

**Memo to File**

**11 January 2007**

**RE: WINEMUCCA TRADING COMPANY LIMITED, INC.**

On 19 December 2006 and 2 January 2007, Dale Stultz and I inspected the Former Shasta Paper Plant, currently owned by Weinemucca Trading Company. The inspections were in response to an anonymous complaint made to Shasta County regarding the illegal production of biodiesel at the former "Pfizer Building". During the inspections we also learned that the black liquor described in the existing CAO had not been removed.

Note: immediately following the complaint, in early December Shasta County performed a site visit and observed one or two generators operating, and at least 10 steel totes containing methanol and 2 plastic totes containing biodiesel stored outside. Appropriate business plans or use permits were not filed with Shasta County.

During our 19 December 2006 inspection, we were accompanied by Daryl Johnson (site manager for Winemucca Trading Company, ph 519-3031), Clint Synder (VESTRA Resources), and Ross Bell (Shasta County). The site appeared to have been hastily abandoned. The two generators located on an outside pad west of the Pfizer Building were not in operation (one appeared to have been dismantled). The methanol and biodiesel previously observed by Shasta County had been removed; the only material on-site was a plastic tote containing antifoam liquid. During the inspection, Mr. Johnson indicated that for two months Kevin Brazil of New Dawn of Merced (ph 209-489-9166) had been producing biodiesel at the site. Mr. Johnson expected Mr. Brazil to return by early January 2007; all calls to Mr. Brazil were unanswered. Mr. Johnson stated that he himself worked for Rodney Beard (209-526-3550), PO Box 739, Empire CA 95319. During our visit, the Pfizer Building was locked and Mr. Johnson was unable to provide access. However, we noted several hoses laid outside around the Pfizer Building (or hanging from tanks); one appeared to have been connected to a fire hydrant and had water draining from it.

Since Mr. Bell had been the environmental compliance manager for the Former Shasta Paper Company for many years, we discussed with him lingering issues regarding materials management. Mr. Bell stated that he did not believe the black liquor described in the cleanup and abatement order had ever been removed, despite statements by Mr. Synder and Mr. Johnson to the contrary. Mr. Bell lead us to a large steel tank on the eastern side of the former plant, Tank P-28, labeled 35% Liquor. Mr. Bell opened a valve at the base of the tank revealing a tar-like substance. Knocking on the tank suggested that the tank was not empty. Mr. Bell explained that many years ago the Paper Company had removed black liquor from that tank; he pointed out the cuttings on the side of the tank showing where the removal had been performed. The lack of a second set of cuts indicates that Winnemucca had not performed any subsequent removals.

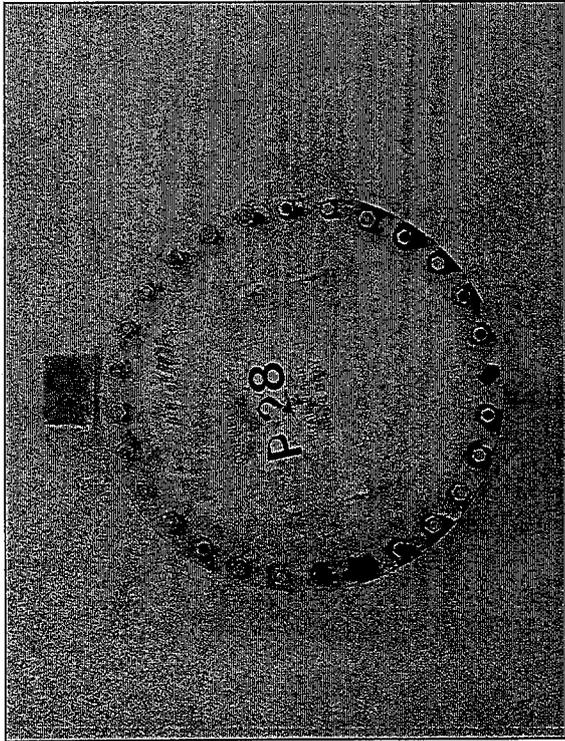
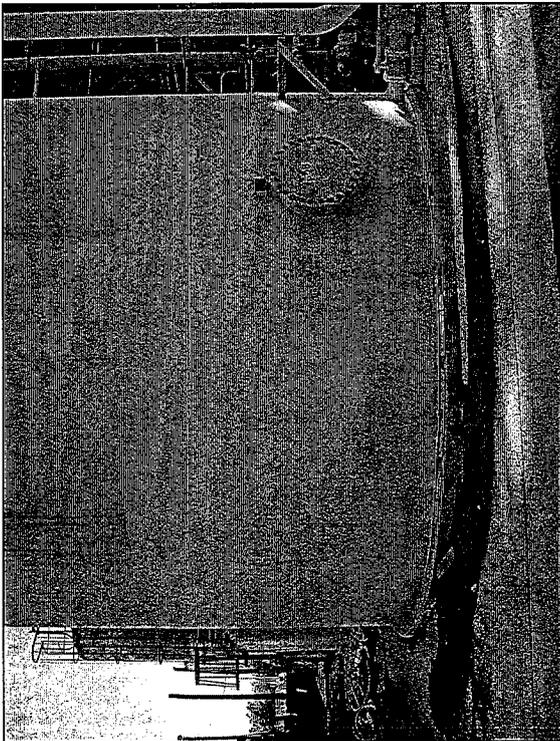
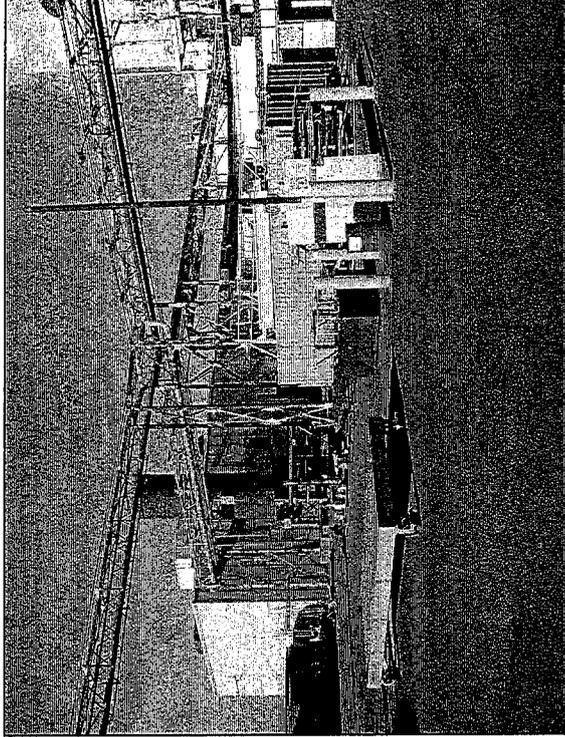
Mr. Synder stated that VESTRA would perform a full inventory of the materials on-site and provide the inventory to the Regional Water Board as soon as possible.

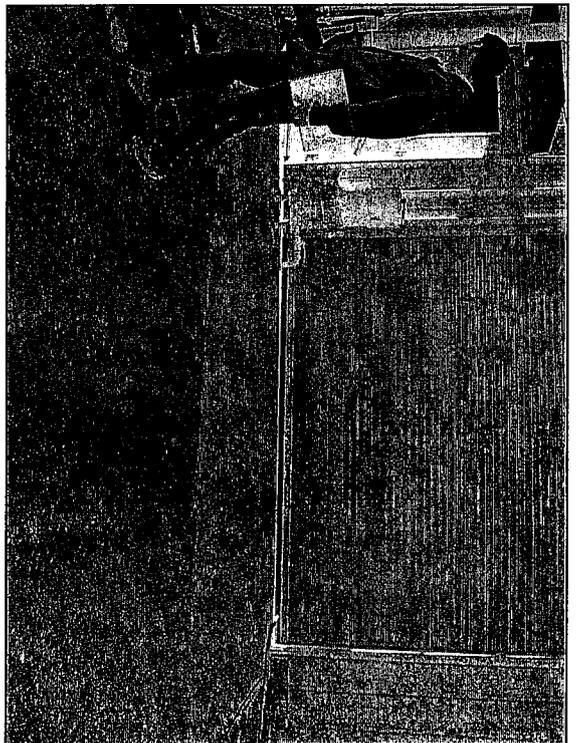
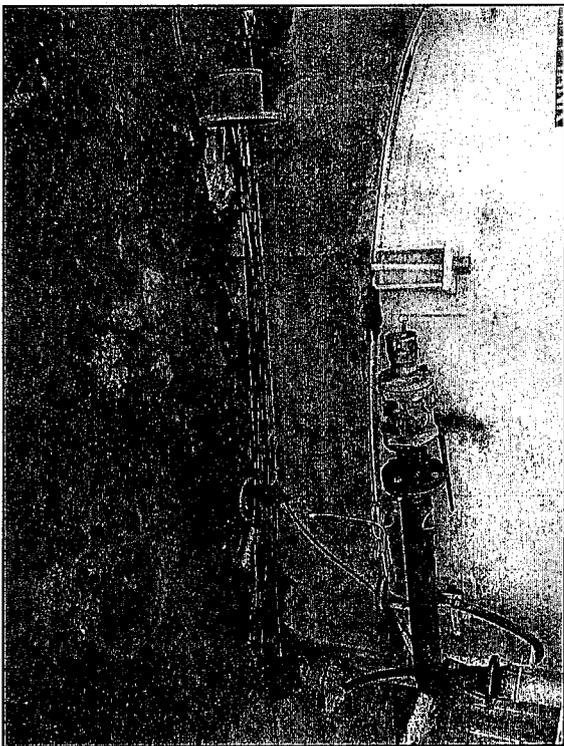
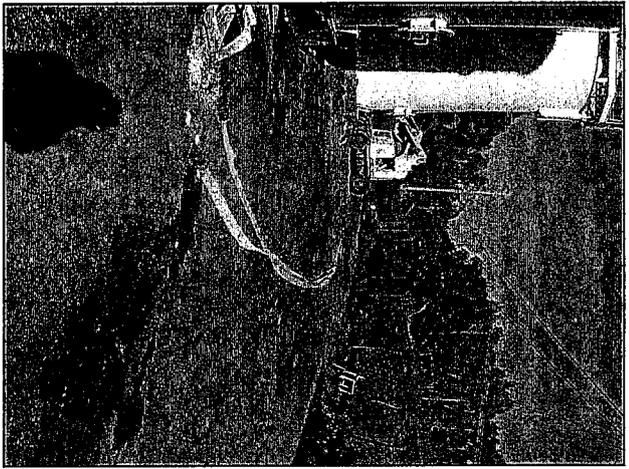
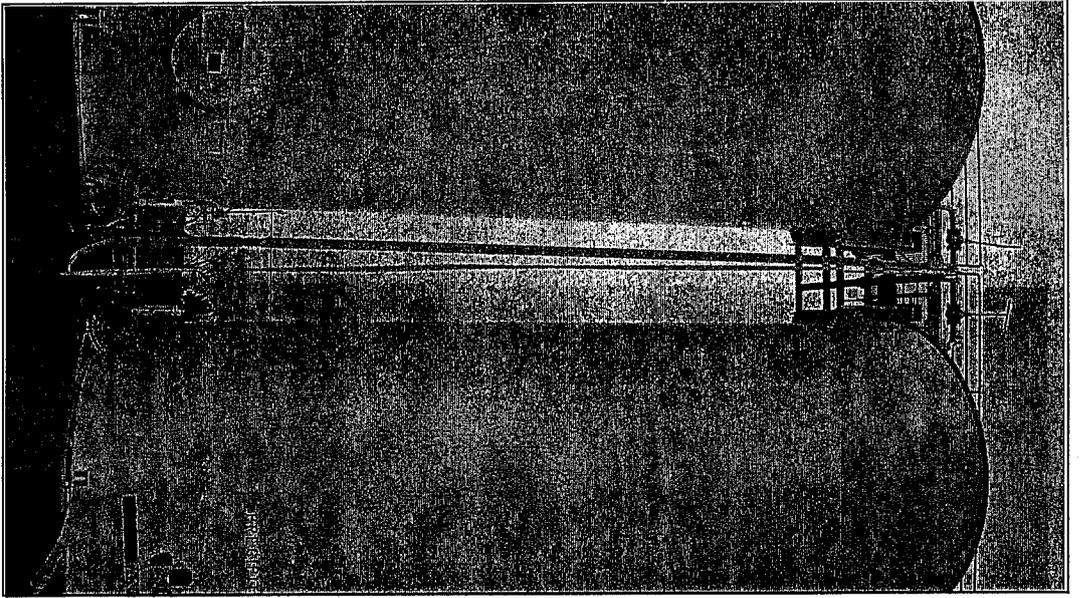
Incidentally, Mr. Johnson also stated he had planted approximately 100,000 ("or better") 1-2 inch catfish in the Cortez Fishiers ponds. He obtained the fish (five different varieties) from Phil Mackey of Mt Lassen Fisheries.

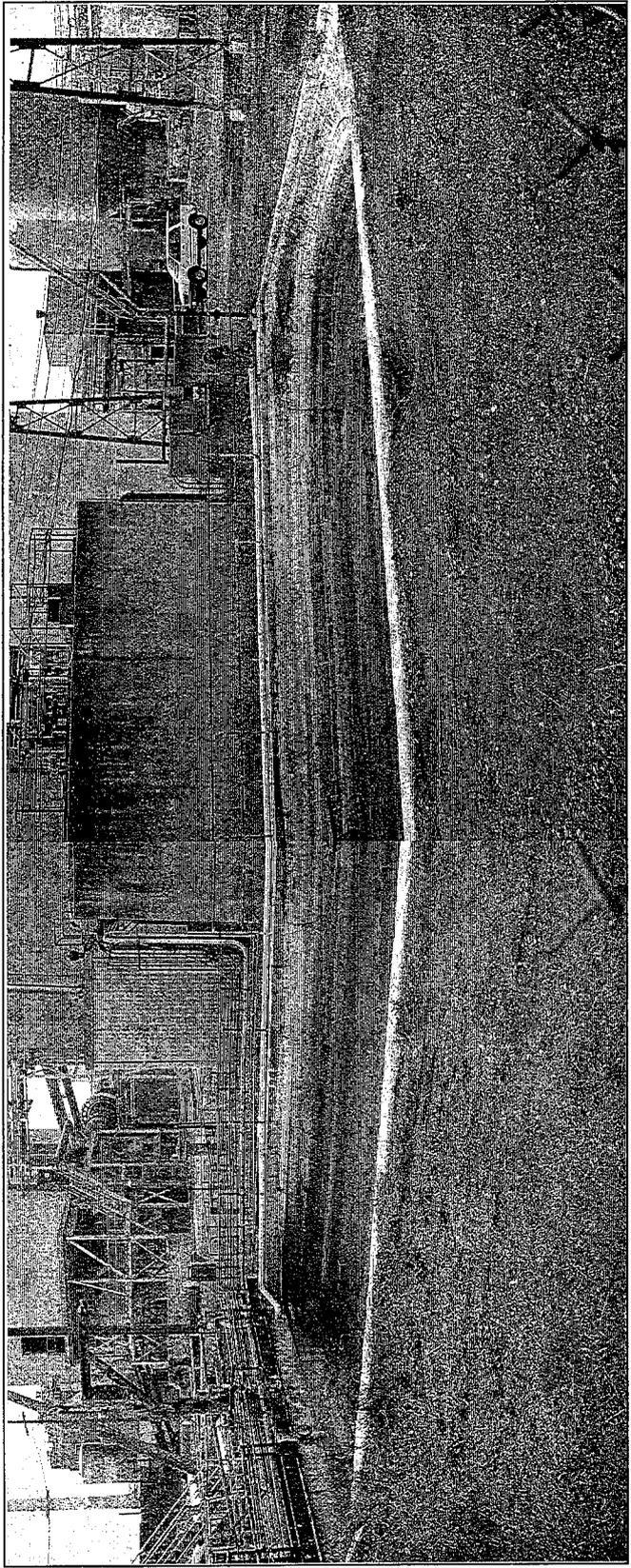
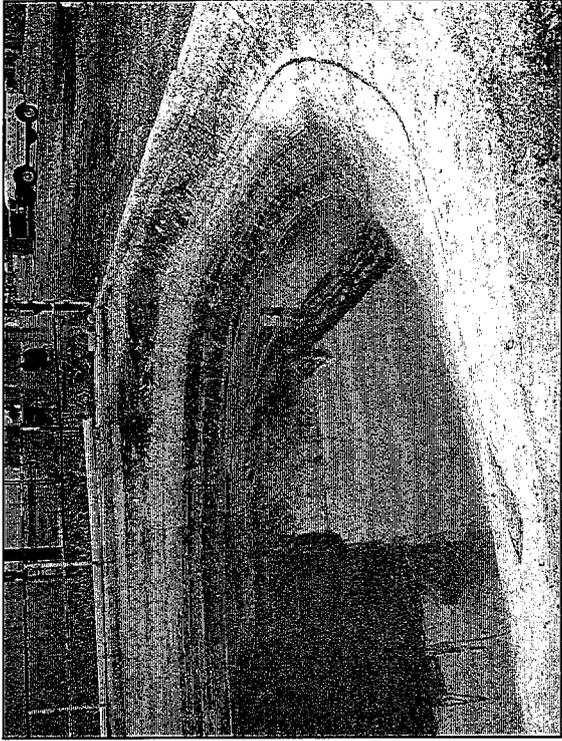
On 2 January 2007, Dale Stultz and I revisited the "Pfizer Building" with Mr. Johnson. The tote containing antifoam had been removed, but the generators remained. Mr. Johnson provided us entry into the Pfizer Building. There were several open but unlabeled drums of liquids, the floor was covered with dirt and oils, and the drains were filled to capacity with industrial waste. Mr. Johnson was unable to provide any details regarding the industrial activities in this building.

It is worth noting that although Mike Sommers of Winemucca stated in a subsequent 10 January 2007 meeting that there were no discharges from the biodiesel production, it was obvious from our 19 December 2006 inspection that water from the fire hydrants had been used, and consequently had to have been disposed at the site (without a permit).

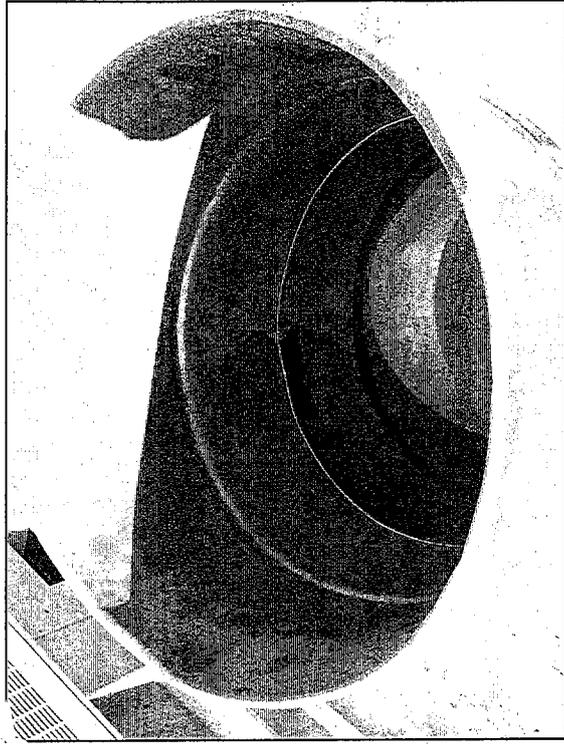
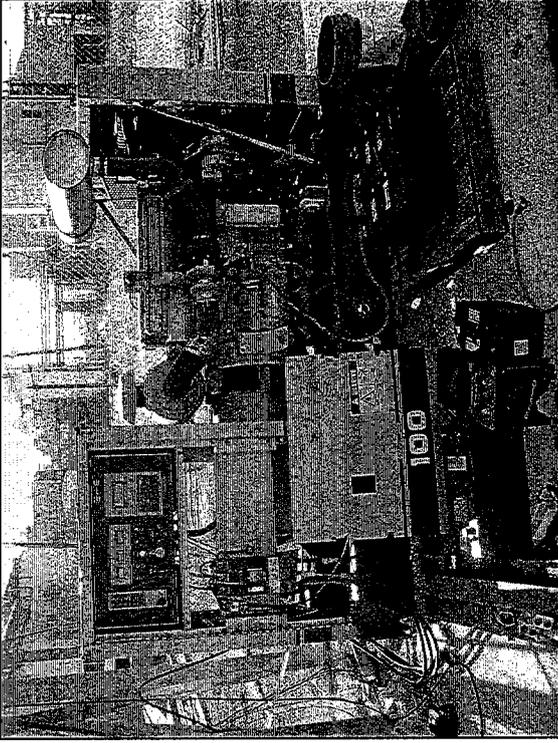
Mey Bunte











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**HERCULES**

# PROTOCOL WB8010

(WB8010/16101)

**CAUTION!**

Prolonged or repeated contact may cause skin irritation. Avoid contact with eyes. Wash thoroughly with soap and water. Avoid contact with clothing. Wash thoroughly with soap and water. Avoid contact with food and drink. Avoid contact with children. Avoid contact with pets. Avoid contact with livestock. Avoid contact with wildlife. Avoid contact with birds. Avoid contact with fish. Avoid contact with aquatic life. Avoid contact with plants. Avoid contact with trees. Avoid contact with shrubs. Avoid contact with flowers. Avoid contact with vegetables. Avoid contact with fruits. Avoid contact with nuts. Avoid contact with seeds. Avoid contact with grains. Avoid contact with legumes. Avoid contact with pulses. Avoid contact with beans. Avoid contact with lentils. Avoid contact with peas. Avoid contact with chickpeas. Avoid contact with lentils. Avoid contact with peas. Avoid contact with chickpeas. Avoid contact with lentils. Avoid contact with peas. Avoid contact with chickpeas.

FIRST AID: If inhaled, remove victim from contaminated area to fresh air. If in contact with eyes, flush with water for 15 minutes. If in contact with skin, wash with soap and water. If swallowed, do not induce vomiting. Seek medical attention immediately.

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