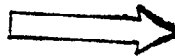


ASARCO INCORPORATED
CENTRAL ENGINEERING DEPARTMENT
FIELD CONSTRUCTION

GAS HANDLING, CLEANING & ACID PLT
EL PASO, TEXAS
JANUARY 22, 1979

Mr. Julio Serra-Jones
Monsanto Enviro-Chem Systems, Inc.
Corporate Square Office Park
Box 14547
St. Louis, Missouri 63178

RE: EA-26-EP, N.Y. 3954, Plt 623
Gas Handling, Cleaning and Acid Plant
File - 8.3.2 Monsanto (Proposal)
Release of Fee Payments - Plt Acceptance



Dear Julio:

Your letter of December 27, 1978, regarding the release of the remaining fee payments has been signed. A qualification has been added which is initialed by me. If you have no objection, please initial and return a copy for our contract file.

Your Invoices No. 53341-40-LC and No. 53248-40-LC for the June and July 1978 fee payment have been approved for payment. This should clear up all outstanding payments relating to engineering and fees under the contract.

Yours truly,

R. H. Hunt
Senior Construction Engineer

RHH:bo

Encls. - As Stated
E. S. Godsey's Acceptance Test Report

cc: W. T. Sweat, w/letter
W. A. Bennis, w/letter
W. R. Mahoney, w/letter
W. R. Kelly, w/letter
C. Glaser, w/attachments
623-FC-448

PLAINTIFF'S EXHIBIT

ASA-1134

ASARCO ELP 0007978

Monsanto Enviro-Chem

Monsanto Enviro-Chem Systems Inc.
Corporate Square Office Park
Box 14547
St. Louis, Missouri 63178
Phone: (314) 694-1000

RECEIVED JAN 3 1979

December 27, 1978

Mr. R. H. Hunt
ASARCO, Incorporated
P. O. Box 1111
El Paso, Texas 79999

Reference: ASARCO Order No. 17H 0711

Subject : EA-26-EP, NY-3954 Plt. 623
MEC Letter No. 2102-231
PLANT ACCEPTANCE
ASARCO File No. 8.3

Dear Rod:

This is a confirmation of our meeting of December 15 concerning plant demonstration and acceptance.

In accordance with Article 6, I, "Performance Guarantees" of the contract, a performance demonstration run was made during the period of December 12 through December 15, 1978 and the plant was tested according to the provisions of Exhibit A, "Performance Guarantees and Tests".

The results of these tests, performed by Mr. E. Godsey from ASARCO Central Engineering Department, indicate that the plant has met the performance guarantees. Consequently, our obligations with respect to Article 6, I, "Performance Guarantees" have been fulfilled. We, therefore, request that you release the remaining fee payments as our agreement of last April.

I would like to re-iterate that although the performance guarantees have been met, we acknowledge that there exists a potential design and workmanship guarantee obligation concerning the fiber-bed mist eliminators in the interpass tower.

ASARCO ELP 0007979

Mr. R. H. Hunt

-2-

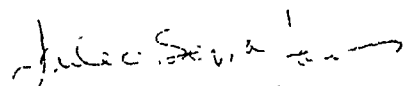
JLS-J
12/27/78

Our Engineering Department is evaluating the situation and any corrective actions required will be handled under the provisions of Article 6, III, of the contract.

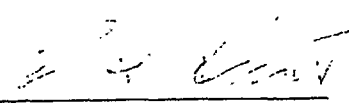
If you are in agreement with the foregoing, please sign one copy of this letter and return to me at your earliest convenience.

Sincerely,

MONSANTO ENVIRO-CHEM SYSTEMS INC.


Julio Serra-Jones
Estimating & Control Director

jkb

AGREED BY: 

R. H. Hunt

DATE: 1/27/79

Qualification

The above letter has been agreed to and the remaining fee payments released as per Items 4 and 5 of contract Amendment No. 1, dated April 17, 1978.

However, as stated in the conclusions of the acceptance test signed by Mr. E. S. Godsey, the conditions during the test were not up to the design capacity

From Godsey's Acceptance Test Report, January 17, 1979

"CONCLUSIONS"

"Based on the face value of the tests conducted the plant appears to meet the contract guarantee values. However, it must be noted that only during one of the three tests did the feed gas SO₂ grade reach the design range. It should be further noted that during all tests the plant was operated at a flow rate well below the design capacity."

When the intended source of gas to plant is established (i.e. lead sintering and copper roaster plants), another acceptance test will be performed and witnessed by Monsanto. The performance and other guarantees referenced in Article 6 of the contract will apply. 