

**SETTLEMENT AGREEMENT FOR NATURAL RESOURCE DAMAGES  
KOCH PIPELINE COMPANY, L.P., CRUDE OIL PIPELINE RELEASE  
ON OR ABOUT OCTOBER 8, 1994**

This settlement agreement (the "Agreement") is between the Texas Commission on Environmental Quality ("TCEQ"), the Texas General Land Office ("GLO"), the Texas Parks and Wildlife Department ("TPWD"), and the United States Department of the Interior represented by the United States Fish and Wildlife Service ("USFWS"), collectively referred to as the "Trustees"; and Koch Pipeline Company, L.P., a settling responsible party, hereinafter referred to as "Koch". The Trustees and Koch are hereinafter referred to collectively as "Parties" or individually as a "Party". Exhibits A through J are hereby incorporated into this Agreement.

This Agreement was negotiated and signed by the Parties hereto in good faith at arms length to avoid expensive and protracted litigation, and is a fair and equitable settlement of potential claims that could be contested.

**I. DEFINITIONS**

Whenever terms listed below are used in this Agreement or in any exhibit attached hereto and incorporated hereunder, the following definitions shall apply:

- A. Compensatory Restoration Property shall mean the property on which the Phase III Restoration Plan has been implemented and which is more fully described in GLO Surface Lease No. 970066;
- B. "Conservation Easement" shall mean a legal document with terms substantially similar to those contained in the document attached hereto and incorporated herein as Exhibit A, to be executed by Koch as Grantor in favor of a Holder, as that term is defined herein, and the TPWD, TCEQ, GLO, and USFWS as governmental Third Parties with the right to enforce the terms of the Conservation Easement;
- C. "CWA" shall mean the Clean Water Act, 33 U.S.C. §1321
- D. "Ford Ranch Settlement" shall mean the *Settlement Agreement for Natural Resource Damages, Koch Pipeline Co., L.P., Crude Oil Pipeline Release on or About May 12, 1997* attached hereto and incorporated herein as Exhibit B;
- E. "Holder" shall mean The Nature Conservancy, an entity approved by the Trustees and qualified to serve as a holder of a conservation easement under Chapter 183 of the Texas Natural Resources Code or any successor provision thereof;
- F. "Incident" shall mean the rupture on or about October 8, 1994, of a Koch pipeline located in San Patricio County and the subsequent discharge of approximately 2151 barrels of Bonnie Light crude oil into Gum Hollow Creek, portions of which later entered Nueces Bay and Corpus Christi Bay;
- G. "Koch" shall mean Koch Pipeline Company, L.P., the settling responsible party;
- H. "OPA" shall mean the Oil Pollution Act of 1990, 33 U.S.C. §2701 et seq.;
- I. "OSPREA" shall mean the Oil Spill Prevention and Response Act, Texas Natural Resources Code §40.001 *et seq.*

J. "Primary Restoration Property" shall mean the property on which the Phase I Restoration Plan has been implemented and which is more fully described in GLO Surface Lease No. 960054;

K. "Protected Property" shall mean the 360 acre tract described by metes and bounds in Exhibit C attached hereto including the Restoration Property as defined in this Agreement and in the Ford Ranch Settlement;

L. "Responsible Party" shall have the meaning assigned to that term in OPA, 33 U.S.C. §2701(32);

M. "Restoration Property" shall mean approximately 25 acres of land that has been acquired and preserved by Koch pursuant to Phase II and IV Restoration Plans and that is located in San Patricio County, approximately 4 miles southwest of Odem, Texas. The 25 acre parcel that is designated to be preserved for the conservation purposes of this Agreement is located on portions of the John Hart and Sons Survey, Abstract 10, and the Victoriano Tares & Pedro Villareal Survey, Abstract 32, of San Patricio County, Texas. The 25 acres that make up the Restoration Property are located immediately adjacent to Hondo Creek in the northeast portion of the Protected Property as depicted in Exhibit D.

N. "Trustees" shall mean the governmental agencies with delegated authority from the President of the United States and/or the Governor of Texas to act as a trustee for natural resources in the State of Texas. The Trustees, all of whom are signatories to this Agreement, are the Texas Commission on Environmental Quality ("TCEQ"), the Texas Parks and Wildlife Department ("TPWD"), the Texas General Land Office ("GLO") and the United States Fish and Wildlife Service ("USFWS") on behalf of the United States Department of the Interior;

## **II. TRUSTEE AUTHORITY**

The Trustees enter into this Agreement pursuant to their designation by the President of the United States or the Governor of Texas to act as Trustees for natural resources in the State of Texas pursuant to the authority granted by OPA, CWA, OSPRA and their authority under other applicable federal or Texas laws. As such, the Trustees act on behalf of the public to seek compensation for injured natural resources and the services they provide.

## **III. PARTIES BOUND BY THE SETTLEMENT AGREEMENT**

The provisions of this Agreement shall apply to and be binding on the Trustees, their departments and other subdivisions and upon Koch, its successors and assigns.

## **IV. STATEMENT OF FACTS**

A. On or about October 8, 1994, a pipeline owned and operated by Koch ruptured and discharged an estimated 2151 barrels of Bonnie Light crude oil into Gum Hollow Creek located in San Patricio County and from there portions of the discharged oil eventually entered Nueces Bay and Corpus Christi Bay located in Nueces County.

B. Approximately 27 acres of various types of habitat were adversely affected by the discharge. Natural resources and the resource services associated with these habitats were lost, injured and/or interrupted as a result of the Incident.

Natural resources and associated services identified as being lost, injured, and/or interrupted by the Incident are as follows:

Fourteen different habitat types were oiled in various degrees as a result of the Incident. The predominant habitat types impacted were 9.13 acres of tidal flats, 6.72 acres of freshwater marsh, 3.25 acres of estuarine fringe marsh and 2.76 acres of upper saltmarsh.

C. Although Koch performed a cleanup of the crude oil, the cleanup did not completely compensate or provide restoration for injuries to natural resources or natural resource services caused by the Incident.

D. In order to assess injuries resulting from the Incident and determine the appropriate restoration, the Trustees and Koch performed a cooperative assessment.

E. The methodologies used by the Trustees to assess injuries to the natural resources resulting from the Incident and subsequent cleanup and to determine appropriate compensation were specific to the Incident and subsequent cleanup and provided appropriate, valid, and reliable resource values for the injuries resulting from the Incident and subsequent cleanup.

F. In compliance with OPA and OSPRA, the Trustees have ensured that no double counting of natural resource damages has resulted from the methodologies used to assess the impact of the Incident or in determining appropriate compensation for the injuries to natural resources and the services they provide.

G. The Trustees and Koch jointly drafted a Restoration Plan in which it was determined that the restoration should be performed in four phases in order to accommodate the planting requirements of the various vegetative species to be used during the restoration project and to allow Koch to begin the restoration of potentially injured resources as soon as possible. The Phase I Restoration Plan was issued on June 28, 1996, and is incorporated herein for all purposes as Exhibit E except as provided in Section V.A.10 below. Phase II was issued in November 2003, and is incorporated herein for all purposes as Exhibit F. Phase III was issued on April 3, 1998, and is incorporated herein for all purposes as Exhibit G except as provided in Section V.A.10 below. Phase IV was issued in November 2003, and is incorporated herein for all purposes as Exhibit H.

## **V. STATEMENT OF OBLIGATIONS**

### **A. COMPENSATION FOR NATURAL RESOURCES**

1. The Phase I Restoration Plan requires Koch to replace 0.95 acres of vegetation on the Primary Restoration Property as further detailed in Exhibit E. Phase I has already been implemented, monitored for compliance with the success criteria that appear in Exhibit E and certified by the Trustees as complete.

2. The Phase II Restoration Plan requires Koch to acquire and preserve in perpetuity approximately 13.8 acres of contiguous functional habitat of similar composition to that of the injured high marsh habitat as further detailed in Exhibit F.

3. The Phase III Restoration Plan, attached as Exhibit G, requires Koch to plant approximately 1.34 acres of Spartina alterniflora on the Compensatory Restoration Property as compensation for injured and lost estuarine resources and services. Phase III has already been implemented, monitored for compliance with the success criteria that appear in Exhibit G and certified by

the Trustees as complete .

4. The Phase IV Restoration Plan requires Koch to acquire and preserve in perpetuity approximately 10.8 acres of contiguous functional habitat of similar composition to that of the injured freshwater marsh and services as further detailed in Exhibit H.

5. The Restoration Property in this Agreement is intended to be mostly contiguous and continuous with the 335 acres which make up the Restoration Property described and defined in the Ford Ranch Settlement. Jointly these two Restoration Properties constitute the Protected Property described by metes and bounds in Exhibit C. The Protected Property is being preserved under a single Conservation Easement as a requirement of the Ford Ranch Settlement. Notwithstanding the foregoing, if for any reason the Ford Ranch Settlement is never executed or becomes null and void, the following requirements shall become separate obligations of this Agreement:

a. Within six (6) months after the effective date of this Agreement, Koch shall ensure that a Conservation Easement covering the Restoration Property as defined herein and containing substantially the same provisions as the Conservation Easement attached hereto as Exhibit A is signed and properly recorded in the real property records of San Patricio County.

b. Within thirty (30) days after recording the Conservation Easement covering the Restoration Property in the real property records of San Patricio County, Koch shall provide proof of such filing to the Holder and to the Trustees.

c. As part of the requirements of this Agreement Koch has installed a two strand barbed wire fence along the perimeter of the Restoration Property with steel rod boundary markers placed at each corner of the Restoration Property.

d. Within six (6) months after the effective date of this Agreement, Koch shall deliver a certified check in the amount of Ten Thousand Dollars (\$10,000) to the Holder and shall provide a copy of the check to TPWD at the address in Section IX of this Agreement. The Holder shall be obligated to use these funds solely for the purpose of enforcement and maintenance of the Conservation Easement covering the Restoration Property to ensure that the purposes of the Conservation Easement and this Agreement are being fulfilled.

6. Except for activities authorized by the Utility Easement granted by Koch to the City of Corpus Christi, Koch or its successor in interest shall maintain the Restoration Property in accordance with the Baseline Documentation and in a manner such that the natural and ecological integrity of the Restoration Property is preserved. The Baseline Documentation is attached hereto and incorporated herein as Exhibit I.

7. Koch or its successor in interest shall be responsible for ensuring satisfactory implementation of the Special Provisions contained in the Utility Easement granted by Koch to the City of Corpus Christi and recorded in the records of San Patricio County on June 10, 2003 as File No. 519359 and which is attached hereto and incorporated herein as Exhibit J.

#### B. TRUSTEE ASSESSMENT COSTS

1. The Trustees have expended reasonable time, funds, and resources in assessing the potential injuries resulting from the Incident and in determining appropriate compensation for the injuries to natural

resources and natural resource services.

2. Koch hereby agrees to reimburse each Trustee for its past and future assessment costs (including administrative expenses within the limits provided by statute or regulation) pertaining to the Incident as described in this Agreement.

3. As of the date of execution of this Agreement, Koch has paid the Trustees' past assessment costs in the following amounts:

TPWD:	\$35,946.84
TCEQ:	\$16,665.07
GLO:	\$21,574.73
USFWS:	\$ 9,652.92

4. Koch shall pay the Trustees' additional past assessment costs incurred through August 31, 2003, within sixty (60) days after the effective date of this Agreement by certified check made out to each Trustee agency as specified below:

a. TCEQ: A check in the amount of Seven Thousand Two Hundred Fourteen Dollars and Fifty-Five Cents (\$7,214.55) payable to the "Texas Commission on Environmental Quality" with the additional notation "Koch-Nueces Bay Oil Spill, PCA Code 48372", shall be sent to:

Texas Commission on Environmental Quality  
ATTN: Mr. John Racanelli, MC214  
P.O. Box 13088,  
Austin, Texas 78711-3088

b. GLO: A check in the amount of Six Thousand Seven Hundred and Nine Dollars and Seven Cents (\$6,709.07) payable to the "Texas General Land Office" with the additional notation "Koch Pipeline Oil Spill, San Patricio County, Natural Resource Damage Assessment" shall be sent to:

Texas General Land Office  
ATTN: Ms. Sharon Mooney  
Coastal Resources Division  
P.O. Box 12873  
Austin, Texas 78711-2873

c. TPWD: A check in the amount of Twenty Thousand, Three Hundred Ninety-Six Dollars and Seventeen Cents (\$20,396.17) payable to the "Texas Parks and Wildlife Department" with the additional notation "Koch Pipeline Oil Spill, San Patricio County, Natural Resource Damage Assessment" shall be sent to:

Natural Resource Damage Restoration Fund  
ATTN: Mr. Oscar Ramirez  
Texas Treasury Safekeeping Trust Company  
P.O. Box 12608  
Austin, Texas 78711-2608

d. USFWS: A check in the amount of Eighteen Thousand Five Hundred and Eight Dollars and Sixty-Six (\$18,508.66) payable to the DOI Restoration Fund with a notation "for account

14X5198 NRDA – Koch Gum Hollow Oil Spill – San Patricio County, Texas” shall be sent to:

Department of the Interior  
NBC/Division of Financial Management Services  
Branch of Accounting Operations  
Mail Stop 1313  
1849 C Street NW  
Washington, D.C. 20240

5. Koch agrees to pay the remaining past assessment costs of each Trustee incurred from September 1, 2003 to the effective date of the Agreement. The Trustees shall submit to Koch within one hundred and eighty (180) days of the effective date of this Agreement an invoice for the final past assessment costs for each Trustee. Koch will pay these final past assessment costs to each agency according to the instructions in Section V.B.4 within sixty (60) days of receipt of an invoice.

## **VI. EFFECT OF THE SETTLEMENT**

A. By entering into this Agreement, Koch is not making any admission of fact or law. This Agreement shall not be admissible as evidence or proof of liability or non-liability. Except as provided in this Agreement or to enforce its provisions, this Agreement shall not be admissible as to the validity or non-validity of any claim or defense in any proceeding relating to the Incident.

B. By entering into this Agreement, the Trustees agree to resolve all actual or potential claims against Koch for actual or potential, past or present natural resource damages related to the Incident, except as expressly reserved in Section VII of this Agreement.

## **VII. RELEASE FROM LIABILITY**

A. Subject to Koch's satisfactory completion of requirements set forth in Section V, the TPWD, TCEQ and GLO hereby covenant not to sue or take any other civil or administrative action against Koch for any civil cause of action under OPA, CWA, OSPRA, or any other federal, state or common law for damages for injury to, destruction of, loss of, or loss of use of natural resources caused by the Incident and subsequent cleanup which is the subject of this Agreement. Pursuant to the authority granted by the Debt Collection Improvement Act of 1996, as amended, 31 U.S.C. §3711(a) and subject to Koch's satisfactory completion of the requirements set forth in Section V, the USFWS hereby releases Koch from any and all civil claims the USFWS may have under OPA or the CWA for damages for injury to, destruction of, loss of, or loss of use of natural resources and natural resource services arising out of or related to the Incident and subsequent cleanup which is the subject of this Agreement.

B. Koch hereby covenants not to sue or take any other civil or administrative action against the State of Texas or the United States, including any departments, agencies, administrators, state contractors and representatives thereof, for any civil cause of action arising out of or relating to the Incident and subsequent cleanup which is the subject of this Agreement.

C. Notwithstanding any other provision of this Agreement, the Trustees reserve the right to institute proceedings against Koch in this action or in a new action seeking recovery of natural resource

damages resulting from the Incident and subsequent cleanup, based on (1) conditions unknown to the Trustees on or before the date of execution of this Agreement that contribute to injury to, destruction of, or loss of use of resources; or (2) new information received by the Trustees after the date of execution of this Agreement which indicates there is injury to, destruction of, or loss of use of resources, of a type unknown to the Trustees as of the date of signature of this Agreement. Notwithstanding the foregoing, no condition shall be deemed unknown and no information shall be deemed new if the condition or information is contained in the following: all facts, documents, evidence and data related to the Incident in the possession of the U.S. Department of the Interior or the State of Texas, their departments, agencies, and experts, on or before the execution of this Agreement, including but not limited to, all facts set forth in the Preliminary Assessment and all samples collected by the Trustees.

D. Nothing in this Agreement is intended to be, nor shall it be construed as, a release or covenant not to sue for any claim or cause of action, administrative or judicial, for:

1. Claims based on a failure by Koch to satisfy the requirements of this Agreement;
2. Claims for criminal liability;
3. Claims for natural resource damages from the past, present, or future disposal, release or threat of release of oil that does not arise from the Incident and subsequent cleanup that is the subject of this Agreement; and
4. Any matter not expressly included in the covenant not to sue set forth in this section.

E. Koch reserves the right, with respect to Paragraph D.2, to contest any proceeding by the United States authorized by this section of the Agreement, and by entering into this Agreement does not waive any defenses to such proceeding or any counterclaims in such proceedings.

#### **VIII. FORCE MAJEURE**

A. In the event that the filing of the Conservation Easement is suspended or delayed due to force majeure, Koch shall be granted an additional and reasonable amount of time to initiate that portion of the restoration project or a comparable project, following its request in writing to the Trustees for additional time.

B. Koch shall not be responsible for injury, damage or destruction to the Restoration Property or to third persons caused by force majeure to the extent that such damage or destruction is not a result of an act or omission of Koch.

#### **IX. NOTICES**

Unless otherwise specified herein, whenever notifications or communications are required by this Agreement, they shall be made in writing and addressed as follows:

For TCEQ: Richard Seiler  
Texas Commission on Environmental Quality  
Natural Resource Trustee Program, MC-133  
P.O. Box 13087  
Austin, Texas 78711-3087  
(512) 239-2523  
(512) 239-4814 (fax)

For GLO: Eddie Fisher  
Texas General Land Office  
P.O. Box 12873  
Austin, Texas 78711 – 2873  
(512) 463-9215  
(512) 475-0680 (fax)

For TPWD: Don Pitts  
NRDA Coordinator  
Texas Parks and Wildlife Department  
4200 Smith School Road  
Austin, Texas 78744  
(512) 912-7154  
(512) 912-7160 (fax)

For USFWS: Kenneth Rice  
NRDA Specialist – Texas Gulf Coast  
U.S. Fish and Wildlife Service  
USFWS/TAMUCC  
6300 Ocean Drive USFWS Unit 5837  
Corpus Christi, Texas 78412-5837  
(361) 994-9005  
(361) 994-8262 (fax)

For Koch: Amy L. Kornahrens  
Chief Counsel, Pipelines  
Koch Industries, Inc.  
4111 East 37<sup>th</sup> Street North  
Wichita, KS 67220  
(316) 828-8522  
(316) 828-5803 (fax)

## **X. SIGNATORIES**

Each undersigned representative of the Parties certifies that he or she is fully authorized to enter into the terms and conditions of this Agreement and to execute and legally bind the party represented to this document.



**XI. PUBLIC NOTICE AND COMMENT PERIOD**

A. This Agreement was subject to public review and comment for at least thirty (30) days through use of the Texas Register and at least one newspaper of general circulation serving the Nueces County area as set forth in 31 Texas Administrative Code §20.44.

B. The Parties shall not sign this Agreement until the close of the formal public comment period as published in the Texas Register, in order to allow the Trustees to adequately consider all comments received on this Agreement.

**XII. MISCELLANEOUS**

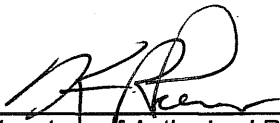
A. If any provision of this Agreement is, or is held by a court of competent jurisdiction to be, invalid, void, or unenforceable, the remaining provisions shall nevertheless survive and continue in full force and effect without being impaired or invalidated in any way.

B. This Agreement may be executed in counterparts, which together shall constitute one and the same document.

C. This Agreement becomes effective on the date of the final signature below.

**KOCH PIPELINE COMPANY, L.P.**

By: Koch Pipeline LLC, its General Partner



\_\_\_\_\_  
*Signature of Authorized Representative*

Kim Penner  
\_\_\_\_\_  
*Printed or Typed Name*

REP ALK

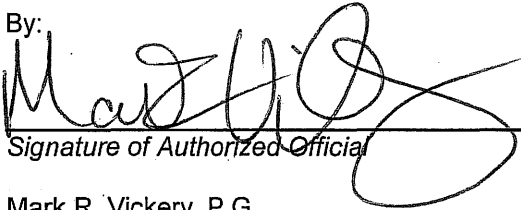
President  
\_\_\_\_\_  
*Title*

10/30/08

\_\_\_\_\_  
*Date*

**TEXAS COMMISSION ON ENVIRONMENTAL QUALITY**

By:

  
\_\_\_\_\_  
*Signature of Authorized Official*

Mark R. Vickery, P.G.  
\_\_\_\_\_  
*Printed or Typed Name*

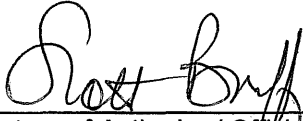
Executive Director  
\_\_\_\_\_  
*Title*

10-23-08  
\_\_\_\_\_  
*Date*

\_\_\_\_\_

**TEXAS PARKS AND WILDLIFE DEPARTMENT**

By:



\_\_\_\_\_  
Signature of Authorized Official

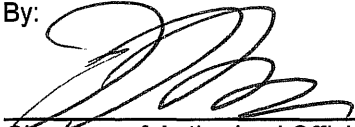
~~Carter Smith~~ SCOTT BORUFF  
\_\_\_\_\_  
Printed or Typed Name

Deputy Executive Director  
\_\_\_\_\_  
Title

11-3-08  
\_\_\_\_\_  
Date

**GENERAL LAND OFFICE**

By:



Signature of Authorized Official

Larry L. Laine

Printed or Typed Name

Deputy Land Commissioner and Chief Clerk

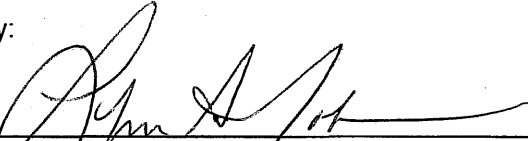
Title

10/27/08

Date

**UNITED STATES DEPARTMENT OF THE INTERIOR**

By:



Signature of Authorized Official

Lynn A. Johnson

Printed or Typed Name

Regional Solicitor

Department of the Interior

Title

11/12/08

Date

**EXHIBIT A**

**Conservation Easement**

**EXHIBIT B**

**Ford Ranch Settlement**

## **EXHIBIT C**

### **Property Description – Protected Property (360 acres)**

**The 25-acre Restoration Property as defined in Section I.G. above, is fully contained within the larger tract of 360 acres described below.**

#### **THAT CERTAIN AREA OF LAND CONTAINING:**

Said approximately 255.00 acre tract (Tract B) and approximately 104.94 acre tract (Tract C) being part of a 3637.503 acre tract of land conveyed from Roger F. Welder, et al, to Koch Pipeline Company, L.P. by Deed dated May 20, 1998, and recorded in Clerk's file No. 462277 of the Real Property Records of San Patricio County, Texas, and being part of a 7585 acre tract of land conveyed from Angelita Cattle Co. to Jas. F. Welder by deed dated March 18, 1916, and recorded in Volume 59, Page 500 of the Deed Records of San Patricio County, Texas.

Said approximately 255.00 acre tract (Tract B) and approximately 104.94 acre tract (Tract C), comprising a portion of the Victoriano Tares & Pedro Villareal Survey, Abstract 32, are situated in San Patricio County, Texas, approximately 4 miles southwest of the town of Odem, and are described by the metes and bounds as follows:

#### **Tract B:**

Said 255.00 acre tract is comprised of a portion of the Victoriano Tares & Pedro Villareal Survey, Abstract 32, is situated in San Patricio County, Texas, approximately 4 miles southwest of the town of Odem, and is described by the metes and bounds as follows:

Beginning at a 5/8" iron rod set on the northeast bank of an existing Gully (dry creek or ditch) for the north corner of this tract; whence the Nueces 2 Triangulation Station (X=22274474.89, Y=827041.03, NAD 27, Texas South Zone) bears N 14 44' 11" W a distance of 17624.11 feet, a 5/8" iron rod previously set at the easterly northeast corner of the said 3637.503 acre tract bears N 02 15' 25" E a distance of 7082.78 feet, and a concrete monument found at an exterior corner of the right-of-way of Interstate Highway 37 and an interior corner of said 3637.503 acre tract bears N 41 09' 50" E a distance of 2333.38 feet;

Thence in a generally southeasterly direction with the meanders of the northeast bank of said Gully as follows:

S 32 48' 41" E, 290.75 feet to a 5/8" iron rod set for a corner;  
S 48 04' 45" E, 213.02 feet to a 5/8" iron rod set for a corner;  
N 67 19' 17" E, 2200.67 feet to a 5/8" iron rod set for a corner;  
S 80 48' 53" E, 119.41 feet to a 5/8" iron rod set for a corner;  
S 47 41' 21" E, 228.38 feet to a 5/8" iron rod set for a corner;  
S 63 17' 47" E, 410.24 feet to a 5/8" iron rod set for a corner;  
S 60 48' 32" E, 267.81 feet to a 5/8" iron rod set for a corner;  
S 76 41' 15" E, 169.36 feet to a 5/8" iron rod set for a corner;  
N 79 30' 09" E, 43.50 feet to a 5/8" iron rod set for a corner;  
N 59 17' 54" E, 154.76 feet to a 5/8" iron rod set for the northeast corner of this tract;

Thence S 33 48' 32" E along the east line of this tract and crossing said Gully, a distance of 88.07 feet to a 5/8" iron rod set on the south bank of said Gully at the northwest corner of a 13.500 acre tract just surveyed [by King & Petrus, Inc.], for an angle corner of this tract;

Thence in a generally southeasterly direction with the meanders of the east line of this tract and the west



line of said 13.500-acre tract as follows:

S 45 41' 50" E, 720.70 feet to a 5/8" iron rod set for a corner;  
S 32 28' 03" E, 1144.50 feet to a 5/8" iron rod set for a corner;  
S 23 37' 53" E, 588.17 feet to a 5/8" iron rod set for a corner;  
S 16 15' 23" E, 121.78 feet to a 5/8" iron rod set for a corner;  
S 14 28' 20" E, 613.77 feet to a 5/8" iron rod set for the southeast corner of this tract;

Thence S 72 57' 33" W along the south line of this tract, a distance of 3219.13 feet to a 5/8" iron rod set for the southwest corner of this tract;

Thence along the west line of this tract as follows:

N 16 14' 39" W, 2375.38 feet to a 5/8" iron rod set for a corner;  
N 28 02' 01" W, 366.89 feet to a 5/8" iron rod set for a corner;  
N 17 03' 45" W, 827.94 feet to a 5/8" iron rod set for a corner;  
N 13 21' 55" W, 134.31 feet to a 5/8" iron rod set for the northwest corner of this tract;

Thence N 41 47' 57" E along the northwest line of this tract, a distance of 942.57 feet to a 5/8" iron rod set for an angle corner of this tract;

Thence 41 52' 53" E continuing along the northwest line of this tract, a distance of 343.16 feet to the place of beginning, containing 255.00 acres of land, more or less.

**Tract C:**

Said 104.94-acre tract is comprised of a portion of the Victoriana Tares & Pedro Villareal Survey, Abstract 32, is situated in San Patricio County, Texas, approximately 4 miles southwest of the town of Odem, and is described by the metes and bounds as follow:

Beginning at a 5/8" iron rod set in the southerly west line of said 3637.503 acre tract for the northwest corner of this tract; whence the Nueces 2 Triangulation Station (X=2274474.89, Y=827041.03, NAD 27, Texas South Zone) bears N 09 28' 40" E a distance of 23092.83 feet, and a 5/8" iron rod previously set at the northwest corner of said 3637.503 acre tract bears N 03 49' 45" E a distance of 12667.34 feet;

Thence in a generally southeasterly direction with the meanders of the north line of this tract as follows:

S 78 00' 59" E, 352.93 feet to a 5/8" iron rod set for a corner;  
S 73 44' 35" E, 191.48 feet to a 5/8" iron rod set for a corner;  
N 89 36' 03" E, 142.39 feet to a 5/8" iron rod set for a corner;  
S 65 51' 18" E, 425.70 feet to a 5/8" iron rod set for a corner;  
S 64 10' 16" E, 402.08 feet to a 5/8" iron rod set for a corner;  
S 67 13' 39" E, 263.60 feet to a 5/8" iron rod set for a corner;  
S 69 40' 58" E, 415.23 feet to a 5/8" iron rod set for a corner;  
S 75 53' 40" E, 435.25 feet to a 5/8" iron rod set for a corner;  
S 77 12' 15" E, 443.79 feet to a 5/8" iron rod set for a corner;  
S 80 28' 18" E, 312.11 feet to a 5/8" iron rod set for a corner;  
S 84 59' 32" E, 188.67 feet to a 5/8" iron rod set for a corner;  
S 78 29' 03" E, 741.56 feet to a 5/8" iron rod set for a corner;  
S 82 33' 31" E, 292.57 feet to a 5/8" iron rod set for a corner;  
S 71 33' 04" E, 262.99 feet to a 5/8" iron rod set for a corner;  
S 76 17' 53" E, 398.34 feet to a 5/8" iron rod set for a corner;  
S 89 56' 03" E, 94.83 feet to a 5/8" iron rod set for a corner;  
S 81 56' 49" E, 182.84 feet to a 5/8" iron rod set for a corner;

S 74 10' 31" E, 262.91 feet to a 5/8" iron rod set for a corner;  
S 71 25' 17" E, 173.25 feet to a 5/8" iron rod set for a corner;  
S 78 27' 36" E, 279.63 feet to a 5/8" iron rod set for a corner;  
S 68 01' 29" E, 526.37 feet to a 5/8" iron rod set for a corner;  
S 57 55' 37" E, 125.37 feet to a 5/8" iron rod set for a corner;  
S 50 47' 59" E, 874.84 feet to a 5/8" iron rod set for a corner;  
S 30 20' 18" E, 525.25 feet to a 5/8" iron rod set for the east or northeast corner of this tract;

Thence S 57 31' 36" W along the east or southeast line of this tract, a distance of 236.67 feet to a point in the south line of said 3637.503 acre tract, on the north bank of the Nueces River, for the southeast corner of this tract;

Thence in a generally northwesterly direction along the south line of said 3637.503-acre tract and the south line of this tract, upstream with the meanders of the north bank of the Nueces River as follows:

N 32 28' 53" W, 663.06 feet to a point;  
N 46 14' 53" W, 539.43 feet to a point;  
N 69 47' 10" W, 210.95 feet to a point;  
N 79 11' 08" W, 433.63 feet to a point;  
N 88 19' 43" W, 702.29 feet to a point;  
S 80 59' 39" W, 809.74 feet to a point;  
S 80 49' 24" W, 215.86 feet to a point;  
S 87 16' 01" W, 699.59 feet to a point;  
N 87 51' 20" W, 169.08 feet to a point;  
N 82 16' 44" W, 788.35 feet to a point;  
N 71 49' 46" W, 638.05 feet to a point;  
N 69 13' 14" W, 487.59 feet to a point;  
N 65 57' 38" W, 747.56 feet to a point;  
N 62 43' 47" W, 288.43 feet to a point for the southwest corner of said 3637.503 acre tract and the southwest corner of this tract;

Thence N 18 51' 26" W along the southerly west line of said 3637.503- acre tract and the west line of this tract, a distance of 975.61 feet to the place of beginning, containing 104.94 acres of land, more or less.

**Exhibit D**

**Figure Depicting Restoration Property**

**EXHIBIT E**

**Restoration Plan – Phase I**

**EXHIBIT F**

**Restoration Plan -- Phase II**

**EXHIBIT G**

**Restoration Plan -- Phase III**

**EXHIBIT H**

**Restoration Plan – Phase IV**

**EXHIBIT I**

**Baseline Documentation**



**EXHIBIT J**

**Utility Easement**