



STATE OF ARKANSAS
DEPARTMENT OF POLLUTION CONTROL & ECOLOGY

8001 National Drive, P.O. Box 8913

Little Rock, Arkansas 72219-8913

Phone: (501) 682-0744 Fax: (501) 682-0798

Legal Division: (501) 682-0892 Fax: (501) 682-0891



February 23, 1998

Mr. Charles R. Nestrud
Chisenhall, Nestrud & Julian, P.A.
400 West Capitol Avenue, Suite 2840
Little Rock, Arkansas 72201

Re: El Dorado Chemical Proposed Supplemental Environmental Project

Dear Mr. Nestrud:

As you are aware, ADPC&E is currently in the process of drafting a proposed Consent Administrative Order (CAO) to address alleged multimedia violations of the Arkansas Water and Air Pollution Control Act and Pollution Control & Ecology Commission Regulations by El Dorado Chemical Company. As a part of our ongoing discussions, we have been discussing the possibility of Supplemental Environmental Projects (SEPs) to mitigate a portion of any proposed penalty amount.

Pursuant to these discussions, ADPC&E has approved the SEP proposal in the amount of Forty-two Thousand Dollars (\$42,000) for El Dorado Chemical Company to purchase an emergency notification system for the El Dorado 911 Center. Although a formal CAO has not yet been finalized, El Dorado Chemical Company may proceed with this proposed SEP and the amount shall be credited toward the payment of any penalty a final enforcement action may impose in this matter.

The check should be made payable to the appropriate party and delivered to ADPC&E for disbursement at:

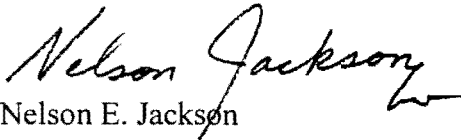
Arkansas Department of Pollution Control & Ecology
Attn: Al Eckert, Legal Division Chief
8001 National Drive
P.O. Box 8913
Little Rock, Arkansas 72219-8913

El Dorado Chemical Company is welcome to propose any additional SEPs to ADPC&E for consideration in this enforcement action.

Mr. Charles R. Nestrud
El Dorado Chemical Proposed Supplemental Environmental Project
Page 2

Thank you for your attention to this matter. Should you have any questions or comments, feel free to contact me at (501) 682-0743.

Sincerely,



Nelson E. Jackson
Attorney

/NJ

cc: The Honorable Mike Dumas, Mayor of El Dorado
John Carver, El Dorado Chemical Company
ADPC&E
Randall Mathis
Gerald Delavan
David Brown
Marysia Jastrzebski
Art Riddle