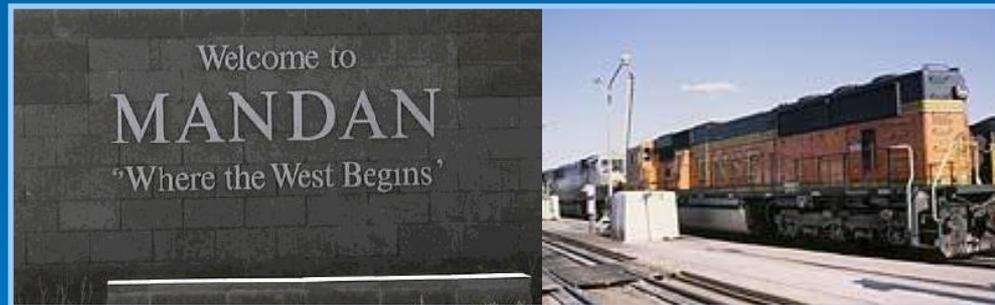


2011 ANNUAL REPORT

REMEDIATION OF HYDROCARBON CONTAMINATION IN DOWNTOWN MANDAN, NORTH DAKOTA



February 21, 2012

LEGGETTE, BRASHEARS & GRAHAM, INC.

2011 Annual Report

- Where did we start in 2011?
- What did we get done in 2011?
- What has been spent so far?
- Where are we going in 2012?

What did we get done in 2011?

- Fourth full* year of system operation
 - *MPE suspended May to Aug due to flooding
 - Focused system recovery in areas of remaining product
 - Ceased MPE mode of remediation in areas where product no longer exists
 - Modifications and maintenance activities to water treatment system to retain efficiency
 - Conducted physical well cleaning and rehabilitation activities to evaluate fouling and to increase system effectiveness
 - Reduced RTO operating temperature to reduce operating cost
- 

2ND STREET NW

3RD AVENUE NW

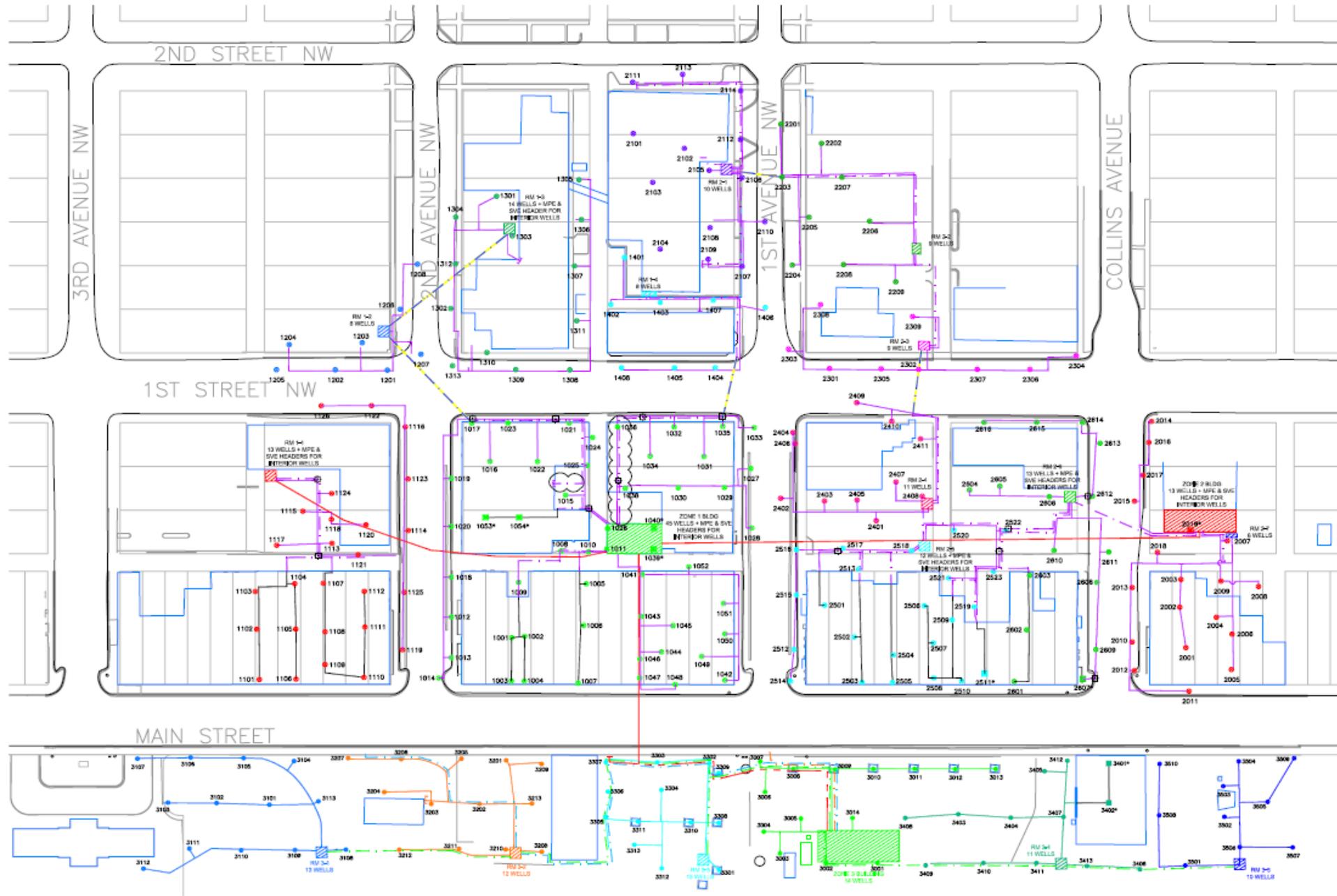
2ND AVENUE NW

1ST AVENUE NW

COLLINS AVENUE

1ST STREET NW

MAIN STREET



Remediation Recovery Totals

➤ Liquid Recovery

- 69,973 (9,500₂₀₁₁) gallons of Diesel

➤ Vapor Recovery

- 32,581 (512₂₀₁₁) gallons of solvents, gasoline and diesel
- 107,248 (6,380₂₀₁₁) pounds of methane

➤ Bioattenuation

- 215,379 (31,380₂₀₁₁) gallons of diesel

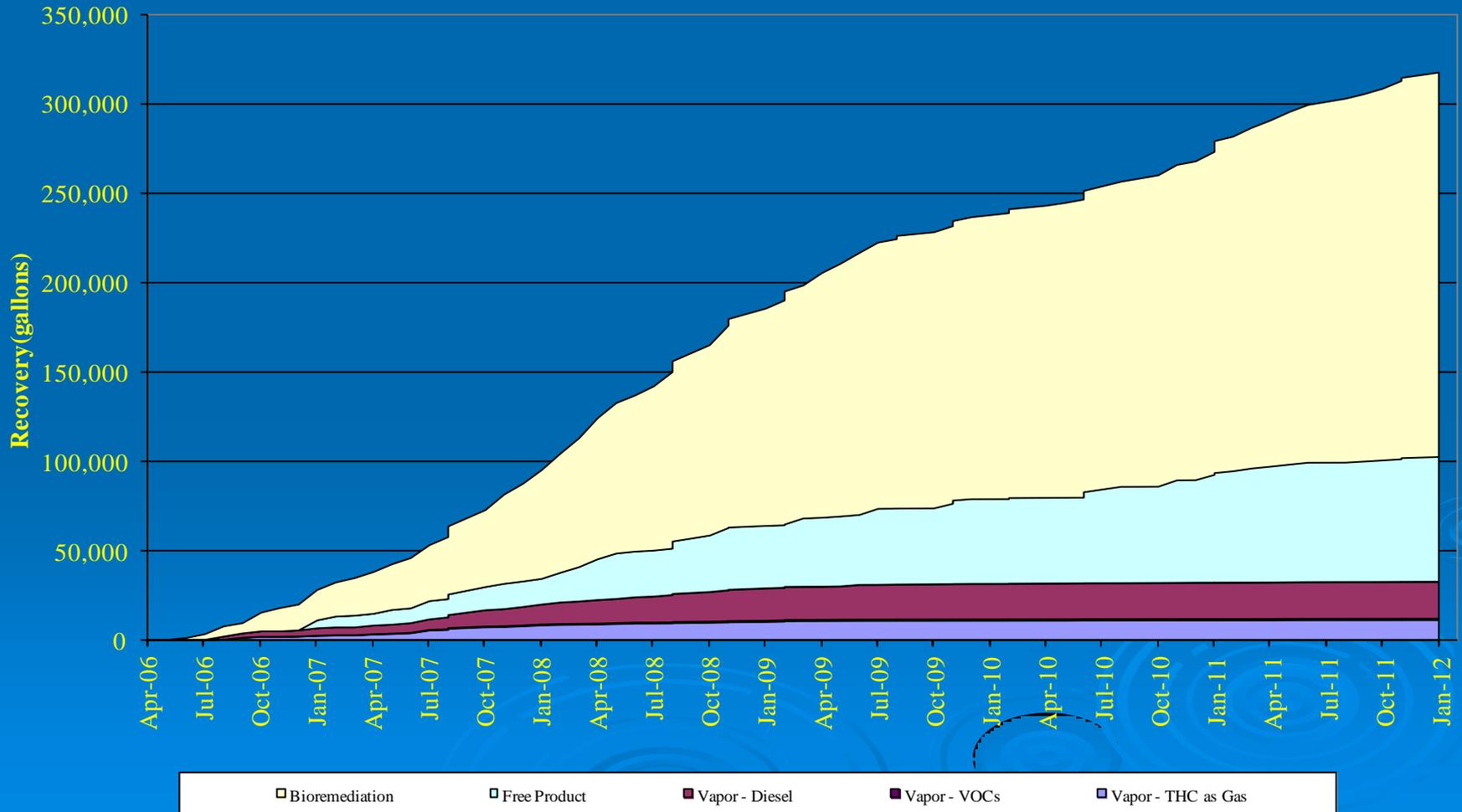
➤ TOTAL

- 2,337,148 (297,435₂₀₁₁) pounds of hydrocarbons

Remediation Recovery Totals

In Gallons, up to January 4, 2012

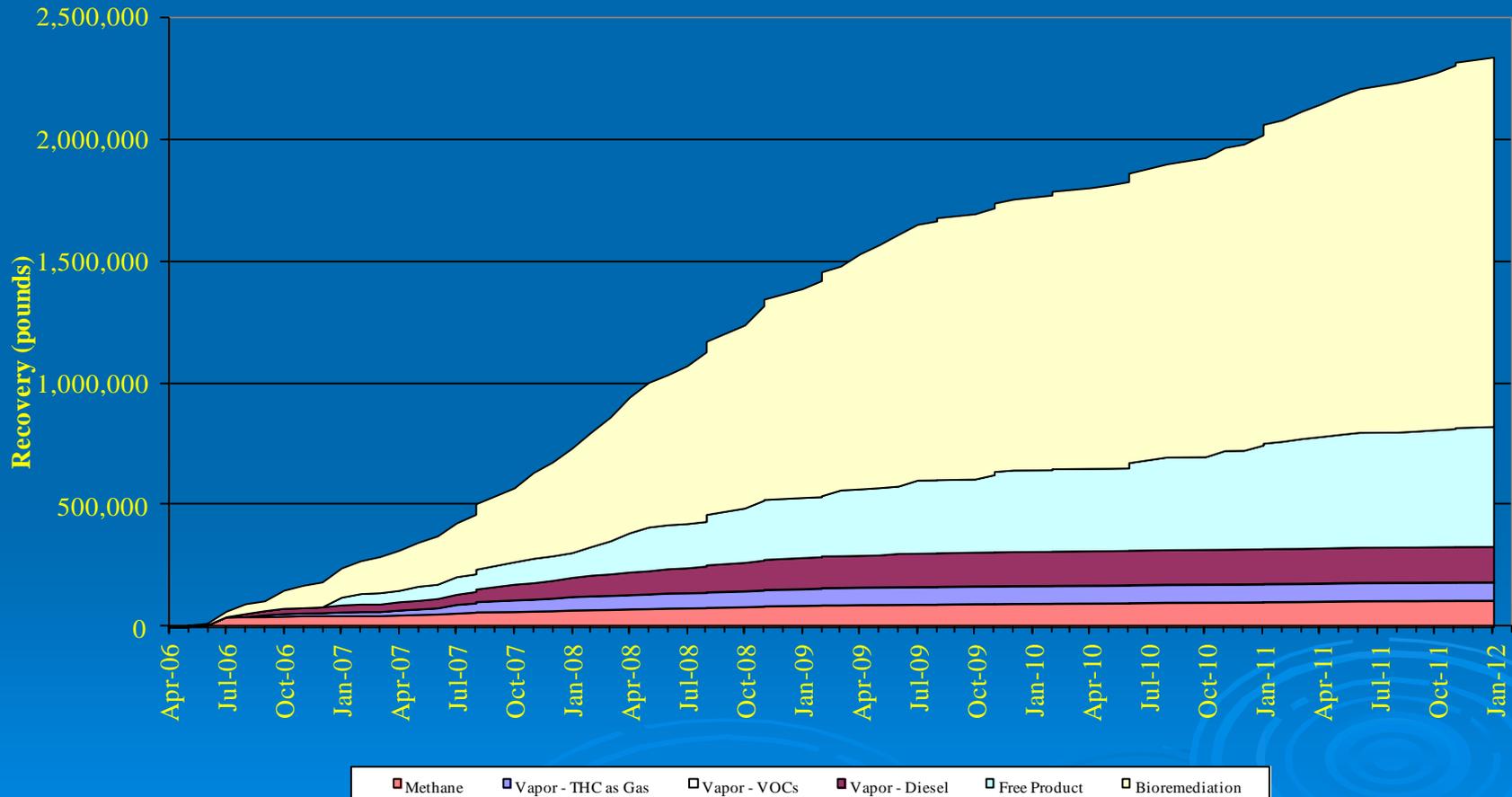
Except Methane

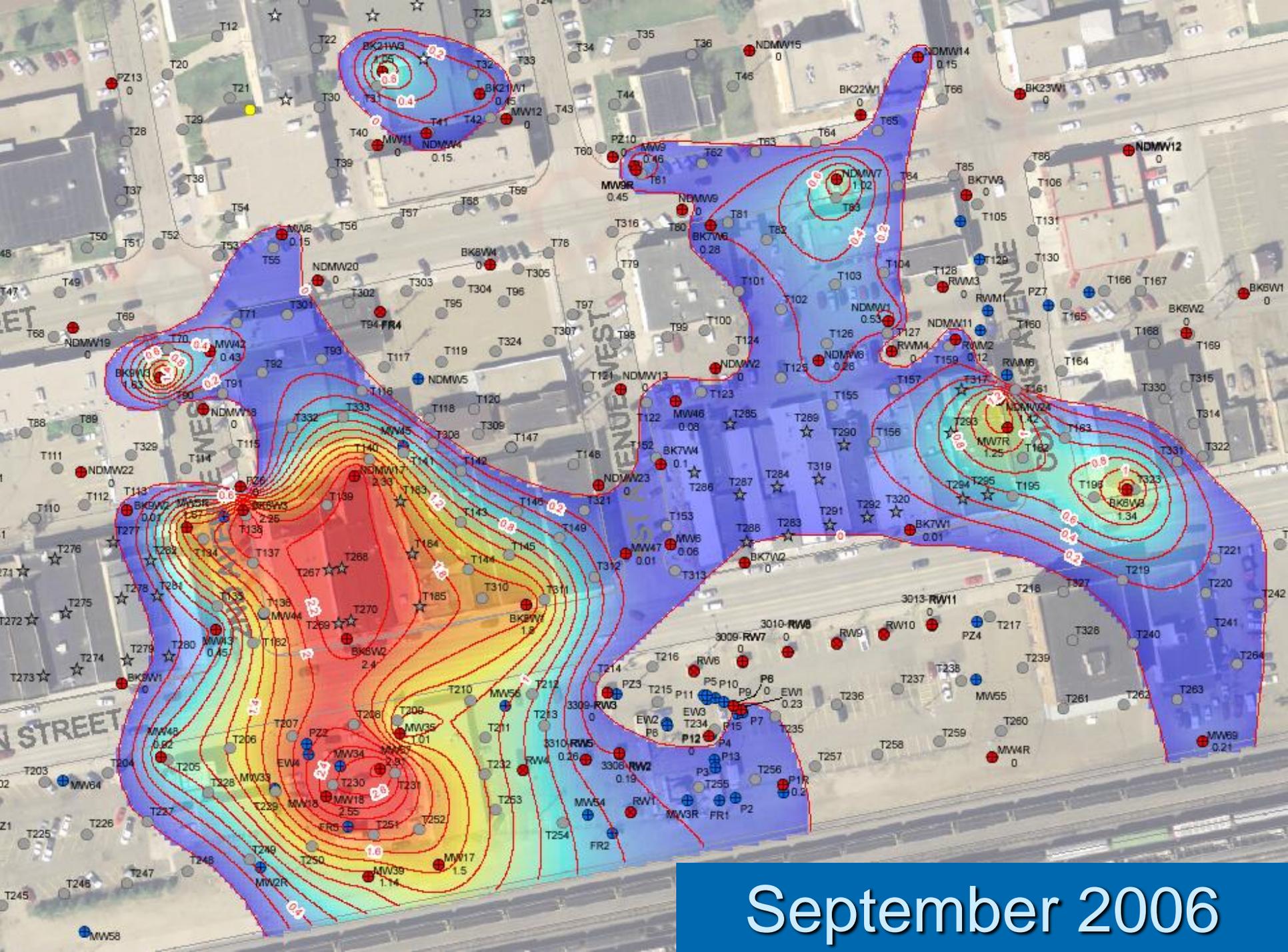


Remediation Recovery Totals

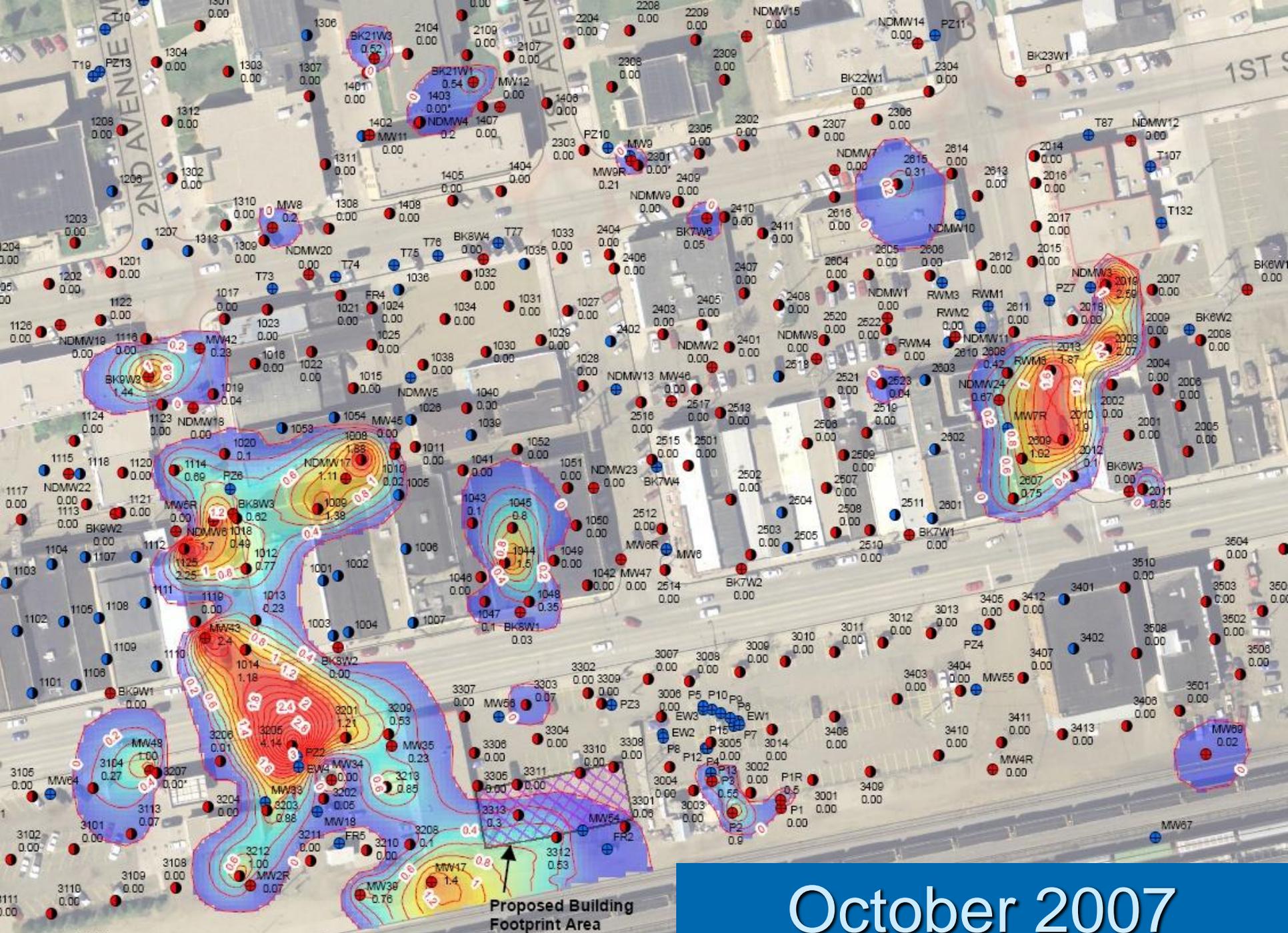
In Pounds, up to Jan 4, 2012

Methane Included



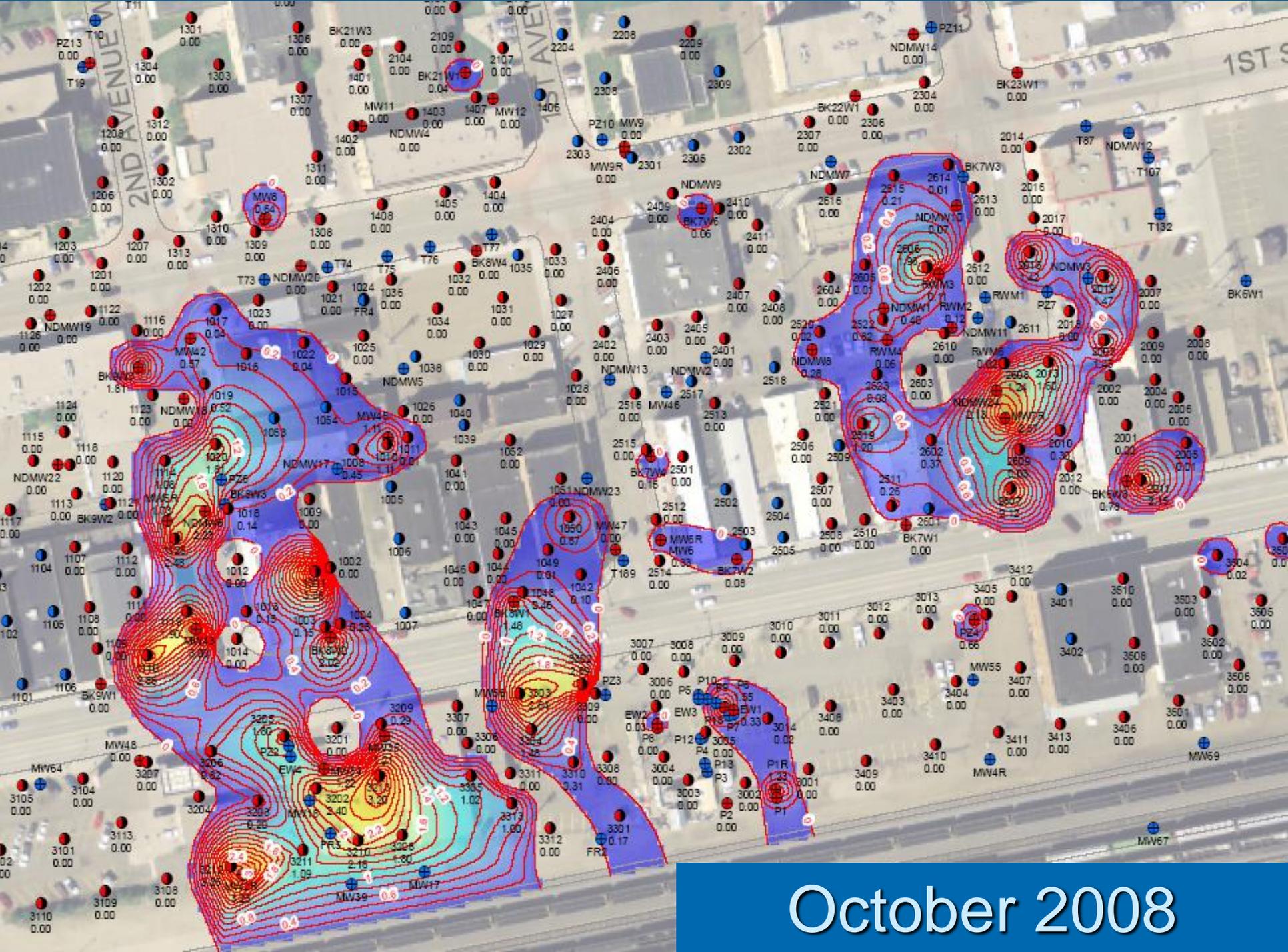


September 2006

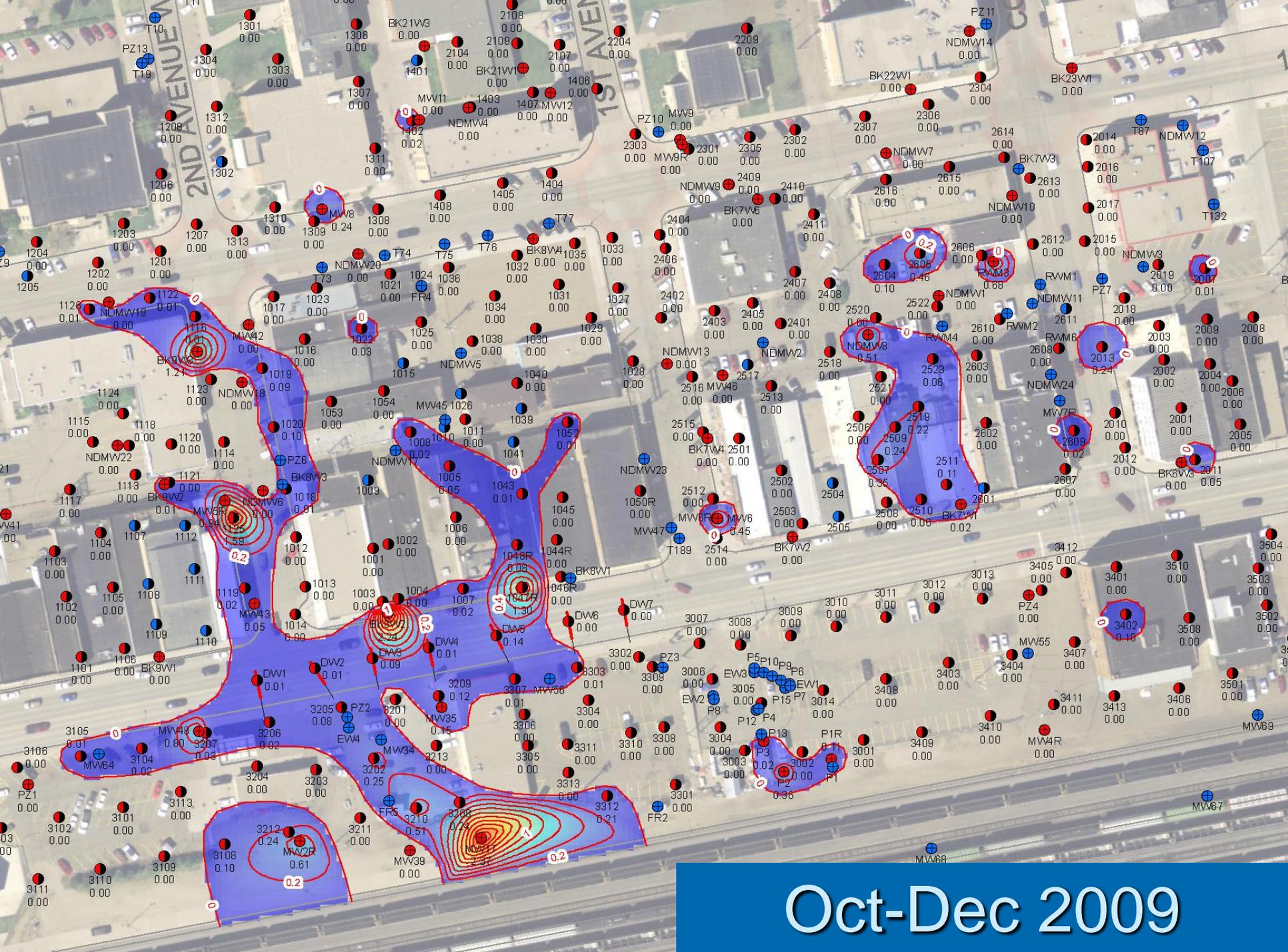


Proposed Building Footprint Area

October 2007



October 2008

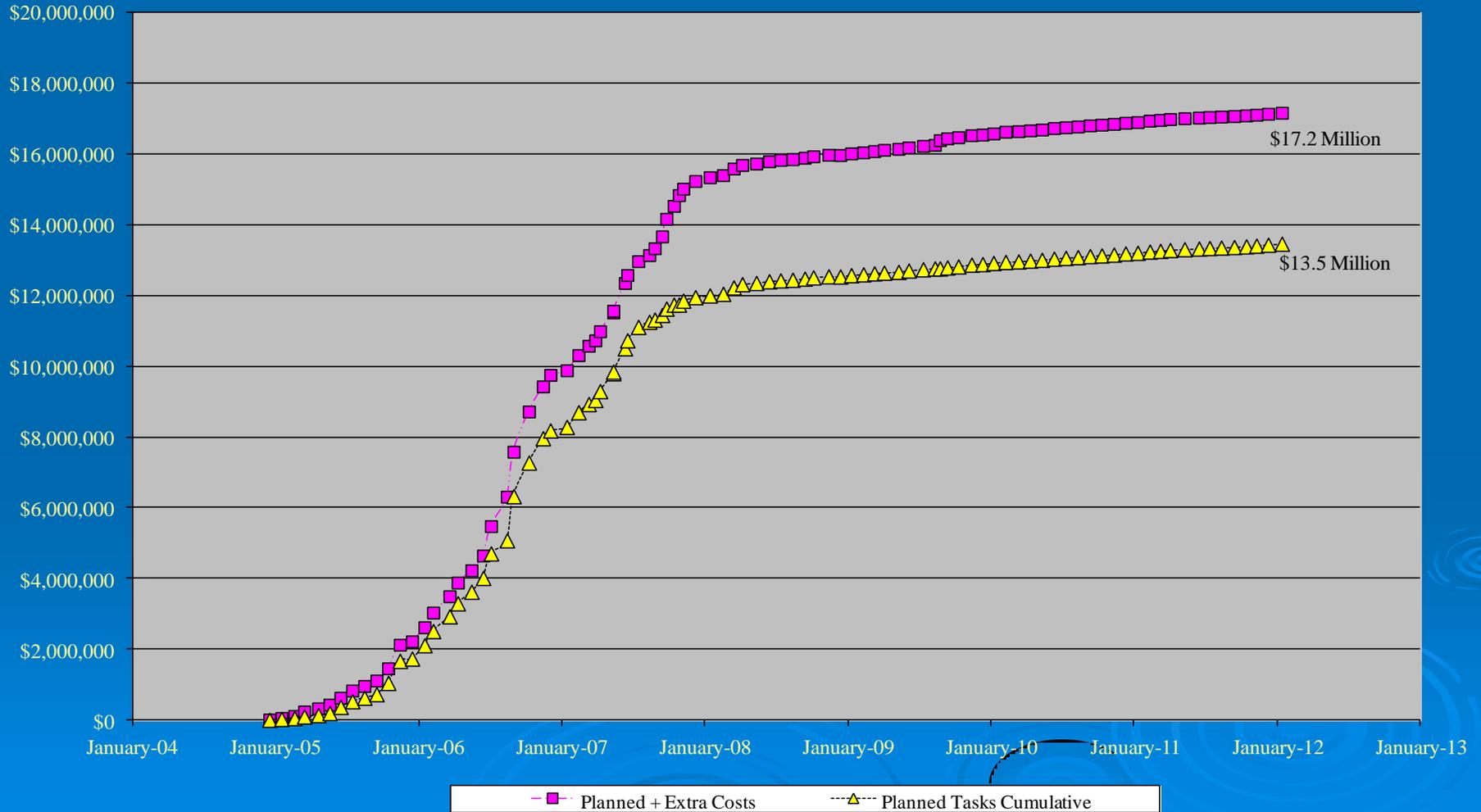


Oct-Dec 2009



Nov-Dec 2011

What has been Spent? Remediation



Overview of System Costs

- Spent to-Date
 - \$17.2 M
- Currently Authorized
 - \$18.5 M; \$130K Outstanding
 - Closed Tasks; \$1.2M
 - 2011 Operation and Maintenance (Under Budget)
- LBG Mark Up Reductions
 - 20 Tasks \approx \$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 – \$100K
 - 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 \$350K
 - Professional Services - \$850K
 - 9 Subs – 7 In-State for \$796K
- In-State Impact – \$8.8M

Where Are We Going in 2012?

- System Operation and Maintenance
- System Efficiency Enhancements
- Targeted MPE Operation in areas of persistent free product.
- 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

Future Costs

- O&M
 - System Modifications to Accommodate Development/Completion of Remediation
 - Meetings, Project Management
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