



July 2, 2002

Mr. James P. Nolan
President and COO
220 North Jefferson Street
P.O. Box 218
Sand Springs, OK 74063

Re: Ready for Reuse Determination - Sheffield Steel Corporation, Sand Springs, Oklahoma

Dear Mr. Nolan:

The Oklahoma Department of Environmental Quality (DEQ) and United States Environmental Protection Agency (EPA) Region 6 together have determined that the Sheffield Steel Corporation facility is Ready for Reuse. A Ready for Reuse Determination is an acknowledgment that environmental conditions on the property are protective for its current and anticipated future use.

The Sheffield Steel Corporation facility is located at 2300 South Highway 97, Sand Springs, Tulsa County, Oklahoma and consists of approximately 144 acres (the "Property"). Sheffield Steel and its predecessors have operated the facility for more than 72 years as a steel manufacturing facility. Sheffield Steel currently operates two electric arc furnaces, a continuous caster, a rolling mill to produce rebar and fence posts and a paint shop. In the course of the historical manufacturing activities, Sheffield has managed hazardous materials and some releases have occurred. To address those releases, Sheffield voluntarily agreed to perform certain corrective action activities under the Resource Conservation and Recovery Act (RCRA).

Pursuant to discussions between Oklahoma DEQ EPA Region 6 and Sheffield Steel Corporation on December 7, 2001, it was agreed that Sheffield Steel would address its corrective action needs would be conducted according to the EPA Region 6 Corrective Action Strategy (CAS). With this Ready for Reuse Determination, Oklahoma DEQ and EPA Region 6 agree that Sheffield Steel Corporation has successfully completed its investigation and remediation under the CAS and that environmental conditions at the property are protective of its current use and anticipated future use as an industrial operation.

Sheffield Steel Corporation has met its obligation to EPA to collect additional data, pursuant to an agreement documented in a letter from EPA to Sheffield Steel Corporation dated February 13, 1998. EPA has reviewed, and the Ready for Reuse Determination is based on, the following documents submitted by Sheffield Steel Corporation in support of this determination: Final Report of Environmental Conditions, December 14, 2001; and, Risk Evaluation Report/Risk Management Report, May 28, 2002 (collectively, "Documentation"). Information concerning the current environmental conditions of the Property (i.e., concentrations of contaminants present and their associated risks) and risk management activities conducted to ensure protectiveness are summarized in the Sheffield Steel Corporation Risk Evaluation Report/Risk Management Report, May 28, 2002.

Copies of this document may be obtained from either Oklahoma DEQ, Land Protection Division, P.O. Box 1677, Oklahoma City, OK 73101-1677 or Sheffield Steel Corporation, Doug Strickland, 220 North Jefferson Street, Sand Springs, Oklahoma 74063.

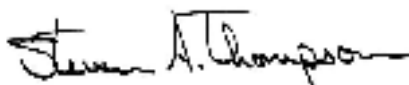
The Documentation demonstrates that although releases of hazardous constituents have occurred as a result of manufacturing activities on the Property, residual concentrations do not present an unacceptable risk to human health or the environment, based on risk-based cleanup levels established by EPA, and given the current and reasonably expected future industrial use of the facility. The Risk Management Activity (the "Remedy") selected by Sheffield Steel Corporation in the Sheffield Steel Corporation Risk Evaluation Report/Risk Management Report, May 28, 2002 and approved by Oklahoma DEQ and EPA to ensure protection of human health and the environment is an institutional control. The institutional control will be a multi-layered notification procedure and limits the use of the land to its current and anticipated future use as an industrial property. Current zoning in the area already restricts the Property to industrial use. Groundwater in the area is not used or designated for use as a drinking water source or beneficial resource. Sheffield Steel plans on notifying the public of the actions taken to ensure protection of human health and the environment.

The Remedy requires that a deed notice be placed in county records. Sheffield Steel Corporation will file such a notice in the land records of Tulsa County, Oklahoma including a description of the environmental condition of the Property at the time of Remedy selection. In addition, Sheffield Steel will provide an annual written report to the Oklahoma DEQ and EPA that the property use has not changed and that the assumptions used to evaluate risk to site personnel remain valid.

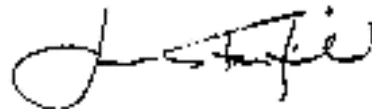
Sheffield Steel Corporation is responsible for maintaining the Remedy, even upon transfer of or change in ownership or control of the Property, unless and until Sheffield documents in writing to Oklahoma DEQ and EPA that the new owner or operator has contractually agreed to assume responsibility. If conditions at the site change, including environmental conditions, land use, site receptors, and remedy performance, it will be necessary to revisit this determination of suitability for Reuse to ensure its continuing protectiveness. A complete description of the institutional control for the facility is found in the Sheffield Steel Corporation Risk Evaluation Report/Risk Management Report, May 28, 2002.

The undersigned expressly reserves all rights and authorities to require future action by owners or operators if new or additional information comes to light that materially impacts this Ready for Reuse Determination, whether such information is known as of this date, or is discovered in the future.

Sincerely,



Steven A. Thompson
Executive Director
Oklahoma Department of Environmental Quality



Lawrence E. Starfield
Deputy Regional Administrator
EPA Region 6