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ALLEN RIAGGI, Administrator

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Administration  
Water Pollution Control  
Facsimile 687-5856

Mining Regulation and Reclamation  
Facsimile 684-5259

STATE OF NEVADA  
KENNY C. GUINN  
Governor



Waste Management  
Corrective Actions  
Federal Facilities

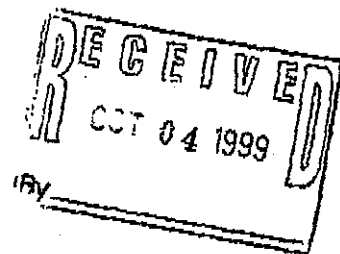
Air Quality  
Water Quality Planning  
Facsimile 687-6396

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF ENVIRONMENTAL PROTECTION

333 W. Nye Lane, Room 138  
Carson City, Nevada 89706-0851

September 27, 1999

Mr. Dan H. Stewart  
President and Chief Executive Officer  
Basic Environmental Company  
P.O. Box 2065  
Henderson, Nevada 89009



**RE:** No Further Action Determination for Parcel 9 North

Dear Mr. Stewart:

The Nevada Division of Environmental Protection (NDEP) has completed its review of a request by Basic Environmental Company dated August 27, 1999 for a no further action determination (NFA) for Parcel 9 North that is located within the BMI Industrial Complex in Clark County, Nevada in the vicinity of Henderson. The Property is more fully described in the attached legal description and letter of request, which is incorporated by this reference.

Our review has included available information regarding environmental conditions on the Property including the Phase I Environmental Conditions Assessment (ECA) Report for the Basic Management, Inc., Industrial Complex dated April 1993. The ECA describes and characterizes environmental conditions on the Property. Also reviewed were the Phase II Subsurface Soil Evaluation for the Warm Spring Road Extension dated June 1996 and the Draft Environmental Conditions Investigation Report for the BMI common Areas dated August 1996.

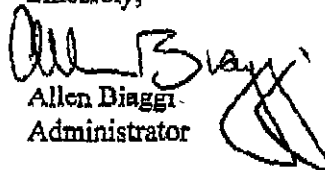
Based on our review of this information, we have concluded that no further actions are required or necessary with respect to the Property to protect human health or the environment. NDEP hereby excludes the Property from any further environmental assessment or other response action, and agrees that development may proceed on the Property without environmental restriction based on known present conditions. The NDEP fully releases and discharges the Property from any and all terms, requirements and obligations of those certain Consent Agreements which were entered into by the NDEP respecting the BMI Industrial Complex, dated April 25, 1991 (note 1 below), and February 23, 1996 (note 2 below).

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Basic Environmental Company  
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In consideration of the fulfillment of NDEP's environmental assessment and no further action requirements, the State of Nevada, Department of Conservation and Natural Resources, Division of Environmental Protection ("Division") hereby releases, discharges and covenants not to seek to hold any purchaser, tenant, lender or other third party which acquires an interest in the Property, or any of their officers, directors, partners, employees, agents, successors, affiliates or assigns, (collectively "Parties") liable as owners, operators or in any other manner, in law or in equity, under any statute, regulation or any federal, state or common law, for contamination known to exist at, on, in or below the Property and described in the ECA Report, legal description and letter of request. The Division reserves, and the foregoing sentence is without prejudice to, all of its authorities with respect to the discovery of contaminated conditions at, on, in or below the Property that are not described in the ECA Report, and the receipt by the Division of information, previously unknown to the Division, in the event that either such condition or information indicate an actual or potential threat to human health or the environment. The Division acknowledges that Pioneer and other Parties may rely on the covenants in this paragraph in connection with the purchase, sale and development of the Property, and consents to such reliance. The Division consents to the recordation of these covenants or a recordable notation of them in the Clark County Recorder's Office.

The undersigned certifies that he is authorized by the Director, Department of Conservation and Natural Resources to sign this letter.

Sincerely,

  
Allen Biaggi  
Administrator

AB:tw:lfs

cc: Barry Conaty, Cutler & Stanfield, 700 14th St., NW, Washington, DC 20005  
Philip Speight, City Manager, 240 Water St., Henderson, NV 89015

Notes:

1. The other parties are Chemstar, Inc., Kerr-McGee Chemical Corporation, Montrose Chemical Corporation of California, Pioneer Chlor Alkali Company, Inc., Stauffer Management Company, Inc., and Titanium Metals Corporation.
2. The other parties are Kerr-McGee Chemical Corporation, Montrose Chemical Corporation of California, Pioneer Chlor Alkali Company, Inc., Stauffer Management Company, and Titanium Metals Corporation.

