

Conversation Record		Name:	Date: 10-3-06	Routing:								
<input type="checkbox"/> Visit <input type="checkbox"/> Conference <input checked="" type="checkbox"/> Telephone -- <input type="checkbox"/> Incoming <input type="checkbox"/> Outgoing				<table border="1"> <thead> <tr> <th>NAME/SYMBOL</th> <th>INT</th> </tr> </thead> <tbody> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </tbody> </table>	NAME/SYMBOL	INT						
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** Location of Visit/Conference:												
Name of Person(s) Contacted or in Contact with You Dave Wehner	Organization (office, Dept, Bureau, etc). Representing Dial Resources, Omaha, NE	Telephone No. Office: 402-493-2800 ext 3195 Cell: 402-250-1281										
Subject: Koch Nitrogen Company EPA I.D. #KSD044625010												
The caller (Mr. Wehner) is representing Dial Resources out of Omaha, NE that wants to purchase land and build a Biomass and Ethanol plant outside of Dodge City, KS.												

10/2/06: Mr. Wehner called me yesterday (10/2/06) and said that he represented Dial Resources from Omaha, NE. He said the company was interested in purchasing Mr. Crane's property, which is located Southeast of the Koch Nitrogen Company (KNC) facility outside of Dodge City, KS for the purpose of building a Biomass and Ethanol plant. Mr. Wehner said he had spoken to Mr. Crane (property owner) and Mr. Gary LeRock (Plant Manager) at the KNC plant. He knew there was a lease agreement between Mr. Crane and KNC allowing KNC access to the Crane property. Mr. Wehner stated that normally it takes 18 months to build an Ethanol plant and get it up and running. He said the company he is representing is interested in fast tracking it and getting the plant built and up and running by December 2007. He said the lease agreement between Mr. Crane and KNC stated that KNC had to satisfy its obligation to the Crane property and get EPA buyoff before the property could be released. Mr. Wehner wanted to know if KNC could satisfy its obligation and get EPA buyoff in the timeframe he had mentioned. I told Mr. Wehner that I was not sure what I could or could not tell him. I did tell him that the lease agreement was between Mr. Crane and KNC and EPA was not involved. I also told him that I had not even seen the lease and did not know what it said. Mr. Wehner stated that he had a copy of the lease. I told Mr. Wehner that I needed to speak with my Attorney before I could tell him anything. I told him I was not trying to be evasive, but because some of this involved private property owners, I needed to check to see what information I could tell him. Mr. Wehner said he understood perfectly.

I also told him during the course of the conversation that he could submit a Freedom of Information Act (FOIA) request. I said by doing that he could come in and review the documents that we had on the facility to get a good idea of what was going on out there. Mr. Wehner said he was not interested at all in doing that. He just needed to know from me whether KNC could satisfy its obligation to the Crane property in the timeframe that he had stated previously. He also said that if the deal went through Mr. Crane would economically benefit from the deal. He said the property was worth about \$600 an acre, but they had offered \$8,000.00 an acre to purchase the property. I told Mr. Wehner that was not my concern. Mr. Wehner said they wanted to do a Purchase option to build an Ethanol plant on Mr. Crane's property, but they would walk away from the deal if I could not give them assurances that KNC's obligation to the Crane property would be satisfied in the timeframe specified. He said they were looking at three (3) pieces of property, but Mr. Crane's property was their first choice. I told Mr. Wehner that I would speak with my Attorney and would call him back either that day (10/2/06) or would call him the next day (10/3/06), but it probably would be the next day. End of call.

10/2/06-I conferred with Alex Chen (EPA Attorney) regarding the above mentioned call. I also spoke to Randy Rohrman, Geologist on 10/3/06 regarding the call. I also spoke with Everett Spellman-KDHE and gave them a heads up that Mr. Wehner might be calling them about this issue.

10/2/06-I left a message for Gary LeRock-KNC Plant Manager.



10/3/06-I spoke to Gary LeRock and explained that Mr. Wehner had called me and stated he had talked to Mr. Crane and Gary. I told Gary I was operating in the dark, because I did not know what either Mr. Crane or himself had told Mr. Wehner. Gary said he had explained to Mr. Wehner that KNC was in the middle of an investigation to figure out the location and extent of the contamination. I asked if he told Mr. Wehner about where the contamination was and what the constituents were. He said yes. He told Mr. Wehner that KNC had an access lease agreement with Mr. Crane for 99 years. He said he also told Mr. Wehner that if his company built a spur line for the railroad that went around the new plant his company wanted to build and KNC needed to put in a well where the spur line was, then his company would have to move the spur line. He also told Mr. Wehner that KNC would not satisfy its obligation to the permit in the timeframe that Mr. Wehner had mentioned. We also discussed whether the Ethanol plant would need to use a lot of water in its process. Gary said they would. I told him I had a concern if the Ethanol plant was going to use potentially contaminated groundwater because a byproduct of the process was wet/dry corn mash which is sold to the farmers to feed their cows. Gary stated that he had asked Mr. Wehner if they would use the groundwater and was told No, that the company would lay 2-3 miles of pipeline to; I believe he said the river.

10/3/06-I called Mr. Wehner and left a message to call me. Mr. Wehner called back and I told him that I could not give him a simple yes or no answer to his question. I told him I could tell him what we had going on with KNC. I said that we had a Post-Closure Permit with KNC. The permit requires KNC to conduct Corrective Action activities. The Corrective Action process involves several steps/stages. I told him that KNC was in the investigative stage of the corrective action process. During the investigative stage KNC is required to define the vertical and horizontal extent of the contamination. I told him that KNC had to make a best effort attempt to define the contamination offsite if it suspected that the contamination was offsite. I said that is where this lease agreement comes into play between Mr. Crane and KNC. I said this was a private matter between KNC and Mr. Crane. That EPA did not have anything to do with it and did not know what the lease said. Mr. Wehner stated that he had a copy of the lease. I told Mr. Wehner that he needed to talk to Mr. Crane and KNC, and read the lease and discuss it amongst themselves. I said I understand that you spoke with Gary LeRock at the KNC Plant, and that he told you about what was going on out there, the contamination/constituents, and Mr. Wehner said yes. He also stated that he absolutely did not have any questions at all about what Gary LeRock told him. I again told Mr. Wehner that I could not give him a simple yes/no answer to his question. He apologized if he had said something that would make me think he wanted a yes/no answer. He said he just wanted my personal thoughts/feelings on whether this could be done in the timeframe he had mentioned. I told him I could not do that. I said there are many factors that come into play in this process and I could not do that, and I could not/would not speculate on it. He said he respected me for saying that. I offered again for him to do a FOIA and come into our office to look at our documents in our files. He said he was not going to do that, he was not interested in doing that, but he did appreciate my offering that to him. He thanked me for my work, and we ended the conversation.

10/3/06-I briefed my Supervisor on the discussions that I had with Mr. Wehner, Gary LeRock, Alex, and Randy and KDHE. I also gave a brief history on Mr. Crane's potential loss of income (not being compensated for the access to his property and losing an opportunity to sell the property in the past). I told my Supervisor if Mr. Crane lost another opportunity, he might not be very happy, and there may be repercussions.

Action Required: None

Person Documenting Conversation:

Andrea R. Stone

Signature:

Andrea R. Stone

Date:

October 3, 2006

Action Taken:

Spoke with Mr. Wehner on 10/2/06 and 10/3/06. Also, spoke to Mr. Gary LeRock, KNC Plant Manager. Also discussed internally with EPA Attorney and Geologist. In addition, called Everett Spellman at KDHE and gave them a heads up on the situation. After all conversations, discussed this with my Supervisor, Lynn Slugantz

Signature:

Andrea R. Stone

Title:

Environmental Scientist

Date:

October 3, 2006