environmental Disposal System, Inc. Facility – 28470 Citrin Drive,
Romulus, Michigan – Interim Status Report/ Notice of Proposed Operating
License Transferee*

Dear Ms. Blayer:

As you are aware, Clark Hill PLC represents the Police and Fire Retirement System of the City of Detroit (the "Board") and its wholly owned subsidiary, RDD Investment Corp. ("RDD") with respect to the hazardous waste management facility located at 28470 Citrin Drive, Romulus, Michigan (the "Facility"). ~~Please find attached to this letter, an Interim Status Report and Notice of Proposed Operating License Transferee.~~ The purpose of this report is, in part, to keep the Michigan Department of Environmental Quality ("MDEQ") and Environmental Protection Agency ("EPA") informed on the progress of various actions with respect to the Facility. Specifically, the report provides notice of the proposed licensee transferee and sets forth a tentative plan for preparation and submission of a request for license modification and for transfer of ownership and operation of the Facility which will be made in accordance with applicable federal and state statutes and regulations.

Additionally, this report briefly summarizes recent work performed at the facility to address the issues identified by DEQ and EPA in various agency correspondences from October and November of 2006. As you may recall, the Facility is presently under the control of RDD Operations, LLC ("RDD Operations"). RDD Operations is managing the Facility during the interim shut-down period while RDD finalizes arrangements for the transfer of Facility operations. Moreover, it is anticipated that any issues set forth in the regulatory correspondence which were not addressed in the RDD Operations submittal of December 14, 2006, will be

5373138.1 14893/111688

Detroit, Michigan ■ Birmingham, Michigan ■ Lansing, Michigan ■ Grand Rapids, Michigan

CLARK HILL PLC

Ms. Ronda Blayer
Environmental Engineering Specialist
Hazardous Waste Section
Waste and Hazardous Materials Division
Michigan Department of Environmental Quality
January 8, 2007
Page 2

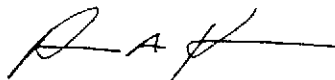
addressed as part of the request for modification and transfer of ownership or operation or in a supplemental submission prior to the formal request for transfer.

Consistent with our meeting on December 7, 2006, I am transmitting this information to you with the understanding that you will circulate this letter and the report as appropriate. Additionally, we welcome any comments from the DEQ with respect to the license transfer process.

Please do not hesitate to contact me if you have any questions related to this matter.

Very truly yours,

CLARK HILL PLC



Ronald A. King

RAK:kmt

INTERIM STATUS REPORT

NOTICE OF PROPOSED OPERATING LICENSE TRANSFEREE

Hazardous Waste Management Facility
Site ID No. MIR 000016055
Romulus, Michigan

The following report: 1) furnishes notice of the proposed transferee of the Hazardous Waste Management Facility Operating License for the Romulus, Michigan Hazardous Waste Management Facility (Site ID No. MIR 000016055); 2) provides a brief summary of the plan for the anticipated request for modification of the license requesting transfer of ownership and operation pursuant to R 299.9522, R 299.9519(5) and Condition I.E.1(i) of the license; and 3) briefly details recent activities at the facility.

Proposed License Transferee

Environmental Geo-Technologies LLC ("EGT")
1216 Beaubien
Detroit, Michigan 48226

EGT is owned by RP Acquisition, LLC and Austin Marshall;

RP Acquisition, LLC is owed by Dimitrios (Jim) Papas;

EGT is tentatively expected to be the owner and operator of the facility.

Tentative Transfer Plan

EGT is in the process of completing the appropriate documentation for transfer of owner and/or operator of the following existing permits for the facility:

- ~~EPA deepwell permits for well 1-12 and 2-12~~
- DEQ deepwell permits for well 1-12 and 2-12
- DEQ Fire Marshal Permit
- DEQ Air Permit
- DEQ Storm Water Discharge Permit
- DEQ Site Identification Authorization

In addition, EGT is reviewing the licenses and preparing requests and/or notice of license modification (as applicable) related to the following:

- Health and Safety
- Spill Prevention
- Dust Control
- Security
- Waste Analysis

- Sampling and Analysis
- Closure
- Inspection
- Contingency

A Disclosure Statement, applicable Insurance Certificates, and a Closure Bond on behalf of EGT are also being prepared and/or obtained.

Stantec Consulting Michigan Inc., the original plant design engineering company is performing engineering review of the facility for the purpose of providing written certification for all repairs and recertification of the facility's capability of treating, storing, and disposing of hazardous waste in compliance with Part 111 of the Natural Resources and Environmental Protection Act, the applicable administrative rules and Condition I.E.1 (g) of the license.

The proposed operations team for EGT will include, but is not limited to, the following individuals:

- Austin Marshall, P.E., Managing Member/ Facility Manager
- Yasir Mahmoud, Environmental Control Manager
- Donald Anderson, Well Operator

Resumes and qualifications for each of these individuals will be provided with the request for license modification for transfer of ownership and operation of the facility. Personnel are being identified to fill additional positions required when the facility returns to operational status. The target date for submission of the request and/or notice of modification of the license for transfer of ownership and operation is February 1, 2007.

Present Operations

The facility is presently managed by RDD Operations, LLC ("RDD"). RDD is serving in this capacity on interim basis pending modification of license transferring ownership and operation to EGT. ~~RDD is working to address any remaining compliance issues identified by the Department of Environmental Quality and Environmental Protection Agency in correspondence from October and November of 2006 and as reported in RDD's December 14, 2006 submittal to DEQ and EPA. RDD is also working to prepare the facility for return to operational status pending applicable regulatory approvals.~~

Facility management is currently as follows:

- Austin Marshall, P.E., Consultant retained on behalf of EGT
- Gil Goode, Administrative Manager
- Paul Wonsack, Assistant Administrative Manager
- Yasir Mahmoud, Environmental Control Manager
- Donald Anderson, Well Operator
- John Webb, Treatment Operator
- Lisa Simon, Clerk
- Rob Messersmith, Laboratory Manager

- Security Personnel

In recent weeks the following activities have occurred at the site in response to MDEQ and EPA concerns:

- Repair work on wells 1-12 and 2-12 completed
- EPA 60 month Well Mechanical Integrity Testing completed 1/3/07
- Roll Off boxes storing hazardous waste removed and properly disposed on 1/3/07
- Implementation of Soils Remediation Plan
- Develop and implement well pump monitoring system
- Regular disposal of accumulated water in storm water vault
- Extensive plant cleaning

A more detailed report of these activities will be presented in a subsequent submittal prior to or in conjunction with the request for license modification to transfer ownership or operation to EGT.

INTERIM STATUS REPORT

NOTICE OF PROPOSED OPERATING LICENSE TRANSFEREE

Hazardous Waste Management Facility
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Romulus, Michigan

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The proposed operations team for EGT will include, but is not limited to, the following individuals:

- Austin Marshall, P.E., Managing Member/ Facility Manager
- Yasir Mahmoud, Environmental Control Manager
- Donald Anderson, Well Operator

Updated resumes and qualifications for each of these individuals will be provided with the request for license modification for transfer of ownership and operation of the facility. Qualifications of each of these individuals were presented as part of the initial license application. Personnel are being identified to fill additional positions required when the facility returns to operational status. The target date for submission of the request and/or notice of modification of the license for transfer of ownership and operation is February 1, 2007.

Present Operations

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