



**MINNESOTA
DEPARTMENT OF
COMMERCE**

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MAR 16 2005

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St. Paul, Minnesota 55101-2198
651.296.4026 FAX 651.297.1959 TTY 651.297.3067

March 9, 2005

Jack Curtis
Curtis Oil Company
4985 Miller Trunk Highway
Hrman town, MN 55811

RECEIVED
MAR 14 2005

BY:.....

Re: Approval of Consultant Proposal (Step A and C-2) – MPCA Leak #3534

Dear Mr. Curtis:

Enclosed please find the revised proposal received by Petrofund staff on February 16, 2005. Staff has completed its review of the proposed costs and determined that they are reasonable, with the following exceptions:

- Your consultant's proposal includes Step A costs totaling \$21,462.75 for "Air Sparging pilot testing – including laser induced fluorescence (LIF) geoprobe work as requested by the MPCA." Through discussions with Paul Stock of the MPCA, Petrofund staff has learned that the MPCA has not yet determined that the proposed pilot testing and LIF work is necessary at this site. Because of this, Petrofund staff is unable to approve any of the costs listed in the "Pilot Study" section of your consultant's proposal at this time. Your consultant can submit a supplemental Step A proposal for the pilot testing and LIF once the MPCA has determined that the work is necessary at the site.

Please note that this preliminary determination of reasonableness is based on the assumption that the proposed costs, when invoiced, will meet the eligibility requirements specified in Minnesota Rules Chapter 2890.

In addition, please note the following:

- ◆ If a consultant applies a "markup" to a subcontractor invoice, the resulting charges are ineligible for reimbursement [see Minn. Rule 2890.0200, Subp. 2 (Z)].
- ◆ All subcontractor and utility invoices for which reimbursement is requested should be included with the reimbursement application.

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If you choose to accept this proposal, sign it with the proper notarization and direct your consultant or contractor to proceed with the work. Please note that the proposal must be signed and notarized prior to any of the proposed work being completed. Also, please keep this proposal form on hand because it must be included with your Petrofund reimbursement application.

If you have any questions, please contact me at 651-296-2289 or 800-638-0418 (outside the Twin Cities), or via e-mail at john.houck@state.mn.us. Please note as well that the Petrofund fax number is 651-296-0201.

Sincerely,

John Houck
Senior Engineering Specialist
Minnesota Petrofund

cc: Tim Jefferson – Twin Ports Testing (w/o attachment)
Paul Stock - MPCA

Enclosure