



Susan Crowley
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April 29, 2005

Mr. Todd Croft
Supervisor
Nevada Division of Environmental Protection
1771 West Flamingo Road, Suite 121A
Las Vegas, NV 89119

Re: 2005 AOC – Monthly Progress Report for April 2005

Dear Mr. Croft,

This monthly progress report is the first in a series to fulfill requirements laid out in the April 12, 2005 Administrative Order On Consent (2005 AOC) between the State of Nevada, Department of Conservation and Natural Resources, Division of Environmental Protection (NDEP) and Kerr-McGee Chemical LLC (Kerr-McGee).

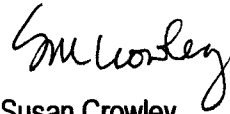
Activities in the month of April include:

1. Pilot scale biological test work has been completed by Shaw Environmental, confirming that water from the AP-5 pond (containing concentrations of perchlorate in excess of 100 g/L) can be successfully processed in a bioreactor. Dilution by a factor of 70 with existing bioplant effluent is required to maintain biological activity.
2. Preliminary engineering has been initiated on installation of a single new Fluidized Bed Reactor (FBR) to treat the AP-5 solution. The new FBR is proposed to be located west of the existing FBRs and will increase the current plant treatment capability by about 25 percent. Hydraulic flow capacity will remain at about 1000 gpm (including the 1.2 gpm AP-5 pond solution). Effluent from the new FBR will be fed to the existing bioplant. Options for handling the increased waste biosolids and improving existing plant effluent clarity are being evaluated. Preliminary capital and operating costs, along with a tentative project construction schedule are expected in May.
3. Pilot testing of a Parkson continuous backwash sand filter is in progress to improve bioplant effluent clarity. Initial results from the two-week, 40 gallon per minute, test are promising.
4. Air emission calculations have been completed for the increased ethanol and lime usage associated with the new FBR. A proposed air permit modification and corresponding application for Authority to Construct (ATC) will be submitted to Clark County when the plant flow- sheet has been finalized.

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If you have questions or comments on this report, please call me at (702) 651-2234 or call Keith Bailey at (405) 270-3651.

Sincerely,



Susan Crowley
Staff Environmental Specialist

Overnight Mail

CC: Keith Bailey (KM)
Mary Cheung (Veolia)
Pat Corbett (KM)
Mike Del Vecchio (Shaw)
Brad Dougherty (AIG)
Brian Rakvica (NDEP)
Rick Stater (KM)
Tim Wolf (Malcolm Pirnie)