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GIL BUJANO, P.E.  
DIRECTOR, OIL AND GAS DIVISION  
PETER G. POPE  
ASSISTANT DIRECTOR, SITE REMEDIATION

# RAILROAD COMMISSION OF TEXAS


## OIL AND GAS DIVISION

### **BROWNFIELDS RESPONSE PROGRAM CERTIFICATE OF COMPLETION WITH RESTRICTIONS**

As provided for pursuant to Chapter 91, Texas Natural Resource Code.

*I, Peter G. Pope, ASSISTANT DIRECTOR OF THE SITE REMEDIATION SECTION, OIL AND GAS DIVISION, RAILROAD COMMISSION OF TEXAS, CERTIFY THAT NECESSARY RESPONSE ACTIONS UNDER CHAPTER 91, TEXAS NATURAL RESOURCE CODE HAVE BEEN COMPLETED. RESPONSE ACTIONS INCLUDE THE PLACEMENT OF AN INSTITUTIONAL CONTROL THAT INCLUDES ENGINEERED CONTROLS AND LIMITATIONS ON GROUNDWATER USE, FURTHER DESCRIBED IN EXHIBIT "A". ADDITIONAL INFORMATION IS AVAILABLE IN THE REPORTS FOR THIS SITE UNDER BRP 04-8002 ON FILE WITH THE COMMISSION.*

EXECUTED this the 16<sup>th</sup> day of July 2013.

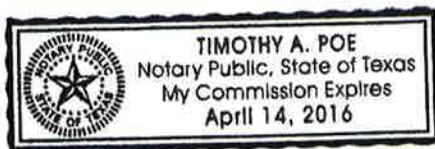
  
Peter G. Pope  
Assistant Director, Site Remediation

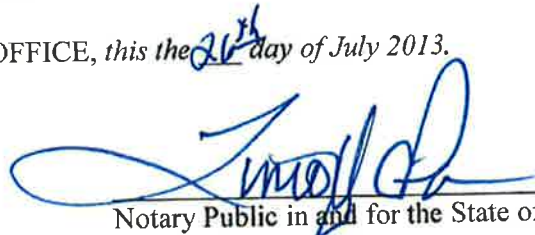
STATE OF TEXAS

COUNTY OF TRAVIS

BEFORE ME, personally appeared Peter G. Pope, Assistant Director, Remediation Division, 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 20<sup>th</sup> day of July 2013.



  
Notary Public in and for the State of Texas

***EXHIBIT "A"***

***Institutional Control Document***

***BRP No. 04-8002***

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STATE OF TEXAS

COUNTY OF KLEBERG

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State of Texas and Railroad Commission of Texas  
Environmental Restrictive Covenant

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 parcel of land (**Property**) containing 29.808 acres more or less of a portion of Farm Lot 2, of Section 13 of Kleberg Town and Improvement Company Subdivision, Kleberg County, Texas, recorded in the Plat Cabinet I, Envelope 18 of the Plat Records of Kleberg County, Texas, being more specifically described by metes and bounds on **Exhibit A** attached hereto and incorporated herein. The Kingsville Area Industrial Development Foundation (KAIDF) is the current owner of the **Property**.

Certain identified chemicals of concern affect soil and groundwater on a portion of the Property used in the past as a drilling mud disposal pit. This 1.6885-acre portion of the property is identified as the **Affected Property**, and is more fully described by metes and bounds on **Exhibit B** of this environmental restrictive covenant.

This restrictive covenant is required for the following reasons:

The **Affected Property** was used as a drilling mud disposal pit operated by Steve's Oil Field Service, Inc. from 1981 to 1990. Chemicals of concern attributable to the drilling mud disposal operations impacted soil in the **Affected Property**, and groundwater throughout the **Property**. Steve's Oil Field Service, Inc. abandoned their operations at the **Property**, and the Commission performed response actions to characterize and remediate the chemicals of concern. The remediation was performed in such a manner that arsenic, barium, benzene, 2-methylnaphthalene and total petroleum hydrocarbons were left in the soil within the **Affected Property**. Additionally, groundwater in the first water-bearing zone, approximately 15 to 40 feet below ground surface, is impacted by chloride and arsenic in the entire **Property**. Attached **Exhibit C** is a map and table that depicts chloride and arsenic levels reported in groundwater samples collected from the onsite groundwater monitor wells on the respective dates identified in the table.

The Commission remediated the former drilling mud disposal pit by covering it with an engineered cap designed to eliminate human and ecological exposure to the former pit contents and reduce infiltration of groundwater (Shown on **Exhibit B**). The engineered cap installation began by grubbing and smoothing the pit contents prior to placement of a Tensar BX1500® biaxial geogrid. The geogrid is a polypropylene mesh intended to support the load of the sand and soil layers above it. A 12 inch sand layer was placed on top of the geogrid. The sand layer is topped by an 18 inch thick clay layer compacted to a minimum of 94 percent dry density. A six inch thick vegetative support layer designed to provide erosion protection, overlies the

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AUSTIN, TEXAS

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compacted clay layer. The vegetative support layer was graded to a nominal 2% slope to allow drainage off the engineered cap.

The Commission will perform maintenance according to the **Engineered Control Plan** for five years from the date this restrictive covenant is filed in the real property records of Kleberg County. The Owner of the Property agrees to allow the Commission access to perform specified maintenance and inspections associated with the **Engineered Control Plan** outlined below. At the end of the five year period the Commission shall notify the Owner of the Property, who, thirty days after such notification shall assume responsibility for maintaining the **Affected Area** in accordance with the **Engineering Control Plan**.

#### **Engineered Control Plan**

The engineered cap is designed to eliminate human exposure and reduce infiltration of groundwater into the impacted soil zones. The engineered cap encompasses a 1.6885-acre area identified as **the Affected Area**, also described in **Exhibit B**. The engineered cap shall be maintained and inspected according to the **Annual Inspection Plan** provided below.

#### **Annual Inspection Plan**

Once per calendar year, the engineered cap will be inspected by the Commission for the first five years and subsequently, the Owner of the Property to ensure that the engineered cap maintains functional integrity. Maintenance of functional integrity of the engineered cap consists of the following:

1. Surface grading of the engineered cap is to be maintained in order to support drainage. Areas that become depressed due to settlement should be built up and graded to avoid ponding.
2. The **Affected Area** shall be maintained as a vegetated surface. The **Affected Area** should be free of vegetation with root systems that might penetrate the soil cover on the engineered cap, including mesquite or huisache.
3. Except upon prior written approval from the Commission, no operations or uses shall be made on or of the **Affected Property** that threaten to or will penetrate the surface cover of the engineered cap or jeopardize the engineered caps functional integrity.
4. Prohibited activities in or on the **Affected Property** include, excavation, drilling, scraping, or engaging in any activity that promotes, causes or allows crosion.
5. A record of annual inspections shall be maintained by the Owner the Property and available to and subject to Commission inspection.
6. Aside from maintenance and monitoring activities consistent with remediation of the **Affected Property**, the surface of the **Affected Property** may be used for grazing.

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The response action has been approved by the Commission because the Property is restricted for commercial/industrial purposes, the Property will not be put to residential use, the groundwater beneath the Property is only used for monitoring and the Affected Property is subject to the Engineered Control Plan described above. For purposes of this 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).

The Commission has determined that the Property currently meets standards for commercial/industrial use. The Commission does not require any further remediation of the Property as long as the Property is not put to residential use, the ground water is only used for monitoring and the Engineered Control Plan over the Affected Property is maintained and not disturbed.

This restrictive covenant is necessary to assure that all present and future owners of the Property are aware of its condition and do not use the Property in any manner not allowed by this instrument, or use groundwater on the Property, or use the Property for any purpose other than the commercial industrial purposes allowed by this Covenant. If any person intends to use the Affected Property in any manner not allowed by this instrument, or use groundwater on the Property, or use the Property for any purpose other than the commercial industrial purposes allowed by this Covenant the Commission must be notified and approve of such use. Further response action may be necessary before such use is approved.

The results of the Environmental Investigation and Response Action activities are described in the following documents at the Railroad Commission office in Austin, Texas:

*Disposal Pit Characterization Report, Steve's Oilfield Services, dated August 2006*

*Letter Report, Steve's Oilfield Services, CU 04-53594, dated 20 August 2007*

*Alamo Analytical Laboratories Report, Lab ID 0712066, 1A & 2A, dated 28 December 2007*

*Letter Report, SPLP Test Results, Steve's Oilfield Services Closure, dated 23 May 2008*

*Phase I Environmental Site Assessment Report, Former Steve's Oilfield Services, Inc., FM 2045/East Santa Gertrudis Street, Kingsville, Kleberg County, Texas, dated June 2008*

*Phase II Environmental Site Assessment Report, Former Steve's Oilfield Services, Inc., FM 2045/East Santa Gertrudis Street, Kingsville, Kleberg County, Texas, dated August 2008*

*December 2009 Groundwater Delineation Report, Former Steve's Oilfield Services Inc., Brownfields Response Program (BRP) Number 04-8002, Kingsville, Kleberg County, Texas, dated 28 January 2012*

*Cap As-built Report – August 2012.*

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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:

1. Use of the **Property** will be limited to commercial purposes as defined in this Covenant;
2. Use of the groundwater beneath the **Property** shall not be allowed except for monitoring purposes;
3. The **Affected Property** is subject to the **Engineered Control Plan**;
4. These restrictions shall be a covenant running with the land.

For additional information, contact:

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

Railroad Commission of Texas Brownfields Response Program Application No.: 04-8002.

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As of the date of this Covenant, the record owner of fee title to the Property is the Kingsville Area Industrial Development Foundation (KAIDF). The person signing this Covenant on behalf of KAIDF has full authority to enter into this covenant on behalf of KAIDF on the date of signature.

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.

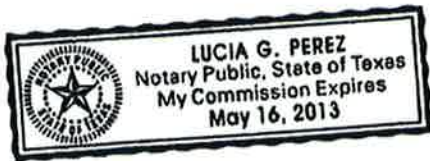
Executed this the 15 day of April 2013.

Signature: *Richard E. Messbarger*  
Printed Name Richard E. Messbarger

STATE OF TEXAS  
TRAVIS COUNTY

BEFORE ME, on this the 15 day of April, 2013 personally appeared Mr. Dick Messbarger, known to me to be the person whose name is subscribed to the foregoing instrument, and they acknowledged to me that they executed the same for the purposes and in the capacity herein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 15 day of April 2013.



Notary Public in and for the State of Texas,  
County of Kleberg  
My Commission Expires: MAY 16, 2013  
*Lucia G. Perez*



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Railroad Commission of Texas

By: *David W. Cooney, Jr.*

Title: *Attorney, Special Counsel Section*

STATE OF TEXAS §

COUNTY OF TRAVIS §

BEFORE ME on this the *22<sup>nd</sup>* day of *April* 2013 personally appeared *David W. Cooney, Jr.* known to me to be the person whose name is subscribed to the foregoing instrument, and he/she acknowledged to me that he/she executed the same for the purposes and in the capacity herein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE.

*Patricia A. Kaiser*

Notary Public In and For the State of Texas



Notary without Bond

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29.808 ACRES TRACT

All that certain tract or parcel of land containing 29.808 acres, more or less, and being a portion of Farm Lot 2 of Section 13 of the Kleberg Town and Improvement Company Subdivision, Kleberg County, Texas; the said subdivision being according to a map or plat thereof recorded in Plat Cabinet I, Envelope 18, of the Plat Records of Kleberg County; and the said 29.808 acres, more or less, being more particularly described as follows:

Commencing at a 5/8 inch diameter iron rod found for the place of intersection of the west boundary of the said Farm Lot 2 with the south right-of-way line of Farm Road No. 2045, from which a point computed for the original northwest corner of the said Farm Lot 2 bears North 10.00 feet, from said iron rod a monument (consisting of a 3 inch diameter brass cap set in the top of a 6 inch diameter concrete filled PVC pipe - no stamping on disk) found for the point of tangency of a curve in the said right-of-way line bears East 52.61 feet, and from said iron rod a monument similar to that last described bears West along said right-of-way line a distance of 5044.30 feet;

Thence with the west boundary of said Farm Lot 2, South, a distance of 734.65 feet to a 5/8 inch diameter iron rod having a 1.3 inch diameter orange plastic cap fixed to its top and stamped "RPLS 1963" set for the lower northwest corner and PLACE OF BEGINNING of this tract, from which a bent 5/8 inch diameter iron rod found for the lower northwest corner of a tract said to contain 28.69 acres (described in Warranty Deed With Vendor's Lien from Steve's Oil Field Services, Inc., to Transportation and Mud Services of South Texas, Inc., dated June 16, 1988, and recorded in Volume 11, Page 785, of the Official Records of Kleberg County) bears S 89° 56' 43" W 28.78 feet;

THENCE with the west boundary of Farm Lot 2, South, at 810.97 feet pass a 5/8 inch diameter iron rod with plastic cap set on line, and continue an additional 54.35 feet for a total distance of 865.32 feet to an intersection with the centerline of Tranquitas Creek, said place of intersection being for the southwest corner of Farm Lot 2 and of the tract herein described;

THENCE with the meanders of the centerline of Tranquitas Creek, being a southern boundary of the said 28.69 acres tract, as follows -

N 52° 59' 30" E a distance of 36.74 feet,  
N 12° 51' 12" E a distance of 49.60 feet,  
N 50° 05' 15" E a distance of 114.70 feet,  
N 41° 59' 55" E a distance of 194.41 feet,  
N 62° 40' 05" E a distance of 73.91 feet,  
N 37° 49' 57" E a distance of 87.61 feet,  
N 50° 07' 03" E a distance of 68.50 feet,  
S 61° 40' 03" E a distance of 40.00 feet,  
N 37° 15' 19" E a distance of 40.00 feet,

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N 87° 04' 07" E a distance of 160.99 feet,  
S 54° 29' 53" E a distance of 144.96 feet,  
S 35° 38' 48" E a distance of 28.89 feet,  
S 86° 27' 27" E a distance of 25.00 feet,  
S 41° 27' 27" E a distance of 232.29 feet,  
S 42° 14' 40" E a distance of 134.04 feet,  
S 58° 28' 45" E a distance of 93.64 feet,  
S 36° 23' 00" E a distance of 100.24 feet,  
S 23° 31' 48" E a distance of 52.41 feet, and  
S 15° 39' 33" E a distance of 36.64 feet to an intersection with the centerline of  
San Fernando Creek, for the southernmost corner of this tract and of the said 28.69 acres tract;

THENCE with the meanders of the centerline of San Fernando Creek, being a southern  
boundary of the said 28.69 acres tract, as follows –

N 43° 58' 17" E a distance of 106.97 feet,  
N 49° 54' 19" E a distance of 155.35 feet,  
N 54° 13' 42" E a distance of 173.93 feet,  
N 57° 52' 56" E a distance of 102.97 feet, and  
N 60° 08' 34" E a distance of 127.58 feet to an intersection with the southern  
right-of-way line of Farm Road No. 2045, said place of intersection being for the easternmost  
corner of the tract herein described and of the said 28.69 acres tract;

THENCE with the said southern right-of-way line, also being a northeasterly boundary of  
the said 28.69 acres tract, N 36° 55' 15" W, at 23.72 feet pass a 5/8 inch diameter iron rod with  
orange plastic cap set on line, and continue an additional 959.17 feet, for a total distance of  
982.89 feet to a monument found (similar to that monument first described) for the point of  
curvature of a curve to the left in said right-of-way line;

THENCE with said curve to the left (non-tangent) having a radius of 1392.5 feet, a  
central angle of 30° 59' 08", and a chord which bears N 52° 24' 44" W 743.92 feet, a distance  
along the arc of said curve of 753.06 feet to a 5/8 inch diameter iron rod with an orange plastic  
cap set for an exterior corner of this tract and of the above mentioned 28.69 acres tract;

THENCE with a boundary of said 28.69 acres tract, S 0° 55' 39" E (called S 1° 05' 14"  
E), a distance of 631.91 feet (called 627.12 feet) to a 5/8 inch diameter iron rod with an orange  
plastic cap set replacing a bent 5/8 inch iron rod found for an interior corner of the said 28.69  
acres tract and of the tract herein described;

THENCE with a boundary of the said 28.69 acres tract, S 89° 56' 43" W (called S 89° 55'  
45" W), a distance of 586.76 feet to the Place of Beginning.

Containing 29.808 acres, more or less.

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The bearings noted herein are based on an assumed bearing of East between markers noted as found on the south right-of-way line of Farm Road No. 2045, west of the point of tangency noted above.

I, William N. Lothrop, a Registered Professional Land Surveyor of the State of Texas, do hereby certify that the foregoing description was prepared from a survey made on the ground under my direction.



*William N. Lothrop*  
William N. Lothrop, R.P.L.S. No. 1963





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Exhibit C  
Groundwater Analytical Results  
Former Steve's Oilfield Service, 29.808 Acres  
Kleberg County, Texas

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Monitor Well ID	Sample Date	Arsenic [6020] <sup>1</sup>	Chloride [E300]
MW-1	7/2/08	0.021	11,200
	11/5/08	0.0118 J <sup>2</sup>	10,900
	12/7/09	0.0256	11,400
MW-1-D	7/2/08	0.024	11,700
MW-2	6/26/08	0.0082	8,130
	11/5/08	0.0168 J	7,310
	12/7/09	0.0173	5,740
MW-3	6/26/08	0.018	6,060
	11/5/08	0.0174 J	5,560
	12/7/09	0.0176	6,400
MW-4	6/26/08	0.014	11,400
	11/5/08	0.0146 J	7,380
	12/7/09	0.0156	7,710
MW-5	6/26/08	0.014	8,630
	11/5/08	0.0172 J	10,400
	12/7/09	0.0272	10,700
MW-6	12/10/09	0.00650	10,400
MW-7	12/10/09	0.00439	10,300
MW-8	12/9/09	0.0149	9,570
MW-9	12/9/09	0.0125	10,000

1. Analytical Method
  2. J – The reported result is an estimated value.
- All units milligrams per liter.

FILE# 294879

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**2013 MAY -8 AM 8:10**

Indexed

LEO ALARCON  
COUNTY CLERK KLEBERG COUNTY

BY [Signature]  
DEPUTY  
**NORMA C. ISASSI**

Compared

STATE OF TEXAS, COUNTY OF KLEBERG, I HEREBY CERTIFY THAT THIS INSTRUMENT WAS FILED ON THE DATE AND TIME STAMPED HEREON BY ME AND WAS DULY RECORDED IN THE OFFICIAL RECORDS OF KLEBERG COUNTY, TEXAS

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MAY 10 2013

DELIVERY DATE



[Signature]

**LEO ALARCON**  
COUNTY CLERK, KLEBERG COUNTY

*ANY PROVISIONS HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE INVALID AND ENFORCEABLE UNDER FEDERAL LAW.*

RETURN TO:

Railroad Commission of Texas  
Attn. William J. Thompson  
10320 IH 37  
Corpus Christi, TX 78410

RECORDERS MEMORANDUM:

ALL OR PART OF A SOCIAL SECURITY NUMBER, IF CONTAINED IN THIS DOCUMENT, MAY HAVE BEEN REDACTED. TEX. GOV'T CODE SEC. 552.147(b) THE COUNTY CLERK MAY REACT A LIVING PERSON'S SOCIAL SECURITY NUMBER FROM ANY OR ALL DOCUMENTS CONTAINED FOR DISCLOSE KLEBERG COUNTY.