



A Lifecycle Performance Company

October 10, 2013

Mr. Andrew W. Steinberg
Vice President, Operation
LE PETOMANE, INC.
35 E Wacker Dr, Suite 1550
Chicago IL 60601

Re: Dive Report for Third Dive

Dear Mr. Steinberg:

Please find our summary of the results and the actual Dive Report from the recent assessment of the solids within the GW-11 Pond. Please contact me at (619) 887-1385 with any comments, questions or clarifications.

Sincerely,

A handwritten signature in black ink that reads "Todd S. Webster". The signature is written in a cursive style with a large initial 'T'.

Todd S. Webster, Ph.D., P.E.
Regional Vice President-West Region

Attachments: (1) Summary Report on Third Dive into GW-11
(2) Third Dive Report

Attachment 1

Summary Report on Third Dive into GW-11

Attached is a short report of the results on the dive at the south side of GW-11 that occurred on September 24, 2013. Essentially, the dive crew dove in 3 places along the south side at a 25%, 50% and 75% distance from the east side. Each dive had 50 foot radius of coverage from the dive point.

Based on the attached results, even at the 75% distance from the east side, the divers still discovered up to 1 foot of solids in the pond. It is evident that the solids problem in the pond may be significantly larger than originally anticipated.

Envirogen suggests a conference call on Tuesday 10/15 with NERT and Environ to solicit ideas on an alternate plan to mitigate the influx of solids once we begin using GW-11 as an equalization basin. One possible course of action, after we complete the tie in during the shutdown, is Envirogen can attempt to operate with the current influent piping. If this is found to be unmanageable due to the level of solids pulled into the system, an economical and fast alternative plan of action will need to be developed which can be implemented to solve the problem. It is the intent to discuss numerous possible solutions and alternative plans of action on the conference call.

Until the answer is clear on the effect of the solids in the pond to the operation of the plant, the date to go to a one-shift operation will be unknown.

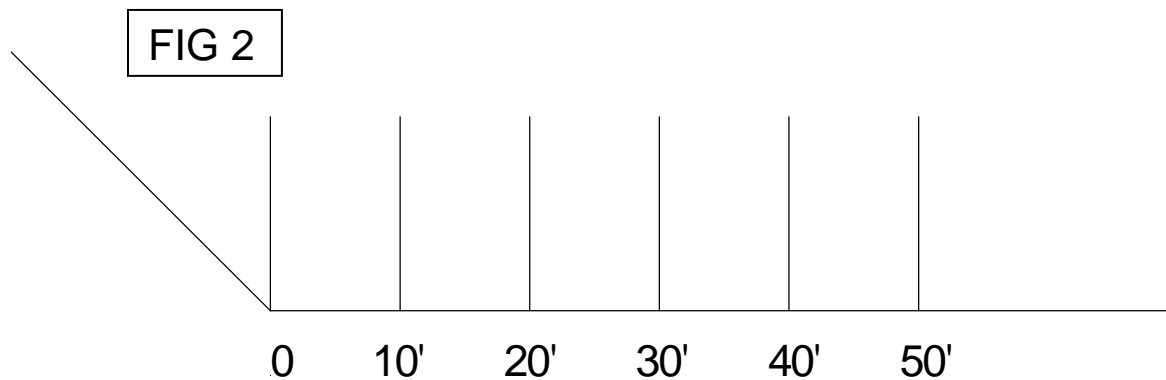
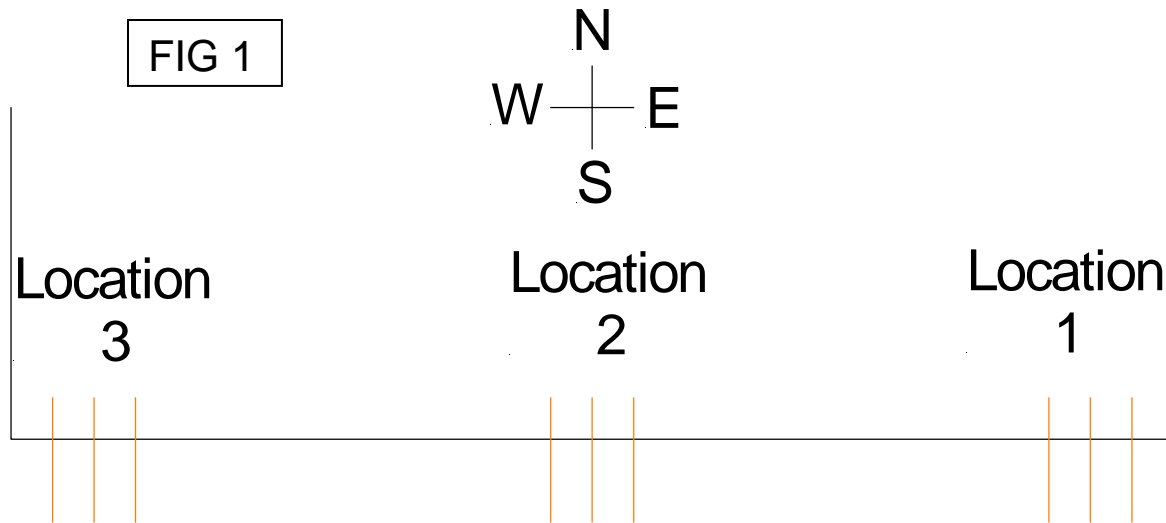


Arizona Commercial Diving Services, Inc.

P.O. Box 1988, Tucson, AZ 85702-1988
Phone/Fax: (520) 749-2163

The Following are the results from the Dive inspection done on Sept 24th 2013, at the Envirogen GW11 Pond in Henderson NV.

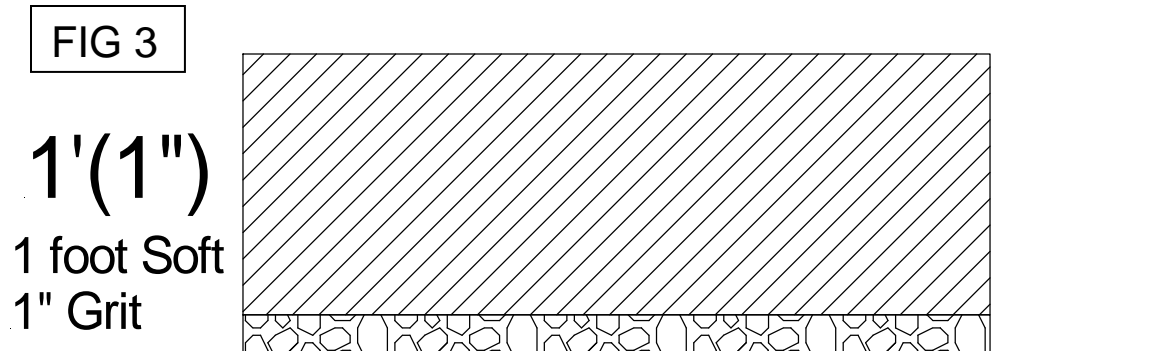
We were asked to inspect 3 locations on the GW11 pond. 1/4, 1/2 and 3/4 the way down the South side of the pond. At each location (see below), we also inspected 20' East of the location as well as 20' West of the location, totaling 9 points of inspection. We marked each inspection point with orange marking paint as shown below (see Fig 1). at each location we started the inspection at the Invert of the pond, and in 10' increments out to the 50' mark (see Fig 2) Each location we inspected:



All grit or gravel was located under the soft Bio Media. No crusty top layer was found.

The first number on the inspection result = Soft Bio Media

The second number in Parentheses, on the inspection result = Grit or Gravel (see Fig 3)



The Following are the Inspection Results:

1'(1/8")	1'(1/8")	2.5'(1/8")	50'
1.5'(1/8")	1'(1/8")	2'(1/8")	40'
2.5'(1/8")	1'(1/8")	2'(1/8")	30'
3.5'(1/8")	1'(1/8")	2.5'(1/8")	20'
3.5'(1/8")	1'(1/8")	3'(1/8")	10'
1'(1/8")	1'(1/8")	3'(1/8")	0

LOCATION 1

1'(1")	1'(1")	1.5'(1")	50'
1'(1")	1'(1")	1.5'(1")	40'
1'(1")	1'(1")	1.5'(1")	30'
1'(1")	2'(1")	1'(1")	20'
1'(1")	1'(1")	1'(1")	10'
6"(1/8")	6"(1/8")	1'(1")	0

LOCATION 2

2'(1/8")	1'(1/8")	1.5'(1/8")	50'
2'(1/8")	1.5'(1/8")	1.5'(1/8")	40'
3'(1")	1.5'(1/8")	1.5'(1/8")	30'
3'(1")	1.5'(1/8")	1'(1")	20'
2.5'(1")	2'(1/8")	1'(1")	10'
6"(1")	1'(1/8")	1'(1")	0

LOCATION 3