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August 2, 1996

03-16-000301

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Chris Saari
Wisconsin Department of Natural Resources
6250 South Ranger Road, Box 125
Brule, WI 54820-0125

RE: Progress Report for the Moose Junction Lounge LUST Investigation near Dairyland, WI.
Wisconsin Unique ID# 0301.

Mr. Saari:

Earth Burners, Inc. (EBI) presents this progress report in response to the July 22, 1996 letter to Dale Schultz, proprietor of the Moose Junction Lounge. The site is under Administrative Order No. NWD-92-023. This letter complies with the request to inform the WDNR of intentions to proceed with actions in that order. The following is an abbreviated chronology of actions which have led to the present situation:

- August 10, 1995 - PECFA denied reimbursement of a substantial cost portion of the Site Investigation/Interim action concerning previous Underground Storage Tank(s) (UST's).
- September 7, 1995 - Dale Schultz appeals the PECFA decision.
- May 30, 1996 - PECFA disapproves a remedial alternative cost proposal for an Air Sparging/Soil Venting System citing periodic pumping or possibly overexcavation of soils may be a more cost effective alternative.
- July 22, 1996 - The WDNR approves the second PECFA claim for operation/maintenance and environmental monitoring. The WDNR requests that Dale Schultz contact them with his intentions to proceed with the remediation of the site.
- August 1, 1996 - After consulting with Mr. Schultz, EBI responds to the WDNR request.

Continuance with site remedial activities will depend on PECFA reimbursement. PECFA disallowed \$58,647.94 from the first application. According do DILHR 47.12(1)(h), sufficient documentation was not provided even though the Summary Report: Moose Junction Lounge Site Investigation (July 1993) and the Remedial Action Plan - Moose Junction Lounge (October, 1993) record all aspects of the excavation except trucking. The transportation of the

contaminated soils should have been the only amount deemed ineligible at that time. The entire amount was financed from a credited lending institution. Because the appeals process has been nearly one year, the bank loan is due with no finances to repay. This has caused EBI to halt future work at the site.

EBI cannot continue the remedial process without enduring financial repercussions at this time. If, or when, reimbursement becomes available, EBI will complete remedial actions only if approved by both the WDNR and PECFA. At present time, the outstanding loan balance exceeds the current fair market value of the site property and, therefore, no further loans are possible.

The majority of the monies (60% of the application claim), was determined to be not eligible according to PECFA as a landfill alternative was not explored. As explained to W.E. Bohlman in our August 1, 1995 letter, landfill disposal of the soils was not considered because of the 2,000 ppm petroleum hydrocarbon limit set for landfill cover by the WDNR. The average petroleum concentration of the soils from the interim excavation was 5,580 ppm.

Since the removal of approximately 10,500 pounds of gasoline from the environment during that excavation, the groundwater contamination at MW-1, near the UST basin, has steadily declined from 6.2 to 0.2 ppm Gasoline Range Organics (GRO). More importantly, the petroleum vapors declined from 3.1 to 0.9 ppm in the bedroom of the clients trailer house adjacent to the former UST basin. The WDNR representative (John Prohaska) was on-site and approved the interim excavation because of the grossly contaminated soils. One analytical sample collected during the excavation was greater than 300,000 ppm (30%) total gasoline saturation of the soil. MW-2, located on the neighboring property, currently has 46 ppm GRO and 16 ppm benzene (a rather potent concentration) and is located approximately 70 feet from a potable well. If benzene, the most soluble component of leaded gasoline, migrates to this well during the torpid appeals process, the costs for site remediation could increase exponentially.

It should be noted that during the interim excavation, piping and a dispenser base indicated a previous UST system had been operated. EBI observations indicated the UST removed during the excavation did not contribute to the site contamination. The gross contamination was found up-gradient of the removed UST in a previous UST basin on the other side of the Moose Junction Lounge. The lack of Methyl Tertiary Butyl Ether (MTBE) indicates the gasoline was released prior to 1979 when MTBE was first commercially produced for unleaded gasolines. These details could indicate our client had no involvement in the petroleum release, yet is being penalized severely by the State of Wisconsin.

As our innocent client has incurred substantial costs, has not been reimbursed, has an outstanding bank loan, and cannot further finance remediation of the site. The reimbursement issue needs to be resolved before further site cleanup can be continued. Please establish a meeting with all pertinent personnel so the resolution of past issues can take place and the required new work can begin.

If you have any questions concerning any aspect of this progress report, please call me at (218) 628-0454 during business hours.

Sincerely,

EARTH BURNERS, INC.

Roger W Biebl

Roger W. Biebl,
Project Hydrogeologist

pc: Honorable Judge Dave Wagner, Madison UC Hearing Office
Dale Schultz, Owner, Moose Junction Lounge
Robert Maki, EBI Company Attorney
Mary Bell Pratt, WDNR Environmental Enforcement Specialist
W.E. Bohlman, PECFA Representative

*Landfill/thermal
explanation was
acceptable -
See note below -*

*Denied due to 'no
backup (receipts, weight
tickets, etc) for soils
thermally treated. all
that was needed was
proof/evidence of tonnage
treated. -*