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September 6, 2005

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

Subject: 2005 AOC Monthly Progress Report for August 2005

Dear Mr. Croft,

This monthly progress report fulfills 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), Bureau of Corrective Actions and Kerr-McGee Chemical LLC (Kerr-McGee).

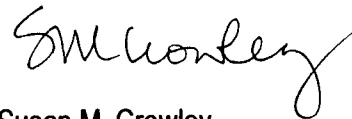
**Activities during August:**

1. Preliminary engineering and the construction bid package for the AP-5 Treatment / Effluent Clarity project were completed. Following receipt of the bid package (three large 3-ring binders), the four bidders requested time extensions to compete their bids. We should receive and complete evaluation of the bids by mid-September. A construction schedule will be developed as the bids are evaluated.
2. Proposals for washing perchlorate from insoluble materials in the AP-5 pond have been received from two suppliers. Comparative evaluations are in progress.
3. Optimization options to improve biosolids sludge dewatering have been pilot tested with limited success. A Fournier rotary press test was completed during the last week of August. Results were better than the earlier Prime Solutions test, but were not as good as the vendor anticipated. A report on the test should be completed by Fournier in the next two weeks.
4. Efforts to minimize odor from filtered biosolids continue. Laboratory jar tests using the BIOXIDE process from US Filter appear promising. A full scale test is being scheduled at the bioplant.

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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 M. Crowley  
Staff Environmental Specialist

#### Overnight Mail

cc: Keith Bailey, Kerr-McGee  
Sally Bilodeau, ENSR  
Larry Bowerman, EPA Region IX  
Mary Cheung, Veolia WNA  
Pat Corbett, Kerr-McGee  
Mike Del Vecchio, Shaw  
Brad Dougherty, AIGC-EM  
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Mitch Kaplan, EPA Region IX  
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Paul Sundberg, Montrose  
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Craig Wilkinson, TIMET  
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