Seaside Basin Watermaster
2600 Garden Road, Suite 228
Monterey, CA 93940

Attention: Mr. Bob Jacques, Technical Manager

Subject: Progress/Status Report – Seaside Basin Watermaster Sentinel Wells

Dear Mr. Jacques:

This letter summarizes the events and progress of the subject project over the last month. Also present is a summary of anticipated work for the coming month.

Work performed in the last month included:

- California State Parks completed their environmental review and issued a Right-of-Entry for construction of the wells.

- A well construction permitting packet was prepared and submitted to Monterey County Environmental Health to support well construction permit processing. Permitting packet included CEQA documentation, Coastal Commission Permit Application materials, and correspondence with EPA, RWQCB, and Army regarding the Fort Ord Consultation Zone. Well construction permits will be issued 7/12/07. We have already received verbal authorization to begin construction.

- A waiver from a required California Coastal Commission Coastal Development Permit was granted and will be effective 7/11/07. We plan to mobilize 7/12 and begin drilling and well construction operations on 7/16. We have informed State Parks and the Army of the anticipated schedule.

- Work was initiated on Task 3, Review of Monitoring Well Network. Work to date has included inventory of existing monitoring wells in the coastal area of Fort Ord. Data collected are being compiled into summary tables showing location, depth, perforated interval, and historical electrical conductivity data. Data collected to date, has been shared with RBF’s hydrogeologic consultant, HydroMetrics, LLC.

Work to be performed in the coming month includes:

- Well drilling, construction and development portion of the project, Task 4, will be initiated. Initial drilling and well construction activities will utilize 2 drill rigs and crews and 2 to 3 geologists. It is anticipated that well construction activities can be completed with 5 weeks of initiation. After completion of well construction, Task 5, Initial Data Collection will be initiated.

- A meeting to finalize the configuration of the sentinel wells is schedule for 7/16. This meeting will discuss the advantages and disadvantages of the two alternative well configurations for the sentinel wells. The meeting is to include RBF’s hydrogeologic...
consultant, Joe Oliver, Bob Jacques and myself. Other interested parties might also attend.

- A condition of the permitting process was use of biological monitors to protect endangered species or habitat from possible harm from construction activities. These monitors are required at two of the drilling sites. Biological monitoring personnel will be provided by Denise Duffy and Associates and will be on-site during drilling operations.

Please call if you have any questions.

Sincerely,

[Signature]

Martin B. Feeney