

January 4, 2012

State Engineer
Division of Water Resources
901 South Stewart Street, Suite 2002
Carson City, NV 89701

Re: Extension of Time – Permits 51083 and 50801

Dear Sirs:

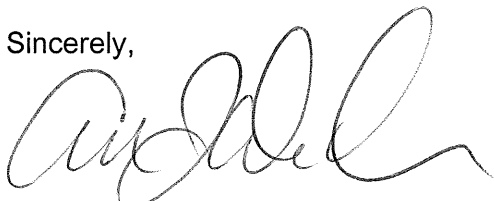
In 1987, Tronox LLC (formerly known as Kerr-McGee Chemical LLC), Henderson, Nevada obtained two Water Appropriation Permits covering groundwater appropriation for treatment purposes: Permits 51083 and 50801. At the direction of the Nevada Division of Environmental Protection, a groundwater extraction and treatment project was started at the Henderson site and has been in service since that time. The expected project lifetime is decades. Earlier this year Tronox LLC filed a Report of Conveyance for each of these water appropriation permits, transferring responsibility for the permits to the Nevada Environmental Response Trust (NERT).

As we come upon the time for filing proof of beneficial use, we find that a time extension is needed, because the extraction and treatment efforts are continuing. The subsurface aquifer has been greatly diminished over the last 20 years due to dry weather and the temporary cessation of once-through-cooling water discharge allowed for in an NPDES operating permit for a facility operator. This once-through-cooling water, as well as storm water, flows through a short unlined channel on NERT property, upgradient of the groundwater interception system. With the minimal rainfall and the temporary cessation of the once-through-cooling water, the amount of recharge through this channel has been greatly reduced. This has in turn greatly reduced the measure of water available for the interception system to capture. The full measure of the water named in the permit has not been available for use over the last several years.

Because we need to anticipate the impact of increased rainfall and anticipated use of permitted once-through-cooling water, ENVIRON, on behalf of NERT, asks for an extension of time before filing for proof of beneficial use. This will allow continued capture of the groundwater, as directed by NDEP. Through the next year, we will continue to monitor the volume of water available for extraction and treatment at the site.

Please feel free to call or e-mail Susan Crowley at (702) 592-7727 or smcrowley@cox.net, if you have any questions or need additional information. Thank you.

Sincerely,



Allan DeLorme, PE
Managing Principal

Attachment

cc: Susan Crowley
Shannon Harbour
John Pekala
Chris Ritchie



Extension of Time
Application 50801 - D



Extension of Time
Application 51083 - D

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME

Owner of Record NEVADA ENVIRONMENTAL RESPONSE TRUST

IN THE MATTER OF PERMIT NO. 50801 FILED TO APPROPRIATE/CHANGE THE WATERS OF UNDERGROUND WATER

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now ALLAN DELORME, the Permittee Permittee or Agent

who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners? [] Yes [X] No (Check the appropriate box)
2. If "Yes" on question 1 is checked, is this request for an extension of time submitted on behalf of all the owners? [] Yes [] No (Check the appropriate box)
3. If "No" on question 2 is checked, on whose behalf is this extension being filed? NEVADA ENVIRONMENTAL RESPONSE TRUST
4. How much time is needed to construct the works of diversion or place the water to beneficial use? 5 YEARS
5. What is the expenditure on the project under this permit? Last year? \$50,000 Total to date? \$500,000
6. The permittee requests an extension of time for 1 YEAR within which to comply with the provisions for filing the (Not to exceed 1 year)

PROOF OF BENEFICIAL USE

(Proof of completion of work and/or Proof of beneficial use)

7. Describe progress made during the last year and explain in detail why this request for an extension of time is being submitted (See instructions on back. Use additional pages if necessary):

Full measure of groundwater has not been available for use re groundwater remedial efforts.

Signed [Signature] Permittee or Agent

Address 510 Fourth Street Henderson, NV 89015 Street Address or PO Box City, State, ZIP Code

Phone 510-420-2565

E-mail adelorme@environcorp.com

Subscribed and sworn to before me this 4th day of January, 2012. [Signature] Signature of Notary Public Required. Notary Public in and for the County of Alameda State of California My commission expires 6/24/12



Notary Stamp or Seal Required

\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT

INSTRUCTIONS

- A. Enter the name of the owner of record on the first line.
 - B. Enter the permit number and source of water on the second and third lines.
 - C. Print the name of the person signing the application and enter the signer's authority, i.e., permittee or agent, on the fifth line.
1. Check the appropriate box regarding the permit owner(s)
 2. If you answered "Yes" to question 1, check the appropriate box. If you answered "No" to question 1, skip to question 4.
 3. If you answered "No" to question 2, list the party or parties you are representing.
 4. If the extension is for proof of completion of work, state the estimated time to complete the diversion works. If for proof of beneficial use, state the estimated time to complete the total project.
 5. Furnish the amount of expenditures on work and equipment during the last year and the total to date.
 6. The period of time requested may not exceed one year. Complete no. 6 by entering whether this request is for proof of completion of work and/or proof of beneficial use.
 7. NRS 533.380 3(b) states that an application for extension must in all cases be "Accompanied by proof and evidence of the reasonable diligence with which the applicant is pursuing the perfection of the application." Please provide specific information that documents reasonable diligence and steady application of effort to perfect the application. **Highlight progress made during the previous year.** Examples of this type of information follow:
 - 1) Describe any work in progress and any facility or feature completed.
 - 2) Specify any project reports or engineering drawings that have been submitted for review or recorded pursuant to applicable laws.
 - 3) If water is being diverted, describe the actual use of the water (e.g. acres irrigated, number of units served, number and kind of livestock watered, customers served, etc.)
 - 4) Submit the record of water measurements (e.g. meter readings) for the last one-year period. Specify the measurement volume units (e.g. gallons, million gallons, or acre-feet).
 - 5) Submit any other proof of evidence that documents reasonable diligence.
 - 6) Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.
 - 7) Explain any adverse conditions and their affect upon the permittee's ability to establish full beneficial use.

This application is a sworn affidavit and must be signed by the person making the application and include his or her address and phone number in the spaces provided.

NOTE: Each application must appear with an original signature of the applicant or agent.

The application must be properly dated and notarized.

A separate application for extension of time is required for each permit.

The application for extension of time must be properly completed, signed, notarized and received in an office of the State Engineer, with the \$100.00 statutory filing fee, on or before the due date as set forth in the permit terms. Please mail form to Nevada Division of Water Resources, 901 S. Stewart Street, Suite 2002, Carson City, Nevada 89701.

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME

Owner of Record: NEVADA ENVIRONMENTAL RESPONSE TRUST

IN THE MATTER OF PERMIT NO. 51083 FILED TO APPROPRIATE/CHANGE THE WATERS OF
UNDERGROUND WATER
(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now ALLAN DELORME, the Permittee
Permittee or Agent

who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners? Yes No (Check the appropriate box)
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NEVADA ENVIRONMENTAL RESPONSE TRUST
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(Proof of completion of work and/or Proof of beneficial use)

7. Describe progress made during the last year and explain in detail why this request for an extension of time is being submitted (See instructions on back. Use additional pages if necessary):

Full measure of groundwater has not been available for use re groundwater remedial efforts.

Subscribed and sworn to before me this 4th day of
January, 20 12
[Signature]
Signature of Notary Public Required
Notary Public in and for the County of Alameda
State of California
My commission expires 6/24/12

Signed [Signature]
Permittee or Agent
Address 510 Fourth Street
Street Address or PO Box
Henderson, NV 89015
City, State, ZIP Code
Phone 510-420-2565
E-mail adelorme@environcorp.com



**\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME
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