



RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

March 10, 2017

Pierce Junction Properties, LLC
c/o Mr. Kelly Brown
Crain, Caton & James, P.C.
1401 McKinney Street, Suite 1700
Houston, TX 77010

RE: Certificate of Completion with Restrictions
13.53-Acre Tract East of Highway 288
Houston, Harris County, Texas
Voluntary Cleanup Program (VCP) No. 03-10001B

Dear Mr. Brown:

Railroad Commission of Texas (RRC) VCP staff is pleased to enclose a Certificate of Completion (COC) with restrictions for 13.53-acre tract (Site), located east of Highway 288 on the eastern flank of the Pierce Junction Oil Field. The following reports were reviewed:

Phase I Environmental Site Assessment (ESA) Tracts 1 and 2 Out of the James Hamilton Survey East of Almeda and South of Belfort Bordering Highway 288 on Both Sides, Houston Texas, dated January 2007.

A Limited Phase Two Environmental Site Assessment 54 Acre Property on SH 288 South near West Belfort Harris County TX, dated May 2007.

Limited Subsurface Investigation-Phase II ESA, Approximately 54.3 Acres East and West of HWY 288 Near Almeda RD, Houston, Texas, dated July 2010

Site Investigation Report, Approximately 13.53 Acres East of HWY 288, Houston, Texas, dated October 2015.

History of Site

This application was accepted into the RRC's VCP in June 2010. The initial VCP application consisted of approximately 54.3 acres that were bisected by Highway 288, splitting the property into a western tract (VCP -03-10001A) and an eastern tract (VCP 03-10001B) (Site). Two-thirds of the Site is to the west of Highway 288 and one-third is to the east of the highway. The Site has no address but is located approximately six miles south of downtown Houston, about one-quarter

mile south of Belfort Avenue and one and one-half miles south of the South 610 loop. Reed Road is about one-quarter mile south and Alameda Road is about one-eighth mile west. The Site is more specifically located at latitude 29.66365 and longitude -95.38625 (WGS 84).

In 2011, Pierce Junction Properties requested to split the application areas under the same VCP, in order to speed closure of both tracts. This COC with restrictions only applies to the eastern tract, VCP 03-10001B.

Based on historical data and the field investigation, DCH Environmental Consultants, LP (DCH) identified four potential areas of concern (AOCs), one of which included the perimeter of the Site to address potential off-site concerns. DCH located and visually verified all three oil/gas wells on the Site. All three oil/gas wells appeared to be properly plugged and abandoned during visual inspection.

A water well survey identified ten water wells within 0.25 mile of the property boundary, none of which are located on the Site. DCH attempted to physically verify all water wells identified in this survey while also attempting to identify undocumented water wells within a 0.25 mile radius of the Site.

Based on a review of available records and field confirmation, six of the ten off-site water wells have been plugged and abandoned, or are unused. During the field survey, DCH was only able to verify the existence of one of the remaining four off-site water wells. This water well (Map ID No.2.) was capped (disconnected and unused) when the well owner moved from its historical location. A pipe company, which has since leased the space, expanded its pipe yard and the well is currently inaccessible. When utilized, the water well was only used for irrigation purposes. The three remaining water wells were not found and were likely plugged and abandoned some time ago, as no evidence of a water well was observed near any of the plotted locations.

The Site is located within the historical Pierce Junction Oil Field, in which RRC staff has identified regional widespread chloride impacts to the first groundwater-bearing zone.

Soil and Groundwater Assessment

During the investigation, DCH installed 16 sampling points across the Site. Nine soil borings were converted to monitor wells to address potential groundwater impacts in the AOCs and to address off-site concerns.

All soil and groundwater total petroleum hydrocarbons (TPH), benzene, toluene, ethylbenzene, and xylene (BTEX), volatile organic compounds (VOCs), semi-volatile organic compounds (SVOCs), polycyclic aromatic hydrocarbons (PAHs), and Resource Conservation and Recovery Act (RCRA) eight metals concentrations were reported as below recovery limits (BRL) or with concentrations near detection limits at W-8 AOC, W-9 AOC, and W-10 AOC. Soil and groundwater TPH, BTEX, VOCs, SVOCs/PAHs, and RCRA eight metals concentrations were also reported as BRL or with concentrations near detection limits at all perimeter sampling locations addressing potential off-site concerns. Soil chlorides concentrations were below regulatory screening limits from all sampling locations.

Groundwater chloride remain the only chemical of concern that exceeded regulatory limits in all but four of the monitor wells with a maximum concentration of 1,082 milligrams per liter in June 2012. Concentrations in the remaining wells were near regulatory limits (i.e. the Texas secondary drinking water standard for chloride). Overall chloride concentrations appear to be stable across the Site. It is likely that the chloride impact on the Site is the result of both on site and known regional chloride impacts.

There is a known regional chloride impact to groundwater associated with the Pierce Junction Oilfield. This is based on review of water well logs conducted during the water well search for the Site, conversations with the RRC, and review of a closed final COC (Dated April 2005) issued to MIS, Inc. (VCP 03-30004), a property just north of the Site. The chloride impact across the Site is regionally-based or from historic oil and gas field activities.

Remedy

Based on the results of the Site Investigation Report, no soil remediation is necessary.

For groundwater, RRC requested notification to all off site landowners of the groundwater impacts. An institutional control document with the following provisions was filed in the Harris County Clerk's Office on December 28, 2016.

The document is filed as RP-2016-581318, and includes the following limitations:

1. Use of the Affected Property shall not be allowed for residential purposes as defined in this Covenant.
2. Use of groundwater beneath the Affected Property shall not be allowed except for monitoring purposes.
3. Penetration or excavation of any impacted groundwater zones for any purpose shall only be conducted in such a manner as to prevent the migration or release of contaminations to any other zone or media, and to prevent uncontrolled exposure to human and ecological receptors.
4. These restrictions shall be a covenant running with the land.

On behalf of the staff of the RRC, I would like to thank you for your participation in the VCP. Should you have questions regarding this letter, you may contact me at 512-475-3089 or amanda.kindt@rrc.texas.gov.

Sincerely,



Amanda Kindt
Voluntary Cleanup Program

Enclosure- Certificate of Completion with Restrictions

cc: Mr. Peter Fisher, Director, District 3 RRC Office, Houston (via email)
VCP Reading File



RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

VOLUNTARY CLEANUP PROGRAM FINAL CERTIFICATE OF COMPLETION RELYING ON INSTITUTIONAL CONTROLS

As provided for Chapter 91, Subchapter 0, Texas Natural Resource Code.

I, PETER G. POPE, ASSISTANT DIRECTOR OF THE SITE REMEDIATION SECTION, OIL AND GAS DIVISION, RAILROAD COMMISSION OF TEXAS, CERTIFY UNDER CHAPTER 91, SUBCHAPTER 0, TEXAS NATURAL RESOURCE CODE, THAT NECESSARY RESPONSE ACTIONS HAVE BEEN COMPLETED FOR VOLUNTARY CLEANUP PROGRAM NO. 03-10001B AS OF MARCH 10th, 2017, FOR THE TRACT OF LAND DESCRIBED IN EXHIBIT "A", BASED ON THE AFFIDAVIT OF COMPLETION OF RESPONSE ACTION AND INSTITUTIONAL CONTROLS IN EXHIBIT "B", WHICH ARE FURTHER DESCRIBED IN THE APPROVED FINAL REPORT FOR THE SITE. APPLICANTS WHO WERE NOT RESPONSIBLE PARTIES UNDER SECTION 91.113 ON THE DATE OF ISSUANCE OF THIS CERTIFICATE ARE QUALIFIED TO OBTAIN THE PROTECTION FROM LIABILITY PROVIDED BY CHAPTER 91, SUBCHAPTER 0, TEXAS NATURAL RESOURCE CODE.

EXECUTED this the 10th day of March 2017.

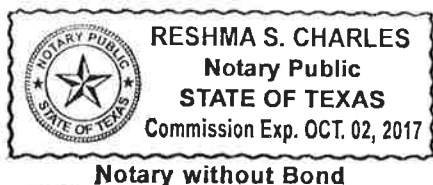

Peter G. Pope, P.G.
Assistant Director, Site Remediation

STATE OF TEXAS

COUNTY OF TRAVIS

BEFORE ME, personally appeared Peter G. Pope, Assistant Director, Remediation Section, of the Railroad Commission of Texas, known to me to be the person and agent of said commission whose name is subscribed to the foregoing instrument, and he acknowledged to me that he executed the same for the purposes and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, *this the 10th day of March, 2017.*




Notary Public in and for the State of Texas

**METES AND BOUNDS DESCRIPTION
13.5289 ACRES OF LAND
JAMES HAMILTON, SURVEY, A-883
HARRIS COUNTY, TEXAS**

lee

Being 13.5289 acres of land being all of a called 13.5289 acre tract of land as conveyed by General Warranty Deed dated September 19, 2007 to Enzo Holdings, LP as recorded under Clerk's File No. 20070576023 of the Official Public Records of Real Property of Harris County, Texas and being situated in the James Hamilton Survey, Abstract No. 883, Harris County, Texas and being more particularly described by metes and bounds as follows:

- All bearings are based on the courses described in said 13.5289 acre deed recorded under Clerk's File No. 20070576023 of the Official Public Records of Real Property of Harris County, Texas

BEGINNING at a 1-inch iron pip found for corner at the northwest corner of said 13.5289 acre tract and being situated in the east right-of-way line of State Highway 288;F

THENCE North 87°38'45" East, along the north line of said 13.5289 acre tract, for a distance of 1,053.97 feet to a 5/8-inch iron rod found for corner;

THENCE South 02°45'14" East, for a distance of 499.48 feet to a point for corner at the centerline of a certain 75-foot wide drainage easement as conveyed to The State of Texas as recorded under Volume 8420, Page 283 of the Deed Records of Harris County, Texas and the southeast corner of herein described tract;

THENCE South 87°38'45" West, along the south line of said 13.5289 acre tract, for a distance of 1,294.09 feet to a 5/8-inch iron rod found for corner situated in the arc of a curve to the right being the east right-of-way line of State Highway 288;

THENCE in a northerly direction, along the arc of said curve to the right having a radius of 7,439.49 feet, a central angle of 02°23'08", an arc length of 309.68 feet and a chord bearing North 21°42'12" East, 309.65 feet to a 5/8-inch iron rod marking the point of tangency of herein describe curve;

1F

THENCE North 22°53'45" East, continuing along the east right-of-way line of said State Highway 288, for a distance of 187.06 feet to a 5/8-inch iron rod found for corner;

THENCE North 30°18'10" East, continuing along the east right-of-way line of said State Highway 288, for a distance of 56.45 feet to the **POINT OF BEGINNING** and containing within these calls 589,317 square feet or 13.5289 acres of land.

A survey plat has been prepared in conjunction with this metes and bounds description, by Kevin Kolb, RPLS 5269, Job No. 10-244

The square footage totals as shown hereon are based on a mathematical closure of the courses and distances reflected herein. It does not include the tolerances that may be present due to positional accuracy of the boundary monumentation.

Compiled by:

TOTAL SURVEYORS, INC.
4301 Center Street
Deer Park, Texas 77536
281-479-8719
May 18, 2013

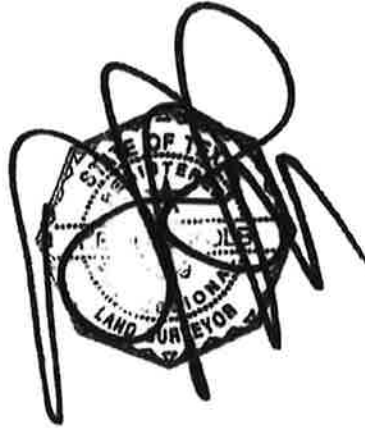


EXHIBIT "B"
RAILROAD COMMISSION OF TEXAS
VOLUNTARY CLEANUP PROGRAM
AFFIDAVIT OF COMPLETION OF RESPONSE ACTION
AND INSTITUTIONAL CONTROLS

I, William D. Noel, representing Pierce Junction Properties LLC, have completed the necessary response actions, pursuant to Chapter 91, Subchapter O, Texas Natural Resource Code, at a 13.5289 acre tract of land described in Exhibit "A" (Site) of this certificate pertaining to Voluntary Cleanup Program (VCP) No. 03-10001B located in Houston, Harris County, Texas. The applicant has submitted and received approval from the Railroad Commission of Texas (RRC) on all plans and reports required by the Voluntary Cleanup Agreement. The plans and reports were prepared using a prudent degree of inquiry of the Site consistent with accepted industry standards to identify all contaminants, waste and contaminated media of regulatory concern. The response actions for the site have achieved response action levels as determined by the standards of the RRC and remain protective as long as the following controls are maintained:

- Use of the Affected Property shall not be allowed for residential purposes.
- Use of the groundwater beneath the Affected Property shall not be allowed except for monitoring purposes.
- Penetration or excavation of the impacted groundwater zones for any purpose shall only be conducted in such a manner as to prevent the migration or release of contamination to any other zone or media, and to prevent uncontrolled exposure to human and ecological receptors.
- These restrictions shall be a covenant running with the land.

These restrictions were filed in the Harris County Clerk's office on December 28, 2016, Document 2016581318 (Attachment 1). The response actions eliminate substantial present or future risk to public health and safety and to the environment from releases and threatened releases of contaminants at or from the Site. The Applicant has not acquired this certificate of completion by fraud, misrepresentation, or knowing failure to disclose material information. Further information concerning the response actions at this Site may be found in the final report at the central office of the RRC filed under VCP 03-10001.

The preceding is true and correct to the best of my knowledge and belief.

Applicant

By: _____

Print Name:

William D Noel

STATE OF TEXAS
COUNTY OF HARRIS

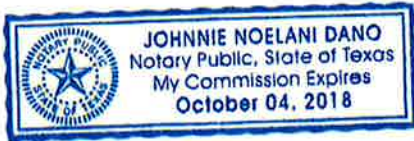
BEFORE ME, personally appeared

William D. Ubel, known to me to be the person and agent of said commission whose name is subscribed to the foregoing instrument, and he acknowledged to me that he executed the same for the purposes and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 23th day of January 2017.

JNO

Notary Public in and for the State of Texas



*Attachment 1
Environmental Restrictive Covenant
Document 2016581318
Harris County, Texas*

8
Reste
PL

RAILROAD COMMISSION OF TEXAS
ENVIRONMENTAL RESTRICTIVE COVENANT

RP-2014-581318
12/28/2016 RP1 \$44.00

STATE OF TEXAS §

COUNTY OF HARRIS §

This Restrictive Covenant is filed pursuant to the authority of the Railroad Commission of Texas (“**Commission**”) to control and clean up pollution caused by activities over which the Commission exercises jurisdiction in accordance with Section 91.113 of the Texas Natural Resources Code, and affects the real property (“**Property**”) described as follows:

Pierce Junction Properties LLC is the current owner of the real property premises, and appurtenances thereto, located in Harris County, Texas, consisting of a 13.5289 acre tract of land conveyed by General Warranty Deed dated September 19, 2007 to Enzo Holdings, LP as recorded under Clerk’s File No. 20070576023 of the Official Public Records of Real Property of Harris County, Texas and being situated in the James Hamilton Survey, Abstract No. 883, Harris County, Texas and being more particularly described on the exhibit attached hereto and incorporated herein (“**Exhibit A**”).

Soil and/or groundwater at the Property is affected by certain identified chemicals of concern, and for the purpose of this document, the entire Property described on Exhibit A is also identified as the “**Affected Property**.”

This restrictive covenant is required for the following reasons:

The Affected Property was part of the Pierce Junction Oil Field, and oil and gas operations were conducted on the Affected Property prior to Pierce Junction Properties LLC’s acquisition in or about 2010. Chemicals of concern attributable to the former oil and gas operations impacted soil and groundwater, and an environmental investigation and response action was required in accordance with Commission regulations. Pierce Junction Properties LLC performed the response actions to characterize and remediate the chemicals of concern under the Commission’s Voluntary Cleanup Program (VCP). The remediation was performed in such a manner that the following chemicals of concern (COCs) were left in groundwater at the maximum levels listed below at the time of this Restrictive Covenant’s filing:

| Chemical Of Concern | Maximum Concentration (mg/l) | Media |
|----------------------------|-------------------------------------|--------------|
| Chloride | 1,082 | Groundwater |

The investigation, assessment, remediation, and analytical data are contained in the following reports:

- (i) Phase I Environmental Site Assessment (ESA) Tracts 1 and 2 Out of the James Hamilton Survey East of Almeda and South of Belfort Bordering Highway 288 on Both Sides, Houston Texas, dated January 2007.
- (ii) A Limited Phase Two Environmental Site Assessment 54 Acre Property on SH 288 South near West Bel/fort Harris County TX, dated May 2007.

- (iii) Site Investigation Report (SIR), Approximately 13.53 Acres East of HWY 288 Houston, Texas, dated October 2015.

Copies of these reports are available at Crain, Caton and James, PC, c/o Pierce Junction Properties LLC's counsel, Mr. Kelly D. Brown, 1401 McKinney Street, Suite 1700, Houston, Texas 77010. Copies are also available at the Commission's Austin Office, located at 1701 N. Congress Avenue, Austin, Texas under VCP 03-10001B.

The response action has been approved by the Commission based on the presumption that the Affected Property will be used exclusively for **commercial/industrial** purposes, and will not be put to residential use, and the **groundwater beneath the Affected Property will not be used for any purpose, except monitoring**. The Commission has determined that the Affected Property currently meets standards for **commercial/industrial** use. Based on information contained in the reports identified above, the COCs pose no significant present or future risk to humans or the environment based on **commercial/industrial** use. With the filing of this document, the Commission does not require any further remediation of the Affected Property as long as the Affected Property is not put to residential use and the groundwater is not used for any purpose other than monitoring. For the purposes of this Restrictive Covenant, the term "residential use" means use for dwellings such as single family houses and multi-family apartments, children's homes, nursing homes, residential portions of government-owned lands (local, state, or federal), day care facilities, educational facilities, hospitals, residential portions of ranch and farm land, and parks (local, state, or federal). This Restrictive Covenant is necessary to assure that all present and future owners of the Affected Property are aware of its condition and do not use the Affected Property in any manner inconsistent with this restriction.

If any person desires to use the Affected Property in the future in any manner inconsistent with the restrictions described in this covenant, the Commission must be notified at least sixty (60) days in advance of such use. Additional response action contemplating a change in land use or to the size of the assumed exposure area may be necessary. The additional response action must be approved by the Commission and completed prior to the commencement of the new use of the Affected Property.

In consideration of the response actions leading to the final approved remediation of the Affected Property, the owner of the Property has agreed to place the following restrictions on the Property in favor of the Commission and the State of Texas. Now, therefore, in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the following restrictive covenants in favor of the Commission and the State of Texas are placed on the Property described in Exhibit A, to wit:

1. **Use of the Affected Property shall not be allowed for residential purposes as defined in this Covenant.**
2. **Use of groundwater beneath the Affected Property shall not be allowed except for monitoring purposes.**
3. **Penetration or excavation of the impacted groundwater zones for any purpose shall only be conducted in such a manner as to prevent the migration or release of contaminations to any other zone or media and to prevent uncontrolled exposure to human and ecological receptors.**

4. These restrictions shall be a covenant running with the land.

For additional information, contact:

Railroad Commission of Texas
Oil and Gas Division
Site Remediation Section
P.O. Box 12967
1701 N. Congress Ave
Austin, Texas 78711-2967

Reference Railroad Commission of Texas Voluntary Cleanup Program No. 03-10001B.

As of the date of this Restrictive Covenant, the record owner of fee title to the Affected Property is Pierce Junction Properties LLC, c/o William D. Noel, Esq., 8200 Wednesbury Lane, Suite 420, Houston Texas 77074-2931.

This Restrictive Covenant may be rendered of no further force or effect only by a release executed by the Commission and filed in the same Real Property Records as those in which this Restrictive Covenant is filed.

Executed this 13th day of December 2016.

Pierce Junction Properties LLC

By:

[Signature]
William D. Noel, Manager

(2)
10R

STATE OF TEXAS §

COUNTY OF HARRIS §

BEFORE ME, on this the 13th day of Dec, 2016 personally appeared William D. Noel, known to me to be the person whose name is subscribed to the foregoing instrument, and he acknowledged to me that he executed the same for the purposes and in the capacity herein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE

Signature

[Signature]

Notary Public in and for the State of Texas

County of Harris

My Commission Expires: 10-4-2018



Accepted as Third Party Beneficiary this 15th day of December, 2016.

Railroad Commission of Texas

10K

By: Kathy Keils

Printed Name: Kathy Keils

Title: Attorney in Office of
General Counsel

STATE OF TEXAS §

COUNTY OF TRAVIS §

BEFORE ME, on this the 15th day of December 2016 personally appeared Kathy Keils, Attorney on behalf of the Site Remediation Section of the Oil and Gas Division of the Railroad Commission of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and she/he acknowledged to me that she/he executed the same for the purposes and in the capacity herein expressed.

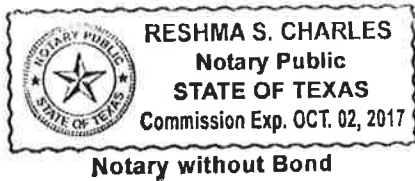
GIVEN UNDER MY HAND AND SEAL OF OFFICE

Signature: Reshma Charles

Notary Public in and for the State of Texas

County of Travis

My Commission Expires: October 2, 2017



METES AND BOUNDS DESCRIPTION
13.5289 ACRES OF LAND
JAMES HAMILTON, SURVEY, A-883
HARRIS COUNTY, TEXAS

lee

Being 13.5289 acres of land being all of a called 13.5289 acre tract of land as conveyed by General Warranty Deed dated September 19, 2007 to Enzo Holdings, LP as recorded under Clerk's File No. 20070576023 of the Official Public Records of Real Property of Harris County, Texas and being situated in the James Hamilton Survey, Abstract No. 883, Harris County, Texas and being more particularly described by metes and bounds as follows:

- All bearings are based on the courses described in said 13.5289 acre deed recorded under Clerk's File No. 20070576023 of the Official Public Records of Real Property of Harris County, Texas

BEGINNING at a 1-Inch iron pip found for corner at the northwest corner of said 13.5289 acre tract and being situated in the east right-of-way line of State Highway 288;F

THENCE North 87°38'45" East, along the north line of said 13.5289 acre tract, for a distance of 1,053.97 feet to a 5/8-inch iron rod found for corner;

THENCE South 02°45'14" East, for a distance of 499.48 feet to a point for corner at the centerline of a certain 75-foot wide drainage easement as conveyed to The State of Texas as recorded under Volume 8420, Page 283 of the Deed Records of Harris County, Texas and the southeast corner of herein described tract;

THENCE South 87°38'45" West, along the south line of said 13.5289 acre tract, for a distance of 1,294.09 feet to a 5/8-inch iron rod found for corner situated in the arc of a curve to the right being the east right-of-way line of State Highway 288;

THENCE in a northerly direction, along the arc of said curve to the right having a radius of 7,439.49 feet, a central angle of 02°23'08", an arc length of 309.68 feet and a chord bearing North 21°42'12" East, 309.65 feet to a 5/8-inch iron rod marking the point of tangency of herein describe curve;

1F

THENCE North 22°53'45" East, continuing along the east right-of-way line of said State Highway 288, for a distance of 187.06 feet to a 5/8-inch iron rod found for corner;

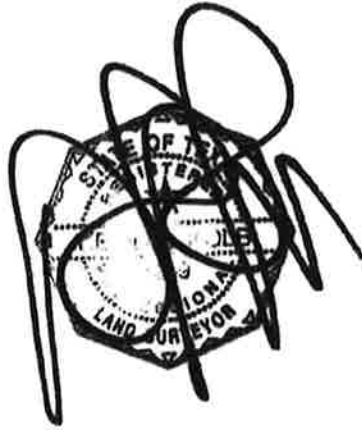
THENCE North 30°18'10" East, continuing along the east right-of-way line of said State Highway 288, for a distance of 56.45 feet to the **POINT OF BEGINNING** and containing within these calls 589,317 square feet or 13.5289 acres of land.

A survey plat has been prepared in conjunction with this metes and bounds description, by Kevin Kolb, RPLS 5269, Job No. 10-244

The square footage totals as shown hereon are based on a mathematical closure of the courses and distances reflected herein. It does not include the tolerances that may be present due to positional accuracy of the boundary monumentation.

Compiled by:

TOTAL SURVEYORS, INC.
4301 Center Street
Deer Park, Texas 77536
281-479-8719
May 18, 2013



Return to:

✓ Cory Thornton
Crain, Caton & James
1401 McKinney, Suite 1700
Houston, TX 77010

RECORDER'S MEMORANDUM:

At the time of recordation, this instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon or photo copy, discolored paper, etc. All blockouts, additions and changes were present at the time the instrument was filed and recorded.

FILED FOR RECORD

2:14:30 PM

Wednesday, December 28, 2016

Stan Stewart

COUNTY CLERK, HARRIS COUNTY, TEXAS

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

THE STATE OF TEXAS
COUNTY OF HARRIS

I hereby certify that this Instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me; and was duly RECORDED; in the Official Public Records of Real Property of Harris County Texas

Wednesday, December 28, 2016



Stan Stewart
COUNTY CLERK
HARRIS COUNTY, TEXAS