

## REMEDIATION



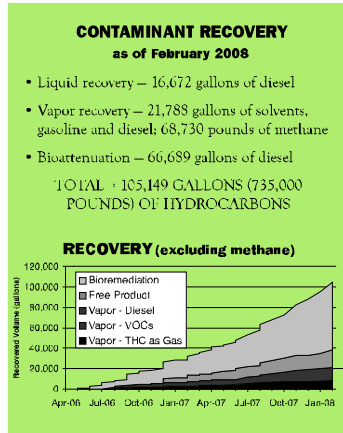
### Clean-up system fully operational, focus now on redevelopment

In 2004, the State of North Dakota and City of Mandan reached a settlement with Burlington Northern Santa Fe Railway for clean-up of a diesel fuel spill beneath downtown Mandan. Since then, there has been drilling of extraction wells, excavation for pipelines and construction of several remote manifolds and three buildings to house collection and treatment equipment.

This comprehensive remediation system draws diesel fuel, contaminated groundwater and soil vapors from portions of a six-block area. The system was constructed in three phases, beginning in 2005 south of Main Street, continuing in 2006 between Main and First Streets, and finishing in 2007 between First and Second Streets. The system began operating in the spring of 2006 in the area south of Main Street. Additional sections were brought on-line as they were constructed until it became fully operational in August 2007. The amount of hydrocarbons collected from April 2006 to February 2008 would fill 3.7 railcars.



Reconstruction of a three-block area on the south side of Main Street includes an expanded area for downtown events along with landscaped public and rental parking areas. Amenities include retro-style pedestrian lights and street kiosks. Three intersections along First Street that were disturbed with trenching were reconstructed with corner bulb-outs to calm traffic and make the area more pedestrian-friendly. The bulb-out design allows medium-size semis to continue deliveries to downtown businesses, as well as buses and fire trucks to round street corners. They project no farther than a car parked by a street corner. Park benches, trash receptacles and greenery will be added this spring.



Where areas were disrupted for installation of extraction wells and pipelines, the Mandan Remediation Trust implemented a policy of leaving things better than they were. Besides improvements and expansions to the downtown park and landscaping of public and rental parking lots, a two-block portion of First Avenue and some alleys were completely reconstructed.

The contractors and heavy equipment are gone. The system is now operating unobtrusively. Leggett, Drashears and Graham, the environmental engineering firm leading the remediation, plans for maintenance, efficiency enhancements and possibly some modifications to the system in 2008 as redevelopment occurs. Soil vapor and multi-phase extraction may be able to cease in areas where the clean-up is substantially complete. Properties acquired for the remediation are being made available through a public request for redevelopment proposals.

#### SOUTH OF MAIN STREET: BEFORE & AFTER



BNSF's remediation sheds are gone, MDC lines are underground, parking areas are landscaped and approximately 6,600 square feet of property will be available in the future for new commercial construction.

#### MANDAN REMEDIATION TRUST Financial Summary as of Dec. 31, 2007

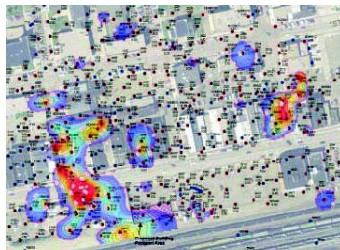
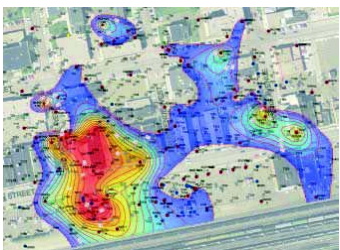
|                                    |              |
|------------------------------------|--------------|
| Beginning balance on Aug. 27, 2004 | \$24,000,000 |
| Plus interest income               | 1,799,027    |
| Less expenditures                  | 17,081,881   |
| Remediation                        | 15,450,701   |
| Building acquisition/demolition    | 1,420,646    |
| Other                              | 210,534      |
| Fund balance                       | \$8,717,146  |

The Mandan Supplemental Environmental Projects Trust opened with a balance of \$2,500,000. The current balance is \$2,859,152.

The BNSF Settlement Fund opened with a balance of \$1,000,000. The current balance is \$822,840.

The Mandan Remediation Trust meets the first and third Tuesdays of the month at 1:30 p.m. at City Hall.

#### PLUME COMPARISON: SEPTEMBER 2006 TO OCTOBER 2007



The 2007 map shows the overall reduction in the extent and magnitude of the free phase diesel across the site.

#### Remediation progress ...

- 2004** N.D. Health Dept. and City reach settlement with BNSF. LBG selected as environmental engineering firm to conduct remediation.
- 2005** Remediation system south of Main St. installed. Includes 75 wells, 5 miles of pipe and main treatment facility.
- 2006** System installed between Main St. and First St. – 41 basement and 134 exterior wells, 10 miles of pipe, two satellite remediation buildings
- 2007** System between First and Second streets installed. Includes 42 wells and 8 more miles of pipe. System becomes fully operational.

#### What to expect in the future ...

- Next 3-5 years** Redevelopment can begin now. Extraction of free product expected to be complete around 2010 to 2012.
- Next 7 to 10 years** Continued soil vapor extraction and soil scrubbing. Closure expected around 2017.