UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

JUL 21 2011

GENERAL NOTICE LETTER
URGENT LEGAL MATTER
PROMPT REPLY NECESSARY
CERTIFIED MAIL: RETURN RECEIPT REQUESTED

Tre Fischer
Jackson Walker, L.L.P.
1401 McKinney, Suite 1900
Houston, Texas 77010

Re: General Notice Letter for the Wright Chemical Corporation Site in Riegelwood, Columbus County, North Carolina

Dear Mr. Fischer:

The purpose of this letter is to notify your client, DCO Management LLC (DCO), formerly Kaiser Aluminum and Chemical Corporation, LLC, of the potential liability, as defined by Section 107(a) of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9607(a), as amended (CERCLA), that DCO may have incurred with respect to the Wright Chemical Corporation Site (Site). In addition, this letter informs DCO of potential response activities at the Site, which DCO may be asked to perform or finance at a later date, and provides them with general and site-specific information.

Under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), commonly known as the federal "Superfund" law, the U.S. Environmental Protection Agency is responsible for responding to the release or threat of release of hazardous substances, pollutants or contaminants into the environment – that is, for stopping further contamination from occurring and for cleaning up or otherwise addressing any contamination that has already occurred. The EPA has documented that such a release has occurred at the Site located in Riegelwood, Columbus County, North Carolina. The EPA has spent, or is considering spending, public funds to investigate and control releases of hazardous substances or potential releases of hazardous substances at the Site. Based on information presently available to the EPA, the EPA has determined that DCOLLC may be responsible under CERCLA for cleanup of the Site or costs the EPA has incurred in cleaning up the Site.

Site Description

The Wright Chemical Corporation Superfund Site (Site) is located in an industrial/rural area of Riegelwood, North Carolina, adjacent to tidal wetlands along Livingston Creek, a tributary of the Cape Fear River. The Site consists, generally, of the former Wright Chemical Corporation fertilizer and specialty chemical operations, along with the areal extent of contamination. The Site is part of a larger property consisting of approximately 760 acres with a regional rail corridor running through it. The portion of the Site that lies north of the rail corridor contains two former lead-chamber sulfuric acid

manufacturing plants that once thermally extracted sulfur from pyrite and/or elemental sulfur, an acid equalization pond, approximately four impoundments (known as the spill basin, the aeration pond, the resin pond, and outfall pond), at least one spray irrigation field, a waste pile (known as the monofill), and two lined lagoons (known as Kelly ponds). The portion of the Site that lies south of the rail corridor once held an acid phosphate fertilizer manufacturing plant.

Acme Fertilizer Company (Acme) owned and operated both the sulfuric acid manufacturing plant north of the rail corridor and the acid phosphate fertilizer plant south of the rail corridor from the 1880s to the 1960s. Wright Chemical Corporation, n/k/a William Gilchrist Wright Properties, Inc. (Wright), took over operation of the northern acid plant in 1959 and subsequently constructed a second sulfuric acid plant approximately 300 feet to the east. The second acid plant reportedly operated until 1991. Wright constructed additional facilities on the northern portion of the Site to manufacture specialty chemicals, including formaldehyde, hexamine and chloropicrin. Kaiser Aluminum and Chemical Corporation, LLC, n/k/a DCO, took over operations on the southern plant from the 1960's through the early 1980's. Wright merged with Acme in 1968 and became owner and operator of the Site.

On November 15, 2004, Oak Bark Chemical Corporation (Oak Bark) acquired all of the Wright property. Oak Bark, a specialty chemical producer, was formed as a result of a management buyout of the Wright Chemical Corporation. Oak Bark is a current owner and operator at the Site. On November 24, 2006, Hexion Specialty Chemicals, Inc., n/k/a Momentive Specialty Chemicals, Inc. (Momentive), acquired a portion of the Site. Momentive is a current owner and operator, producing specialty chemicals at the Site. Koch Sulfur Products Company, n/k/a Koch Industries (Koch), leased a portion of the Site facility during the 1990s and is a former operator at the Site. Silar LLC (Silar), an organic chemical manufacturer, currently leases a portion of Site and is a current operator at the Site.

Sampling conducted during the Preliminary Assessment and Site Inspection (PA/SI) indicates the soil between the former acid plant on the northern parcel and the surface water pathway of Livingston Creek is contaminated with arsenic, lead, mercury and the pesticides dieldrin and gamma-chlorane. The source area drains to Livingston Creek, a freshwater creek that flows into the Cape Fear River. It contains a fishery and wetlands. Sampling has revealed metals and pesticide contamination in Livingston Creek sediments as well as in clam and fish tissue. In 1997, a groundwater assessment of the Site revealed a groundwater plume of elevated sulfate, iron, and TDS existed at the Site. Groundwater data provided by Oak Bark in 2009 indicates groundwater contamination on the portion of the Site north of rail corridor with ammonia, sulfate, nitrate, lead, arsenic, formaldehyde and methanol. Sampling conducted in 1984 by EPA during an investigation of the Kaiser facility to the south of the rail corridor also revealed contamination by arsenic, cadmium, copper, lead, and zinc.

Explanation of Potential Liability

Under CERCLA, specifically Sections 106(a) and 107(a), potentially responsible parties (PRPs) may be required to perform cleanup actions to protect the public health, welfare, or the environment. PRPs may also be responsible for costs incurred by the EPA in cleaning up the Site, unless the PRP can show divisibility or any of the other statutory defenses. PRPs include current and former owners and operators of a Site, as well as persons who arranged for treatment and/or disposal of any hazardous substances found at the site, and persons who accepted hazardous substances for transport and selected the site to which the hazardous substances were delivered.

Based on the information collected, the EPA believes that DCO may be liable under Section 107(a) of CERCLA with respect to the Wright Chemical Corp. Site, as a previous operator of the Site.

To date, the EPA has taken the following response action at the Site under the authority of the Superfund Program:

- A Preliminary Assessment ("PA") and Site Investigation ("SI") in order to gain a basic understanding of any risks posed to human health and/or the environment by releases or threatened releases from the Site.

Financial Concerns/Ability to Pay Settlements

The EPA is aware that the financial ability of some PRPs to contribute toward the payment of response costs at a site may be substantially limited. If you believe, and can document, that you fall within that category, please contact Bianca N. Jaikaran at (404) 562-9680 for information on "Ability to Pay Settlements." In response, you will receive a package of information about the potential for such settlements and a form to fill out with information about your finances, and you will be asked to submit financial records including business federal income tax returns.

Also, please note that, because the EPA has a potential claim against you, you must include the EPA as a creditor if you file for bankruptcy. The EPA reserves the right to file a proof of claim or an application for reimbursement of administrative expenses.

Information to Assist You

The EPA would like to encourage communication between you, other PRPs, and the EPA at the Site. To assist you in your efforts to communicate, below is a list of the names and addresses of PRPs to whom this letter is being sent.

William Gilchrist Wright Properties, Inc.
Lonnie B. Williams
Marshall, Williams & Gorham, L.L.P.
P.O. Drawer 2088
Wilmington, North Carolina 28402

Momentive Specialty Chemicals, Inc.
Stephanie S. Couhig
Environmental Counsel
180 East Broad Street
Columbus, Ohio 43215

Silar, LLC
Leigh Kellet Fletcher
Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A.
401 East Jackson Street, Suite 2200
P.O. Box 3299
Tampa, Florida 33601

Oak Bark Corporation
John A. Andreasen
McGrath North Mullin & Kratz, PC LLO
First National Tower, Suite 3700
1601 Dodge Street
Omaha, Nebraska 68102

Koch Sulfur Products Company
Phillip L. Conner
McNair Law Firm, P.A.
Poinsett Plaza
104 South Main Street, Suite 700
Greenville, South Carolina 29601

Administrative Record

The EPA will establish an Administrative Record that contains documents that serve as the basis for the EPA's selection of a cleanup action for the Site. The Administrative Record will be available to you and the public for inspection and comment. The Administrative Record will also be available for inspection and comment.

Resources and Information for Small Businesses

As you may be aware, on January 11, 2002, President Bush signed into law the Superfund Small Business Liability Relief and Brownfields Revitalization Act. This Act contains several exemptions and defenses to CERCLA liability, which we suggest that all parties evaluate. You may obtain a copy of the law via the Internet at http://www.epa.gov/swerosps/ bf/sblrbra.htm and review the EPA guidances regarding these exemptions at http://www.epa.gov/ compliance/resources/policies/cleanup/superfund.

The EPA has created a number of helpful resources for small businesses. The EPA has established the National Compliance Assistance Clearinghouse as well as Compliance Assistance Centers which offer various forms of resources to small businesses. You may inquire about these resources at http://www.epa.gov. In addition, the EPA Small Business Ombudsman may be contacted at http://www.epa.gov/sbo. Finally, the EPA developed a fact sheet about the Small Business Regulatory Enforcement Fairness Act (SBREFA), which is enclosed with this letter.

PRP response and EPA Contact Person

Please give these matters your immediate attention and consider consulting with an attorney. If you have any questions regarding this letter, please contact Bianca N. Jaikaran at (404) 562-9680. Thank you for your prompt attention to this matter.

Sincerely,

Greg Armstrong, Chief
Superfund Remedial Enforcement and Collections
Management Section