

STATE OF NEVADA

Department of Conservation & Natural Resources

DIVISION OF ENVIRONMENTAL PROTECTION

Jim Gibbons, Governor

Allen Biaggi, Director

Leo M. Drozdoff, P.E., Administrator

December 3, 2009

Michael J. Foster
Tronox, LLC. (Tronox)
3301 N. W. 150th
Oklahoma City, Oklahoma 73134

Mr. Ken Baker
Chartis, Pollution Cap Claims Department
175 Water Street, 12th Floor
New York, New York 10038

Re: **Tronox LLC (TRX)**
NDEP Facility ID #H-000539
Nevada Division of Environmental Protection (NDEP) Request for Meeting

Dear Messrs. Foster and Baker,

It is the understanding of the NDEP that insurance policies held by Chartis are funding the investigation and remediation activities at the Tronox Henderson, Nevada facility. It is the understanding of the NDEP that Chartis is intimately involved in the decision-making process regarding these activities.

On October 7, 2009 NDEP representatives met with representatives of Tronox and Chartis to discuss the draft results of the "Phase B" investigation results for "Area I" of the Tronox facility in Henderson, Nevada. NDEP representatives were surprised and disheartened that Tronox and Chartis were not prepared to discuss what the next steps might be for Area I of the facility. NDEP expressed the belief that it was quite obvious that remediation for this area of the facility was necessary and the additional investigation would likely help refine this understanding.

NDEP discussed this concern with Tronox on a weekly basis.

43 days later (on November 19, 2009) NDEP received a work plan for additional sampling within Area I of the facility. This work plan was one page long and was wholly deficient. NDEP worked with Tronox to modify this work plan to become an approvable document. The final documentation was received from Tronox on November 24, 2009 and NDEP approved the work plan the same day.

As an output of this process, on November 23, 2009, the NDEP again expressed concern to Tronox that the process and schedule for the project would not allow remediation to occur in a reasonable timeframe (if at all). NDEP requested that persons with decision-making authority



from both Tronox and Chartis meet with the NDEP to discuss how we could collectively work to insure that the facility is addressed in a timely fashion. Tronox representatives indicated that such personnel were currently unavailable. This is not acceptable.

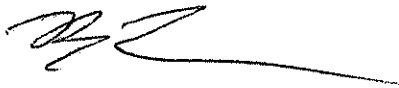
The timeliness for resolving these issues is imperative for several reasons as follows:

- Basic Remediation Company (BRC) has constructed a Corrective Action Management Unit (CAMU) adjacent the Tronox facility. This CAMU is forecasted to have excess capacity. BRC has told Tronox that they may dispose of wastes within the CAMU. NDEP has worked with BRC to modify the CAMU permit to accept these wastes. This should result in significant savings for Tronox and Chartis should Tronox choose to dispose of wastes in the CAMU. The issue is that the CAMU will only be open for approximately another ten months, hence decisions need to be made immediately.
- It is the understanding of the NDEP that the Chartis insurance policies expire at the end of calendar year 2010. It is the understanding of the NDEP that these are currently the only viable financial means of addressing the environmental issues at the facility.

NDEP believes that this meeting is an important step towards establishing mutually acceptable objectives and procedures for addressing the substantial environmental contamination at the Tronox facility in Henderson, Nevada. NDEP herein reiterates its request for a meeting to discuss these issues with appropriate personnel from Tronox and Chartis as soon as possible. Please contact me **no later than December 15, 2009** to advise regarding your availability and willingness for such a meeting.

Please contact the undersigned with any questions at brakvica@ndep.nv.gov or (702) 486-2850 extension 247.

Sincerely,



Brian A. Rakvica, P.E.
Supervisor, Special Projects Branch
Bureau of Corrective Actions
NDEP-Las Vegas Office
Fax: 702-486-5733

BAR:s

CC: Jim Najima, NDEP, BCA, Carson City
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Susan Crowley, Tronox LLC, PO Box 55, Henderson, Nevada 89009
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