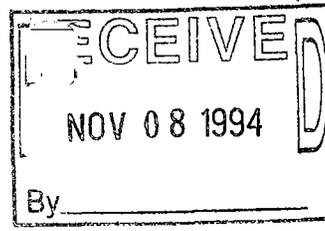


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L. H. DODGION
Administrator

STATE OF NEVADA
BOB MILLER
Governor



PETER G. MORROS
Director

Administration:
(702) 687-4670
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Air Quality
Mining Regulation and Reclamation
Water Quality Planning
Water Pollution Control



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,

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