



CHEMICAL COMPANY

January 11, 2001

Mr. Art Riddle  
NPDES Enforcement Supervisor  
Water Division  
Arkansas Department of Environmental Quality  
8001 National Drive  
Little Rock, Arkansas 72219-8913

RE: Quarterly Report - Fourth Quarter, 2000, CAO LIS 98-119

Dear Mr. Riddle:

Pursuant to your discussion with Vince Blubaugh of GBMc & Associates, this letter serves as the referenced Quarterly Report in a summary format.

During the Fourth Quarter of 2000, El Dorado Chemical Company (EDCC) continued its efforts to secure funding for the Ouachita River pipeline project and the Wastewater Minimization/Stream Segregation project.

These efforts included meetings and communications with the City of El Dorado staff and its consultant including a meeting at the ADEQ Water Division on October 19, 2000 to discuss the possibility of a joint pipeline project. Based upon the meeting, the City agreed to submit a revised NPDES application for the joint pipeline in order for the ADEQ Water Division to officially determine effluent limitations.

Other Fourth Quarter activities included discussions with the Arkansas Soil and Water Conservation Commission and its bond counsel concerning potential funding from that agency. In addition, we contacted other industrial entities in El Dorado to assess their potential interest in participating in the joint pipeline project.

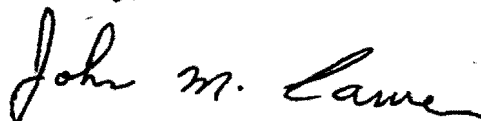
During the Fourth Quarter of 2000, CAO LIS 98-119 was amended as follows:

October 1, 2001	Submit revised NPDES application Submit final design plans
October 1, 2002	Construction of treatment system
April 1, 2003	Full compliance with new limits

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EDCC is continuing its efforts to secure funding for its projects and remains committed to participation in the joint pipeline project should it prove to be feasible. Hopefully, this letter has adequately explained the status of our projects. Should you have any questions, please feel free to call Randall Whitmore at (870) 863-1498.

Sincerely,



John M. Carver  
Vice President Safety and  
Environmental Compliance

JMC/ymq

cc: Belinda Colby, Enforcement Coordinator, Hazardous Waste Division  
Keith Brown, Manager, State Permits, Water Division