



STATE OF NEVADA  
OFFICE OF THE ATTORNEY GENERAL

100 North Carson Street  
Carson City, Nevada 89701-4717

CATHERINE CORTEZ MASTO  
*Attorney General*

KEITH G. MUNRO  
*Assistant Attorney General*

September 24, 2010

JIM SPENCER  
*Chief of Staff*

Matt Paque, Esq.  
Tronox LLC  
Post Office Box 268859  
Oklahoma City, Oklahoma 73134

Re: Tronox Remediation Issues and Document Request

Dear Matt:

This is a belated follow up to our telephone conference on September 1, 2010 regarding the TRX remediation budget issues for 2010. I also would like to take this opportunity to list out some of the documents we believe will be required by the proposed Henderson Environmental Trust to effectively take over the remediation program on site, as well as some issues that should be wrapped up before reorganization.

In regards to the request of TRX to have NDEP sanction a prioritized list of tasks to be accomplished on site by year's end and delay or potentially delay completion of selected tasks until after December 31, 2010, NDEP declines to do so. The Finding of Alleged Violation and Order of December 14, 2009 remains in effect, and TRX has a duty to comply or suffer further enforcement actions. In addition, as a debtor in possession under the bankruptcy, TRX has a fiduciary duty to protect the property for the benefit of the creditors. See 11 U.S.C. §1107 (a); *Woodson v. Fireman's Fund Insurance Company*, 839 F.2d 610 (9<sup>th</sup> Cir. 1987).

While I acknowledge that the Environmental Claims Settlement Agreement has not yet been finalized, I believe it is prudent and indeed imperative, given the time constraints that we may face in the near future, to address those documents that will be necessary to effectuate an efficient transfer of the remediation program to the proposed Henderson Environmental Trust. NDEP believes that the following documents, although likely not an exhaustive list, will be required:

- Utility Information:
  - All utility contracts applicable to Groundwater Water Treatment System, and relevant documentation.
  - Record of all electricity costs for remediation system for the last 12 months.
  - Utility review/"groundbreaking permit" information, including all utility maps, drawings, etc.
  
- Veolia:
  - All contracts applicable to Veolia, and relevant documentation.
  - All invoices and supporting cost documentation from Veolia for the past 12 months.
  - All permits held by Veolia (including ATF Permit for ethanol, Clark County DAQEM permit, etc.) related to operation of the GWTS.
  
- Northgate:
  - All contracts with Northgate Environmental Management (including affiliate NGE, LLC).
  
- Miscellaneous Contracts and Permits:
  - All contracts regarding Las Vegas Paving, and analytical labs.
  - Any other relevant contracts entered into by TRX related to remediation.
  - Any permits held by TRX related to remediation, including RCRA.
  - Copy of AIG/Chartis insurance policies for BMI common areas.
  
- Groundwater Treatment System:
  - List of all equipment owned by TRX utilized in the GWTS, including equipment specs and part numbers, etc.
  - Any agreement(s) or relevant documentation related to technology utilized in the GWTS, including any technology owned by Shaw Environmental.
  - Any agreement(s) or relevant documentation regarding the right of TRX and Veolia to utilize technology that is part of the GWTS, including Shaw's technology, or any other operator rights to Shaw's technology, including Veolia.
  - Any confidentiality agreements between TRX and Veolia, Shaw or any other necessary entity related to the GWTS.
  
- Site access issues:
  - All current access agreements with third parties regarding remediation projects on and off site, including:
    - Montrose DNAPL trespass – characterization, potential remediation.

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- Olin Stauffer Syngenta Montrose groundwater treatment system – currently on Parcel E.
- Seep Area access on BRC property.
- Athens (Galleria) Well Field access agreement with City of Henderson.
- Location and other information for all easements and rights-of-way that exist on site. Information should include, but is not limited to, easement/right-of-way holder contact information, duration, specifications, copies of any easement/right-of-way agreements.

We ask that you provide these documents to NDEP within ten days of the execution of the Environmental Claims Settlement Agreement. Finally, there are a few outstanding issues that should be expeditiously resolved: (1) Prior to plan confirmation, TRX must submit a schedule for elimination of cooling water to discharge so that expired NPDES permit NV0000078 may be terminated. (2) NDEP is still awaiting TRX's required response to the issues pending regarding Parcel J. Please provide this response immediately in order to avoid further enforcement actions. (3) I understand that TRX has recently restricted site access for NDEP and its contractors. While TRX has addressed the current site access issues, please continue to assure that NDEP and its contractors have minimally restricted access, in the manner that has served the parties for the past two decades so that continuity of the remediation project may continue without further enforcement actions. Additionally, TRX should notify NDEP prior to the implementation of changes to site access for whatever reason.

If you have any questions, please do not hesitate to contact me.

Sincerely,

CATHERINE CORTEZ MASTO  
Attorney General

By:



CAROLYN E. TANNER  
Deputy Attorney General  
Conservation & Natural  
Resources  
(775) 684-1270

CET/lcd

cc: Jim Najima, Bureau of Corrective Actions, NDEP  
Greg Lovato, Bureau of Corrective Actions, NDEP  
William Knight, Bureau of Corrective Actions, NDEP  
Shannon Harbour, Bureau of Corrective Actions, NDEP