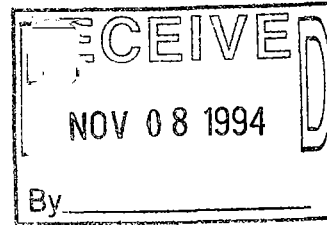


L. H. DODGION  
Administrator

Administration:  
(702) 687-4670  
Fax 687-5856

Air Quality  
Mining Regulation and Reclamation  
Water Quality Planning  
Water Pollution Control

STATE OF NEVADA  
BOB MILLER  
Governor



PETER G. MORROS  
Director

Fax (702) 885-0868  
TDD 687-4678

Waste Management  
Corrective Actions  
Federal Facilities

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF ENVIRONMENTAL PROTECTION**

Capitol Complex  
333 W. Nye Lane  
Carson City, Nevada 89710

November 2, 1994

Mr. Gregory W. Schlink  
Director of Community Development  
Basic Management, Inc.  
P.O. Box 2065  
Henderson, Nevada 89009

Subject: South Valley Ranch Storm Channel Easement

Dear Mr. Schlink:

The NDEP has reviewed the additional material submitted on September 14, 1994, regarding your request to exclude parcel 1A from the HISSC-NDEP consent agreement.

Based on the submitted material, the portions of parcel 1A to the south and east of the proposed easement will require further evaluation of the presence of contamination in the soils due to the location of the Western and Northwestern Drainage Ditches and the proximity of the lower tailings ponds.

The Storm Channel Easement and portions of parcel 1A to the west of the easement appear to be sufficiently removed from possible sources of contamination and require no further examination at this time.

If you have any questions or if I may be of further assistance, please contact me at (702) 687-4670, extensions 3020.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert C. Kelso".

Robert C. Kelso  
Environmental Engineer  
Bureau of Corrective Actions

BK:dmb

cc: Ms. Susan Stewart, HISSC, c/o Titanium Metals Corporation, P.O. Box 2128,  
Henderson, NV 89009  
Mr. Barry Conaty, Esq., Cutler & Stanfield, 700 Fourteenth Street, N.W., Washington,  
D.C. 20005  
Mr. Philip Speight, City Manager, 240 Water Street, Henderson, NV 89015