EG

PALL Pall Corporation

Life Sciences
600 South Wagner Road
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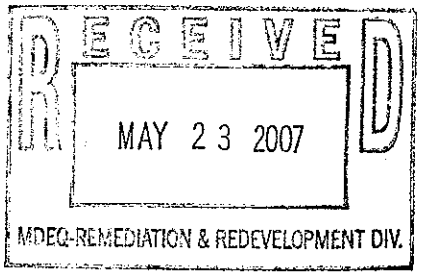
May 17, 2007



Ms. Sybil Kolon
Environmental Quality Analyst
Department of Environmental Quality
Jackson State Office Building
301 E. Louis Glick Highway
Jackson, MI 49201-1556

Re: Force Majeure Claim Report
Evergreen System

Dear Ms. Kolon:

Pall Life Sciences (PLS) is herein providing written documentation to support the Force Majeure claim submitted to the Michigan Department of Environmental Quality (MDEQ) on April 30, 2007. Under the court's Consent Judgment (CJ), a Force Majeure report must be submitted within 14 business days of the Force Majeure claim. An excerpt from the CJ, detailing the Force Majeure claim, is provided below:

"Within 14 working days after Defendant first believes those circumstances to apply, Defendant shall supply to the MDNR, in writing, an explanation of the cause(s) of any actual or expected delay, the anticipated duration of the delay, the measures taken and the measures to be taken by Defendant to avoid, minimize, or overcome the delay, and the timetable for implementation of such measures. Failure of Defendant to comply with the written notice provisions of this paragraph shall constitute a waiver of Defendant's right to assert a claim of Force Majeure with respect to the circumstances in question."

BACKGROUND

On March 14, 2007, the pumping water level in Well AE-3, which is located within an area identified as the Evergreen area, decreased to a depth equal to the pump intake. To prevent the introduction of air into the well pump and piping, the groundwater extraction flow rate was reduced from approximately 32 to 25 gallons per minute (gpm). During the morning on March 15, 2007, air bubbles were observed in the AE-3 piping; therefore, in an attempt to sustain a constant flow rate, the flow rate was reduced to 10 gpm. Later that same day, it was determined that the 10 gpm flow rate was not sustainable since it continued drawing air into the pump and piping, so AE-3 was shut down. The well remained off until it was rehabilitated and restarted on April 26, 2007.

FORCE MAJEURE REQUIREMENTS AND PLS' RESPONSES

Following is PLS' report identifying each item required in the Force Majeure Claim and PLS' corresponding response:

Explanation of the cause(s) of any actual or expected delay

AE-3, which was installed in April 2004, has been shut down at least four times for rehabilitation or maintenance work. The cause of each shut down has been PLS' inability to keep the well running at flow rates necessary to meet the system objectives.

Wells completed in aquifers with a low transmissivity, such as AE-3, have a low specific capacity (volume of water produced per unit of drawdown). Additionally, wells completed in poorly producing aquifers can be prone to well fouling, since the screens used in these aquifers typically have higher entrance velocities (which promotes mineral precipitation), and there is less pore space in the material surrounding the well screen. PLS has had to put considerable effort and cost into maintaining the Allison Street wells. For reference, the well construction log for AE-3 is provided as Enclosure 1.

Further exacerbating capacity issues related to the AE wells, there has been a significant water level decline in the Evergreen System. As shown on hydrographs presented in Enclosure 2, water levels have declined approximately 8 feet in this area, which reduces the available drawdown (and capacity) of wells in the Allison Street area. The decline is likely attributable to PLS' remedial activities in hydraulically upgradient areas, although longer-term natural trends cannot be discounted as a contributing factor.

The anticipated duration of the delay

The March 15 to April 23, 2007, delay was to allow the water table time to rebound from pumping to normal conditions, prior to rehabilitation. AE-3 was rehabilitated between April 23 and 26, 2007, at which time the groundwater extraction was restarted.

PLS recently rehabilitated AE-3, but it appears this work was unable to restore adequate well capacity. As such, PLS does not believe there is any value to rehabilitating AE-3 again.

If a replacement well were to be installed along Allison Street, the minimum time to do this work is estimated at one to two months. This time frame does not include access for the well and pipeline, which may be difficult to obtain. PLS has worked with nearby residents to gain access to private property for the operation and maintenance of AE-3. More frequent well work (rehabilitation/maintenance) puts a strain on PLS's relationship with the property owners. Future contracts with property owners may become more difficult to obtain (as it was with AE-2, to which additional property access was denied; thereby necessitating plugging and abandonment of AE-2).

It is not certain, however, that a new well would have the capacity to meet the objectives of the CJ. Furthermore, the life-span of a new well would likely be as limited as it was with AE-3. As such, PLS is evaluating alternatives to continued well replacement.

The measures taken and the measures to be taken by Defendant to avoid, minimize, or overcome the delay

PLS initially responded to the AE-3 situation by allowing the aquifer to recover in an attempt to increase available drawdown. This action did not result in any noticeable increased well capacity. On April 23, 2007, aggressive rehabilitation of AE-3 was initiated by Stearns Drilling of Dutton, Michigan. The goal of the well rehabilitation was to clean organic and inorganic deposits in the well screen and formation around the well screen. The well rehabilitation included both the physical scrubbing of the well screen and chemical cleaning utilizing a surge block to push the chemicals out into the formation. Well AE-3 rehabilitation activities were conducted and AE-3 was restarted on April 26, 2007, with a flow rate of 15 gpm. The flow rate was subsequently increased to 25 gpm; however, AE-3 is still drawing in air, suggesting the rehabilitation is a short-term temporary solution.

PLS prepared and submitted a comprehensive report to MDEQ on May 10, 2007. The report proposes an option for management of the leading edge of the Evergreen plume.

The time table for implementation of such measures

As indicated, PLS prepared a report to the MDEQ proposing an option for management of the leading edge of the Evergreen plume. This report was submitted to MDEQ on May 10, 2007.

If you have any questions or require additional information, please call me at (734) 913-6130.

Sincerely,

Farsad Fotouhi

Farsad Fotouhi
Corporate Vice President
Environmental Engineering

cc: Jim Coger, MDEQ
Celeste Gill, MDAG
Alan Wasserman, Esq.
Michael Caldwell, Esq.

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Lansing (517) 627-1141
Kalamazoo (269) 375-3824
Farmington Hills (248) 324-2090

BOREHOLE LOG

BORING/WELL ID: AE-3
TOTAL DEPTH (ft.): 127'

PROJECT: Pall Life Sciences Inc.
SITE LOCATION: Ann Arbor, Michigan
PROJECT NO.: 96502B
PROJECT MANAGER: James W. Brode, Jr., C.P.G.
LOGGED BY: Tony Alati

START DATE: 4/22/04
END DATE: 5/28/04
TOC ELEV.:
GROUND ELEV.: Approx. 955'
STATIC WATER LVL.: 85.09' btoc

DRILLING CO.: Stearns Drilling
DRILLER: Dennis, Dick
RIG TYPE: CME 95, Rota Drill
METHOD OF DRILLING: HSA, Mud Rotary
SAMPLING METHODS: Split Spoon, Simulprobe

NOTES: Allison Drive
approx. 30' W of AE-1

▼ Static Water Level

DESCRIPTION	PID ppm	GRAPHIC LOG	DEPTH (ft. bgl)	Static Water Level	Sample/ Recovery	Sample ID	Blow Counts	WELL CONSTRUCTION DETAIL
SILTY CLAY: Silty Clay; trace Gravel. Brown and gray, mottled, very stiff. Damp to dry			0					
			2					
			4					
			6					
			8					
			10					
			12		2.0'		4,8,11,13	
			14					
			16					
			18					
Silty Clay; trace Gravel. Gray, very stiff, damp			20					Neat Cement Grout
			22		2.0'		3,7,15,19	
SAND: Sand, fine grained. Brown, well sorted, loose, dry			24					
			26					
			28					
Sand, medium to fine grained; trace Silt. Brown, well sorted, loose, dry			30					
			32		1.7'		4,10,12, 14	
			34					
			36					
			38					
SILTY CLAY: Silty Clay; trace Gravel; trace fine grained Sand. Interbedded, brown, soft, dry			40					6" Black Steel Casing
			42		1.8'		4,6,8,7	
			44					
			46					
			48					
Silty Clay; trace Gravel. Gray, medium stiff, damp			50					
			52		1.8'		3,4,6,9	
			54					
			56					
			58					
Silty Clay; trace Gravel. Gray, stiff, dry			60					
			62		1.8'		7,26,35, 38	

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approx. 30' W of AE-1

▼ Static Water Level

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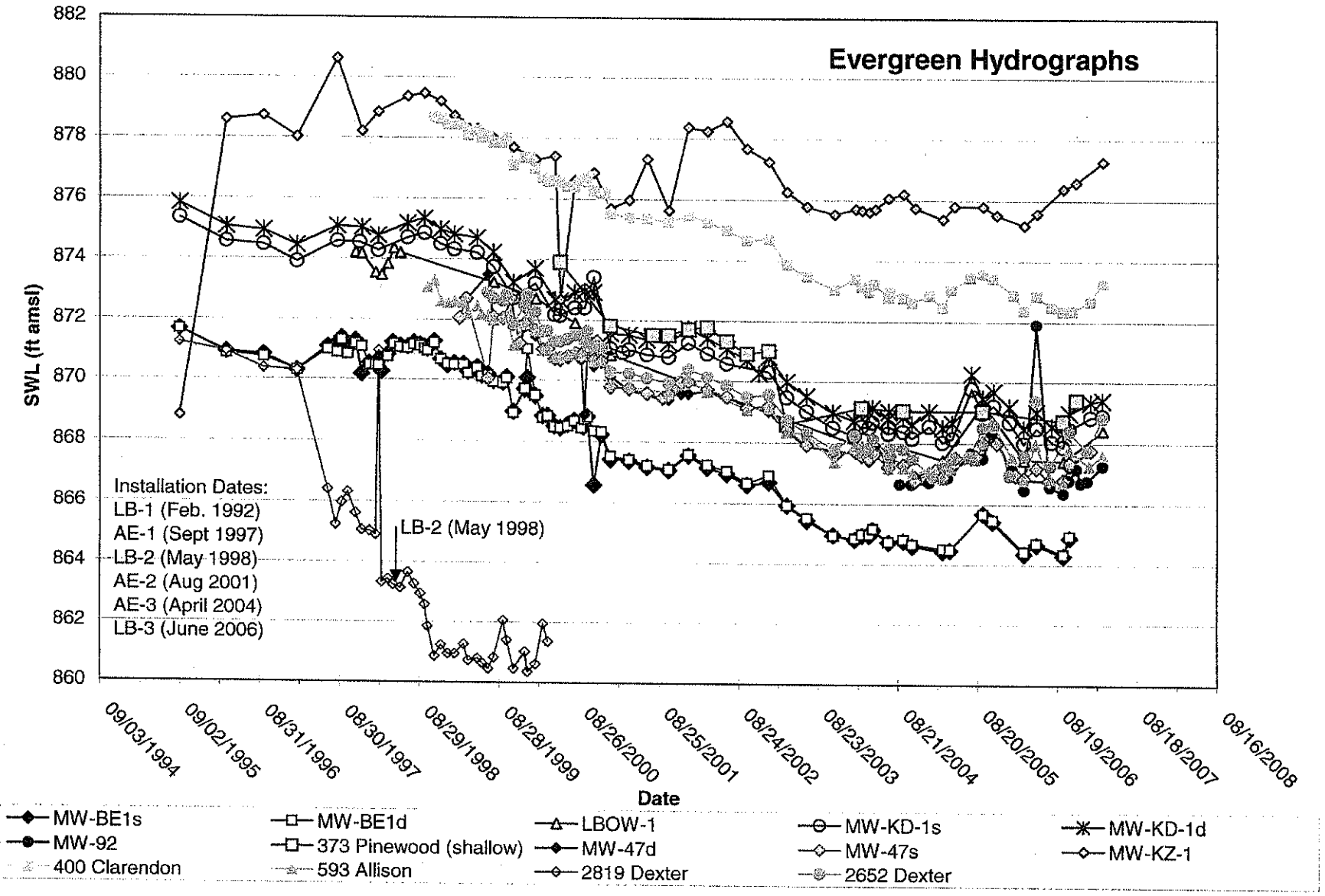
Silty Clay; trace Gravel. Gray, very stiff, damp			64 66 68 70 72		2.0'		6,17,20, 21	
Silty Clay; trace Gravel. Gray, very stiff, damp to dry			74 76 78 80 82	▼	2.0'		8,16,26, 29	Neat Cement Grout
Silty Clay. Gray, soft, damp			84 86 88 90 92		2.0'		8,23,31, 38	6" Black Steel Casing
SAND: Sand, fine grained; Silty Clay. Brown, loose, wet			94 96 98					
Sand, fine to medium grained. Brown, well sorted, loose, wet			100 102		1.8'		15,24,70	Simulprobe Sample - 63 ppb
Sand, fine to medium grained. Brown, well sorted, loose, wet			104 106 108		1.8'		3,6,15,18	#6 Sand Pack
Sand, fine grained, trace medium grained. Brown, well sorted, loose, wet			110 112 114		1.8'		13,25,26	Simulprobe Sample - 60 ppb
Sand, fine to very fine grained; trace Clay. Brown, well sorted, loose, moist			116 118		1.9'		4,6,14,20	6" Stainless Steel Screen (20 slot)
Sand, fine to medium grained. Brown, well sorted, loose, moist			120 122		2.0'		6,7,16,35	Simulprobe Sample - 20 ppb
SILT: Sand, fine grained; Silt. Gray (based on driller's log)			124 126		1.8		10,27,34, 38	


Evergreen Hydrographs
SWL (ft amsl)
882
880
878
876
874
872
870
868
866
864
862
860
Installation Dates:
LB-1 (Feb. 1992)
AE-1 (Sept 1997)
LB-2 (May 1998)
AE-2 (Aug 2001)
AE-3 (April 2004)
LB-3 (June 2006)
LB-2 (May 1998)
09/03/1994
09/02/1995
08/31/1996
08/30/1997
08/29/1998
08/28/1999
08/26/2000
08/25/2001
08/24/2002
08/23/2003
08/21/2004
08/20/2005
08/19/2006
08/18/2007
08/16/2008
Date
MW-BE1s
MW-BE1d
LBOW-1
MW-KD-1s
MW-KD-1d
MW-92
373 Pinewood (shallow)
MW-47d
MW-47s
MW-KZ-1
400 Clarendon
593 Allison
2819 Dexter
2652 Dexter