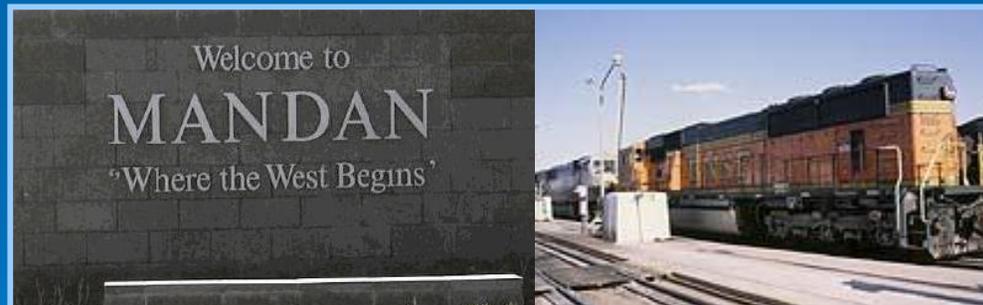


2010 ANNUAL REPORT

REMEDIATION OF HYDROCARBON CONTAMINATION IN DOWNTOWN MANDAN, NORTH DAKOTA



February 1, 2011

LEGGETTE, BRASHEARS & GRAHAM, INC.

2010 Annual Report

- Where did we start in 2010?
- What did we get done in 2010?
- What has been spent so far?
- Where are we going in 2011?



What did we get done in 2010?

- Third full year of full scale system operation
- Optimized system to focus recovery in areas of remaining product
- Ceased MPE mode of remediation in areas where product no longer exists
- Modifications to water treatment system to improve efficiency
- LEC Basement Remediation/Reconstruction
- Public Meeting for Site Strategy Plan



Remediation Recovery Totals

- Liquid Recovery
 - 60,473 (12,950₂₀₁₀) gallons of Diesel
- Vapor Recovery
 - 32,068 (663₂₀₁₀) gallons of solvents, gasoline and diesel
 - 100,868 (6,428₂₀₁₀) pounds of methane
- Bioattenuation
 - 180,938 (22,984₂₀₁₀) gallons of diesel
- TOTAL
 - 2,018,183 (263,733₂₀₁₀) pounds of hydrocarbons

Remediation Recovery Totals

In Gallons, up to January 3, 2011
Except Methane

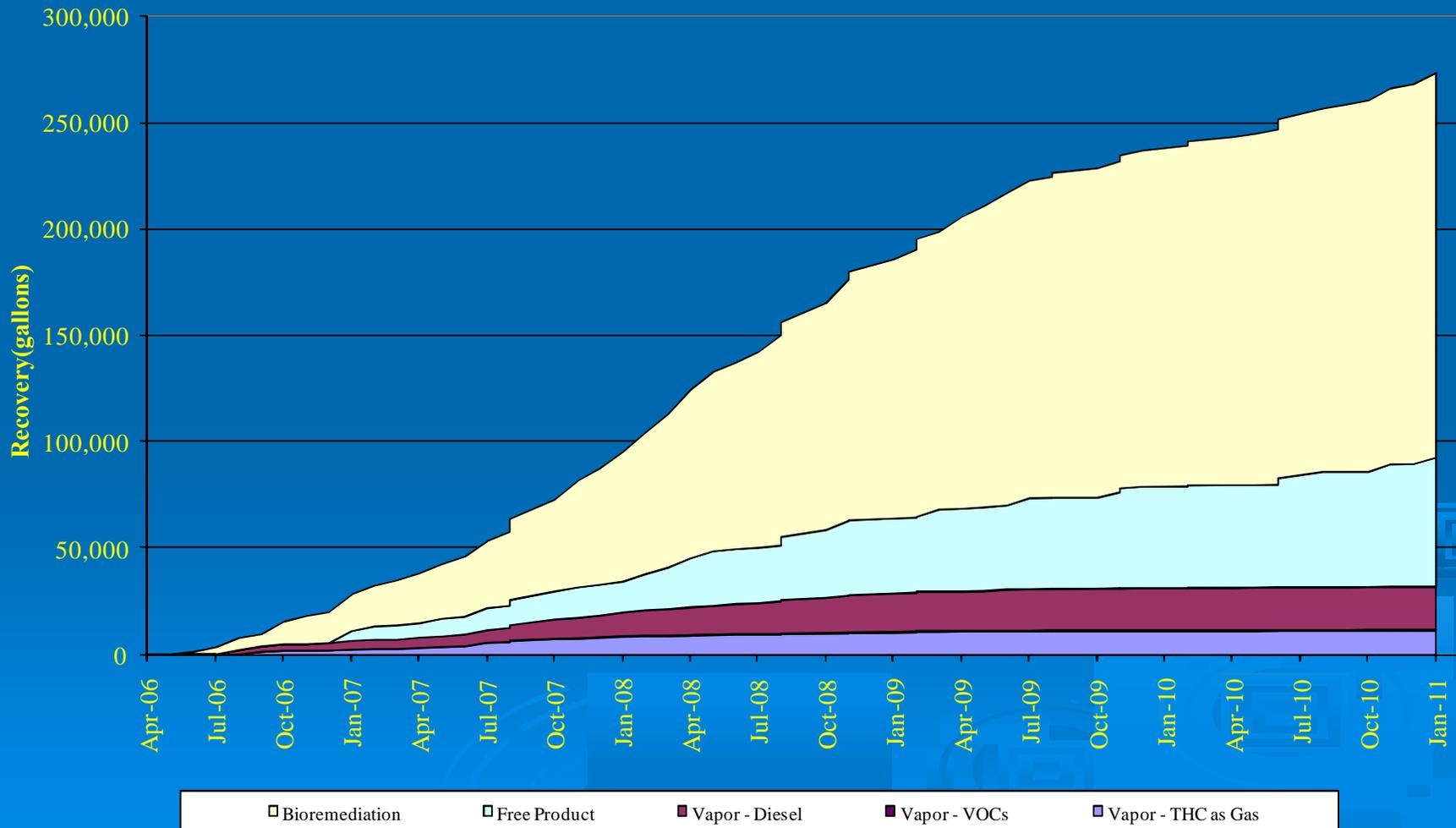
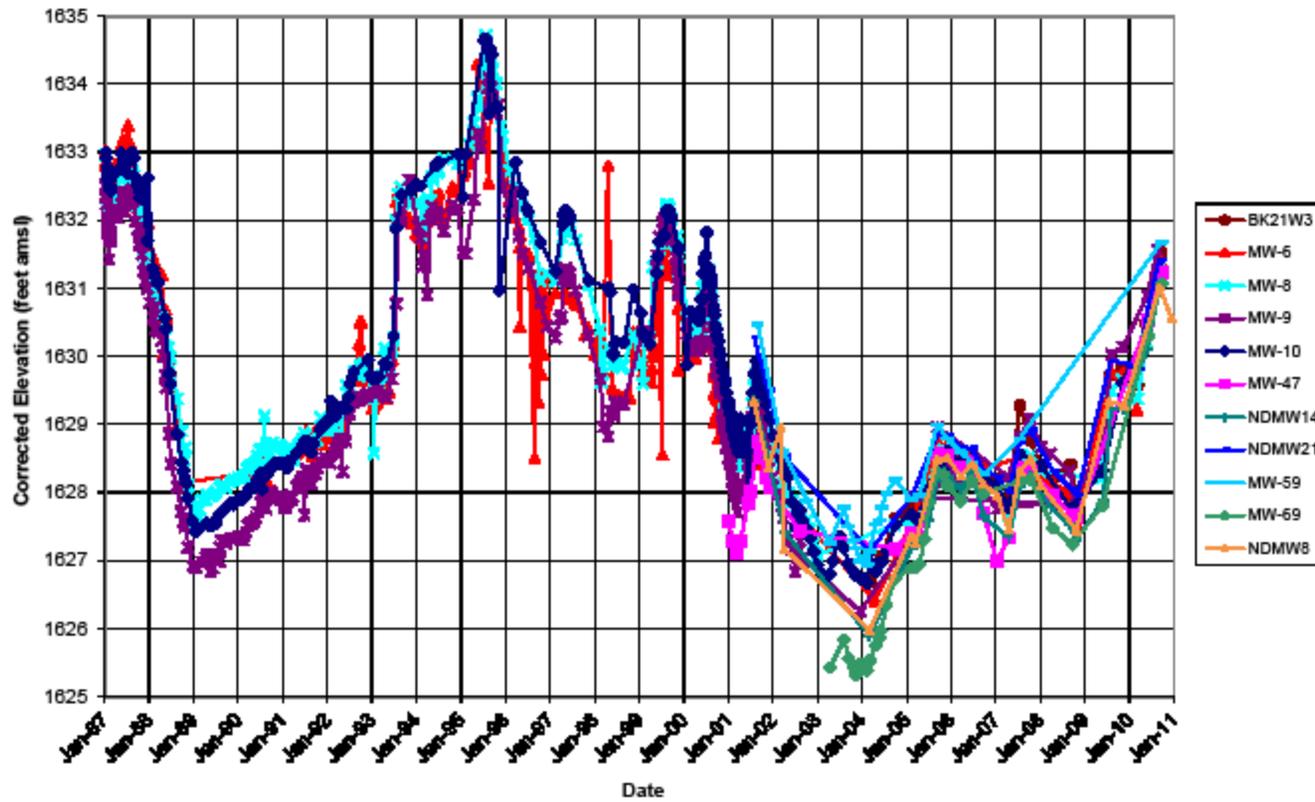
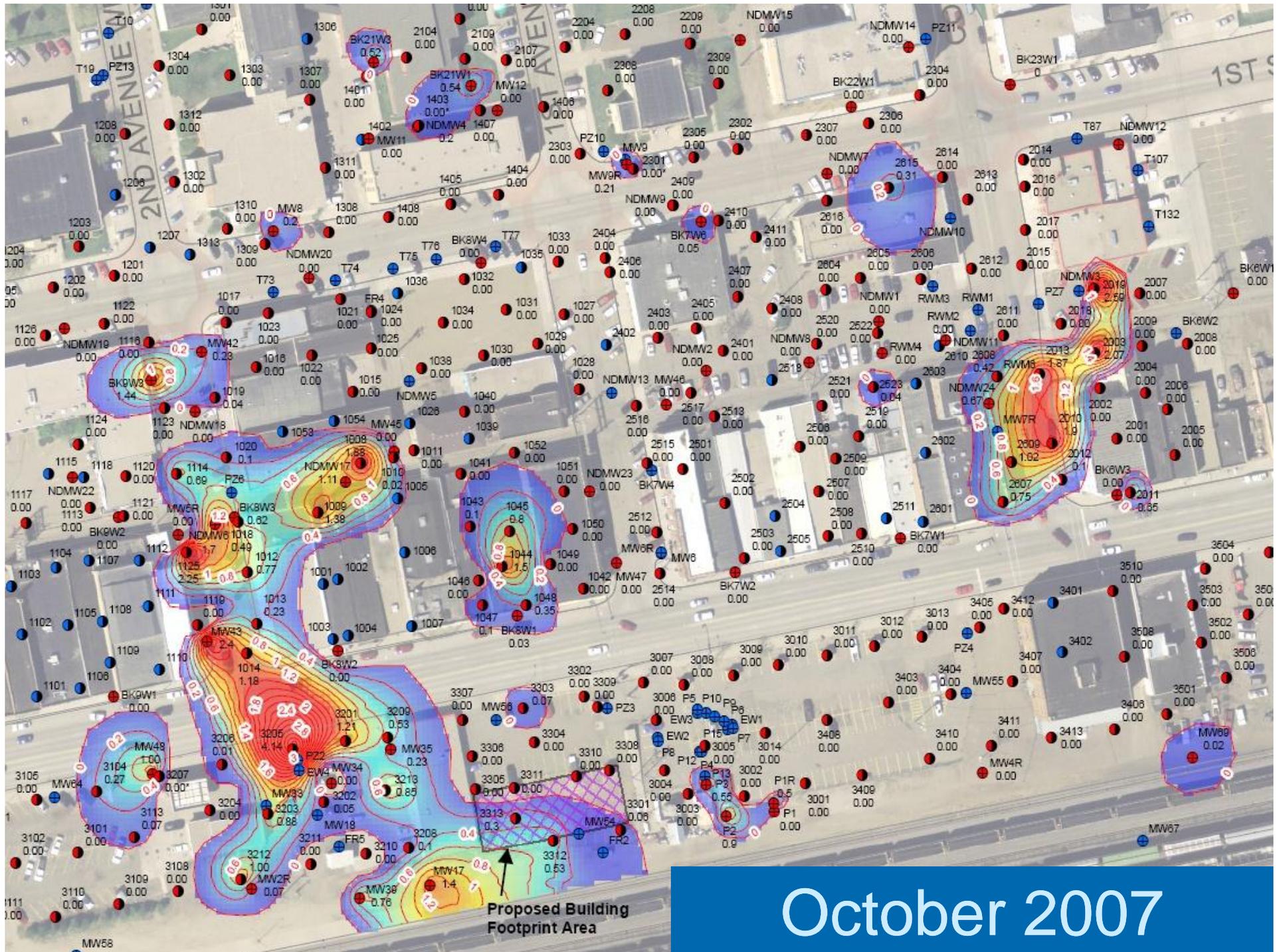


FIGURE 2
 MANDAN REMEDIATION PROJECT
 MANDAN, NORTH DAKOTA
 HYDROGRAPHS (THROUGH DECEMBER 2010)

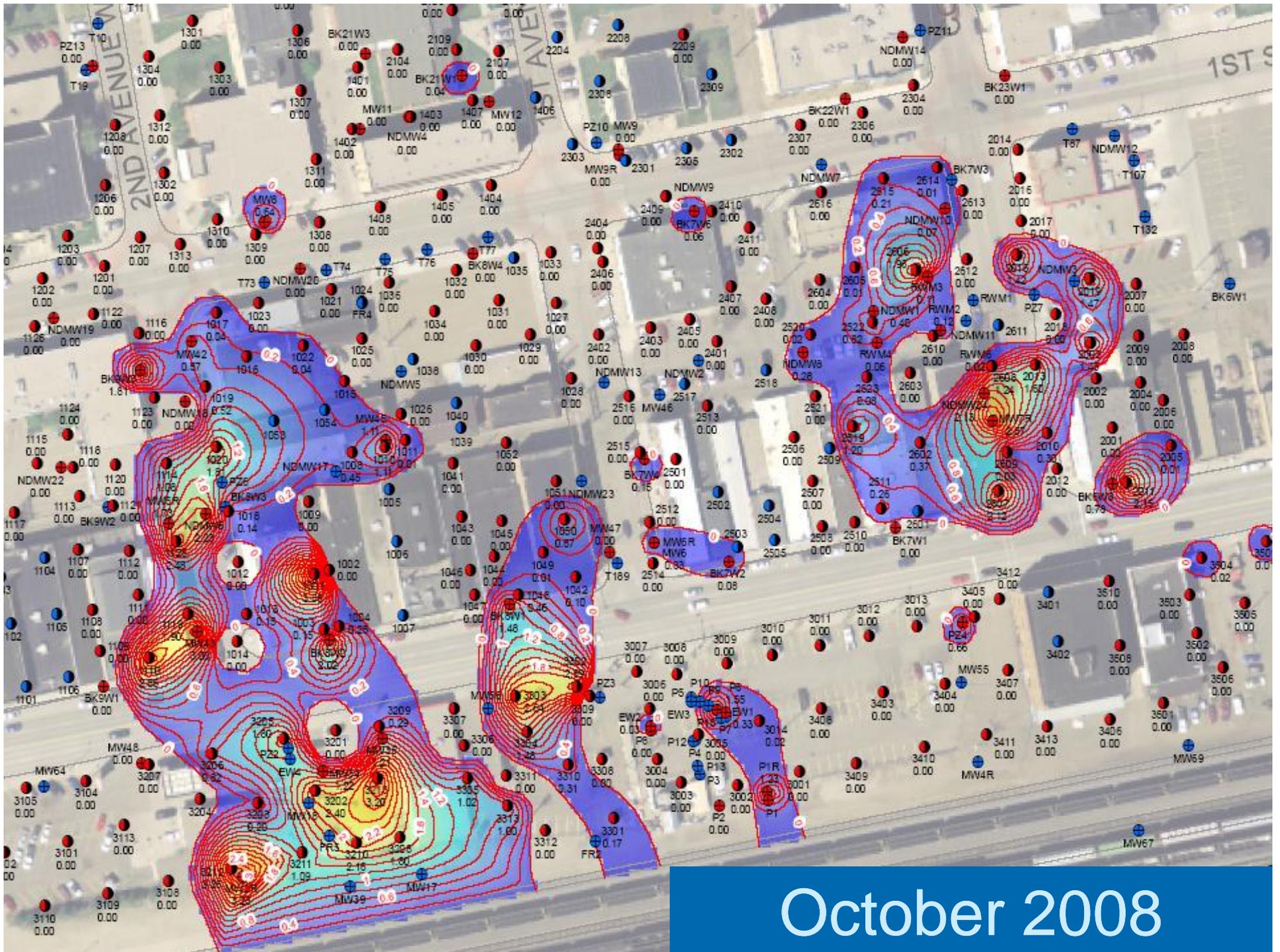


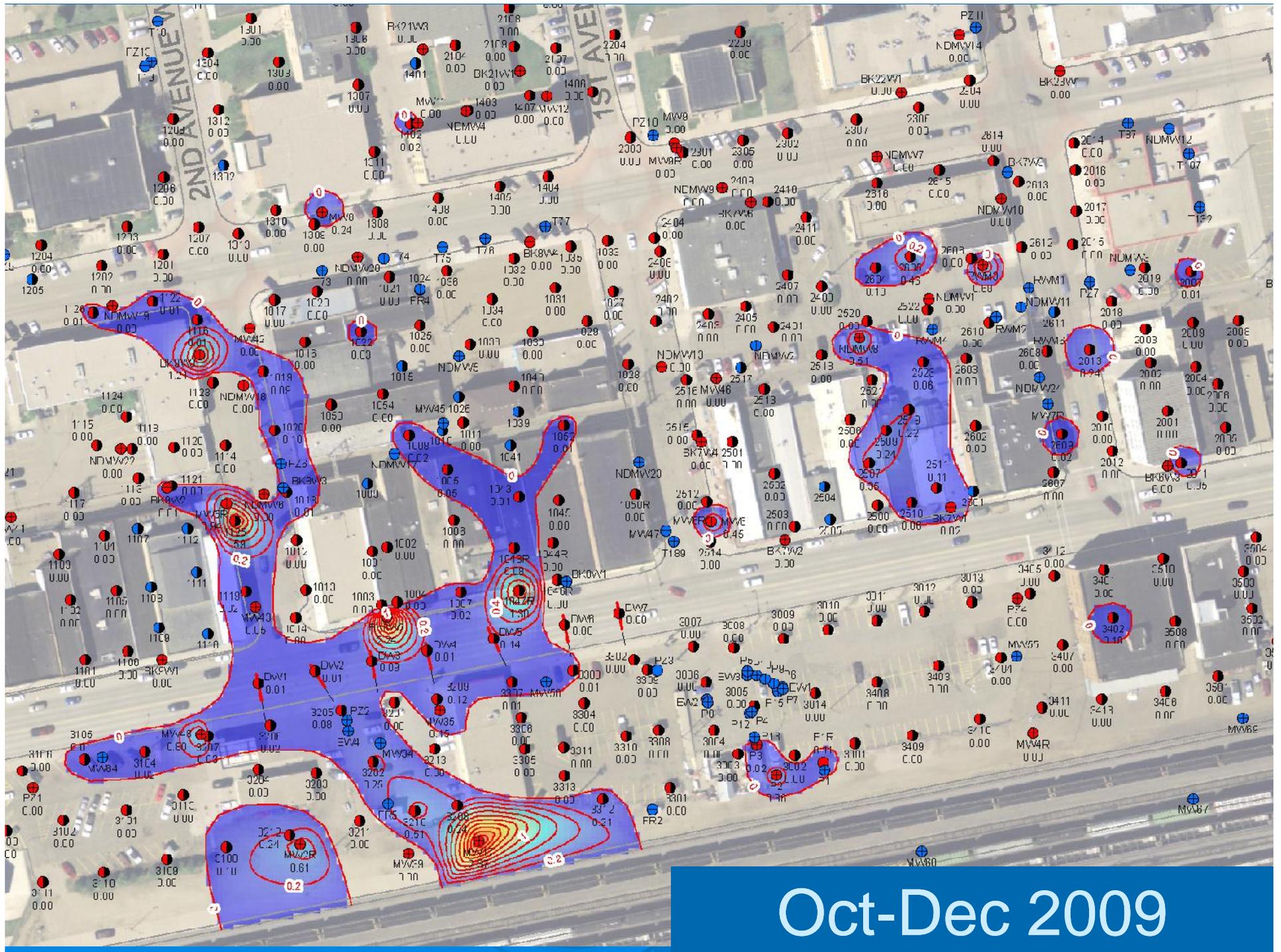
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LEGGETTE, BRASHEARS & GRAHAM, INC.



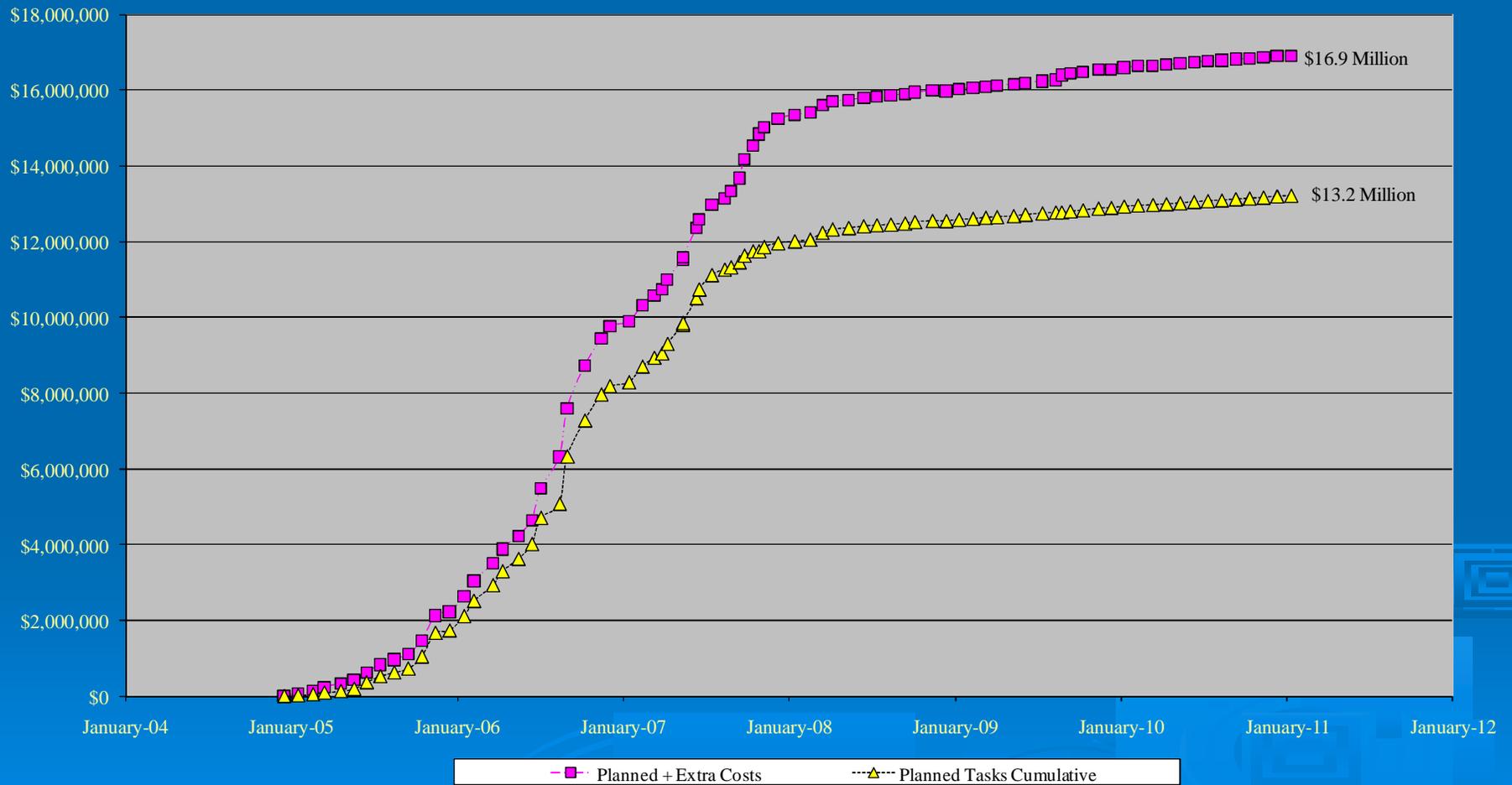
October 2007





Oct-Dec 2009

What has been Spent? Remediation



Overview of System Costs

- Spent to-Date
 - \$16.9 M
- Currently Authorized
 - \$18.2 M; \$124K Outstanding
 - Closed Tasks; \$1.1M
 - 2010 Operation and Maintenance (Under Budget)
- LBG Mark Up Reductions
 - 20 Tasks ¹ \$205.7K

What has been Spent? Subcontractors

- 59 Total Subcontractors - \$13.2M
 - Construction Services \$9.2M
 - “ 18 subs . 13 In-State for \$6.9M
 - Laboratory Services . \$91K
 - “ 8 Subs . 3 In-State for \$3K
 - Drilling - \$1.0M
 - “ 9 Subs . 5 In-State for \$726K
 - Specialized Remedial Eq/Svcs - \$2.0M
 - “ 20 Subs, 9 In-State for \$342K
 - Professional Services - \$850K
 - “ 9 Subs . 7 In-State for \$796K
- In-State Impact . \$8.8M

Where Are We Going in 2011?

- System Operation and Maintenance
- System Efficiency Enhancements
- Continuation of System Shutdown in Completed Areas
- Site Strategy Plan Implementation
 - May lead to formal cessation of active remediation of portions of system where remediation is complete
- Eliminate Fire Station Bay Usage

Future Costs

- O&M (Reduced from 2010)
- System Modifications to Accommodate Development/Completion of Remediation
- Meetings, Project Management

