

Exhibit C

Financial Impact Statement

FINANCIAL IMPACT STATEMENT

[PLEASE ANSWER ALL QUESTIONS COMPLETELY]

Department: Arkansas Department of Environmental Quality

Division: Water Division

Person Completing this Statement: Ann P. Faitz, representing third party petitioner, Lion Oil Company

Telephone No.: 501.372.5800 **Facsimile No.:** 501.372.4941

e-mail: afaitz@cnjlaw.com

To comply with Act 1104 of 1995, please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

Short Title of this Rule: A proposed change to Arkansas Pollution Control and Ecology Regulation No. 2, Regulation Establishing Water Quality Standards for Surface Waters of the State of Arkansas, to modify the minerals criteria for (a) the chloride, sulfate and total dissolved minerals (TDS) criteria of the WQS for (i) Loutre Creek from Hwy 15 South (upstream terminus) to its confluence of Bayou de Loutre (the "Loutre Creek Segment"); and (ii) in Bayou de Loutre from the mouth of Loutre Creek downstream to the discharge from the City of El Dorado south waste water treatment facility; (b) sulfate and TDS in Bayou de Loutre from the City's discharge, then downstream to the mouth of Boggy Creek; and (c) sulfate in Bayou de Loutre from the mouth of Gum Creek down stream to the state line; and to remove the domestic drinking water supply use designation for Loutre Creek from Hwy 15 South (upstream terminus) to its confluence with Bayou de Loutre and Bayou de Loutre from the mouth of Loutre Creek to the mouth of Gum Creek. (the domestic water supply use for Bayou de Loutre downstream of the mouth of Gum Creek has been removed by previous rulemaking (ADEQ 2004).

1. Does this proposed, amended or repealed rule or regulation have a financial impact?
Yes _____ No X

2. If you believe that the development of a financial impact statement is so speculative as to be cost prohibited, please explain.

3. If the purpose of this rule or regulation is to implement a federal rule or regulation, please give the incremental cost for implementing the regulation. Please indicate if the cost provided is the cost of the program.

Current Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Total 0

Next Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Total 0

4. What is the total estimated cost by fiscal year to any party subject to the proposed, amended, or repealed rule or regulation? Identify the party subject to the proposed regulation, and explain how they are affected.

Current Fiscal Year

\$ 0

Next Fiscal Year

\$ 0

El Dorado Chemical Company (EDCC) is seeking to amend Arkansas Pollution Control and Ecology Commission Regulation No. 2, Regulation Establishing Water Quality Standards for Surface Waters of the State of Arkansas, to modify the chloride, sulfate and total dissolved minerals (TDS) criteria of the Arkansas Water Quality Standards (WQS) and remove the designated, but not existing, domestic water supply use for two unnamed tributaries to Flat Creek and for designated portions of Flat Creek and Haynes Creek.

5. What is the total estimated cost by fiscal year to the agency to implement this regulation?

Current Fiscal Year

\$ 0

Next Fiscal Year

\$ 0