

PHASE I ENVIRONMENTAL SITE ASSESSMENT

**GANDY TRACT
COUNTY ROAD 28
DRISCOLL, TEXAS**

JUNE 21, 2017

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PROJECT NO. 1688.001



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EXECUTIVE SUMMARY

W&M Environmental Group, LLC (W&M) conducted a Phase I Environmental Site Assessment (ESA) of the property located west of the intersection of Highway 77 and County Road 28 in Driscoll, Nueces County, Texas (Site). The Site is approximately 550 acres in size and primarily used for agricultural purposes.

The Phase I ESA was performed in conformance with the scope and limitations of the ASTM International (ASTM) *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process* (ASTM Standard E1527-13). Any exceptions to, or deletions from, this practice are described in Sections 1.2, 1.3, and 7.4 of this report.

This assessment has revealed no evidence of recognized environmental conditions (RECs) in connection with the property (Site) except for the following:

- **Historical use of the Site and surrounding property as an Oil and Gas (O&G) production site represents a REC due to the use, processing, transport, and storage of petroleum products on-Site.**
- **Observed oil staining on bare soil with empty motor oil containers and used oil filters near the staining represents a REC.**

1.0 INTRODUCTION

W&M Environmental Group, LLC (W&M) conducted a Phase I Environmental Site Assessment (ESA) of the property located west of the intersection of Highway 77 and County Road 28 in Driscoll, Nueces County, Texas. The Site is approximately 550 acres in size and primarily used for agricultural purposes.

1.1 Purpose

This report was prepared in accordance with the ASTM International (ASTM) *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process* (ASTM Standard E1527-13), which constitutes all appropriate inquiry into the previous ownership and uses of the property consistent with good commercial or customary practice as defined at 42 U.S.C. §9601(35)(B). The purpose of this Phase I ESA is to identify, to the extent feasible pursuant to the processes prescribed in the ASTM Standard E1527-13, recognized environmental conditions (RECs) in connection with the Site.

The U.S. Environmental Protection Agency's (EPA's) All Appropriate Inquiry (AAI) rule allows a user to qualify for certain protections from CERCLA liability for innocent landowners, bona fide prospective purchasers and contiguous property owners in that it constitutes "all appropriate inquiry" into prior ownership and use of a property prior to or on the date a person acquires a property. The ASTM standard was written in conjunction with the EPA rule and details how to meet the rule.

Definitions of common terms associated with ASTM E1527-13 are presented in **Appendix A**.

1.2 Detailed Scope of Services

The scope of work for the Phase I ESA, as defined by the ASTM standard, was as follows:

- Records review.
- Site reconnaissance.
- Interviews.
- Report.

The ESA report documents activities and findings associated with the assessment, including the environmental impact of activities on properties adjacent to the Site. Potential environmental concerns noted in a Phase I assessment may warrant collection of additional Site data, and may include the sampling of environmental media (i.e., soil, groundwater, or vapors). These tasks would be conducted as part of a Phase II assessment. In accordance with the ASTM Standard, no sampling of environmental media is required in the Phase I assessment.

1.3 Significant Assumptions

No significant assumptions were made for this assessment.

1.4 Limitations and Exceptions

The assessment of environmental conditions provided in this report is based solely upon analysis of information from the sources listed above. The information obtained from records review is limited to that which is reasonably ascertainable, according to the ASTM Standard. Information obtained from

businesses or individuals is limited to that which is voluntarily disclosed. A complete evaluation of business environmental risk associated with a parcel of commercial real estate may necessitate investigation beyond that identified in this practice.

Where information is available that indicates the potential for vapors to be present in, or may migrate to, the subsurface of the Site, W&M will develop an opinion regarding the potential for a vapor encroachment condition (VEC). However, the determination of whether a VEC actually exists may require additional information or evaluation that is beyond the scope of a Phase I ESA.

Unless specifically described in the report, no sampling of environmental media (soil, surface water, sediments, wastes, or groundwater), or evaluations of asbestos-containing materials (ACM), radon gas, indoor air quality, lead-based paint (LBP), lead in drinking water, or wetlands were performed during this assessment. Regulatory compliance, ecological resources, endangered species, cultural and historic resources, industrial hygiene, health and safety, and high voltage power lines were not addressed during this assessment unless specifically described in Section 1.2 of this report. Any exception to, or deletions from, this practice are described in Sections 1.2, 1.3, and 7.4 of this report.

The identification of conditions that could affect the property in question is limited by the availability and accuracy of information provided by governmental and private sources. To the extent practical, the accuracy of information obtained has been verified. The information presented in this report is based upon records that are currently available and upon the conditions that existed at the time of our visual reconnaissance of the Site. No limiting conditions were encountered during the Site visit.

Per Section 4.6 of the ASTM Standard, a Phase I ESA conducted according to the Standard less than 180 days prior to the date of acquisition of the Site or the date of the intended transaction is presumed to be valid. A Phase I ESA for which the information was collected or updated within one year prior to the date of acquisition of the Site or the date of the intended transaction may be used provided that the following components of the inquiries were conducted or updated within 180 days of the date of purchase or the date of the intended transaction:

- Interviews.
- Searches for recorded environmental cleanup liens.
- Reviews of federal, tribal, state, and local government records.
- Visual inspections of the Site and adjoining properties.
- The declaration by the environmental professional responsible for the assessment or update.

1.5 Special Terms and Conditions

No special terms or conditions were included in this assessment.

1.6 User Reliance

This report was prepared for the sole use of Corpus Christi Regional Economic Development Corporation (CCREDC) and shall not be disseminated to, used by, or relied upon by any other party without the express prior written consent of CCREDC and W&M. Other parties relying on this Phase I ESA via a reliance letter do so with the same limitations and conditions of the contract between CCREDC and W&M. This document was developed by employing generally accepted methods and customary practices of the environmental profession.

2.0 SITE DESCRIPTION

2.1 Location and Legal Description

The Site is located west of the intersection of Highway 77 and County Road 28 in Driscoll, Nueces County, Texas. The location of the Site is presented on **Figure 1**.

The Site's legal description, as provided by the Nueces County Property Appraiser, is as follows:

“PAUL G H 1 AC OUT OF S POR SEC 55”

2.2 Site and Vicinity General Characteristics

The Site is primarily utilized for agricultural purposes and contains a dilapidated homestead with a storage shed and two additional collapsed storage structures. The property is bordered to the east by a railroad line and Highway 77. The Site is located approximately 3 miles north of the City of Driscoll and 7 miles south of the City of Robstown. The surrounding areas are also primarily used for agricultural purposes.

2.3 Current Use of the Property

The Site is currently utilized as agricultural farmland. At the time of Site reconnaissance, cotton and sorghum occupied the fields.

2.4 Descriptions of Structures, Roads, Other Improvements

At the time of Site reconnaissance, two standing structures were observed on the eastern side of the property; a dilapidated house and storage shed. Two collapsed structures which appeared to be previously used as storage sheds are located to the northeast of the house. The Site contains only dirt roads and is accessed by County Road 28 via US Highway 77.

2.5 Current Uses of the Adjoining Properties

The properties surrounding the Site are as follows:

- North: Agricultural Farmland
- South: Agricultural Farmland
- East: Agricultural Farmland
- West: Agricultural Farmland

3.0 USER PROVIDED INFORMATION

Mr. Tommy Kurtz of Corpus Christi Regional Economic and Development Corporation (the User) provided the following information.

3.1 Title Records

Review of documents provided by the User indicated the Site is currently owned by Mr. Francis Gandy Jr. (Mr. Gandy). An easement agreement and revised plat provided by the Nueces County Appraisal District listing Mr. Gandy as the property owner is presented in **Appendix B**.

3.2 Environmental Liens or Activity and Use Limitations

No environmental liens or activity and use limitations were listed in the documents provided by CCREDC or the GeoSearch Report.

3.3 Specialized Knowledge

No specialized knowledge was provided by the User.

3.4 Commonly Known or Reasonably Ascertainable Information

The User did not provide commonly known or reasonably ascertainable information about the Site that is material to RECs in connection with the Site.

3.5 Valuation Reduction for Environmental Issues

The User did not provide any evidence that the value of the Site has been reduced for environmental issues.

3.6 Owner, Property Manager, and Occupant Information

The User provided contact information for the Site Owner and Site Manager, Mr. Gandy. Mr. Gandy has yet to respond to requests for an interview. In the event an interview with Mr. Gandy alters the outcome of this report, W&M will notify the User.

3.7 Reason for Performing Phase I ESA

The Phase I ESA was conducted as part of a property transfer. The Phase I ESA was conducted to identify potential environmental conditions that could materially impact the facility and to satisfy one of the requirements to qualify for Landowner Liability Protection (LLP) to CERCLA liability.

3.8 Other

No other information was provided by the User.

4.0 RECORDS REVIEW

The purpose of the records review is to obtain and review records that will help identify RECs in connection with the Site. References identifying published sources relied upon in preparation of this Phase I ESA are provided in **Appendix C**.

4.1 Standard Environmental Record Sources

A review of available information contained on government agency databases was performed for the Site and is detailed in this section of the report. The review includes a regulatory database search of records with the EPA and Texas Commission on Environmental Quality (TCEQ). Standard environmental record sources were reviewed according to Section 8.2.1 of ASTM E1527-13. Regulatory database search results – including a list of databases searched and detailed information on each property identified – are provided in the Environmental Data Resources, Inc. (EDR) Radius Map™ Report with GeoSearch® (GeoSearch Report) presented in **Appendix D**.

Standard environmental record sources reviewed are listed below:

Record	Radius (miles)	Facilities within ASTM Radius	Record	Radius (miles)	Facilities within ASTM Radius
National Priorities List (NPL)	1.0	0	SWF/LF	0.5	0
Proposed NPL	1.0	0	CLI	0.5	0
Delisted NPL	1.0	0	Waste Mg't	Target Property	0
SEMS	0.5	0	LPST	0.5	0
CORRACTS	1.0	0	UST	0.25	0
RCRA – TSDf	0.5	0	AST	0.25	0
RCRA – LQG	0.25	0	SPILLS	Target Property	0
RCRA – SQG	0.25	0	AUL	0.5	0
RCRA – CESQG	0.25	0	VCP	0.5	0
Eng'g Controls	0.5	0	BROWNFIELDS	0.5	0
Inst'l Controls	0.5	0	IHW	Target Property	0
ERNS	Target Property	0	Indian LUST	0.5	0
SHWS	1.0	0	Indian UST	0.25	0
IOP	Target Property	0	Indian VCP	0.5	0

SEMS – Superfund Enterprise Management System
 NPL – National Priorities List
 NFRAP – No Further Remedial Action Planned
 CORRACTS – Corrective Action Tracking System
 RCRA – Resource Conservation and Recovery Act
 TSDf – Treatment Storage and Disposal Facilities
 SQG/LQG – Small Quantity Generator and Large Quantity Generator facilities
 ERNS – Emergency Response Notification System
 SHWS – State Hazardous Waste (Superfund) Sites
 IHW – State listed Industrial & Hazardous Waste Sites

IOP – Innocent Owner/Operator Sites
 VCP – Voluntary Cleanup Program Sites
 SWF/LF/CLI – State-listed Solid Waste Facilities/Landfills/Closed Landfill Inventory
 USTs/ASTs – Underground Storage Tanks/Above Ground Storage Tanks
 LPST – State listed Leaking Petroleum Storage Tanks
 AUL – Activity Use Limitation Sites (with engineering or institutional controls)

Subject Property

The Site was not identified in the GeoSearch Report.

Surrounding Properties

The surrounding properties identified within the specified search radii were reviewed based on:

- Distance from the Site.
- Topography.
- Presence/absence of documented contaminant releases that have not been remediated to the satisfaction of the TCEQ.

Because neither the Site nor any adjoining properties were identified in the environmental databases reviewed, no additional pertinent regulatory files were required to be reviewed.

Orphan Properties

Orphan properties are properties with incomplete addresses that are listed by GeoSearch, but not mapped in the Radius Map Report. No orphan properties were identified in the GeoSearch Report.

4.2 Additional Environmental Record Sources

W&M requested Site-specific information of environmental relevance from additional sources beyond the government database report discussed above. The sources and information are discussed below and copies of the information are provided in **Appendix E**.

City of Driscoll – Municipal Clerk

W&M contacted the City of Driscoll via phone regarding an open records request for the Site. According to a response by the municipal clerk, Christina Sandoval, on June 6, 2017, the Site is located outside the Driscoll municipal boundary; therefore, Nueces County must be contacted regarding any open records requests.

County of Nueces – County Clerk

W&M contacted the Nueces County Clerk, Juanita A. Garza, via e-mail on June 7, 2017, regarding incidents reported at the Site. According to the response from Juanita A. Garza, Filing Manager, the Nueces County Clerk's office does not have any supportive documentation for the Site.

4.3 Physical Setting Source(s)

Soils

Based on a review of the GeoSearch Report, the soil underlying the Site consists of the Victorian clay soil complex, which are dark, calcareous crumbly soils that are called blackland. The Individual soils in this complex consist of the Victorian clay, Victorian clay low, and the Orelia clay loam. The Victorian clay is made up of smooth areas of 0 to 1 percent slopes while the Victorian clay low is flat and very slowly drained soil.

Topography

The Site lies at an elevation of approximately 65 feet above mean sea level (at the Site's center), according to the United States Geologic Survey (USGS) quadrangle for Driscoll, Texas (1975). Based on

the topographic information and observations made during the Site reconnaissance, the Site is predominantly level.

Geology

Review of the *Geologic Atlas of Texas, Corpus Christi Sheet*, indicates the primary geologic formation underlying the Site is Beaumont Formation, which consists of mainly clay, silt, sand and gravel. The Beaumont Formation has an estimated thickness of approximately 100-feet in this area and has a low permeability and high water-holding capacity

Hydrogeology

According to the Texas Water Development Board (*Aquifers of Texas, Report 380*, July 2011), the Site is located in an area of Beaumont Clay; clay interbedded with medium to fine sands that yield small to moderate quantities of fresh to moderately saline water. The Site lies within boundary of the Gulf Coast Aquifer.

Site-specific groundwater information was not available for review. Groundwater flow direction of the uppermost water-bearing zone typically follows surface topography, but can be influenced by various surface water features, subsurface soils, and water wells (i.e., drinking water and irrigation wells). An accurate assessment of groundwater flow direction would require the installation and evaluation of a minimum of three groundwater monitor wells. For purposes of this ESA, W&M has presumed that shallow groundwater movement would be relatively flat or trending gently to the south/southeast towards the Gulf Coast.

4.4 Historical Use Information on the Property

W&M reviewed aerial photographs (dated 1938, 1952, 1956, 1961, 1968, 1979, 1985, 1990, 1995, 2004 and 2014), historic USGS topographic maps (dated 1923, 1954, 1969, 1975 and 2013), and Railroad Commission of Texas Oil and Gas Data to identify previous uses of the property from the present back to the first developed use or back to 1940, whichever is earlier. Sanborn fire insurance maps were not available for the Site or surrounding area. Aerial photographs, historic topographic maps, and Oil and Gas Data are provided in **Appendix F**.

Topographic maps dated 1923 to 1975 depict structures on the eastern portion of the Site. Historical aerial photographs dated 1938 to present depict the Site as predominately farm land with a residence and outbuildings on the eastern portion of the Site. The 1952 aerial photograph depicts the addition of an east-west road bisecting the property and the addition of scattered oil wells. The 1956 aerial photograph depicts the addition of a pipeline metering station. Review of the 1968 aerial photograph indicates many of the oil wells had been removed by that time. The 1985 aerial photograph indicates no oil wells were present on the Site at that time. The 1990 aerial photograph depicts the addition of a single oil well which is also depicted in the 1995 aerial photograph. As of the 2004 aerial photograph, no oil wells are visible at the Site.

4.5 Historical Use Information on Adjoining Properties

Aerial photographs dated 1938 to present depict the area around the Site as farm land. The 1923 topographic map depicts a rail line and road to the east of the Site with farm lands to the north, west, and south of the Site. The 1952 aerial photograph depicts improvement of the road to the east of the Site (present day U.S. Highway 77). The 1952 aerial photograph depicts oil field activity on the east side of U.S. Highway 77. Oil field activity is not depicted in aerial photographs dated 1968 to present; though, associated surface impoundments remain.

5.0 SITE RECONNAISSANCE

The objective of the Site reconnaissance is to obtain information indicating the likelihood of identifying RECs in connection with the Site. The Site Layout is presented on **Figure 2** and photographs of the Site are presented in **Appendix G**.

5.1 Methodology and Limiting Conditions

W&M personnel Gary Tiedeman, Richie Sleger, and Sarah Bibilonisambolin visited the Site on Friday, June 2, 2017, to visually and physically observe general Site conditions including any structure(s) located on the Site to the extent not obstructed by bodies of water, adjacent buildings, or other obstacles. During the Site walk, visible conditions were observed on the Site and adjoining properties. The Site reconnaissance was conducted on foot.

5.2 General Site Setting

Current and Past Use(s) of the Property

At the time of Site reconnaissance, the Site was primarily agricultural farmland used for growing cotton and sorghum. The Site contains a pipeline right-of-way with pipeline metering station at the western boundary of the Site. Historically, the Site is associated with oil and gas operations and agricultural activities. There were no other apparent past uses evident from observations during the Site reconnaissance.

Current and Past Use(s) of Adjoining Properties and Surrounding Area

The area reconnaissance was performed to assist in determining whether adjacent land uses have, or could have, impacted the Site. The area was toured by foot and automobile from public rights-of-way. The properties surrounding the Site are as follows:

- North: Agricultural Farmland
- South: Agricultural Farmland
- East: Agricultural Farmland
- West: Agricultural Farmland

Geologic, Hydrogeologic, Hydrologic, and Topographic Conditions

The Site appeared mostly flat and overlain with dark, clayey soils. Recent precipitation had caused small pooling of stormwater in various locations across the Site. Stormwater is expected to infiltrate soil, where permeable, and pool in areas of slower infiltration.

General Description of Structures

The Site contains four structures, in various degrees of deterioration, which are located near the former Site homestead along U.S. Highway 77. The structures consist of an approximately 1,200-squarefoot wooden-frame storage shed, an approximately 400-squarefoot vacant house, and two collapsed structures which appeared to be wooden-frame sheds. A pipeline metering station was observed at the western boundary of the Site. No leaks or stains were noted in association with the pipeline metering station at the time of Site reconnaissance.

Roads

The Site is located west of the intersection of U.S. Highway 77 and County Road 28. U.S. Highway 77 is asphalt-paved and forms the eastern Site border; County Road 28 traverses the Site from east to west, bisecting the property, and is a dirt road. A private driveway provides access to the former homestead area from County Road 28 via US Highway 77. There are no paved roads on the property.

Potable Water Supply

Potable water to the Site is provided via a water supply well located approximately 90 feet west of the house. An additional well, which appeared to be an out-of-service irrigation well due to its approximately 10-inch diameter and proximity to cropland, was observed approximately 300-feet northeast of the house. Neither well was identified in the GeoSearch report.

Sewage Disposal System

A collapsed septic system approximately 40-feet east of the house with visible piping to the house was observed during Site reconnaissance.

Hazardous Substances and Petroleum Products

W&M observed approximately 20 used oil filters and approximately 20 empty 1- to 5-gallon containers of motor oil scattered around the farm equipment storage shed. A 5-gallon bucket containing an apparent mix of oil/water was observed near the shed on two areas of stained soil approximately 9-squarefoot in size.

Storage Tanks

An approximately 1,000-gallon, empty, AST and associated pump was observed on the north side of the storage shed. An approximately 250-gallon, empty, unlabeled polypropylene tank was also observed near the storage shed. No evidence of release such as stained soil or stressed vegetation was observed around either of the tanks.

Odors

No unusual odors were noted at the Site during the reconnaissance.

Pools of Liquid

No pools of liquid were observed at the time of the Site reconnaissance.

Drums

No drums were observed at the time of the Site reconnaissance.

Unidentified Substance Containers

W&M observed approximately 10, empty, unlabeled, 1- to 5-gallon containers scattered around the storage shed area. No evidence of release such as stained soil or stressed vegetation was observed.

Polychlorinated Biphenyls

W&M observed for evidence of electrical and hydraulic equipment known or suspected of containing polychlorinated biphenyls (PCBs). One pole-mounted transformer was located at the western boundary of the Site near the pipeline metering station. No leaks or stains were noted in association with the transformers at the time of Site reconnaissance.

5.3 Exterior Observations

Pits, Ponds, or Lagoons

No evidence of pits, ponds, or lagoons was observed during the Site reconnaissance.

Stained Soil or Pavement

W&M observed two areas of stained soil, approximately 9-squarefoot in size, located near the farm equipment storage shed. Stained soil appeared to be the result of release from 5-gallon motor oil containers also observed in the area.

Stressed Vegetation

W&M observed evidence of stressed vegetation in areas associated with stained soil near the farm equipment storage shed.

Solid Waste

W&M observed wood debris, 5-gallon buckets, weathered farm equipment, and refuse near the storage shed. A discarded boat was observed approximately 40-feet northeast of the house, lying on the grass filled with trash, cans, and bottles. No odor, staining, or other indications of hazardous substance or petroleum product release were observed in association with the waste.

Wastewater

No process wastewater was observed during the Site reconnaissance.

Wells

During Site reconnaissance, a potable water supply well was observed approximately 90-feet west of the house and an apparent irrigation well was observed approximately 300-feet northeast of the house. Neither well was identified in the GeoSearch reports.

Septic Systems

A collapsed septic system approximately 40-feet east of the house with visible piping to the house was observed during Site reconnaissance.

5.4 Interior Observations

The interior of structures at the Site were observed for conditions indicating releases or material threat of future release of hazardous substances and/or petroleum products.

Heating/Cooling

No heating/cooling systems were observed during the Site reconnaissance.

Stains or Corrosion

No stains or corrosion were observed within the interior of Site structures during the Site reconnaissance.

Drains and Sumps

No drains or sumps were observed during the Site reconnaissance.

6.0 INTERVIEWS

The objective of interviews is to obtain information indicating RECs in connection with the Site. Interviews with past and present owners, operators, and occupants of the property, consisted of questions asked in an attempt to obtain information about current and past uses and conditions of the Site. Documentation of interviews is presented in **Appendix E**.

6.1 Owner

W&M attempted to contact Mr. Gandy via phone for interview. W&M has not yet received a response. In the event that a response from Mr. Gandy alters the outcome of this report, W&M will notify the User.

6.2 Site Manager

Mr. Francis Gandy Jr. is the Site Owner and Site Manager.

6.3 Occupants

The property was vacant at the time of Site reconnaissance.

6.4 Local Government Officials

W&M did not personally interview any local government officials; however, information obtained during the open records search is provided in Section 4.2 of this report.

6.5 Others

No additional persons were interviewed as part of the assessment.

7.0 EVALUATION

W&M conducted a Phase I ESA of the property located west of the intersection of U.S. Highway 77 and County Road 28 in Driscoll, Nueces County, Texas. The Site is approximately 550 acres in size primarily and utilized as agricultural farmland.

7.1 Findings

- According to aerial photographs dated 1938 to 1952, the Site was used primarily as agricultural farmland. Oil and gas (O&G) well production pads were depicted on-Site based on aerial photographs dated 1952 to 1995. The 1956 aerial photograph depicts the addition of a pipeline metering station on the western boundary of the Site. As of the 2004 aerial photograph, no oil wells are visible at the Site.
- Currently, the Site is primarily used for agricultural farmland and contains a natural gas pipeline right-of-way and associated metering station.
- Two areas of stained soil approximately 9-squarefeet in size associated with used motor oil containers and oil filters was observed near the farm equipment storage shed.
- An empty, approximately 1,000-gallon metal AST was observed north of the storage shed. No odor, staining, or other indications of hazardous substance or petroleum product release were observed in association with the waste
- Solid waste including wood debris, 5-gallon buckets, weathered farm equipment, and refuse were observed around the storage shed. No odor, staining, or other indications of hazardous substance or petroleum product release were observed in association with the waste.
- Based on review of the GeoSearch Oil and Gas Report and Texas Railroad Commission database, the Site contained 25 O&G wells and 52 O&G wells were located on the adjoining properties; though, all wells were dry or have since been plugged.

7.2 Opinion

- Historical use of the Site and surrounding property as an O&G production site represents a REC due to the use, processing, transport, and storage of petroleum products on-Site.
- Stained soil and stressed vegetation associated with used oil containers and oil filters represent a REC due to the observed release of a petroleum product to bare soil with. W&M recommends off-Site disposal of the stained soil and associated motor oil containers and oil filters.
- The approximately 1,000-gallon AST observed north of the storage shed does not represent a REC in connection with the Site, as no obvious indication of a hazardous substance or petroleum product release, stressed vegetation, or straining were observed in association with the AST. W&M recommends the removal of the AST.
- Solid waste including wood debris, 5-gallon buckets, weathered farm equipment, and refuse observed around the storage shed does not represent a REC in connection with the Site, as no obvious indication of a hazardous substance or petroleum product release, stressed vegetation, or straining were observed in association with the waste.

Data Gaps

W&M has not received full responses from all County departments queried at the time of publication of this report, nor have we received a response from the property owner, Mr. Gandy. However, in our opinion, these data gaps are not considered significant and are unlikely to alter the conclusions of the assessment.

7.3 Conclusions

W&M has performed a Phase I ESA in conformance with the scope and limitations of ASTM Practice E1527-13 of the property located west of the intersection of U.S. Highway 77 and County Road 28 in Driscoll, Nueces County, Texas. Any exceptions to, or deletions from, this practice are described in Sections 1.2, 1.3 and 7.4 of this report. This assessment has revealed no evidence of recognized environmental conditions (RECs) in connection with the property (Site) except for the following:

- Historical use of the Site and surrounding property as an Oil and Gas (O&G) production site represents a REC due to the use, processing, transport, and storage of petroleum products on-Site.
- Observed oil staining on bare soil with empty motor oil containers and used oil filters near the staining represents a REC. W&M recommends off-site disposal of the stained soil and associated motor oil containers and oil filters.
- Although not a REC, W&M recommends the off-site removal of the approximately 1,000-gallon AST and associated pump.

7.4 Deviations

This assessment did not deviate from the ASTM E1527-13 standards.

7.5 Additional Services

No additional services were performed at the Site.

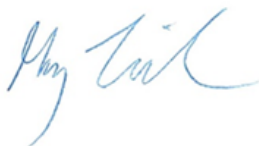
7.6 Environmental Professional Statement

We declare that, to the best of our professional knowledge and belief, we meet the definition of Environmental Professional as defined in §312.10 of 40 CFR Part 312. We have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. We have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312. Qualifications are presented in **Appendix H**.

W&M ENVIRONMENTAL GROUP, LLC



Richie Sleger
Environmental Scientist



Gary Tiedeman
Environmental Professional

DEFINITIONS

APPENDIX A

DEFINITIONS

Activity and Use Limitations (AUL) – Legal or physical restrictions or limitations on the use of, or access to, a site or facility: (1) to reduce or eliminate potential exposure to *hazardous substances* or *petroleum products* in the soil, soil vapor, groundwater, and/or surface water on the *property*, or (2) to prevent activities that could interfere with the effectiveness of a response action, in order to ensure maintenance of a condition of no significant risk to public health or the environment. These legal or physical restrictions, which may include institutional and/or *engineering controls*, are intended to prevent adverse impacts to individuals or populations that may be exposed to *hazardous substances* and *petroleum products* in the soil, soil vapor, groundwater, and/or surface water on the *property*.

Bona Fide Prospective Purchaser Liability Protection – A person may qualify as a bona fide prospective purchaser if, among other requirements, such person made “all appropriate inquiries into the previous ownership and uses of the facility in accordance with generally accepted good commercial and customary standards and practices.” Knowledge of contamination resulting from *all appropriate inquiries* would not generally preclude this liability protection. A person must make *all appropriate inquiries* on or before the date of purchase. The facility must have been purchased after January 11, 2002.

Business Environmental Risk – A risk which can have a material environmental or environmentally-driven impact on the business associated with the current or planned use of a parcel of *commercial real estate*, not necessarily limited to those environmental issues required to be investigated in this practice. Consideration of *business environmental risk* issues may involve addressing one or more non-scope considerations.

Controlled Recognized Environmental Condition—A *recognized environmental condition* resulting from a past *release* of *hazardous substances* or *petroleum products* that has been addressed to the satisfaction of the applicable regulatory authority (for example, as evidenced by the issuance of a no further action letter or equivalent, or meeting risk-based criteria established by regulatory authority), with *hazardous substances* or *petroleum products* allowed to remain in place subject to the implementation of required controls (for example, *property* use restrictions, *activity and use limitations*, *institutional controls*, or *engineering controls*). (For example, if a leaking underground storage tank has been cleaned up to a commercial use standard, but does not meet unrestricted residential cleanup criteria, this would be considered a controlled recognized environmental condition. The “control” is represented by the restriction that the property use remains commercial.) A condition considered by the *environmental professional* to be a *controlled recognized environmental condition* shall be listed in the findings section of the *Phase I Environmental Site Assessment report*, and as a *recognized environmental condition* in the conclusions section of the *Phase I Environmental Site Assessment report*. (A condition identified as a *controlled recognized environmental condition* does not imply that the *environmental professional* has evaluated or confirmed the adequacy, implementation, or continued effectiveness of the required control that has been, or is intended to be, implemented.)

Contiguous Property Owner Liability Protection – A person may qualify for the *contiguous property owner liability protection* if, among other requirements, such person owns real *property* that is contiguous to, and that is or may be contaminated by *hazardous substances* from other real *property* that is not owned by that person. Furthermore, such person conducted *all appropriate inquiries* at the time of acquisition of the *property* and did not know or have reason to know that the *property* was or could be contaminated by a *release* or threatened *release* from the contiguous *property*. The *all appropriate*

inquiries must not result in knowledge of contamination. If it does, then such person did “know” or “had reason to know” of contamination and would not be eligible for the *contiguous property owner liability protection*. See Appendix X1 (of ASTM E 1527-13) for the other necessary requirements that are beyond the scope of this practice.

Data Failure – A failure to achieve the historical research objectives in 8.3.1 through 8.3.2.2 (of ASTM E 1527-13) even after reviewing the *standard historical sources* in 8.3.4.1 through 8.3.4.8 (of ASTM E 1527-13) that are *reasonably ascertainable* and likely to be useful. *Data failure* is one type of *data gap*.

Data Gap – A lack of or inability to obtain information required by this practice despite *good faith* efforts by the *environmental professional* to gather such information. *Data gaps* may result from incompleteness in any of the activities required by this practice, including, but not limited to *site reconnaissance* (for example, an inability to conduct the *site visit*), and *interviews* (for example, an inability to interview the *key site manager*, regulatory officials, etc.).

Hazardous Substance – A substance defined as a *hazardous substance* pursuant to CERCLA 42 U.S.C. § 9601(14), as interpreted by EPA regulations and the courts: “(A) any substance designated pursuant to section 1321(b)(2)(A) of Title 33, (B) any element, compound, mixture, solution, or substance designated pursuant to section 9602 of this title, (C) any *hazardous waste* having the characteristics identified under or listed pursuant to section 3001 of the Resource Conservation and Recovery Act of 1976 (RCRA), as amended, (42 U.S.C. §6921) (but not including any waste the regulation of which under RCRA (42 U.S.C. §6901 *et seq.*) has been suspended by Act of Congress), (D) any toxic pollutant listed under section 1317(a) of Title 33, (E) any hazardous air pollutant listed under section 112 of the Clean Air Act (42 U.S.C. §7412), and (F) any imminently hazardous chemical substance or mixture with respect to which the Administrator (of EPA) has taken action pursuant to section 2606 of Title 15. The term does not include petroleum, including crude oil or any fraction thereof which is not otherwise specifically listed or designated as a *hazardous substance* under subparagraphs (A) through (F) of this paragraph, and the term does not include natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas).”

Hazardous Waste – Any *hazardous waste* having the characteristics identified under or listed pursuant to section 3001 of RCRA, as amended, (42 U.S.C. §6921) (but not including any waste the regulation of which under RCRA (42 U.S.C. §§6901-6992k) has been suspended by Act of Congress). RCRA is sometimes also identified as the Solid Waste Disposal Act. RCRA defines a *hazardous waste*, at 42 U.S.C. §6903, as: “a solid waste, or combination of solid wastes, which because of its quantity, concentration, or physical, chemical, or infectious characteristics may– (A) cause, or significantly contribute to an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness; or (B) pose a substantial present or potential hazard to human health or the environment when improperly treated, stored, transported, or disposed of, or otherwise managed.”

Historical Recognized Environmental Condition – A past *release* of any *hazardous substances* or *petroleum products* that has occurred in connection with the *property* and has been addressed to the satisfaction of the applicable regulatory authority or meeting unrestricted use criteria established by a regulatory authority, without subjecting the *property* to any required controls (for example, *property* use restrictions, *activity and use limitations*, *institutional controls*, or *engineering controls*). Before calling the past *release* a *historical recognized environmental condition*, the *environmental professional* must determine whether the past *release* is a *recognized environmental condition* at the time the *Phase I Environmental Site Assessment* is conducted (for example, if there has been a change in the regulatory criteria). If the EP considers the past *release* to be a *recognized environmental condition* at the time the Phase I ESA is conducted, the condition shall be included in the conclusions section of the report as a *recognized environmental condition*.

Innocent Landowner Defense – A person may qualify as one of three types of innocent landowners: (i) a person who “did not know and had no reason to know” that contamination existed on the *property* at the time the purchaser acquired the *property*; (ii) a government entity which acquired the *property* by escheat, or through any other involuntary transfer or acquisition, or through the exercise of eminent domain authority by purchase or condemnation; and (iii) a person who “acquired the facility by inheritance or bequest.” To qualify for the innocent landowner defense, such person must have made *all appropriate inquiries* on or before the date of purchase. Furthermore, the *all appropriate inquiries* must not have resulted in knowledge of the contamination. If it does, then such person did “know” or “had reason to know” of contamination and would not be eligible for the *innocent landowner defense*. See Appendix X1 (of ASTM E 1527-13) for the other necessary requirements that are beyond the scope of this practice.

Key Site Manager – The person identified by the *owner* or *operator* of a *property* as having good knowledge of the uses and physical characteristics of the *property*.

Landowner Liability Protections (LLPs) – *Landowner liability protections* under CERCLA; these protections include the *bona fide prospective purchaser liability protection*, *contiguous property owner liability protection*, and *innocent landowner defense* from CERCLA liability. See 42 U.S.C. §§9601(35)(A), 9601(40), 9607(b), 9607(q), 9607®.

Petroleum Products – Those substances included within the meaning of the *petroleum exclusion* to CERCLA, 42 U.S.C. §9601(14), as interpreted by the courts and EPA, that is: petroleum, including crude oil or any fraction thereof which is not otherwise specifically listed or designated as a *hazardous substance* under Subparagraphs (A) through (F) of 42 U.S.C. §9601(14), natural gas, natural gas liquids, liquefied natural gas, and synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas). (The word fraction refers to certain distillates of crude oil, including gasoline, kerosene, diesel oil, jet fuels, and fuel oil, pursuant to Standard Definitions of Petroleum Statistics.)

Recognized Environmental Condition (REC) – The presence or likely presence of any *hazardous substances* or *petroleum products* in, on, or at a *property*: (1) due to any *release* to the *environment*; (2) under conditions indicative of a *release* to the *environment*; or (3) under conditions that pose a *material threat* of a future *release* to the *environment*. *De minimis* conditions are not *recognized environmental conditions*.

**USER-PROVIDED
DOCUMENTS**

APPENDIX B

REFERENCES

APPENDIX C

REFERENCES

Aerial photographs dated 1938, 1952, 1956, 1961, 1968, 1979, 1985, 1990, 1995, 2004, and 2014 obtained from Environmental Data Resources, Inc.

Driscoll city directories for various years between 1995 through 2016 obtained from Environmental Data Resources, Inc.

Geologic Atlas of Texas, Corpus Christi Sheet.

Texas Water Development Board (*Aquifers of Texas, Report 380*, July 2011).

Topographic maps dated 1923, 1954, 1969, 1975, and 2013 obtained from Environmental Data Resources, Inc.

United States Department of Agriculture, Natural Resources Conservation Service, Web Soil Survey: <http://websoilsurvey.nrcs.usda.gov/app/HomePage.htm>.

**REGULATORY RECORDS
DOCUMENTATION**

APPENDIX D

**LOCAL RECORDS AND
RECORDS OF
COMMUNICATION**

APPENDIX E

**HISTORICAL RESEARCH
DOCUMENTATION**

APPENDIX F

PHOTOGRAPHIC LOG

APPENDIX G

**QUALIFICATIONS OF
CONSULTANTS**

APPENDIX H

QUALIFICATIONS OF CONSULTANTS

Gary Tiedeman, PMP

Senior Consultant, San Antonio Division Manager

B.S., Geology, Texas A&M University

Gary is a geologist and project manager with over 25 years' experience in environmental investigations, compliance, remediation, and closure for the industrial and federal sectors. He has assisted in environmental due diligence projects for transactions involving portfolios of industrial sites, oil and gas production sites, and commercial sites. His environmental investigation and remediation experience include petroleum pipelines, refineries, petrochemical plants, federal air force facilities, oil field sites, and other industrial and manufacturing facilities.

Richie Sleger

Environmental Scientist

B.S., Environmental Science, Texas A&M University Corpus Christi

Richie has experience on a variety of environmental projects including Phase I environmental site assessments and Phase II soil and groundwater investigations. Richie's experiences include analytical data evaluation/interpretation, soil and groundwater sampling, oil spill response, and remediation oversight. Richie also has experience in compliance by completion of regulatory reporting including Spill Prevention, Control, and Countermeasures (SPCC), Stormwater Pollution Prevention Plan (SWP3), Toxics Release Inventory (TRI), and Tier II Reports.