

Atlantic Richfield Company

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September 8, 2009

CERTIFIED – RETURN RECEIPT REQUESTED

Ms. Nadia Hollan Burke
Remedial Project Manager
U.S. Environmental Protection Agency Region 9
75 Hawthorne Street, SFD-8-2
San Francisco, CA 94105

Subject: August 2009 Monthly Report, Yerington Mine Site, Lyon County, Nevada: Administrative Order for Remedial Investigation and Feasibility Study, EPA Docket No. 9-2007-0005; Administrative Order on Consent, EPA Docket No. 09-2009-0010

Dear Ms. Hollan Burke:

Pursuant to the above referenced orders issued by the U.S. Environmental Protection Agency – Region 9 (EPA), please note the following monthly status report for Atlantic Richfield Company (ARC) RI/FS and removal action activities at the Yerington Mine Site (Site) during August 2009.

August 2009 Activities

Operations, Maintenance and Site Security

- Continued routine Site O&M, security and bird deterrent activities including operation of the propane cannons for the Arimetco ponds with the exception of the VLT Pond, as directed by EPA.
- The pumpback well system (PWS) planned 1-year shutdown for hydrogeologic characterization continued. PWS evaporation pond levels: North Cell <1.00 feet (minimum staff gauge level recorded April 16, 2009); Middle Cell = 0 feet; South Cell < 0.1 feet. Uncorrected pan evaporation for the month of August was 14.40 inches; the Site received 0.15 inches of precipitation.
- Arimetco heap leach fluid management system (FMS): 1) total estimated gallons transferred from VLTSP Pond to Evaporation Pond = 324,000 gallons; SSP to Evaporation Pond = 0 gallons; Phase 1 Pond to Evaporation Pond = 0 gallons; 2) Pond levels: Phase 1 Pond = <1.0 foot; Evaporation Pond = 5 feet; VLT Pond = 2.0 feet; Slot 2 Pond = 14.25 feet.
- Procured replacement pump for slot sediment pond. Checked VLT pump operating suction and discharge pressure.
- Completed the grading of primary access roads on the Site.
- Provided new safety orientation for Site visitors or workers.
- Investigated, documented and repaired the vandalized Bird Tower C, and installed locks on the device to prevent a recurrence.
- Escorted domestic goats off the Site on August 7th, and repaired the point of entry fence gap at sewer line gate entrance.

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August 2009 Activities - Continued

Other Site Activities

- Ilka Dinkelman (CH2MHill) and WDC were on Site the entire month completing an ongoing drilling characterization program, which started in July. Ken Greene (CH2MHill), Jim Wright (WDC) and David Seter (EPA) were on Site August 5 to observe EPA drilling activities.
- Fawcett Electric was on Site August 7 to provide a cost estimate for the installation of an electrical transformer that would be used to support Arimetco FMS flow measurements.
- Desert Engineering was on Site August 11-13 to grade the primary access roads and provide access to the oxide tailings for geotechnical testing.
- Black Eagle was on Site August 12 to conduct geotechnical testing of VLT materials.
- Jesse Holth of Rollins Construction was on Site August 24 to pick up 6 cathodes to test their potential for future use.
- Jim Harvey of the USFWS was on Site August 31 to retrieve the aged skeletal remains of a bird from a dry area on the Unlined Evaporation Pond (the cause of this mortality is unknown).

Site Characterization

- Site-wide monthly groundwater elevation measurements were obtained on August 20-21.
- A pit lake water elevation of 4,218.65 feet amsl was recorded on August 26 from the pressure transducer, an increase of 0.02 feet over a 30 day period (since July 26).
- Continued meteorological (Met) monitoring at the AM-6 location including wind speed/direction, temperature, relative humidity, barometric pressure, precipitation and solar radiation.
- Compiled and analyzed domestic well chemical data.
- Continued preparation of the revised air quality monitoring data summary report (AQM DSR).
- Continued revisions to the Human Health Risk Assessment Work Plan for the Inhalation Pathway (HHRA Work Plan).
- Continued compilation of groundwater monitoring data, including monitor and domestic wells for inclusion in the 2Q 2009 monitoring report.
- Continued the evaluation of groundwater data generated from the PWS Characterization Work Plan and the Shallow Zone Characterization Work Plan.
- Initiated the development of the Supplemental PWS Characterization Work Plan to conduct aquifer testing and analysis of pumpback well capture zones.
- Continued Site wildlife surveys.

AOC Removal Actions

- Continued engineering design work for the removal actions associated with the inactive Anaconda Evaporation Ponds. Black Eagle Consulting performed additional geotechnical testing for the south Oxide Tailings borrow area.
- Received EPA comments, and initiated responses to comments, for the following SOW deliverables: 1) draft Site O&M Plan (dated June 9, 2009); 2) draft Evaporation Ponds Removal Action Design Work Plan (dated June 12, 2009; attached to the Anaconda Evaporation Ponds Removal Action Characterization Data Summary Report); and 3) Potential Electrical Hazards Removal Action Work Plan (dated July 24, 2009). Responses to EPA comments and submittal of revised work plans and/or Data Summary Report will be submitted after additional discussions with EPA to be held in September.
- ARC will prepare a work plan to perform X-ray fluorescence (XRF) screening of VLT materials in support of the evaporation ponds removal action.
- Awaiting comments on the draft Process Areas MARSSIM Characterization Work Plan dated June 17, 2009.

Site Issues

- Non-Routine pumping continues from the Slot Pond leak detection sump at a rate of approximately 1.2 gallons per minute (no surface expression of leak evident). Continued operation of SSP Pump at a reduced capacity.
- Precipitation in August restricted access to 'wet areas' within the Lined Evaporation Pond and Sub Area A, resulting in: 1) insufficient time to conduct additional surveying and geotechnical investigations for the evaporation ponds removal action final design; 2) the completion of detailed engineering designs for these pond areas using conservative assumptions; and 3) the need to have the selected contractor perform a survey to establish the basis for payment (i.e., interim cover filled to a pre-established elevation).

Planned September/October 2009 Activities

- ARC notification to EPA of Project Coordinator change from Roy Thun to Jack Oman, effective September 15, 2009.
- Continue routine O&M, site security, and bird deterrent activities.
- Install replacement pump for slot sediment pond.
- Perform the 3Q 2009 groundwater monitoring event, scheduled to start September 13, which includes the sampling of domestic wells from residences along Locust Drive and Luzier Lane.
- Submit analytical results from 2Q 2009 domestic well sampling to EPA for subsequent distribution to the well owners.
- Continue engineering activities associated with the removal action for the inactive Anaconda Evaporation Ponds, including Sub-Area A, and the design for on-Site landfill cells for the management of transite pipe and other Site C&D materials.
- After completing discussions with EPA to resolve issues concerning these documents and further direction and comments from EPA, respond to EPA comments to the draft versions, and prepare final versions of the following AOC/SOW deliverables: 1) Site O&M Plan; 2) Anaconda Evaporation Ponds Removal Action Characterization Data Summary Report and Draft Implementation Work Plan for the Evaporation Ponds Removal Action (update of Evaporation Ponds Removal Action Design Work Plan); and 3) Process Areas MARSSIM Characterization Work Plan (the name and scope of this work plan will be revised per recent discussions). Continue discussions with EPA to resolve outstanding questions regarding these documents.
- As part of conditional approvals for these work plans, submit letters to EPA to clarify outstanding issues associated with the Transite Pipe Removal Action Work Plan (Revision 1) and the Potential Electrical Hazards Removal Action Work Plan, as discussed on a September 2, 2009 conference call with EPA.
- Upon EPA approval of the Transite Pipe Removal Action Work Plan (Revision 1), perform transite pipe inspection and characterization activities including the sampling and analysis of pipe materials and radiometric survey.
- Provide EPA with a landfill design for the placement of tires and administration building debris, as part of a removal action to be conducted by EPA.
- Submit the 2Q 2009 Groundwater Monitoring Report, the Shallow Zone Characterization DSR and the Draft Supplemental PWS Characterization Work Plan. Submit domestic well monitoring data to EPA to distribute to well owners.
- Prepare and submit a technical memorandum to EPA on observed chemical trends associated with domestic wells.
- Submit the AQM DSR and the HHRA Work Plan.
- Continue groundwater elevation and pit lake level monitoring. Continue meteorological monitoring at AM-6.
- Continue discussions with EPA on ARC-proposed modifications to the Process Areas RI Work Plan. Prepare the Process Areas Vadose Zone Characterization Work Plan.

Ms. Nadia Hollan Burke
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If you have any questions or comments, please feel free to contact me at (661) 287-3855 or via e-mail at Roy.Thun@bp.com.

Sincerely,

A handwritten signature in black ink that reads "John Batchelder for". The signature is written in a cursive style.

Roy Thun
Environmental Business Manager

cc: Dave Seter, EPA – via electronic mail
Mike Montgomery, EPA – via electronic mail
Roberta Blank, EPA – via electronic mail
Andrew Helmlinger, EPA – via electronic mail
Tom Dunkelman, EPA – via electronic mail
Joe Sawyer, NDEP – via electronic mail
Tom Olsen, BLM – via electronic mail
Dan Newell, City of Yerington – via electronic mail
Phyllis Hunewill, Lyon County Commissioner – via electronic mail
Dennis Stark, Lyon County Manager – via electronic mail
Justin Whitesides, YPT – via electronic mail
Chairman Emm, YPT – via electronic mail
Dietrick McGinnis, McGinnis and Associates – via electronic mail
Chairman Reymus, WRPT – via electronic mail
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