Monthly Progress Report #24
June 2006

Falcon Refinery Superfund Site
Ingleside
San Patricio County, Texas
TXD 086 278 058

Prepared for

National Oil and Recovery Corporation
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July 10, 2006

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1.0 INTRODUCTION

This twenty-fourth Monthly Progress Report is submitted in accordance with the Falcon Refinery Site Administrative Orders on Consent for Removal Action and Remedial Investigation / Feasibility Study between the U.S. Environmental Protection Agency (U.S. EPA) and National Oil and Recovery Corporation (NORCO).

This Monthly Progress Report and subsequent reports will address activities associated with both of the orders.

The next monthly progress report, covering July 2006 will be submitted on or before August 10, 2006.

2.0 COMPLETED ACTIVITIES

2.1 Removal Action Activities

Approximately 75,000 gallons of liquid waste were removed and properly disposed during the month from Tank 27. To date a total of approximately 4,836,475 gallons of hazardous waste have been removed from the tanks and disposed of at the Texas Molecular deep well injection well. Original waste manifests are available at the Kleinfelder office in Austin. A compilation of hazardous liquid waste disposal is included as Table 1.

During June the disposal rate was doubled as compared to the rate during the previous six-month period. At the current rate approximately 120,000 gallons of waste will be disposed on a monthly basis.

A copy of the EPA approved Removal Action Work Plan (RAW) addendum that described Pipeline Cleanout activities is included in Appendix A. Activities for the clean out commenced on June 12 and were concluded on June 20. A description of the pipeline clean out will be provided after the EPA approves the report.

2.2 Remedial Investigation / Feasibility Study (RI/FS)

The final RI/FS Work Plan, Quality Assurance Project Plan, and Field Sampling Plan and an updated project schedule will be submitted to the EPA on July 7, 2006.

3.0 CHANGES MADE IN THE PLANS DURING THE REPORTING PERIOD

None this reporting period.

4.0 COMMUNITY RELATIONS

None this reporting period.

5.0 CHANGES IN PERSONNEL DURING THE REPORTING PERIOD

None this reporting period.

6.0 LIST OF PROJECTED WORK FOR THE NEXT TWO MONTHS

6.1 Removal Action Work projected for the next two months includes:

- Continuing the removal and disposal of liquids from the storage tanks and pipelines at the anticipated rate of approximately 120,000 gallons a month;
- Removal of debris; and
- Continued site maintenance.

6.2 RI/FS Work projected for the next two months includes:

- Making amendments to the RI/FS Work Plan and submitting the final RI/FS Work Plan; and
- Making amendments to and submitting the Field Sampling Plan and the Quality Assurance Project Plan.

7.0 LABORATORY / MONITORING DATA

None this reporting period.

TABLES

Table 1
Hazardous Liquid Waste Disposal

DISPOSAL FACILITY	ADDRESS	PHONE NO.	EPA ID NO.	CONTACT
Texas Molecular Corpus Christi Services, LP	6901 Greenwood Dr. Corpus Christi, TX	361-852-8284	TXR000001016	Robert Rodriguez

RQ, HAZARDOUS WASTE LIQUID N.O.S., 9 , UN3082, III (D007, D008, D018)

Month	Volume (gal)
October-04	53,832
November-04	734,763
December-04	879,158
January-05	783,881
February-05	551,444
March-05	565,489
April-05	445,107
May-05	471,311
December-05	42,550
January-06	58,740
February-06	59,140
March-06	0
April-06	57,421
May-06	59,763
June-06	73,876
Total	**4,836,475**

Table 2
Metal Disposal

DISPOSAL FACILITY	ADDRESS	PHONE NO.	EPA ID NO.	CONTACT
Commercial Metal Company	4614 Agnes St Corpus Christi, TX	361-884-4071	None	David

RECYCLED METAL

Month	Volume (lbs)
October-04	0
November-04	16,820
December-04	19,640
January-05	31,380
February-05	0
Total	**67,840**

FIRE EXTINGUISHERS

Month	Quantity
December-04	10
Total	**10**

Industrial Fire & Safety Co. removed 10 fire extinguishers from the job site. The powder was disposed of properly and the metal went to salvage.

Table 3
Contaminated Soil and Oily Debris Disposal

DISPOSAL FACILITY	ADDRESS	PHONE NO.	EPA ID NO.	CONTACT
U.S. Ecology Texas L.P.	P.O. Box 307 Robstown, TX	361-387-3518	TXD069452340	Glenda Felkner

PETROLEUM CONTAMINATED SOIL AND OILY DEBRIS

Month	Volume (cy)
October-04	0
November-04	0
December-04	40
January-05	0
February-05	0
Total	**40**

RQ, HAZARDOUS WASTE SOLID, N.O.S., LEAD, 9 NA3077, PGIII (OILY SLUDGE AND SOIL)

Month	Volume (cy)
February-05	15
Total	**15**

Table 4
Oil and Filter Disposal

DISPOSAL FACILITY	ADDRESS	PHONE NO.	EPA ID NO.	CONTACT
Texas Molecular Corpus Christi Services, LP	6901 Greenwood Dr Corpus Christi, TX	361-852-8284	TXR000001016	Robert Rodriguez

RECYLCED OIL AND FILTERS

Month	Volume (gal)
January-05	403
February-05	0
Total	**403**

DISPOSAL FACILITY	ADDRESS	PHONE NO.	EPA ID NO.	CONTACT
Midstate Environmental Services, LLC	2203 Tower Road Robstown, TX	361-387-2171	TXR000051227	Lloyd Cooke

RECYLCED OIL AND FILTERS

Month	Volume (gal)
January-05	16,651
February-05	0
Total	**16,651**

APPENDIX A
REMOVAL ACTION WORK PLAN
ADDENDUM – PIPELINE CLEANOUT

Introduction

In compliance with the approved Removal Action Work Plan for the Falcon Refinery Superfund Site, which is dated June 29, 2004, Kleinfelder provides this work plan addendum. Described in this addendum are the planned pipeline cleanout activities. USA Environmental, LP (USA) will perform the pipeline cleanout under the supervision of Kleinfelder.

The EPA On-Scene Coordinator (OSC) will be given five days notice of the pipeline cleanout.

Pipeline Background

There are seven pipelines that connect the Falcon Refinery to the current and former barge docking facilities (Figure 1). Six of the pipelines are abandoned and consist of a 10-inch, three 8-inch and two 6-inch diameter pipelines (Photograph 1). An active 8-inch pipeline (marked with a red spot in Photo 1), that lies immediately adjacent to the abandoned pipelines, will remain active.

The six abandoned pipelines will be exposed, any contents removed and plates will be welded on pipeline to ensure that there is no future environmental concern associated with the abandoned pipelines.

Safety and Health

The approved Site-Specific Health and Safety Plan will be provided to USA and prior to each day's activities a safety tailgate meeting will be held. Safety equipment will include hard hats, steel toe boots, gloves, safety glasses, an explosive meter, photoionization detector, fire extinguisher, absorbent material, oil booms and a first aid kit. Paul Supak (Kleinfelder) will be the designated Site Safety Officer for the pipeline activities.

Any excavations deeper than four feet will require shoring and the work area will be fenced or taped off. If vapors above the permissible exposure limit are detected, then appropriate respiratory protection will be used.

Prior to any excavating or probing utilities will be marked and pipelines will be located.

Pipeline Cleanout Activities

To minimize the potential for any impacts associated with the pipeline cleanout, block valves will be located and closed as near to the point where the pipelines go underground as possible, near Bishop Road. A vacuum truck will be on stand-by should the above ground portions of the pipelines contain any product.

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A hole will be drilled in the top of each pipeline to determine if any liquid is detected in the pipelines. If liquid is detected, care will be taken to ensure that none is released. After the removal of any liquid, the pipelines will be cut at the surface with a pneumatic saw and the pipeline will be checked for vapors.

After a pipeline is cut, a Neoprene mechanical plug will be inserted in the end of each pipe and a slip on flange will be welded on the pipe. Blind flanges will then be bolted on the slip on flanges.

The area immediately adjacent to the point where the pipelines go below Sunray Road (Photo 2) will be excavated, the pipelines will be exposed and a trench box will be placed around the pipelines if groundwater or surface water are a concern. Currently there are nine pipeline markers at this location, indicating that two pipelines not associated with the Falcon Refinery are in this pipe chase.

A current will be attached to the pipelines at the Bishop Road location and readings will be made at the Sunray Road location to identify each pipeline.

A blind pig will be placed in the pipelines and the pipelines will then be vacuumed to remove any residual product that may be left in the abandoned pipelines. Any recovered fluid will be transported to the refinery and placed in Tank 2 on the North side of the refinery.

After the removal of any liquid, the pipelines at the Sunray Road location will be cut with a pneumatic saw. A vacuum truck will be on stand-by should any liquids be detected. After all fluids are removed, the pipelines at the Sunray Road location will have caps welded on the ends of each pipeline.

Removed soil will be placed back in the excavations and carefully compacted.

Site photographs will be taken and the OSC will be notified of any releases from the pipeline activity.

Cleanout Contingency

If any fluid is spilled, visually contaminated soil is observed or if significant organic vapors are detected, soil sampling will be performed for volatile and semi-volatile organics. If any spill reaches surface water then surface water sampling for volatile and semi-volatile organics will be performed.

Any impacted soil will be excavated and brought to the refinery where the soil will be placed on a 40 mil HDPE liner and covered with the liner material pending characterization and proper disposal.

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Reporting

After the completion of pipeline cleanout activities a report will be prepared and sent to the OSC. The report will also be included in the final report, which will be submitted within 90 days of the completion of Removal Action activities.

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FALCON PIPELINE EXCAVATION PROJECT
BISHOP ROAD
INGLESIDE, TEXAS

PIPELINE CLEANOUT

FIGURE 1

Photo 1

Photo 2