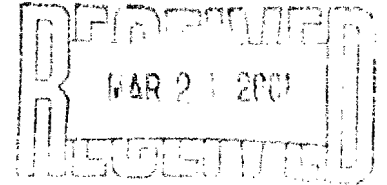




CHEMICAL COMPANY

March 16, 2001



Ms. Laura Stewart
State Permits Branch – Water Division
Arkansas Department of Environmental Quality
P.O. Box 8913
Little Rock, AR 72219-8913

Re: Groundwater Issues at El Dorado Chemical Company (CAO 98-119)

Dear Ms. Stewart:

It was good to talk to you and Robert again last week and I appreciate your help. The groundwater issues that we discussed are currently referenced in paragraph #4 of CAO 98-119. If you do not have a copy of the CAO, contact me and I will send you a copy. Since 1996, EDCC has conducted phase 1 and phase 2 groundwater investigations and recently completed a pilot study on the feasibility of in-situ bio-remediation. I gave you a couple of copies of the bio-remediation study last week. However, if you can't find copies of the phase 1 and phase 2 report, contact me and I will send you copies.

The in-situ bio-remediation pilot study did not produce data supporting a practical or feasible application of this technology at our plant site. There are other technologies and methods in the bio-remediation field that could be tried in the future but for now I do not feel they are applicable.

As we discussed last week, EDCC has drilled several monitoring wells and collected groundwater samples since 1996. I plan to review this data and collect additional groundwater data (samples and water levels) in May and October of this year (typically groundwater is at its highest and lowest levels during these months). By December 31, 2001 I will submit a report to you and Robert summarizing historical and recent data. This report will include groundwater potentiometric maps, geologic cross sections and isoconcentration maps of contaminants. We will analyze groundwater samples for the following parameters during the May and October sampling events:

- pH, Specific Conductivity, Temperature (in the field)
- Ammonia
- Nitrate
- Sulfate
- TDS
- Lead
- Chromium

If you or Robert has any questions or comments please contact me at 870-863-1498 or email at rwhitmore@edc-ark.com. Without any further comments I will assume we are in

agreement and proceed with preparations to complete this plan. I will keep in touch on a quarterly basis through correspondence and visits to up date you and Robert on our progress.

Sincerely,



EL DORADO CHEMICAL COMPANY

Randall Whitmore
Responsible Care® Manager

cc: Robert Allen – ADEQ
John Carver – LSB Industries
RPW/rpw