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January 10, 2011

Mr. Jeffrey Erwin Compliance Officer, Water Pollution Control Nevada Division of Environmental Protection 901 South Stewart Street, Suite 4001 Carson City, NV 89701-5249

Subject: Tronox, LLC - December 8, 2010 Spill Report Reply

Dear Mr. Erwin:

This letter is being sent in response to your letter to Tronox (Matt Paque) on January 6, 2011 concerning Tronox 's reporting requirements associated with the onsite non-hazardous wastewater spill that occurred at the Tronox Henderson facility on December 8, 2010.

On December 8, 2010 at 1645 hours, three small process lines (two 4-inch and one 3-inch diameter) were damaged by a subcontractor (Las Vegas Paving, LVP) while working on an NDEP approved soil remediation project on the Tronox site in Henderson, NV. The lines were damaged while Las Vegas Paving was attempting to place protective steel plating over the process lines in order to protect them from damage during the course of the remediation activity. This accident resulted in a release of approximately 2,000 gallons of non-hazardous wastewater that was contained on site. Upon damaging the lines, Las Vegas Paving operators contacted Tronox operations and prompt actions were taken to stop the process flows to the damaged lines. With emphasis on worker safety concerns, the spill area was then bermed, free standing liquid was vacuumed and the area was secured. As required by permit NEV2001516, section II.A.4.b, NDEP was notified within 24 hours of this release.

On the following morning, December 9, 2010, Tronox conducted a special meeting to discuss the details of this accident with all contractors and subcontractors involved and to determine a framework for generating a written report of this accident / release. There was some confusion regarding the accident report generation because it involved both contractors (Northgate Environmental Management Inc.) and subcontractors (Las Vegas Paving (LVP) & Earth Resource Group (ERG)). In addition to Las Vegas Paving's notification to NDEP within 24 hours of the spill and the presence of NDEP remediation inspectors at the scene, the President of Northgate Environmental Management, Deni Chambers, personally contacted Ms. Shannon Harbour regarding the details of the incident. Tronox believed NDEP had been made aware of all details known at that time regarding the spill and that no further reporting was necessary.

On December 14, 2010, Tronox received a letter from NDEP (Ms. Harbour), requesting additional information related to the December 8<sup>th</sup> spill and clean up. Upon receiving this letter, all efforts focused on providing a report containing all of the requested information and meeting the January 10, 2011 deadline noted by Ms. Harbor. Although there was confusion due to multiple contractors and subcontractors reporting the accident / release, Tronox believed the reporting information required by permit NEV2001516, section II.A.4.b had been satisfied.

Mr. Jeffrey Erwin January 10, 2011 Page 2 of 2

To ensure the written reporting requirements of permit NEV2001516, section II.A.4.b have been properly documented, All 5 points of concern noted in permit NEV2001516, section II.A.4.b have been addressed below.

1.) Time & date of discharge: 12/08/10 at 1645 hrs.

- 2.) Exact location and estimated amount of discharge: On the Tronox Factory site at 560 W. Lake Mead Pkwy, Henderson, NV 89015. Quantity of liquid spilled was estimated at 2,000 gallons.
- 3.) Flow path and any bodies of water which the discharge reached: The liquid flow was fully contained on the Tronox plant site and did not reach any bodies of water.
- 4.) The specific cause of the discharge: While working on a NDEP approved soil remediation project on the Tronox plant site, a crew of trained personnel from Las Vegas Paving (LVP) accidently damaged 3 wastewater transfer lines while attempting to install a protective steel plate over the wastewater lines. This resulted in a release of 2,000 gallons of non-hazardous process water.
- 5.) The preventive and / or corrective actions taken: Immediately upon damaging the lines, LVP personnel contacted Tronox supervision to report the incident. Tronox proceeded to isolate the damaged lines and stop the flow. Clean up crews were immediately organized for assistance, berms were constructed to ensure the water spill was contained. Free standing liquid was then sampled, vacuumed and deposited in an onsite, lined, non-discharge wastewater pond.

Furthermore, a more detailed report regarding the circumstances of the spill will be submitted to NDEP in response to Ms. Harbour's inquiry by the January 10<sup>th</sup>, 2011 deadline.

Tronox takes all regulatory reporting requirements very seriously. Reporting procedures are a basic part of routine training of staff and operations personnel at Tronox. To help eliminate any future confusion involving multiple contractors and reporting personnel, the reporting events surrounding the December 8, 2010 release will be reviewed by all Tronox staff and a clear procedure for conveying accurate information through the proper avenues of communication will be drafted and reviewed with Tronox staff and appropriate contractors.

Should you have any questions concerning this submittal, please feel free to contact me at (702) 651-2228 or e-mail michael.skromyda@tronox.com .

Sincerely,

Michael Skromyda, P.E. Staff Environmental Engineer

Michael Skumyda

Overnight Mail

CC:

Matt Paque – Tronox, LLC (electronic copy) Rick Stater - Tronox, LLC (electronic copy) Shannon Harbour, P.E. - NDEP Environmental file - Tronox, LLC