January 9, 2007

Monthly Progress Report – 163
12/1/06 to 12/31/06

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Christopher Black
U.S. EPA – Region 5
Corrective Action Section
Enforcement and Compliance Assurance Branch
77 West Jackson Blvd. DE-9J
Chicago, IL 60604-3590

Dear Mr. Black:

The progress and status of the various activities being performed pursuant to our Consent Order for the time period described above are presented herein.

1. Chevron sent the following correspondence to the U.S. EPA in December:
   - A letter dated December 1, 2006 summarizing historical releases not investigated as part of the RFI/CMS.
   - A letter dated December 1, 2006 listing and providing copies of offsite access agreements that Chevron maintains.
   - A report dated December 28, 2006 presenting an evaluation of engineering options along the Great Miami River.

2. The U.S. EPA was not copied on any correspondence submitted by Chevron to other parties in December.

3. Chevron received the following correspondence from the U.S. EPA and/or the Ohio EPA in December:
   - A renewed NPDES permit from Ms. Patti Smith of the Ohio EPA dated December 14, 2006.

4. A CAP meeting was held at the Whitewater Senior Center and Township Hall on December 6, 2006. Chevron presented an overview of ongoing projects and a summary of the Chevron redevelopment process and status. The next CAP meeting is scheduled for February 7, 2007.
5. Work with the developers/owners/permitting agencies continued on issues associated with installing a storm water management system in portions of the Southwest Quadrant, and on institutional control issues.

6. The following monitoring activities/field investigations were conducted in December:
   - Trigger level monitoring and operation of the Gulf Park Bioventing system.
   - Hooven soil vapor sampling.
   - Operation and monitoring for hi-grade groundwater recovery.
   - Interim Measures semiannual groundwater sampling.

7. The soils remedy project was ongoing in December.
   - Excavation of SWMU 33 and SWMU SS continued in December. SWMU SS is adjacent to SWMU 33, and they are being excavated together. A total of 7,548 tons of hazardous soil from SWMUs 33 and SS was excavated and shipped in 320 truckloads to the Heritage Subtitle C landfill in Roachdale, Indiana for disposal in December. A total of 5,117 tons of non-hazardous soil from SWMUs 33 and SS was excavated and shipped in 233 truckloads to the Waste Management Stony Hollow facility in Dayton, Ohio for disposal in December.
   - Excavation of the cooling tower blow down area began in December. A total of 5,736 tons of soil was shipped in 255 truckloads to the Waste Management Stony Hollow facility in Dayton, Ohio for disposal in December.
   - Importation of backfill material recommenced in December. A total of 19,629 tons of soil was imported from local gravel/fill companies in 1,105 truckloads in December.

8. Data from the miscellaneous field investigations performed to support the soils remedy project continued to be collected and evaluated.

9. Operation of the Gulf Park bioventing system was discontinued on December 1, 2006, due to seasonal high-groundwater table conditions. The system will be restarted as soon as water levels decline to acceptable levels.

10. The Hooven HSVE system was not operated during December, due to groundwater levels above the trigger level.

11. The water treatment system remained in dual train operation in December.

12. Groundwater recovery operations continues at production well 19 at a rate similar to normal seasonal operation.

13. All previously implemented and ongoing interim measures (groundwater pump and treat, oil recovery, HSVE) were operational in December except as noted above.
14. In accordance with Section 19.b of the recently signed Administrative Order on Consent, Chevron will now be submitting quarterly progress reports that summarize work completed onsite. Therefore, this report covering December 2006 will be the last monthly report. Chevron will provide the quarterly progress reports by the fifteenth day of the month after the end of each quarter. The first quarterly progress report will be submitted by April 15, 2007.

Planned Activities – 1st Quarter 2007

1. The following monitoring and fieldwork activities are planned:
   - Gulf Park system trigger level monitoring and operation, if appropriate.
   - Hooven HSVE system trigger level monitoring.
   - Miscellaneous field investigations to support the Soils Remedy off-site consolidation project.
   - Miscellaneous field investigations related to Final Groundwater Remedy Planning.
   - Groundwater recovery operations.
   - Bi-monthly groundwater monitoring.

2. Excavation and off-site disposal activities associated with the soils remedy project will continue.

3. The following laboratory/quality assurance information is expected to be received in January:
   - Excavation confirmation sampling in the cooling tower blow down area.
   - Interim Measures groundwater sampling.
   - Excavation confirmation sampling in the North Tank Farm.

As to the identified portion of this monthly progress report which I cannot personally verify its truth and accuracy, I certify as the company official having supervisory responsibility of the persons who, acting under my direct instructions, made the verification that this information is true, accurate and complete.

Sincerely,

Randy W. Jewett – Site Manager
Chevron Cincinnati Facility
Chevron Environmental Management Company

By Chris Aneiros, Trihydro Corporation, as agent for Chevron Environmental Management Company

500-015-009

cc: Harold O’Connell – OEPA