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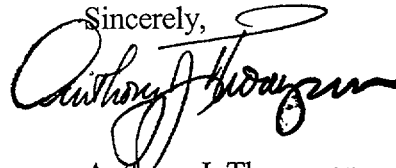
February 10, 2003

Mr. Craig Gordon
U.S. Nuclear Regulatory Commission
475 Allendale Road
King of Prussia, PA 19406

Dear Craig:

Pursuant to our discussions at our meeting on January 8, 2003, Heritage Minerals, Inc. (HMI) has prepared and submitted a letter notifying ASARCO of its opportunity to assess their potential responsibility for Atomic Energy Act materials to be addressed at the HMI site in Lakehurst, NJ. I am attaching a copy of that letter for your reference

Sincerely,



Anthony J. Thompson
Counsel to HMI

AJT/cls
Enclosure

(CGordonasarcoltr.doc)

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January 29, 2003

VIA FAX AND FEDERAL EXPRESS
Thomas Spiesman, Esquire
Porzio, Bromberg & Newman, P.C.
100 Southgate Parkway, P.O. Box 1997
Morristown, NJ 07962

RE: **Heritage Minerals Site, Berkley and Manchester Townships, NJ**

Dear Mr. Spiesman:

I am counsel for Heritage Minerals, Incorporated ("Heritage"). This letter is sent on behalf of Heritage concerning certain cleanup issues regarding the Heritage Minerals Site, Berkeley and Manchester Townships, New Jersey.

Heritage previously advised you that in response to the demands of the NRC it removed licensed NRC regulated source material ("source material") from the Property. When this work began in 2001, Heritage had reason to believe that all of the source material was generated during its ownership of the Property. However, as you have been advised, Heritage has learned and documented that a substantial amount of the source material removed to date was generated prior to February 27, 1986 when Heritage bought the Property. In addition, all of the source material remaining at the Property was generated prior to Heritage's purchase. As a result, ASARCO is responsible for a portion of the costs already spent to remove the source material, and all of the costs to remove the remaining source material at the Property.

The NRC has advised Heritage that unless all of the source material is removed from the Property, the NRC will take immediate enforcement action against Heritage. The NRC is requiring Heritage to submit a cleanup plan by March 8, 2003, and remove all of the source material by the end of the year. Due to the NRC's strict time constraints, ASARCO must advise Heritage by February 28, 2003, if it will arrange to remove and/or pay to remove the source material at the Property. If ASARCO does not so advise Heritage, Heritage will nevertheless proceed to remove the source material pursuant to the demands of the NRC. In the event Heritage proceeds with the work it reserves all of its rights to recover all of its costs and fees

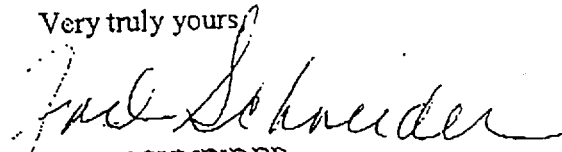
Thomas Spiesman, Esquire
January 24, 2003
Page 2

from ASARCO, its successors and assigns, and related and affiliated corporate entities. Heritage also reserves its right to proceed against the ASARCO companies for contribution for the past costs of removing the source material.

Since ASARCO is a responsible party, Heritage invites ASARCO, at its expense and risk, to avail itself of a reasonable opportunity to examine the Property and the source material, and to take samples of the materials to protect its interests before the materials are disposed. Heritage obviously cannot maintain possession of the source materials or samples thereof since the NRC is directing Heritage to remove the material. If ASARCO requests, Heritage will give ASARCO reasonable notice of the work to be done so that ASARCO can preserve the relevant evidence it deems necessary to protect its interests. If ASARCO wishes to avail itself of this opportunity, please contact Ms. Edele Hovnanian, H. Hovnanian Industries, 4000 Route 66, Tinton Falls, NJ, 07753, phone (732) 922-6100 by February 28, 2003. If Heritage does not hear from ASARCO by this date, Heritage will assume that ASARCO does not want to inspect, examine, sample or test the Property or source materials. Heritage is affording ASARCO this opportunity so that ASARCO has an opportunity to preserve the relevant evidence it deems necessary to defend Heritage's cost recovery claim. If requested by ASARCO Heritage will make available for inspection the reports prepared by the removal contractor.

I have advised Heritage that if they do not file a formal claim or lawsuit against ASARCO and its related corporate entities its interests could be impacted in the future by statute of limitation issues. In order to protect the interests of Heritage and not to force Heritage to file an immediate formal claim or lawsuit regarding environmental issues at the Property, I prepared the attached standard Tolling Agreement for ASARCO to sign. Kindly let me know within seven (7) days of the date of this letter whether ASARCO will sign the Agreement. If there is specific language in the Agreement ASARCO objects to let me know. However, I must know within seven (7) days whether ASARCO will agree in principal to sign a Tolling Agreement which simply maintains the status quo of the parties.

Very truly yours,


JOEL SCHNEIDER

JS/CNM

Enclosure

cc: Ms. Edele Hovnanian, via fax

bcc: Tony Thompson, Esquire, via fax

TOLLING AGREEMENT

This Tolling Agreement is made by and between ASARCO Incorporated ("ASARCO") and Heritage Minerals, Incorporated ("Heritage").

WHEREAS, ASARCO and Heritage entered into an "Agreement for Sale of Assets" dated October 14, 1985, wherein Heritage agreed to purchase property located in Manchester Township, Berkley Township and the Borough of Lakehurst in Ocean County, and certain other assets (the "Property") from ASARCO as more fully set forth in the 1985 Sale Agreement; and

WHEREAS, the closing on the Property took place on February 27, 1986; and

WHEREAS, subsequent to the closing on the Property, certain issues related to environmental conditions at the Property arose; and

WHEREAS, on February 6, 1990, ASARCO and Heritage entered into an agreement ("1990 Agreement") with respect to environmental issues at the Property; and

WHEREAS, ASARCO and Heritage each signed the same Administrative Consent Order ("ACO") with the New Jersey Department of Environmental Protection regarding the Property; and

WHEREAS, effective June 22, 1995, ASARCO and Heritage entered into an agreement "Respecting Environmental Issues at the Manchester Township, Berkley Township and Borough of Lakehurst Property" ("1995 Agreement"); and

WHEREAS, Heritage has and may in the future make additional claims against ASARCO that are not addressed in the 1995 Agreement; and

WHEREAS, Heritage has demanded ASARCO accept responsibility and pay to clean up and remediate environmental conditions at the Property pursuant to the ACO and 1995 Agreement and applicable statutes, regulations and case law; and

WHEREAS, ASARCO has represented to Heritage that at this time it does not have the financial resources to contribute to the clean up and remediation of the Property; and

WHEREAS, ASARCO and Heritage wish to avoid litigation at this time and agree that this Tolling Agreement is in their mutual interest;

NOW, THEREFORE, in consideration of the foregoing, it is hereby agreed as follows:

1. ASARCO and Heritage agree that as to any and all causes of action, claims or demands that each Party may have against the other Party arising out of, relating to, or connected with the contamination at the Property (collectively "the Claims"), as between themselves, but not with reference to or for the benefit of any third person or entity, the running of any statute of limitations, statute of repose or other rule, provision or principle limiting the period in which the Claims may be brought or filed shall be tolled commencing on January __, 2003 (the "Tolling Date"), and the running thereof shall be resumed only upon termination of this Tolling Agreement in accordance with the terms herein.
2. ASARCO and Heritage further agree that each party waives and shall not assert, plead or raise against the other party in any fashion, whether by answer, motion or otherwise, any defense or avoidance based on the running of any statute of limitations, statute of repose or other rule limiting the time period when claims may be brought, and any defense of laches or similar defense concerning untimeliness, shall be tolled during and for that period.
3. Nothing in this Tolling Agreement shall limit or otherwise affect any claim or defense available to the parties as of the end of the day immediately preceding the Tolling Date, and this Tolling Agreement shall not be deemed to revive any claim or defense that, as of the end of the day immediately preceding the Tolling Date, was already time-barred or untimely. Nothing in this Tolling Agreement nor in the circumstances which gave rise to this Tolling

Agreement shall be construed as an acknowledgement by any party that any claim or defense was or was not barred, or was or was not about to be barred, by any statute of limitation, statute of repose, laches or other claim or defense based on the lapse or passage of time, as of the end of the day immediately preceding the Tolling Date.

4. This Tolling Agreement may be terminated by any Party. The effective date of the termination shall be thirty (30) days after written notice is actually served that the Party desires to terminate the Agreement.

5. This Tolling Agreement does not constitute an admission or acknowledgement by ASARCO and Heritage that any particular statute of limitations is applicable to the Claims, nor as to the validity of the Claims or any defenses to same.

6. This Tolling Agreement contains the entire agreement between ASARCO and Heritage with respect to the matters set forth herein, and no statement, promise, or inducement made by either party or agent of either party that is not contained in this written Agreement shall be valid or binding.

7. This Tolling Agreement may be modified, supplemented or extended only by a written instrument executed by the parties.

8. This Tolling Agreement shall be executed in two counterparts, each of which shall be deemed an original, but the two taken together shall constitute one and the same instrument.

9. The persons signing this Tolling Agreement represent and warrant that they have the authority to sign and bind their principal.

ASARCO Incorporated

By:
Title:

Dated:

HERITAGE MINERALS, INCORPORATED

By:
Title:

Dated:
1160419v1