UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS, TX 75202-2733

June 6, 2005

Certified Mail: Return Receipt Requested No. 7001 0360 0003 6676 5169

Mr. Jack Palmer
1509 Alta Vista
Alvin, Texas 77511

RE: Gulfco Marine Maintenance Superfund Site in Freeport Texas

Dear Mr. Hudson:

Settlement negotiations between the Government and the Dow Chemical Company, Sequa Corporation, and LDL Coastal Limited L.P. (jointly "the PRP Group") in connection with the Gulfco Marine Maintenance Superfund Site ("Gulfco Site") have been underway for a considerable period of time. In light of the continuing inability of the PRP Group to finalize an Administrative Order on Consent with the Government, the United States Environmental Protection Agency ("EPA") has concluded that work at the Site can no longer be delayed until a settlement is finalized. Enclosed is an Administrative Order for Remedial Investigation and Feasibility Study ("Order") related to the Gulfco Site issued pursuant to 106(a) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA"), 42 U.S.C. § 9606(a). The Order requires that Mr. Jack Palmer and the other Respondents conduct the Remedial Investigation and Feasibility for the Gulfco Site.

EFFECTIVE DATE OF ORDER

Please note that pursuant to Section XXVI (Effective Date and Computation of Time) of the Order, the Order is effective upon the receipt of the Order by Respondents.

OPPORTUNITY TO CONFER PRIOR TO EFFECTIVE DATE

As provided in Section XXVII (Opportunity to Confer) of the Order, Respondents have the opportunity to meet with EPA. If a Respondent desires such a conference with EPA, please note that it must make its request within seven (7) days of the date that the Order was received by the Respondents. If a Respondent requests a conference, it is scheduled to take place at 10 a.m. on June 30, 2005, at the offices of EPA Region 6. The request for a conference must be by telephone followed by written confirmation mailed that day to:

Barbara A. Nann
Association Regional Counsel
Office of Regional Counsel (6RC-S)
U.S. Environmental Protection Agency
Region 6
1445 Ross Avenue
Dallas, Texas 75202-2733
(214) 665-2157
FAX: (214) 665-6460
Email: nann.barbara@epa.gov

NOTICE OF INTENT TO COMPLY

Pursuant to Section X (Notice of Intent to Comply) of the Order, not later than fourteen (14) days after the effective date of the Order, Respondents are required to provide written notice to EPA's Project Coordinator stating whether they will comply with the terms of the Order. Failure to provide such notice constitutes a violation of the Order. The notice must be addressed to:

Gary Miller
Remedial Project Manager
Superfund Division (6SF-AP)
U.S. Environmental Protection Agency
Region 6
1445 Ross Avenue
Dallas, Texas 75202-2733
(214) 665-8318
FAX: (214) 665-6660
Email: miller.garyg@epa.gov

Please note that the Sequa Corporation will be subject to civil penalties under Section 106(b) of CERCLA, 42 U.S.C. § 9606(b), of not more than $32,500 for each day in which it willfully violates or fails or refuses to comply with the Order, without sufficient cause. In addition, failure to properly provide response action under the Order, or any portion thereof, without sufficient cause, may result in liability under Section 107(c)(3) of CERCLA, 42 U.S.C. 9607(c)(3), for punitive damages in an amount at least equal to, and not more than three times, the amount of any costs incurred by the Hazardous Substance Superfund as a result of such failure to take proper action.

Please direct any questions concerning legal matters or responses to this letter to Barbara Nann at the telephone or address above. Any questions concerning the response work to be undertaken at the Site should be addressed to Gary Miller at the telephone or address provided above.

Sincerely yours,

Samuel Coleman, P.E.
Director
Superfund Division

Enclosure

cc: Texas Commission on Environmental Quality