Highlands Environmental Solutions, Inc.

8410-D Falls of Neuse Road; Raleigh, NC 27615
Phone: 919-848-3155 / www.HESfast.com

April 15, 2016

Ms. Janet Macdonald
NCDENR – Division of Waste Management
Inactive Hazardous Sites Branch
1646 Mail Service Center
Raleigh, NC 27600-1646

Subject: Submittal of Quarterly Update Report – April 2016
American Skin Food Group, LLC; 140 Industrial Dr., Burgaw, Pender County, North Carolina
Site ID #: NONCD0001996
HES Project #221007

Dear Ms. Macdonald:

On behalf of the American Skin Food Group, LLC (ASFG), Highlands Environmental Solutions, Inc. (HES) hereby submits this Quarterly Update Report for the above referenced site.

ASFG is a production facility that produces pork rind pellets and snacks from pork skins, and is located on Industrial Drive, in Burgaw, North Carolina. Environmental assessment activities began at the site in 2012, when groundwater impacted by chlorides, ammonia nitrogen and total chromium, was detected at the site during environmental due diligence assessment activities completed by Smithfield Foods who subsequently purchased an operating interest in the plant.

The subject site is situated in an area of mixed industrial, office, and residential land uses. The site and surrounding properties have access to municipal water and sewer services provided by the Town of Burgaw.

The subject site entered the Registered Environmental Consultant (REC) program in January 2014 and the REC – Administrative Agreement (AA) was executed in January 6, 2014. HES is the REC for this project, and Mr. Joe Beaman, P.G., RSM is the Registered Site Manager. In January 2014, HES submitted a *Phase I/II Remedial Investigation Work Plan* for the subject site. Remedial investigation activities are being conducted at the site, and a Remediation Investigation Report is being compiled.

Concentrations of ammonia nitrogen and total chromium have remained at concentrations less than the North Carolina Groundwater Quality Standards since 2014. Concentrations of chloride remain at concentrations greater than North Carolina Groundwater Quality Standards in only three groundwater monitoring wells at the site. This project continues to progress in a manner to achieve each of the mandatory work phase milestones established in the REC Program (as presented in 15A NCAC 13C .0302(h)). Completion of the Remedial Investigation phase of this investigation is required by January 2017, and the project is on track to meet this schedule. Given the recent regulatory changes (guidance documents are currently pending), we anticipate petitioning for site closure based on risk-based corrective action (RBCA) to attain regulatory closure of this site (RBCA is preferred). We anticipate submittal of the RI Report for this site in April 2016.

Document certification information is presented in **Attachment 1** of this document. If there are any questions regarding this correspondence, please contact me at (919) 848-3155.

Sincerely,

Highlands Environmental Solutions, Inc.

Joe Beaman, P.G., RSM
Principal Geologist

cc: Mr. Ray Talbot - American Skin Food Group, LLC
Mr. Wes Blake - American Skin Food Group, LLC
File

ATTACHEMENT 1

REC PROGRAM DOCUMENT CERTIFICATION FORM - PAGE 1 OF 2
IHSB SITE NAME NONCD0001996 - American Skin Food Group
DATE & NAME OF DOCUMENT April 15, 2016 - April 2016 Qtrly Update
TYPE OF SUBMITTAL (circle all that apply): Report, Work plan, Work Phase Comp. Statement, Schedule Change

REMEDIATING PARTY DOCUMENT CERTIFICATION STATEMENT (.0306(B)(2))

"I certify under penalty of law that I have personally examined and am familiar with the information contained in this submittal, including any and all documents accompanying this certification, and that, based on my inquiry of those individuals immediately responsible for obtaining the information, the material and information contained herein is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for willfully submitting false, inaccurate or incomplete information."

Ray Talbot
Name of Remediating Party

Signature of Remediating Party

4/15/16
Date

NOTARIZATION

NC (Enter State)

New Hanover COUNTY

I, Brenda G. Blatchley, a Notary Public of said County and State, do hereby certify that Ray Talbot did personally appear and sign before me this day, produced proper identification in the form of Driver's License, was duly sworn or affirmed, and declared that, to the best of his or her knowledge and belief, after thorough investigation, the information contained in the above certification is true and accurate, and he or she then signed this Certification in my presence.

WITNESS my hand and official seal this 15 day of April 2016.

Brenda G. Blatchley
Notary Public (signature)

(OFFICIAL SEAL)
BRENDA G. BLATCHLEY
NOTARY PUBLIC
NEW HANOVER COUNTY, NC

My commission expires: 6/1/2019.

Document Certification Form No. DC - I
(Revised 8/11)

REC PROGRAM DOCUMENT CERTIFICATION FORM - PAGE 2 OF 2
IHSB SITE NAME NONCD0001996 - American Skin Food Group
DATE & NAME OF DOCUMENT April 15, 2016 April 2016 Quarterly Update
TYPE OF SUBMITTAL (circle all that apply): Report, Work plan, Work Phase Comp. Statement, Schedule Change

REGISTERED SITE MANAGER CERTIFICATION OF SIGNATURES

As the Registered Environmental Consultant for the Site for which this filing is made, I certify that the signatures included herewith are genuine and authentic original handwritten signatures and/or true, accurate, and complete copies of the genuine and authentic original handwritten signatures of the persons who purport to sign for this filing. I further certify that I have collected through reliable means the originals and/or copies of said signatures from the persons authorized to sign for this filing who, in fact, signed the originals thereof. Those persons and I understand and agree that any copies of signatures have the same legally binding effect as original handwritten signatures, and I certify that any person for whom I am submitting a copy of their signature has provided me with their express consent to submit said copy. Additionally, I certify that I am authorized to attest to the genuineness and authenticity of the signatures, both originals and any copies, being submitted herewith and that by signing below, I do in fact attest to the genuineness and authenticity of all the signatures, both originals and copies, being submitted for this filing.

Joe Beaman, P.G, RSM
Name of Registered Site Manager

Signature of Registered Site Manager

4/15/2016
Date

REGISTERED SITE MANAGER DOCUMENT CERTIFICATION STATEMENT (.0306(b)(1))

"I certify under penalty of law that I am personally familiar with the information contained in this submittal, including any and all supporting documents accompanying this certification, and that the material and information contained herein is, to the best of my knowledge and belief, true, accurate and complete and complies with the Inactive Hazardous Sites Response Act N.C.G.S. 130A-310, et seq, and the remedial action program Rules 15A NCAC 13C .0300. I am aware that there are significant penalties for willfully submitting false, inaccurate or incomplete information."

Joe Beaman
Name of Registered Site Manager

Signature of Registered Site Manager

4/15/2016
Date

NOTARIZATION

NC (Enter State)

Wake COUNTY

I, Patricia G. Thibault, a Notary Public of said County and State, do hereby certify that Joe Beaman did personally appear and sign before me this day, produced proper identification in the form of NCDL 449439, was duly sworn or affirmed, and declared that, he or she is the duly authorized environmental consultant of the remediating party of the property referenced above and that, to the best of his or her knowledge and belief, after thorough investigation, the information contained in the above certifications is true and accurate, and he or she then signed these Certifications in my presence.

WITNESS my hand and official seal this 15 day of April 2016.

Notary Public (signature)

(OFFICIAL SEAL)

PATRICIA G. THIBAULT
NOTARY PUBLIC
WAKE COUNTY, N.C.

My commission expires: 8/12/2020

Document Certification Form No. DC - II
(Revised 8/11)