Pruit, Terry (ATG)

From: Kyle Watson <KWatson@gdiving.com>
Sent: Tuesday, January 19, 2010 10:53 AM
To: Pruit, Terry (ATG); FERRIS, MELISSA (DNR)
Cc: Aaron Harrington
Subject: Options For Tank Disposal

Terry,

Good morning. I work with Aaron Harrington and David DeVilbiss at Global Diving & Salvage. I'm familiar with the two tanks in Port Washington Narrows, as I managed the cleanup operation on the Ked, which was previously moored adjacent to the two tanks. There are two options for getting rid of the two tanks, which are outlined below. The more costly of the two approaches carries the least amount of risk, and, conversely, the least expensive option carries the greater risk. Global would like the State to make the determination on which approach best meets their needs from a cost and risk management standpoint.

Option 1: Global has established the availability of a small derrick crane (subcontracted to General Construction Company) to be towed by Island Tug & Barge to Port Washington Narrows. The derrick crane will moor (spud down) adjacent to the shoreline where the tanks are presently located. Global Diving will provide a crew to install heavy lift rigging to the tanks. The derrick crane will lift the tanks off of the inter-tidal area, one at a time, and will lash them to the deck of the derrick crane. After the tanks have been loaded onto the derrick and have been secured for transit, the barge will then be towed to Seattle Iron & Metal in the Duwamish industrial area, where they will be offloaded and cut up for scrap. The cost for this service is $47,195.70 + applicable state and local taxes. Although more costly, this approach eliminates the risk of the tanks sinking while being towed (towing described in option 2).

Option 2: Global is available to mobilized a crew to Port Washington Narrows aboard the T/V Archie. Upon arrival, the Archie would be used to pull the tanks off of the intertidal area and into the water. After getting the tanks into the water, they would be temporarily anchored adjacent to the shoreline. A dive crew would be utilized to inspect the underside of the tanks to determine the seaworthiness of the tanks. Based on the findings of the dive survey, the tanks would either be suitable for tow, or not. If the tanks were suitable for towing (no visible breaches in the shell plating, no signs of water ingress, etc.) then the Archie would commence towing the tanks to Seattle Iron & Metal where they would be hauled out and cut up for scrap. If the tanks are not deemed to be seaworthy, then we would be forced to revert to Option 1 at the aforementioned price. The tanks make for a very challenging and iffy tow. Because they are cylindrical and do not have a bottom or top, it is unknown how the tanks will orient themselves once in the water. The added weight of the man-ways on the tanks may result in the tank spinning bodily so that the tanks end up floating with the man-way underwater, resulting in a potentially non-watertight arrangement. Our biggest fear is that the tanks come off of the shoreline and our dive assessment doesn't uncover any catastrophic damage, and that once under tow the orientation of the barge changes resulting in flooding and sinking. Unlike boats that are stranded on a shoreline, the tanks can't be pre-staged with emergency de-watering gear due to their cylindrical construction. The cost for this option, assuming that the tanks float and no crane is required, is $13,978.00 + applicable state and local taxes.

It is our belief that the prudent choice for removing these tanks is option 1. As I said, although more costly, all risk of unanticipated sinking is eliminated, and the buoyancy of the tanks is never relied upon for successful completion of the project. I would be happy to discuss this project in greater detail should you have any questions. Thank you.

Best Regards,

EXHIBIT 4

Kyle Watson
Environmental Ops Manager
3840 W Marginal Way SW
Seattle, WA 98106
(b) (6) Mobile
206-932-9036 Fax
www.gdiving.com

DNR-00025331