



Board Binder Open Session

April 25, 2024

Agenda



**MIDLAND DEVELOPMENT CORPORATION AS AUTHORIZED BY CHAPTER 504 OF THE TEXAS
LOCAL GOVERNMENT CODE**

NOTICE OF PUBLIC MEETING

In accordance with Chapter 551, Texas Government Code, as amended, notice is hereby given to the public that the Board of Directors of the Midland Development Corporation will meet in special session, open to the public, in the Midland Chamber of Commerce board room, 303 West Wall Street, Suite 200, Midland, Texas, at 2:00 p.m. on April 25, 2024. A quorum of the Board of Directors of the Midland Development Corporation intends to be physically present at the aforementioned location.

Videoconference Information

Join Zoom Webinar

<https://us02web.zoom.us/j/87554006865?pwd=c3M3Nm1qdE1Md0xpN28wYWdlIS3hTdz09>

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Dial (for higher quality, dial a number based on your current location):

+1 346 248 7799 US (Houston) +1 253 205 0468 US +1 253 215 8782 US (Tacoma)

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At such meeting, the Board of Directors may discuss, consider, and take action on any of the following items:

1. Call meeting to order.
2. Resolution approving the execution of a lease agreement with Castelion Corporation for certain real property described as an approximate 125-acre tract of land out of Section 33, Block 40, T-1-S, T&P RR Co. Survey, Midland County, Texas.
3. Pursuant to Texas Government Code §551.101, the Board of Directors will hold an Executive Session, which is closed to the public to discuss the following matters as permitted under the following Texas Government Code Sections:
 - a. Section 551.072, Deliberation Regarding Real Property
 - i. Discuss the purchase, exchange, lease, or value of real property.

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b. Section 551.087, Deliberation Regarding Economic Development Negotiations

- i. Discuss business prospects that the Midland Development Corporation seeks to have, locate, stay, or expand in or near the City of Midland, Texas, and discuss possible incentives, and discuss contract compliance on the part of businesses.
4. Motion authorizing the Chairman to negotiate and execute an economic development agreement with Starfighters Space Texas, Incorporated, as authorized by Chapter 501 of the Texas Local Government Code; said agreement to provide, in part, for the reimbursement of certain costs and expenses associated with the relocation of certain assets and equipment to the City of Midland, Texas.

Posted this 23rd day of April 2024.

Marcia Bentley German
City Governance Officer/City Secretary

Castelion Corporation Lease

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING THE EXECUTION OF A
LEASE AGREEMENT WITH CASTELION
CORPORATION FOR CERTAIN REAL PROPERTY
DESCRIBED AS AN APPROXIMATE 125-ACRE TRACT
OF LAND OUT OF SECTION 33, BLOCK 40, T-1-S, T&P
RR CO. SURVEY, MIDLAND COUNTY, TEXAS**

WHEREAS, the Board of Directors finds it to be in the public interest to authorize the execution of a lease agreement with Castelion Corporation for certain real property described as an approximate 125-acre tract of land out of Section 33, Block 40, T-1-S, T&P RR Co. Survey, Midland County, Texas;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MIDLAND DEVELOPMENT CORPORATION:

THAT the Chairman and Secretary are hereby authorized and directed to execute and attest, respectively, on behalf of the Midland Development Corporation, a lease agreement with Castelion Corporation for certain real property described as an approximate 125-acre tract of land out of Section 33, Block 40, T-1-S, T&P RR Co. Survey, Midland County, Texas. Said agreement to be kept on file in the office of the City Secretary, referenced by the date and number of this Resolution.

On motion of Director _____, seconded by Director _____, the above and foregoing resolution was adopted by the Board of Directors of the Midland Development Corporation at a regular meeting on the _____ day of _____, A.D., 2024, by the following vote:

Directors voting "AYE":

Directors voting "NAY":

P. LOURCEY SAMS,
Chairman of the Midland
Development Corporation

ATTEST:

JILL PENNINGTON,
Secretary of the Midland
Development Corporation

APPROVED AS TO FORM ONLY:

JOHN OHNEMILLER,
Attorney for the Midland
Development Corporation

**LEASE AGREEMENT BETWEEN THE MIDLAND DEVELOPMENT CORPORATION
AND CASTELION CORPORATION**

THIS LEASE AGREEMENT (“*Agreement*”) is made and effective this 22nd day of April, 2024, by and between the **MIDLAND DEVELOPMENT CORPORATION** (“*MDC*” or “*Lessor*”), a Type A corporation existing under the authority of Chapter 504 of the Texas Local Government Code, and **CASTELION CORPORATION** (“*Lessee*”).

WHEREAS, Lessee desires to lease certain MDC-owned land described as an approximate 125-acre tract of land out of Section 33, Block 40, T-1-S, T&P RR Co. Survey, Midland County, Texas, and

WHEREAS, the parties have agreed that said land shall be leased by MDC to Lessee upon terms and conditions as set forth herein;

NOW, THEREFORE, for and in consideration of the covenants and conditions herein stated, MDC and Lessee agree as follows:

ARTICLE I. GRANT OF LEASE

1.01 CONVEYANCE OF LEASED PREMISES

MDC hereby leases to Lessee and Lessee does hereby accept and lease an approximate 125-acre tract of land out of Section 33, Block 40, T-1-S, T&P RR Co. Survey, Midland County, Texas, (“*Leased Premises*”) as shown on **Exhibit A**, which is attached hereto and made a part hereof for all legal purposes.

1.02 EASEMENTS

Lessee is to have and to hold the Leased Premises, together with all rights, privileges, easements, and appurtenances belonging to or in any way connected with the Leased Premises and subject to such easements, rights-of-way, drill sites, or other rights or reservations affecting the Leased Premises.

1.03 ACCEPTANCE OF LEASED PREMISES

LESSEE ACCEPTS THE LEASED PREMISES, AND ANY IMPROVEMENTS THERETO, INCLUDING ALL FIXTURES, APPARATUS AND EQUIPMENT LOCATED THEREIN “AS IS” WITH ANY AND ALL LATENT AND PATENT DEFECTS AND THAT THERE IS NO WARRANTY, EXPRESS OR IMPLIED BEING MADE BY MDC THAT THE LEASED PREMISES ARE FIT FOR A PARTICULAR PURPOSE. LESSEE ACKNOWLEDGES THAT LESSEE IS NOT RELYING UPON ANY REPRESENTATION MADE BY MDC WITH RESPECT TO THE CONDITION OF THE LEASED PREMISES, BUT IS RELYING UPON LESSEE’S EXAMINATION OF THE LEASED PREMISES. BY EXECUTING

THIS AGREEMENT, LESSEE IS AGREEING TO LEASE THE LEASED PREMISES “AS IS,” TO MAKE ITS OWN APPRAISAL OF THE LEASED PREMISES, AND TO ACCEPT THE RISK THAT LESSEE’S APPRAISAL MAY BE WRONG. MDC GIVES NO ASSURANCES, EXPRESS OR IMPLIED CONCERNING THE VALUE OR CONDITION OF THE LEASED PREMISES. IN NO EVENT SHALL LESSEE HAVE A RIGHT TO RECOVER CONSEQUENTIAL DAMAGES IN CONNECTION WITH THIS AGREEMENT OR THE LEASE OF THE LEASED PREMISES. LESSEE TAKES THE LEASED PREMISES UNDER THE EXPRESS UNDERSTANDING THAT THE LEASED PREMISES IS ACCEPTED “AS IS” AND WITH ALL FAULTS.

ARTICLE II. TERM OF AGREEMENT

The term of this Agreement (“*Lease Term*”) shall commence on April 22, 2024, and terminate on April 30, 2026, unless terminated earlier or otherwise extended pursuant to the provisions of this Agreement.

On or before January 31, 2026, Lessee may submit a written request to MDC to extend the Lease Term for a period not to exceed twelve (12) months. Upon MDC’s receipt of Lessee’s written request to extend the Lease Term, but no later than forty-five (45) days following the same, the MDC Chairman issue his/her written determination as to whether the Lease Term will be extended. The determination as to whether the Lease Term will be extended shall be in the sole and absolute discretion of the MDC Chairman, but shall not be unreasonably withheld.

ARTICLE III. RENT

3.01 AMOUNT OF RENT

Lessee agrees to pay MDC annual rent in the amount of **One Hundred and No/100 Dollars** (\$100.00) for the use of the Leased Premises. The annual rent payment(s) shall become due and payable thirty (30) days following the effective date of this Agreement (and the anniversary thereof if applicable).

3.02 DELIVERY OF RENT

All rent payments shall be made to the Midland Development Corporation, ATTN: Executive Director, 200 North Loraine Street, Suite 610, Midland, Texas 79701.

ARTICLE IV. USE OF LEASED PREMISES

4.01 PERMITTED USES

The Leased Premises may be used for development, production, qualification, and ground testing of Castelion rocket engines and propulsion systems for defense applications and missile subsystems, and such other uses as may be incidental thereto. Lessee and its

Permitted Users (as defined herein) may conduct such activities on the Leased Premises, including access to the premises, as indicated on **Exhibit A**. Lessee and its Permitted Users may use the Leased Premises for other such uses related to the development, production, and ground testing of Castelion rocket engines and propulsion systems for missile subsystems and defense technology applications.

“*Permitted Users*” shall mean users of the Leased Premises pursuant to any MDC-approved subleases, licenses, permits, or any other agreements entered by Lessee. Any such agreement between Lessee and a Permitted User shall be subject to terms and conditions as deemed appropriate by the Executive Director of the Midland Development Corporation (the “*Executive Director*”) or her designee, including but not limited to insurance requirements, indemnification and release provisions, and permitted uses so long as they are not in conflict with the terms of this Agreement. Lessee shall have no right to assign this Agreement or sublease the Leased Premises without obtaining Lessor’s prior written consent.

4.02 PROHIBITED USES

Lessee shall not use nor permit the use of the Leased Premises for the launch of missiles or other similar munitions, nor for any purpose that is not a permitted use pursuant to Section 4.01 without first obtaining the prior written consent of MDC, which consent may be granted, withheld, conditioned, or delayed in MDC’s sole and absolute discretion. Lessee acknowledges that its use of the Leased Premises is subject to all statutes, laws, rules, codes, ordinances, regulations, permits, interpretations, certificates, or orders of any governmental entity, or any judgments, decisions, decrees, injunctions, orders, or like actions of any court, arbitrator, or other federal, state, or local governmental entity (the “*Governmental Rules*”) at any time applicable to the Leased Premises and improvements thereon and that nothing in this Section or elsewhere in this Agreement shall constitute or be deemed to constitute a waiver of Lessee to comply with such Governmental Rules.

4.03 INGRESS AND EGRESS

Lessee, its officers, employees, customers, patrons, Permitted Users, guests or invitees, and its suppliers of materials or services shall have the right of ingress and egress to the Leased Premises over designated roadways, subject to such rules and regulations as may be established from time to time by MDC or by law. Lessee shall prevent the obstruction of ingress and egress to the Leased Premises by any vehicle owned or used by Lessee, its officers, employees or suppliers.

ARTICLE V. OBLIGATION OF LESSEE REGARDING IMPROVEMENTS

5.01 CONSTRUCTION OF IMPROVEMENTS; ACKNOWLEDGEMENTS

During the Lease Term, Lessee shall construct certain improvements on the Leased Premises for the purposes consistent with the permitted uses referenced in Section 4.01. Said improvements are more particularly described in **Exhibit B**, which is attached hereto and incorporated herein for all purposes. Additionally, Lessee acknowledges that certain

improvements contained in **Exhibit B** are intended to eliminate, minimize, and mitigate certain risks and hazards associated with Lessee's use of the Leased Premises. Accordingly, Lessee agrees to construct the improvements in accordance with the schedule contained in **Exhibit B**, which prioritizes the construction of certain safety-related improvements. In constructing the improvements on the Leased Premises, Lessee shall use commercially reasonable efforts to employ contractors based in the City of Midland, Texas, and purchase goods and materials from providers based in the City of Midland, Texas.

5.02 COORDINATION OF CONSTRUCTION ACTIVITIES

Prior to the commencement of any construction, alteration, or change to the Leased Premises, Lessee shall notify the Executive Director of said activities and, if applicable and requested by the Executive Director, reasonably coordinate said activities with MDC. Lessee shall be responsible for ascertaining the requirements of state and local government agencies regarding permit and application procedures necessary to obtain the final approvals and permits prior to the beginning of any construction on the Leased Premises.

5.03 CONTRACTOR'S INSURANCE

At any time construction activities are undertaken on the Leased Premises, Lessee shall require that its contractor or contractors keep in force insurance issued by a responsible insurance company or companies authorized to conduct business in the State of Texas insuring the improvements during construction under a Completed Builder's All Risk Insurance policy, including fire, extended coverage, vandalism and malicious mischief, in an amount equal to the full insurable value of such construction as the same progresses in order to ensure the continuity of construction and ultimate completion despite damage or destruction suffered during the course thereof. Further, Lessee shall require that its contractor or contractors keep in force a Commercial General Liability Insurance policy against claims for bodily injury, death, or property damage occurring on, in or about the Leased Premises in at least the amount of \$2,000,000.00 per individual, \$2,000,000.00 per occurrence and \$1,000,000.00 with respect to property damage; the Commercial General Liability policy shall be on a per project aggregate, including completed operations, and shall be on a claims-occurred basis. **ALL INSURANCE SHALL NAME MDC AS ADDITIONAL INSURED AND CO-PAYEE AND PROVIDE FOR A WAIVER OF SUBROGATION IN FAVOR OF MDC.**

5.04 ENCUMBRANCE OF LEASEHOLD ESTATE

Lessee shall not encumber or attempt to encumber its leasehold interest in the Leased Premises by deed of trust, mortgage, security agreement or other security interest.

5.05 MECHANIC'S LIENS

Lessee shall not cause or permit any mechanic's liens or other liens to be filed against the Leased Premises or against Lessee's leasehold interest in any improvements on the Leased Premises by reason of any work, labor, services, or materials supplied or claimed to have been supplied to Lessee or to anyone holding the Leased Premises or any part of them

through or under Lessee. If a mechanic's lien or materialman's lien is recorded against the Leased Premises or improvements on the Leased Premises, Lessee shall either cause the same to be removed or, if Lessee in good faith desires to contest the lien, take timely action to do so, at Lessee's sole expense. **IF LESSEE CONTESTS THE LIEN, LESSEE AGREES TO INDEMNIFY MDC AND HOLD MDC HARMLESS FROM ALL LIABILITY FOR DAMAGES OCCASIONED BY THE LIEN OR THE LIEN CONTEST AND SHALL, IN THE EVENT OF A JUDGMENT OF FORECLOSURE ON THE LIEN, CAUSE THE LIEN TO BE DISCHARGED AND REMOVED PRIOR TO THE EXECUTION OF THE JUDGMENT.**

5.06 RIGHT TO REMOVE IMPROVEMENTS

Lessee shall have the right to remove any and all machinery, or equipment, owned or placed by Lessee or its licensees, in, under, or on the Leased Premises, or acquired by Lessee, whether before or during the Lease Term. Said right shall expire thirty (30) days following the expiration of the Lease Term.

ARTICLE VI. MAINTENANCE, REPAIR AND RESTORATION OF LEASED PREMISES

6.01 PHASE 1 ENVIRONMENTAL SITE ASSESSMENT; CONTAMINATION

Prior to the effective date of this Agreement, MDC caused a Phase I Environmental Site Assessment to be performed for the Leased Premises. Said Phase I Environmental Site Assessment is attached hereto as **Exhibit C** and incorporated herein for all purposes. The purpose of this Phase I Environmental Site Assessment is to ascertain the levels of hazardous waste and hazardous substances present on the Leased Premises as of the effective date of this Agreement, if any, and to provide for the apportionment of certain obligations and liability concerning the same.

The term "*hazardous waste*" is used in this Agreement as it is defined in 42 U.S.C. Section 69.01, et seq. The term "*hazardous substances*" is used herein as it is defined in the Comprehensive Environmental Response, Compensation, and Liability Act, as amended ("*CERCLA*"). These terms shall also include, for the purposes of the Agreement, any substance requiring special treatment, handling, manifesting, and records according to a governmental authority.

Lessee acknowledges that its use of the Leased Premises and the operations, maintenance, and activities conducted thereon may be subject to federal, state, and local environmental laws, rules, and regulations, including, without limitation, CERCLA, the Resources Conservation and Recovery Act, as amended ("*RCRA*"), and the regulations promulgated thereunder (the "*Governmental Regulations*"). As a material covenant of the Agreement, Lessee, at its sole expense, shall comply with all present and future Governmental Regulations, applicable to Lessee's construction, operations, maintenance, use, and activities on the Leased Premises. Further, as a material covenant of this Agreement, MDC, at its sole expense, shall comply with all such present and future Governmental Regulations

applicable to the Leased Premises for any hazardous substances or hazardous wastes existing on or under the Leased Premises as of the effective date of this Agreement.

LESSEE HEREBY RELEASES, DISCHARGES, AND HOLDS MDC HARMLESS AND AGREES TO INDEMNIFY MDC FOR CLAIMS, LIABILITIES, SUITS, DAMAGES, EXPENSES, AND FINES ARISING OUT OF OR RESULTING FROM ANY RELEASE, DISCHARGE, SPILL, CONTAMINATION, OR POLLUTION BY OR FROM HAZARDOUS WASTES, HAZARDOUS SUBSTANCES, OR OTHER SIMILAR OR RELATED SUBSTANCES CAUSED BY LESSEE, ITS AGENTS, CONTRACTORS, SUBCONTRACTORS, CUSTOMERS, EMPLOYEES, GUESTS, INVITEES, PATRONS, PERMITTED USERS, OFFICERS, SUPPLIERS OF MATERIALS AND SERVICES, AND REPRESENTATIVES, CREATED OR OCCURRING ON OR UNDER THE LEASED PREMISES FOLLOWING THE EFFECTIVE DATE OF THIS AGREEMENT.

Should a governmental authority having jurisdiction over environmental matters, including, but not limited to, the Texas Workforce Commission, the United States Environmental Protection Agency (EPA), Texas Commission on Environmental Quality (TECQ), or the City of Midland, determine that a response, plan, or action be undertaken due to any spill, discharge, contamination, release, or pollution of hazardous substances or wastes or occurring, arising, or resulting during the Lease Term, whether sudden or gradual, accidental or intentional, on the Leased Premises, Lessee shall, at its sole expense, prepare and submit the required plans and undertake, implement, and diligently perform the required action, response, or plan to completion in accordance with the rules and direction of such governmental authority(ies) and to the satisfaction of MDC.

In addition to Lessee's obligations referenced above, Lessee shall submit a Tier I Form to the EPA for each calendar year Lessee occupies the Leased Premises in accordance with Section 312 of the Emergency Planning and Community Right-to-Know Act of 1986.

Lessee's obligations under this Section shall survive any assignment or subletting of the Leased Premises. Furthermore, Lessee's obligations under this Section shall survive the termination of this Agreement.

6.02 REMOVAL OF IMPROVEMENTS

MDC and Lessee acknowledge that Lessee is utilizing Leased Premises as an interim testing location prior to moving to a permanent testing and production location on land owned by and adjacent to Midland International Air & Space Port, pending approval by the Federal Aviation Administration (FAA), confirmation that the aforementioned site can accommodate Lessee's permanent facility needs, and completion of infrastructure build-out at the site. Accordingly, upon the termination of this Agreement, Lessee shall remove all improvements constructed by Lessee and restore the Leased Premises to its original condition, less concrete pads and grading work, which do not need to be removed, as such existed immediately preceding the effective date of this Agreement, normal wear and tear excepted. Lessee shall perform the obligations contained in this Section at its sole cost and expense.

6.03 WASTE REMOVAL

Lessee agrees to remove, at its own expense, all waste, garbage and rubbish from the Leased Premises. While on the Lease Premises, all waste garbage and rubbish shall be contained in properly marked and located trash collection receptacles.

6.04 FIRE SAFETY

Lessee agrees to implement industry best practices for fire safety. Lessee shall clear brush in the vicinity of the rocket motor test stand and rocket motor mix facility and maintain on-site fire suppression equipment at its own expense.

ARTICLE VII. GENERAL CONDITIONS

7.01 RELEASE

NOTWITHSTANDING ANY OTHER PROVISIONS, LESSEE HEREBY RELEASES, ACQUITS, RELINQUISHES AND FOREVER DISCHARGES MDC, MDC'S EMPLOYEES AND OFFICERS, FROM ANY AND ALL DEMANDS, CLAIMS, DAMAGES, OR CAUSES OF ACTION OF ANY KIND WHATSOEVER WHICH LESSEE HAS OR MIGHT HAVE IN THE FUTURE, INCLUDING BUT NOT LIMITED TO BREACH OF CONTRACT, QUANTUM MERUIT, CLAIMS UNDER THE DUE PROCESS AND TAKINGS CLAUSES OF THE TEXAS AND UNITED STATES CONSTITUTIONS, TORT CLAIMS, OR MDC'S NEGLIGENCE.

7.02 INDEMNITY

LESSEE SHALL INDEMNIFY AND HOLD HARMLESS AND DEFEND MDC AND ALL OF MDC'S OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, CLAIMS, DAMAGES, PERSONAL INJURIES, LOSSES, PROPERTY DAMAGE AND EXPENSES OF ANY CHARACTER WHATSOEVER, INCLUDING REASONABLE ATTORNEY'S FEES, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PROPERTY ON ACCOUNT OF ANY NEGLIGENT ACT OF LESSEE, ITS AGENTS, CONTRACTORS, SUBCONTRACTORS, CUSTOMERS, EMPLOYEES, GUESTS, INVITEES, PATRONS, PERMITTED USERS, OFFICERS, SUPPLIERS OF MATERIALS AND SERVICES, AND REPRESENTATIVES, ARISING OUT OF, OR RESULTING FROM, LESSEE'S USE OF, OR ACTIVITIES ON, THE LEASED PREMISES, AND LESSEE SHALL PAY ANY JUDGMENT WITH COSTS THAT MAY BE OBTAINED AGAINST MDC OR ANY OF ITS OFFICERS, AGENTS OR EMPLOYEES, INCLUDING REASONABLE ATTORNEY'S FEES.

7.03 ATTORNEY'S FEES

BY EXECUTING THIS AGREEMENT, THE PARTIES AGREE TO WAIVE AND DO HEREBY KNOWINGLY, CONCLUSIVELY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY CLAIM EACH PARTY HAS OR MAY HAVE IN THE FUTURE AGAINST THE OTHER PARTY REGARDING THE AWARD OF ATTORNEY'S FEES THAT IS IN ANY WAY RELATED TO THIS AGREEMENT, OR THE CONSTRUCTION, INTERPRETATION OR BREACH OF THIS AGREEMENT. THE PARTIES SPECIFICALLY AGREE THAT IF A PARTY BRINGS OR COMMENCES ANY LEGAL ACTION OR PROCEEDING RELATED TO THIS AGREEMENT, THE CONSTRUCTION, INTERPRETATION, VALIDITY OR BREACH OF THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO ANY ACTION PURSUANT TO THE PROVISIONS OF THE TEXAS UNIFORM DECLARATORY JUDGMENTS ACT (TEXAS CIVIL PRACTICE AND REMEDIES CODE SECTION 37.001, ET SEQ., AS AMENDED), OR CHAPTER 271 OF THE TEXAS LOCAL GOVERNMENT CODE, THE PARTY BRINGING SUCH ACTION HEREBY ABANDONS, WAIVES AND RELINQUISHES ANY AND ALL RIGHTS TO THE RECOVERY OF ATTORNEY'S FEES TO WHICH IT MIGHT OTHERWISE BE ENTITLED.

7.04 INDEPENDENT CONTRACTOR

It is expressly understood and agreed that Lessee shall perform all work and services described herein as an independent contractor and not as an officer, agent, servant or employee of MDC; that Lessee shall have exclusive right to control the details of the services and work performed hereunder, and all persons performing the same; and shall be solely responsible for the acts and omissions of its officers, agents, employees, contractors and subcontractors; that the doctrine of *respondeat superior* shall not apply as between MDC and Lessee, its officers, agents, employees, contractors and subcontractors; and that nothing herein shall be construed as creating a partnership or joint enterprise between MDC and Lessee. No person performing any of the work and services described hereunder by Lessee shall be considered an officer, agent, servant or employee of MDC. Further, it is specifically understood and agreed that nothing in this contract is intended or shall be construed as creating a "Community or Pecuniary Interest" or "An Equal Right of Control" which would give rise to vicarious liability. Lessee shall be an independent contractor under this Agreement and shall assume all of the rights, obligations and liabilities applicable to it as such independent contractor hereunder and any provisions in this Agreement which may appear to give MDC the right to direct Lessee as to details of doing the work herein covered or to exercise a measure of control over the work shall be deemed to mean that Lessee shall follow the desires of MDC in the results of the work only. MDC does not have the power to direct the order in which the work is done. MDC shall not have the right to control the means, methods or details of Lessee's work. Lessee shall assume exclusive responsibility for the work. Lessee is entirely free to do the work in its own way.

7.05 NO THIRD-PARTY BENEFICIARY

MDC's approval of this Agreement does not create a third-party beneficiary. There is no third-party beneficiary to this Agreement. No person or entity who is not a party to this Agreement shall have any third-party beneficiary or other rights hereunder.

7.06 TERMINATION

Subject to Lessee's repayment obligation contained in Section 6.02, either party may terminate this Agreement at any time, without penalty, by giving at least 180 days' written notice. The parties may also agree to terminate this Agreement at no penalty to either party if, prior to the expiration of the Lease Term, the FAA approves Lessee's use of the permanent testing location on land owned by and adjacent to Midland International Air & Space Port as referenced in Section 6.02, parties confirm that the aforementioned site can accommodate Lessee's permanent facility needs, the necessary infrastructure build-out is complete at the site, and Lessee has ceased operations at the Leased Premises. Said termination shall be evidenced by the parties' execution of a mutual termination and release agreement.

The parties have bargained for the flexibility of terminating this Agreement upon tender of the requisite notice at any time during the Lease Term.

7.07 INSURANCE REQUIREMENTS

Lessee shall procure and maintain in full force and effect during the Lease Term, at its sole expense from a company authorized to do business in the State of Texas, insurance policies with the following minimum coverages and endorsements:

- A. Commercial General / Airport Owners and Operators Insurance (including Contractual liability) shall cover against claims for bodily injury, death, or property damage occurring on, in or about the Leased Premises; shall be on a claims-made or occurrence basis, shall have a combined \$10,000,000.00 per occurrence and general aggregate, including bodily injury and/or property damage and/or completed operations. Umbrella and/or Excess Liability shall not be needed if the limits from Commercial General Liability/Airport Owners and Operators Insurance already carries sufficient limits.
- B. During any period of construction, excavation or demolition on the Leased Premises, a Builder's Risk Policy with an all-risk endorsement.
- C. Automobile Liability Coverage on all Lessee owned/leased motor vehicles operated by Lessee or its employees on the Leased Premises in amounts of not less than \$1,000,000.00; provided, however, separate automobile coverage shall not be required if such coverage is provided under Lessee's comprehensive general liability policy.

- D. Environmental Impairment Liability Insurance covering bodily injury, property damage, and cleanup costs resulting from Lessee's operations on the Leased Premises; \$2,000,000.00 per occurrence; \$4,000,000.00 aggregate. This policy shall cover sudden and gradual pollution events, as well as on-site and off-site clean-up costs. Additionally, this policy shall be on a claims-made basis and include a dedicated project aggregate limit.
- E. Pollution Legal Liability Insurance covering third-party claims for bodily injury, property damage, and cleanup costs arising from pollution events; \$2,000,000.00 per occurrence; \$4,000,000.00 aggregate. This policy shall include coverage for transportation risks.
- F. Umbrella or Excess Liability Insurance; \$8,000,000.00 per occurrence and \$8,000,000.00 aggregate. This policy shall be on a follow-form basis and include a dedicated project aggregate limit.
- G. Property Insurance covering all equipment, machinery, and any improvements made to the Leased Premises. This policy shall be written on an "all-risk" basis, with replacement cost valuation.
- H. Workers' Compensation and Employer Liability Insurance; \$1,000,000.00 per accident or occurrence.

Unless prohibited by law, all insurance policies required under this Agreement shall name MDC as an additional insured and shall provide for a waiver of subrogation as to MDC with such policies being primary and non-contributory to any insurance maintained by MDC, and shall further provide a broad form of contractual liability protection to include this Agreement between MDC and Lessee. All insurance policies required under this Agreement may not be canceled or materially altered unless a thirty (30) day written notice of cancellation, material change or non-renewal has been served upon MDC. If an insurance policy is canceled, Lessee shall, prior to the effective date of such cancellation, procure other insurance in the amounts and in accordance with conditions set forth herein.

Notwithstanding any contrary provision contained herein, the Executive Director, in her sole and absolute discretion, may modify the insurance requirements contained in this Agreement.

7.08 CERTIFICATE OF INSURANCE

Lessee shall provide MDC a current certificate of insurance executed by the issuing insurance carrier certifying that (i) Lessee's insurance policies required pursuant to this Agreement are in full force and effect, (ii) all Lessee's operations on the Leased Premises (as contemplated herein) are covered by said policies, (iii) MDC is named as an additional insured on said policies, and (iv) the applicable insurance policies contain a waiver of subrogation in favor of MDC.

7.09 INSURANCE NOT LIMITATION ON INDEMNITY

The insurance policy coverage amounts contained herein shall not be deemed a limitation of Lessee's agreement to indemnify and hold harmless MDC, its officers and employees in the event Lessee or MDC, its officers or employees shall become liable in an amount exceeding the coverage amounts of Lessee's insurance policy as a result of Lessee's sole negligence.

7.10 MDC'S RIGHT TO PURCHASE INSURANCE

If Lessee allows one or more its insurance policies to lapse, MDC may obtain such insurance policies on behalf of Lessee at Lessee's expense. Upon demand from MDC, Lessee shall reimburse MDC for the full amount of the premium paid by MDC on Lessee's behalf.

7.11 ASSIGNMENT AND SUBLEASING

Lessee shall not, either directly or indirectly, sublease or assign, or attempt to sublease or assign any part of this Agreement or any interest, right or privilege herein, without the prior written consent of MDC. Any such sublease or assignment is void at inception. The issue of whether to grant consent to an assignment or sublease is in the sole discretion of MDC.

7.12 GOVERNING LAW AND VENUE

This Agreement shall be governed by the laws of the State of Texas. The obligations and undertakings of each of the parties to this Agreement shall be deemed to have occurred in Midland County, Texas. All performance and payment made pursuant to this Agreement shall be deemed to have occurred in Midland County, Texas. Exclusive venue for any claim, suit or action arising from or connected to this Agreement or its performance shall be in Midland County, Texas.

7.13 GOVERNMENTAL IMMUNITY

By executing this Agreement, MDC is not waiving its right of governmental immunity. MDC is retaining its immunity from liability. **THERE IS NO WAIVER OF GOVERNMENTAL IMMUNITY.**

7.14 NOTICE OF ALLEGED BREACH; STATUTORY PREREQUISITES

As a condition precedent to filing suit for alleged damages incurred by an alleged breach of this Agreement, Lessee or its legal representative, shall give the Executive Director notice in writing (consisting of one (1) original and seven (7) copies of notice attached to a copy of this Agreement) of such damages, duly verified, within one hundred and eighty (180) days after the same has been sustained. The discovery rule does not apply to the giving of this notice. The notice shall include when, where, and how the damages occurred, the apparent extent thereof, the amount of damages sustained, the amount for which Lessee will settle, the physical and mailing addresses of Lessee at the time and date the claim was

presented and the physical and mailing addresses of Lessee for the six (6) months immediately preceding the occurrence of such damages, and the names and addresses of the witnesses upon whom Lessee relies to establish its claim. Lessee's failure to so notify the Executive Director within the time and manner provided herein shall exonerate, excuse, and except MDC from any liability whatsoever. MDC is under no obligation to provide notice to Lessee that Lessee's notice is insufficient. MDC reserves the right to request reasonable additional information regarding the claim. Said additional information shall be supplied within thirty (30) days after Lessee's receipt of notice requesting such additional information.

The statutory prerequisites outlined herein constitute jurisdictional requirements pursuant to Section 271.154 of the Texas Local Government Code and Section 311.034 of the Texas Government Code. Notwithstanding any other provision, Lessee's failure to comply with the requirements herein shall perpetually bar Lessee's claim for damages under Chapter 271 of the Texas Local Government Code, and Section 311.034 of the Texas Government Code, regardless if MDC has actual or constructive notice or knowledge of said claim or alleged damages. Lessee agrees that the requirements of this Agreement are reasonable.

7.15 CONSIDERATION

This Agreement is supported by good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged.

ARTICLE VIII. SIGNS

No signs shall be placed on the Leased Premises without the prior written approval of the Executive Director. Prior to installation, construction or placing of any such signs or advertising matter on the Leased Premises, Lessee shall submit to the Executive Director a request for installation and any drawings, sketches, design dimensions and information regarding the type, number and character of the sign if requested by the Executive Director. The approval of signs shall be within the sole discretion of MDC.

ARTICLE IX. DEFAULT AND REMEDIES

9.01 EVENTS OF DEFAULT

The following events shall constitute events of default of Lessee pursuant to this Agreement:

- A. The failure of Lessee to pay at the time and place due any installment of rent or any other payment due to MDC by Lessee pursuant to this Agreement;
- B. The abandonment of the Leased Premises by Lessee;
- C. The violation by Lessee of any other covenant, term or provision in this Agreement binding upon Lessee and the failure of Lessee to remedy such violation within a period of thirty (30) days after written notice thereof by MDC to Lessee;

- D. Failure of a trustee in bankruptcy to affirm this Agreement within thirty (30) days after the filing of any voluntary petition by or against Lessee, or by or against any then owner of Lessee's estate and interest in this Agreement, under any provision of the United States Bankruptcy Code or any other similar law;
- E. Any assignment by Lessee for the benefit of creditors; or
- F. Any appointment of a receiver of the assets of Lessee.

9.02 REMEDIES

Upon the occurrence of any event of uncured default by Lessee, except a default relating to the filing of bankruptcy, MDC shall have the right, at its sole option, to terminate this Agreement at any time by giving at least thirty (30) days' written notice to Lessee of MDC's election to so terminate. Such termination shall be effective upon the expiration of thirty (30) days from the date such notice of such termination is given to Lessee. Upon such termination, MDC shall have the right immediately to re-enter and repossess the Leased Premises. Upon such termination, the rent for the entire stated term of this Lease, and all other indebtedness, if any, payable under the provisions hereof by Lessee to MDC, shall be and become immediately due and payable without notice to Lessee or anyone else, and without regard to whether possession of the Leased Premises shall have been surrendered to or taken by MDC, and Lessee agrees to pay the same to MDC at once, together with payment of all loss or damage which MDC shall have suffered by reason of such event or default.

In the event the default relates to Lessee engaging in (i) a prohibited use of the Lease Premises as described in Section 4.02, or (ii) activities that pose an unusually high risk of harm, injury, or damage to persons or property, then Lessee shall immediately cease such prohibited use or activity upon receipt of MDC's 30-day termination notice; notwithstanding the foregoing, Lessee may continue to occupy and utilize the Leased Premises for the permitted uses during the 30-day period preceding the termination of this Agreement.

In the event the default arises from the filing of bankruptcy by Lessee, or the filing of an involuntary petition of bankruptcy by Lessee's creditors, MDC shall have the right to terminate this Agreement by providing at least thirty (30) days' notice to the bankruptcy trustee or the trustee in possession if said trustee has failed to ratify this Agreement within forty-five (45) days after filing of said bankruptcy petition.

9.03 REMEDIES NOT EXCLUSIVE

The remedies to which MDC may resort hereunder are cumulative and are not intended to be exclusive of any other remedies or means of a redress to which MDC may lawfully be entitled at any time. MDC may invoke any remedy allowed at law or in equity as if specific remedies were not provided for herein.

9.04 NO WAIVER OF BREACH

MDC's failure or delay in declaring the existence of an event of default by Lessee shall not be construed as a waiver thereof, nor shall it be construed to waive or lessen the right of MDC to insist upon the performance by Lessee of any term, covenant or condition hereof, or to exercise any rights given it on account of any such event of default. A waiver of a particular event of default shall not be deemed to be a waiver of the same, similar or subsequent event of default.

ARTICLE X. MISCELLANEOUS PROVISIONS

10.01 INSPECTION AND ACCESS BY MDC

MDC may enter upon the Leased Premises at any reasonable time for any purpose necessary, incidental to or connected with the performance of its obligations hereunder upon giving Lessee at least twenty-four (24) hours' advance notice.

10.02 RELATIONSHIP OF PARTIES

It is mutually understood and agreed that nothing in this Agreement is intended or shall be construed as in any way making Lessee an agent of MDC, the relationship at all times being that of landlord and tenant.

10.06 UTILITIES

Lessee understands that grid-connected electricity, municipal water, sewer, telephone, and internet access are not available on the Leased Premises. Lessee will obtain water for testing purposes, utilize off-grid power sources, and satellite or cellular telecommunications. Lessee shall ensure that sufficient sanitation facilities are placed on the Leased Premises to provide for the proper disposal and removal of waste from the Leased Premises.

10.07 CHANGES

MDC reserves the right to make, at any time, such changes in or to the Leased Premises as it may deem necessary, provided that it does not impair Lessee's use of the Leased Premises. Lessee agrees to allow MDC to make such changes and to require no compensation or to seek to attach any liability to MDC for those changes, even if MDC is negligent therein.

10.08 INABILITY TO PERFORM

If, by reason of (i) strike, (ii) work stoppage, (iii) governmental preemption in connection with a national emergency, (iv) any rule, order or regulation of any governmental agency, (v) conditions of supply or demand which are affected by war or other national, state or municipal emergency, or (vi) other cause beyond the control of MDC, whether or not similar to any of the above, MDC shall after a reasonable time be unable to fulfill its

obligations under this Agreement, including but not limited to delivery of possession of the Leased Premises, or shall be unable to supply any service which MDC is obligated to supply to Lessee or to the Leased Premises, this Agreement and Lessee's obligation to pay rent hereunder shall terminate. MDC shall not be liable to Lessee or to anyone else for damages for or on account of MDC's failure to fulfill its obligations under this Agreement due to a reason contained in this Section.

10.09 QUALIFIED PERSONNEL

Lessee shall select and designate a representative for its operations at the Leased Premises. The representative shall be vested with the full power and authority to act in the name of Lessee with respect to the method, manner and conduct of the operations of Lessee to be performed under this Agreement. The representative shall be available during regular business hours. During the representative's absence or unavailability, an authorized subordinate shall be designated and made available by Lessee.

10.10 NOTICES

Notices required by this Agreement shall be delivered or sent by email or certified mail, postage prepaid, and addressed to:

MDC:

Executive Director
Midland Development Corporation
200 North Loraine, Suite 610
Midland, Texas 79701
sharris@midlandtxedc.com

Castelion Corporation:

With Copy To:

10.11 SURRENDER

On the termination of this Agreement, or upon any re-entry by MDC into the Leased Premises, Lessee shall quit and surrender the Leased Premises to MDC in good order, condition and repair except for ordinary wear and tear and such damage or destruction as MDC is required to repair or restore under this Agreement, and Lessee shall remove all of Lessee's property therefrom except as otherwise expressly provided in this Agreement. Lessee's obligations to observe or perform this covenant shall survive the expiration or other termination of this Agreement.

10.12 QUIET ENJOYMENT

MDC covenants and agrees that, upon Lessee's paying the rent and observing and performing all the terms, covenants and conditions of this Agreement on Lessee's part to be observed and performed, Lessee may peaceably and quietly enjoy the Leased Premises, subject to the terms and conditions of this Agreement.

10.13 TAXES AND ASSESSMENTS

Lessee shall pay all taxes, license fees, occupational taxes or assessments, special or general, lawfully levied on account of Lessee's occupancy, and upon Lessee's fixtures, equipment and personal property in and on the Leased Premises.

10.14 SEVERABILITY

If any provision of this Agreement is invalid or unenforceable, this Agreement shall be considered severable as to such provision, and the remainder of this Agreement shall remain valid and binding as though such invalid or unenforceable provision were not included herein.

10.15 AMENDMENTS, MODIFICATIONS, ALTERATIONS

No amendment, modification, or alteration of the terms of this Agreement shall be binding unless it is in writing, dated subsequent to the effective date of this Agreement, and duly executed by the parties to this Agreement.

10.16 CUMULATIVE RIGHTS AND REMEDIES

The rights and remedies provided by this Agreement are cumulative, and the use of any one right or remedy by either party shall not preclude or waive its rights to use any or all other remedies. The rights and remedies provided in this Agreement are given in addition to any other rights the parties may have by law, statute, ordinance, or otherwise.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

**MIDLAND DEVELOPMENT
CORPORATION**

P. Lourcey Sams, Chairman

ATTEST:

Jill Pennington, Secretary

[Signature Page Follows]

CASTELION CORPORATION

By: _____

Name: _____

Title: _____

THE STATE OF _____ §

§

COUNTY OF _____ §

BEFORE ME, _____, a notary public, on this day personally appeared _____ of CASTELION CORPORATION, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as the act and deed of said company for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS _____ day of _____, A.D., 2024.

Notary Public, in and for
the State of _____

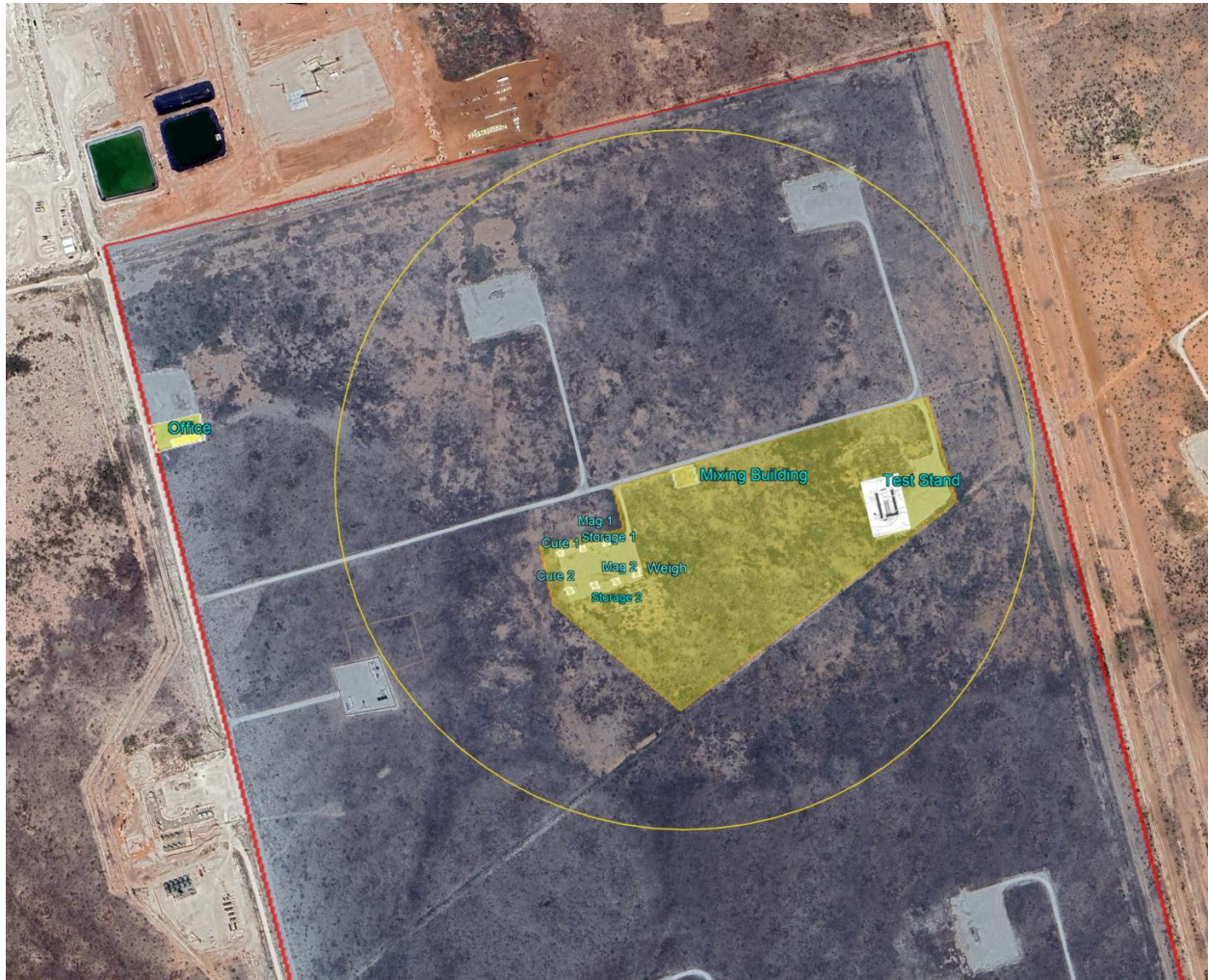
Exhibit A

Site Plans

Immediate:

Leased Premises: Area inside yellow circle + office space in NW corner inside yellow rectangle

- Office and border on existing pad
- Storage areas on existing pad
- Mix building
- Test stand



Secondary:

- Leased Premises: Area inside yellow circle + office space in NW corner inside yellow rectangle
- Office and border on existing pad
- Storage areas on new pads
- Mix building
- Test stand
- Concrete paths in storage and weighing area





Exhibit B

Site Improvements

Test Stand:

- Construction of concrete pad to support rocket motor test stand
- Construction of jersey barrier, bin-block, or earthen berm surrounding test stand and concrete pad
- Clearing of brush near test stand
- Construction of perimeter fencing around test stand

Immediate Site Improvements:

- Construction of perimeter fencing around infrastructure on Leased Premises
- Placement of storage containers and generator and/or solar-based power
- Construction of mix building site with concrete and industrial tent or metal frame building
- Grading of area for mix building and brush clearance around building area
- Placement of mobile or CONEX-based office facility
- Telecom self-provided via Starlink

Secondary Site Improvements:

- Grading of area to support secondary non-mixing site (storage containers, magazine, weighing area, etc.)
- Placement of storage containers and/or solar-based power
- Placement of concrete or aggregate pathways between non-mixing site and mixing site
- Construction of perimeter fencing surrounding secondary non-mixing site
- Establishment of access road(s), walkway(s), equipment and material handling pathways as required

Exhibit C

Matador Environmental Professionals, PLLC

offices: San Angelo/Midland/Abilene/Lubbock • www.telecom-esa.com

PHASE I ENVIRONMENTAL SITE ASSESSMENT

Prepared for

Prepared for

Midland Development Corporation
Midland, Texas

On unimproved lands described as

**A 20 acre tract out of a 374.72 acre tract being the E 2/3rds
of Section 33, Block 40, T-1-S, T&P RR Co, Survey
Midland County, Texas**

Address: TBD- North of HWY 191, Midland, Texas

Date of Investigation: April 9, 2024

Prepared by

Ray L. McKim, III CPL/ESA

an EPA qualified Environmental Professional

offices: San Angelo/Midland/Lubbock/Abilene • 432.296.0091 • www.telecom-esa.com

2424 Rock Slough Rd
San Angelo, TX 76904

Ray L. McKim, III
Certified Professional Landman
Environmental Site Assessor
**Matador Environmental
Professionals, PLLC**

ray@telecom-esa.com
(432)296-0091

April 15, 2024

Midland Development Corporation
200 N Loraine, STE 100
Midland, Texas 79701

ATTN: Sara Harris

RE: 20 acres/HWY 191/Midland County, Texas

Dear Ms Harris:

Pursuant to your authorization to conduct a Phase I Environmental Site Assessment of the above captioned property, the following report details my investigative methods and findings.

Pursuant to your authorization to conduct a Phase I Environmental Site Assessment of the above captioned property, the following report details my investigative methods and findings. I declare that, to the best of my professional knowledge and belief, I meet the definition of Environmental Professional as defined in 312.10 of 40 CFR 312. I have the specific qualifications based on education, training and experience to assess a property of the nature, history and setting of the subject property and have developed and performed the 'all appropriate inquiries' in conformance with the standards and practices set forth in 40 CFR 312, subject to any significant data gaps notwithstanding.

I appreciate the opportunity to be of service to you and your company, and if you have any questions whatsoever concerning this report, please do not hesitate to contact me.

Sincerely,



Ray L. McKim, III

On November 1, 2005, the EPA issued new rules and regulations defining the "environmental professional" conducting "all appropriate inquiries". To qualify without a Professional Engineer's License or Professional Geologist License, an individual must have ten years of relevant full-time work experience. Please see my webpage- www.telecom-esa.com.

Certified in 1993 as a Professional Landman & Environmental Site Assessor under the requirements as a member of the American Association of Professional Landmen; Member No. 3231.

In 1994, successful completion of the University of Texas at Arlington's course "Inspecting Buildings for Asbestos Containing Materials" in compliance with asbestos accreditation requirements under TSCA Title II. Ray L. McKim, III is not licensed in the State of Texas to perform asbestos testing.

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EXECUTIVE SUMMARY & RECOMMENDATIONS

Ray L. McKim, III was authorized by Midland Development Corporation to perform a Phase I Environmental Site Assessment of an unimproved tract of land located just north of HWY 191, about 3.6 miles west of Loop 250, Midland, Midland County, Texas. The subject site was inspected by Ray L. McKim, III CPL/ESA on April 9, 2024.

The subject site is 20 acres of land, more or less, unimproved being exposed ground that is currently being used as ranch/grazing lands. There was observed no significant staining or distressed vegetation in and around the subject property. There are no registered petroleum underground storage tanks located on the property or on adjacent tracts. The records research database indicates no environmental concerns at or near the facility.

The aerial photographs showed no environmental concerns. The site is in a Zone X flood plain. There is also a water line easement near the south end.

COMMENT: There is an oil /gas production pad on the west side and on the east adjacent tract, but both appear to be operated to good industry standards. The lands may also be subject to an oil and gas lease and also lease units due to Hz wellbores underneath the subject lands.

To the best of my knowledge there

- The facility has not been used a dry-cleaning plant.
- are no underground storage tanks that are located on this site.
- are no violations of any federal, state, or local hazardous substance regulations on this site.

I do not recommend the need for any Phase II environmental investigation.

AAI- The “All Appropriate Inquiry”: NEW RULES for ENVIRONMENTAL SITE ASSESSMENTS

The 2002 Brownfields Amendments to CERCLA required the EPA to develop regulations establishing and practices for conducting environmental due diligence or the “all appropriate inquiries” (AAI). The AAI is the process of evaluating a property’s environmental conditions and assessing potential liability for any contamination. On November 1, 2005, the EPA released 40 CFR Part 312 that defines the final rules for the AAI standards and practices. These rules and regulations will be effective November 1, 2006, and must be followed for an AAI qualified Phase I report for a 1) innocent landowner’s defense 2) contiguous property owner protection and 3) bona fide prospective purchaser protection. Here is a summary of some of the more prominent changes in the new rules regarding environmental assessments:

Who is Qualified ?

Probably the single most important issue regarding the new rules and regulations is the definition of the “environmental professional” (EP). The new rules defines the environmental professional as someone who possesses sufficient specific education, training and experience necessary to exercise professional judgment to develop opinions and conclusions regarding conditions indicative of releases or threatened releases of hazardous substances on, at, in, or to a property, sufficient to meet the objectives and performance factors of the rule. In addition, an environmental professional must have:

- A state or tribal issued certification or license and three years of relevant full-time work experience; or
- A professional engineering or geologist license and three years of relevant full-time work experience; or
- A Baccalaureate degree or higher in science or engineering and five years of relevant full-time work experience; or
- Ten years of relevant full-time work experience.

The final rules do not recognize, or reference, any private organization’s certification program (including the AAPL’s ESA certification program) within the context of the regulatory language. (The writer of this report qualifies as to the latter requirement listed- see my work experience that is available for review on my webpage- www.telecom-esa.com).

No more “Real Estate Transaction Screens”:

The Transaction Screen (for example, form ASTM E 1528), will no longer hope to qualify for CERCLA liability. Any such screening tool will be a low-risk tool for such properties with minimal potential for environmental concerns.

Activity and Use Limitations (AULs):

AULs include engineering controls and institutional controls (e.g. deed restrictions, restrictive covenants or easements) and the responsibility for identifying AUL is shared by the EP and user.

User Responsibilities:

EP are to make clients (users of the property) aware that the following obligations must be provided upfront in the information gathering process- and that failure to do so could jeopardize the client's ability to qualify for CERCLA liability protection down the road;

- a. environmental cleanup liens filed or recorded against the site;
- b. AULs in place on the site;
- c. specialized knowledge or experience related to the property or nearby property;
- d. relationship of the purchase price being paid for the property to its value if not contaminated;
- e. commonly known or reasonable ascertainable information about the property;
- f. any obvious indications pointing to the presence or likely presence of contamination at the property;
- g. a title report back 50 years or to when the subject site was first developed.

Unless expressly noted otherwise in this report, the above elements are the responsibility of the user/purchaser of the property. Also, the client is responsible for providing a survey, legal descriptions, plat etc showing the boundaries of the subject tract. If none is provided, and there is a discrepancy in the report as gained from taxing authority or other source, the outline as shown on the aerials will prevail without need of correction.

Core Phase I Action Items:

There are revisions for government records research (database reports) and mandatory search of Indian tribal records (where available) and mandatory review of local records. Historical research is broadened and data failure must be documented.

Site reconnaissance- **the subject property and adjoining properties must be visually and physically observed by the AAI qualified EP.** Extensive interviews must be performed if past owners, operators and occupants are likely to have material information about the property and is not duplicative of information gleaned from other sources.

Data Gaps:

The Phase I report and the EP must identify data gaps and document any steps to fulfill them. Also, the EP must comment on the significance of the data gaps, and whether or not they affect the EP's ability to form an opinion about the environmental condition of the target property.

Phase I Shelf Life:

A Phase I report older than **one year** from the property's date of purchase may not be used in its entirety without being updated by a qualified EP.

New Definitions for a Recognized Environment Condition (REC)- ASTM E 1527-21:

If a REC is noted in the report, there are three REC definitions that an EP and the clients must understand. The REC definition is stated below in the **Assessment Objectives**, plus two more possible RECs- the Historic REC and the Controlled REC, which will be further defined and discussed upon such determination by the EP. The CREC is defined as a REC from a past release of hazardous substances or petroleum products that has been addressed to the satisfaction of the applicable regulatory authority, with hazardous substances or petroleum products allowed to remain in place to the implementation of required controls. The HREC is 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. Before calling the past release an HREC, the EP must determine whether the past release is a REC at the time the Phase I is conducted (if has there been a change in the regulatory criteria).

ASSESSMENT OBJECTIVES

The Phase I Environmental Site Assessment is designed to identify significant use of chemicals and environmental contamination, historically or currently, on or near the site, which could devalue the property, alter the land's usage, necessitate government reporting and remediation or pose a significant health or environmental risk. In defining a standard of good commercial and customary practice for conducting an environmental site assessment of a parcel of property, **the goal** of the processes established by this practice **is to identify a recognized environmental condition**. The *term recognized environmental condition* means 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. The term includes hazardous substances or petroleum products even under conditions in compliance with laws. The term does not include *de minimis* conditions that generally do not present a material risk of harm to public health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies.

Provided the Phase I ESA does not reveal environmental impairment, the inference to be drawn by the client or decision maker would be that no further investigation would be required and the assessment process should terminate at that point. However, if potential problems are indicated, the investigation or assessment would proceed in an attempt to quantify the level of contamination. An often disputed point in the Phase I ESA is whether the investigation should be expanded to include invasive methodology. For example, the decision on whether the work scope should include soil and water samples or even possibly asbestos sampling must often be established in defining the scope of work under the initial investigation. This important decision should be referred to the client or the person who commissioned the work itself based on the potential risks involved and cost constraints. **In a typical Phase I ESA, sampling is not performed unless the potential buyer has a low level of risk propensity.** Those conservative- minded purchasers may wish to have the added assurance obtained through sampling and analytical techniques normally performed in a **Phase II ESA** in order to establish a more comfortable risk tolerance. **To insure an unbiased "all appropriate inquiries" and remove any possibility of conflicts of interest, Ray L. McKim, III CPL/ESA does not perform Phase II ESA investigations.**

A Phase I ESA will address non-invasive areas and may or may not address other concerns as follows:

1. Business and property information
2. Site history and improvements
3. Adjacent property uses and ownership
4. Raw material used or stored on site
5. Above ground storage tanks
6. Waste storage areas, including pits
7. Utilities, water wells and oil and/or gas wells
8. Flood plains and wetlands potential
9. Underground storage tanks and leaking underground storage tanks
10. Polychlorinated Biphenyls (PCBs)
11. Radon gas
12. Drinking water quality and potential for lead contamination; and
13. Naturally occurring radioactive materials (NORMs).

In a Phase I ESA, the environmental professional will review appropriate and relevant public records in an attempt to discover whether any of the following has occurred:

1. Operations that may have produced hazardous waste either on the site or nearby;
2. Whether underground storage tanks were located on the property and whether such tanks have been closed or registered with appropriate state authorities;

3. Whether any industrial processes subject to federal or state regulation are now present or have been present in the past;
4. Whether the owner/operator of the site has been subjected to an enforcement action at any time in the past;
5. Whether adjacent owners have been the subject of an enforcement action or an environmental lawsuit;
6. Whether asbestos-containing materials were used in construction and whether asbestos has been previously removed or if the site has had previous demolition or renovation; or
7. Whether PCB' s are on the property or in the vicinity of the site being assessed.

This report will follow ASTM E 1527-21 *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process* and will address any data gaps and its significance. The report may or may not be AAI compliant subject to data gaps and third-party information and **also subject to client demands for a timely closing.**

PHASE I SCOPE OF WORK

In fulfillment of the above-stated objectives, the following tasks were performed:

- 1) Current and historical site and area data and usage was secured through courthouse records, interviews with current land tenants, if any, and/or well operators, if applicable, plus the review of aerial photographs, and other readily available public documents.
- 2) Public records or databases pertaining to the subject property and properties within a 1 mile radius of the site were reviewed in order to identify: local geological, hydrogeological, and soil characteristics; generators of hazardous waste, usage and storage of hazardous chemical, registered and leaking petroleum storage tanks, and past chemical spills; environmental permits, violations of environmental statutes, and the status of remediation efforts.
- 3) Visual inspection, review of aerial photographs and maps, and interviews with knowledgeable parties were performed in order to identify specific areas of environmental concern on-site or within close proximity of the site. Specific areas of concern assessed were: evidence of surface contamination, storage of and leakage of waste materials and raw process chemicals, abandoned drums, fuel and waste oil storage tanks, PCBs, and the potential migration of pollutants onto or off of the property.

ACRONYMS AND SYMBOLS

ACM:	Asbestos Containing Material
AST:	Above ground Storage Tank
AAPL:	American Association of Professional Landmen
bbf:	Unit of volume for petroleum equal to 42 gallons
BTEX:	Benzene, Toluene, Ethylbenzene, Xylene
CERCLIS:	Comprehensive Environmental Response, Compensation, and Liability Information System
CERCLA:	Comprehensive Environmental Response Compensation and Liability Act
CFR:	Code of Federal Regulations
EPA:	United State Environmental Protection Agency
EPCRA:	Emergency Planning and Community Right-to-Know Act (Title III of SARA)
LPST:	Leaking Petroleum Storage Tank
MCF:	Million Cubic Feet
NEPA:	National Environmental Policy Act of 1969
NIOSH:	National Institute for Occupational Safety and Health
NORM:	Naturally Occurring Radioactive Materials
NPDES:	National Pollutant Discharge Elimination System
NPL:	National Priorities List
OSHA:	Occupational Safety and Health Administration
PCBs:	Polychlorinated Biphenyls
pH:	Potential of Hydrogen (a measure of acidity or alkalinity)
PRPs:	Potentially Responsible Parties
PST:	Petroleum Storage Tank
RCRA:	Resource Conservation and Recovery Act
RRC:	Railroad Commission of Texas
Sf:	Square feet
SARA:	Superfund Amendment and Reauthorization Act
SCL:	State equivalent CERCLIS list
SHPO:	State Historical Preservation Officer
SPL:	State equivalent priority list
SWLF:	Solid waste land fills
TACB:	Texas Air Control Board
TNRCC:	Texas Natural Resource Conservation Commission
TDH:	Texas Department of Health
TSCA:	Toxic Substances Control Act
TSD:	Treatment, Storage and/or Disposal
TWDB:	Texas Water Development Board
UST:	Underground Storage Tank
VOC:	Volatile Organic Compounds
ppm(b):	parts per million (billion)
N/2:	North half
NW/4:	Northwest quarter

Also defined is a dry-cleaning facility or plant, which is a clothes dry cleaning operation that uses regulated chemical solvents and must be registered with the TCEQ. A “drop station”, normally registered, is a place where clothes are dropped off and picked up, but no chemical cleaning operation is in place.

ASTM STANDARD PRACTICE

Below are important excerpts of the ASTM Standard Practice to help the reviewer and all the parties involved that wish to assess the condition of commercial real estate taking into account commonly known and reasonably ascertainable information.

4.5.2 Not Exhaustive—*All appropriate inquiries* does not mean an exhaustive assessment of a *property*. There is a point at which the cost of information obtained or the time required to gather it outweighs the usefulness of the information and, in fact, may be a material detriment to the orderly completion of transactions.

4.5.4 It should not be concluded or assumed that an inquiry was not *all appropriate inquiries* merely because the inquiry did not identify *recognized environmental conditions* in connection with a *subject property*. *Environmental site assessments* must be evaluated based on the reasonableness of judgments made at the time and under the circumstances in which they were made.

Scope 1.1.1 - ***A de minimis condition is not a recognized environmental condition.***

BER-BUSINESS ENVIRONMENTAL RISK

The term BER refers to “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 [the standard Phase I ESA] practice”. **Common examples of BERs:**

Asbestos Containing Material (ACM) and Lead-Based Paint (LBP)- Asbestos is ubiquitous and ACM is commonly found in older buildings, particularly those built before 1990. The material was used in plumbing, piping, insulation, walls, roofing materials, floor tiles and adhesives, among others. The use of lead-based paint (LBP) has been banned in the United States since 1978. However, older buildings and commercial structures (e.g., water tanks, antenna towers, etc.) may contain LBP. Issues concerning ACM and LBP arise during demolition and redevelopment projects. Under both circumstances, a licensed inspector may need to be retained to sample suspect ACM and LBP in areas where disturbance is anticipated. If ACM or LBP is confirmed and needs to be removed (abated), ensure to follow local rules with respect to licensing and disposal. Asbestos abatement projects can get very costly, depending on the scope of abatement.

Historic Fill- This is material that was deposited or brought to an area and used as “fill material.” Historic fill material was commonly used to fill waterbodies, wetlands or land depressions, before October 1962. Due to its mixed composition, many times consisting of solid waste, including wood and coal ash, incinerator ash, construction debris and land clearing, it can be highly contaminated. Environmental consultants will flag down historic fill concerns when they notice new land patterns while reviewing historical aerial maps or if property records indicate the application of historic fill.

Soil Vapor Intrusion- Soil vapor intrusion (SVI) can occur with “naturally occurring” subsurface volatile gases (e.g., radon, methane and hydrogen sulfide), as well as man-made gases that have been released to the soil or groundwater. Regardless of the type of contaminant, an SVI issue can pose a serious health risk to current and future occupants of a building. When SVI issues are present, the agencies may require extensive on-site (and potentially expensive off-site) investigations to delineate the extent of vapor issues if the property is the likely source of contamination. If it appears that the property is not the source, but there is confirmed SVI, the state may require that a venting system (e.g., subslab depressurization system—SSDS) and/or a vapor barrier be installed at the building. The installation of an SSDS or other vapor mitigation system is not inexpensive—the least expensive ones cost at least \$50,000 to design and install. They also require on-going maintenance and 24/7, 365 electricity use.

Emerging Contaminants-Issues concerning “emerging contaminants” have gained a lot of traction in the last few years due to national media coverage and the prevalence of class actions concerning groundwater contamination across the country, including one here in New York where plaintiffs were able to obtain class certification approval from Third Department last Fall. The contaminants at issue are PFAS (per- and polyfluoroalkyl substances, which is a family of hundreds of man-made chemicals used in firefighting foams and non-stick materials, to name a few), and 1,4-dioxane (a chemical used to make detergents and cosmetics). These chemicals had been used in industry for decades, but only recently has laboratory equipment advanced enough to start detecting them in groundwater in the range of parts per billion. The USEPA and State agencies are still grappling with proposing groundwater contaminant limits, with New York State leading the way with proposed rules that would regulate these contaminants at extremely low levels.

Regulatory (Non)Compliance- Open “spill” incident tickets, failure to register *above ground* USTs, not renewing certain permits, failure to file annual reports/certifications and other regulatory mishaps can be sources of headaches in the future and can amount to expensive violations—particularly for “knowingly violating” the rules. Also, EP’s find in West Texas there are minor fuel spills and stains from diesel fueled trucks in oilfield service equipment storage yards and should be treated as a *de minimus* condition.

Petroleum Underground Storage Tanks (PUSTs) - Many EP’s consider all PUSTs as a REC. However, in my opinion, if a “double-walled” PUST was installed to good industry practice, and subject to periodic integrity tests, fill bucket inspections, leak detection installed plus cathode protection, and monitored daily for tank volumes, the life of these tanks are considered by the industry to last well beyond 50 years- and thus should be treated as a “business environmental risk” (BER).

Crude oil - means a **naturally occurring** mixture which consists of hydrocarbons or any sulfur, nitrogen or oxygen derivatives of hydrocarbons, or any combination of these compounds, and which is liquid at standard conditions. **The EPA does not define crude oil as a hazardous substance.** The Texas Railroad Commission is the regulatory agency that oversees the drilling, production, on-site storage, transportation and plugging of oil and gas wells. Typically, a properly plugged well will be difficult to see from the surface after a period of years, especially when the oil/gas well production pad has been covered with native vegetation or new vegetation, such as planted grasses for lawns, decorative planter areas, etc.

LOCATION & SITE DESCRIPTION

1.0 Site Overview

The subject site is 20 acres unimproved being exposed ground covered in native vegetation. There is one oil/gas production pad on the west side. The subject tract is in a mostly level area situated just north of HWY 191 about 3.6 miles west of Loop 250 of Midland, Texas.

1.1 Legal Description of subject tract/Location/Government Jurisdictions

20 acres, more or less, out of Section 33, Block 40 T-1-S T&P RY Co Survey, Midland County, Texas. No survey was provided for the report- see also the surface features and parcel plat in the appendix. .

Address: TBD- North side of TX-191, Midland, Texas 79707.

Latitude 31-59-40.27 North; Longitude 102-12-37.84 West.

The subject site is outside the city limits of Midland and is not subject to city zoning ordinances.

1.2 Operator and Site Usage

The subject site is owned by Midland Development Corp and unimproved. There are no other tenants/easements or surface leases. There does not appear to be any major pipeline easements across the tract. Pipelines, per se, are usually not cause for environmental concern, but all lines should be located, well marked and any surface use noted with respect to the easement. **There is oil /gas production pad on the west side and to the east adjacent another oil/gas production pad- both appear to be operated to good industry standards. The lands may also be subject to an oil and gas lease unit(s) due to the Hz well bores- see the RRC plat in the appendix.**

SITE HISTORY

2.0 Past/Present ownership and Usage

The ASTM standard recommends that the user provide an abstracted title run sheet or similar (such as the 50-year chain of title as requested by many bank protocols) as may be researched by a professional landman using the county clerks' direct/indirect indices.

The current owner of record is Midland Development Corp which acquired the land from IAQ 191 LLC in 2013, which had acquired the land from Gerald C. Nobles in 2012. The lands have never been commercially improved, being used for ranch grazing. An abstracted 50-year chain of title was not ordered and should not be considered a significant data gap and will not affect my opinion.

Historical telephone directories (ie Polk City Directories) are sometimes used to determine the use by address when other ownership information is lacking or suspect of use. **For this rural, mostly ranch/ag area** - the directories were not researched for this site and would not present a significant data gap.

2.1 Historical Resources

- 1) Environmental Records Research (database)- see attached.
- 2) Historic aerial photos as shown on Google Earth were reviewed and showed no other usage or environmental concerns to the land as noted.
- 3) Historic topos – one historical topo was reviewed as noted in the database.
- 4) Interviews - See part 4.8 of this report.
- 5) Tax appraisal card- reviewed for building size, age, use and build date, plus past ownership.
- 6) County Records research in conjunction with the 50-year chain of title- researched for past owners, past uses, leases and liens.
- 7) Sanborn Maps- researched for the existence of any fire maps- none found.
- 8) Texas Railroad Commission- oil/gas well public viewer to search for active or plugged wells.
- 9) TCEQ webpage- search their database for registered USTs/ASTs, violations etc.
- 10) Internet search – Past business use & EPA white pages for impact statements of findings for NPL's etc.

ENVIRONMENTAL SETTING

3.0 Topography and Vegetation

The site is west of Midland in a rural, ag/ranching lands and new commercial/light industrial, arid environment. The subject is a level, unimproved site that is unimproved except for a lone oil/gas production pad on the west side. There was observed no distressed vegetation or significant stained areas in the drives, storage yard area or in the front parking areas.

3.1 Soil and Geology

The surficial soil in the Midland-Odessa area is principally Amarillo loam. Generally, it is a fine sandy loam which ranges in depth from 8 to 10 inches. Below that, to depths from 18 to 24 inches, the subsoil is fine sandy loam to sandy clay. Pleistocene windblown sand, clay deposits, and alluvium deposits underlie the soil section. Beneath the Pleistocene are 25 to 35 feet of caliche deposits, which can be relatively impermeable in local areas. For further soil specifics, the US Department of Agriculture's National Resource Conservation Services database may be consulted.

3.2 Drainage and Surface Water Characteristics

The facility and subject tract is basically a level site with drainage off all sides. The subject tract is in a Zone X flood hazard area (outside the boundaries of the 0.2% annual chance flood plain), as shown on the FEMA Firm map No 48135C0200 F dated September 16, 2005, enclosed with report. There is also water line easement near the south end.

3.3 Groundwater Characteristics/Issues

Shallow groundwater may become polluted from sources such as surface chemical spills and disposal activities, unlined impoundments, reservoir water-flood operations, leaking wellbore casing, unplugged wells, leaking above ground and underground storage tanks, leaking pipelines, valves and connections, contaminated surface water and contaminated groundwater upgradient of the site. *When contamination is suspected*, actual subsurface data should be obtained to accurately determine groundwater gradient and condition.

There are no water wells on site, and no abandoned, open water wellbores observed.

This report does not cover old or newly installed septic tanks, if any, on the subject lands.

4.0 Site Conditions

The subject property was inspected on May 2, 2022, by Ray L. McKim, III.

The subject site is 20 acres unimproved **but with one oil/gas production pad on the west side**. No significant staining of the soil was observed and no open pits, or dumpsites on or near the subject tract. The origination of any construction fill dirt, if any, is unknown.

4.1 Chemical Substance Inventory, Storage and Disposal

The moment a person (or acting as a business) opens and uses a can of solvent, they are a waste generator. A Texas state license is required for hauling wastes (and generator self-transport limits), for all generators less than 100 kg/mo to use a licensed commercial hazardous waste hauler or to obtain a license if they self- transport the waste.

There are no significant quantities of chemicals, hazardous materials, nor radioactive materials observed on site. In the neighborhood, there are no RCRA non-generator sites.

4.2 Asbestos

Asbestos spray-on insulation was banned in 1979, yet there is still a possibility that some of the construction materials in buildings prior to 1980 may contain more than 1% asbestos. EPA established the National Emission Standards for Hazardous Air Pollutants (NESHAP) to regulate asbestos and defines Asbestos Containing Materials (ACM) as follows.

- 1) Friable asbestos materials (any material containing more than 1% asbestos as determined using polarized light microscopy (PLM), that when dry, can be crumbled, pulverized or reduced to powder by hand pressure);
- 2) Non-friable ACM, Category I;
- 3) Category I non-friable ACM that has become friable,
- 4) Category I non-friable ACM that will be or has been subjected to sanding, grinding, cutting or abrading;
- 5) Category II non-friable ACM that has a high probability of becoming or has become crumbled, pulverized or reduced to powder by the forces expected to act on the material in the course of demolition or renovation operations.

NESHAP also defines a **Presumed Asbestos Containing Material** as being the thermal system insulation and surfacing material found in buildings constructed no later than 1980.

There are no habitable buildings on site, so no concern about ACM.

4.3 Above Ground Storage Tanks (AST's) & Petroleum Underground Storage Tanks (PUST's) and Leaking Underground Storage Tanks (LUST's)

There are no registered petroleum AST's (larger than 1,320 gallons) or USTs on site, and the database does show no active or inactive Petroleum USTs on adjacent tracts or in the neighborhood.

4.4 Radon, Vapor Intrusion Conditions (VIC) and Indoor Pollution

Radon is a radioactive gas naturally produced by the decay of radium in the soil. Research suggests that exposure to high levels of radon can increase the risk of lung cancer. However, there has been continuing debate within the scientific community over just how much radon is required to pose a health risk. **Where there is a raw land tract involved, soil testing for radon cannot be accurately measured and the EPA does not recommend soil testing for radon on raw land tracts.**

Radon is measured in picocuries per liter of air. The EPA considers levels higher than 4 pCi/L unsafe (Zone 1). There are some areas of the Texas Panhandle and counties just east of El Paso County which may see levels of 2 – 4 pCi/L (Zone 2). Most of Texas is in Zone 3- Low Potential, testing less than 2 pCi/L. **Midland County is in Zone 3.**

The subject site nor adjacent properties has presented any evidence or suspicion or concern as to any VIC. The Permian Basin is also an area with a soil condition consisting of thick, hard layers of caliche which would naturally impede a VIC from adjoining properties suspect of a release. **There are no dry cleaners on or adjacent to the subject facility.**

4.5 Polychlorinated Biphenyls (PCBs)

The Toxic Substance Control Act regulates any transformer(s) with mineral oil containing polychlorinated biphenyl's (PCB) in concentrations greater than 50 parts per million (ppm). Such transformers are considered PCB-contaminated and require appropriate remediation, should they be found to be stained or leaking. None of the transformers located on or near the property line of the subject property show any signs of leakage, the PCB content, if any, unknown.

4.6 UREA Formaldehyde, Lead Paint, NORMs

There is no knowledge of any sampling or other survey to determine the presence of UREA formaldehyde foam insulation, or lead paint. Should any oilfield pipe stored onsite which may have naturally occurring radioactive materials (NORMs) and should be tested for same if such usage will be other than oilfield application.

4.7 55 gallon Drums or containers

There was observed no 55-gallon drums or plastic bulk totes on site, empty or otherwise, used to store oils and lubricants. In the future, all drums/totes that are empty and have contained hazardous substances or petroleum products should be removed and properly disposed. All drums or totes that contain hazardous chemicals or other petroleum products should be stored on impervious surface AND have proper spill containment features. All drums storing such hazardous chemicals or petroleum products should be stored at least 50' from neighboring fence lines without spill containment. Should any 55-gallon drums, empty or otherwise, which may be used for trash or parts storage, they should be labeled for such use, and all other labels removed.

4.8 Interviews

Interviews are often conducted as part of the Phase I ESA process. Interviews may include the owner of the soil, tenants in possession, adjacent owners etc. Other public and/or governmental authorities may be contacted to gain further information concerning the subject property. The past property owner was unavailable for interview. An environmental questionnaire was not included and not a significant data gap.

Local Agency Reviews: The local fire chief of the Midland Fire department was contacted but did not return my call for questioning as to any local spills in the area. In the event that my office receives information at a later date from the City of Midland regarding this property and/or immediate surrounding areas, I will forward that information to the client as a supplemental to this report.

AREA & ADJACENT PROPERTIES

The subject property lies on the north side of HWY 191, and east of 1788, west of Loop 250 and west side of Midland, Texas. The surrounding area is mixed with unimproved tracts and mostly light industrial oilfield service companies. Growth for the area is moderate.

None of the adjacent tracts were observed to be engaged in any suspect environmental activities. To the east adjacent is a an oil/gas production pad- there are no oil storage tanks on or near the subject- the oil and gas operations are not an environmental concern.

GOVERNMENT DATABASES

Databases and published reports created by federal, state, and local agencies were reviewed to determine if the site or properties in the site vicinity had been reported as having possible environmental concerns. The agencies and the information reviewed as discussed in the following paragraphs.

Federal and State Regulatory Agency Inquires

National Priorities List: The National Priorities List (NPL) is a list of sites identified by the EPA as having a priority for cleanup. Factors involved in determining the priority for cleanup include: the nature of contamination, the number of persons at risk, and the type, quantity, and toxicity of materials released.

This site is not listed on the NPL. There are no properties listed within a 1-mile radius of the site.

CERCLIS List: This list is compiled by the EPA and includes properties which have the potential for releasing or are known to have released hazardous material into the environment, as well as mitigation remediation, and enforcement activities. This list is also known as the Federal Superfund Database. Many of the sites on this list have not been thoroughly investigated. All NPL sites are included on the CERCLIS list.

This site was not listed on the CERCLIS List. No properties within a 1/2-mile radius of the site were listed on the CERCLIS list.

RCRA Notifiers List: Facilities which generate hazardous waste are required to notify the EPA of their waste generation, storage, treatment, and disposal activities. The RCRA Notifies List includes all facilities which have met this requirement.

This site was not listed on the RCRA Notifiers List. No properties within a 1/4-mile radius of the site were listed on the RCRA Notifiers List.

RCRA Violators List: Facilities which have been inspected or evaluated for possible violation of regulations or provisions of the compliance orders, consent agreements, or permit conditions are included on the RCRA Violations/Corrective Actions List.

This site was not listed on the RCRA Violators List. No properties within a 1-mile radius of the site were listed on the RCRA Violators List.

ERNS List: The Emergency Response Notification System consists of release notifications submitted to the National Response Center of the U.S. Coast Guard, since 1987. The system contains preliminary information on specific releases, including the reported discharger, date, material releases, quantity, source, locations, and response actions taken.

This site was not listed on the ERNS List. No properties within a 1/4-mile radius of the site were listed on the ERNS List.

The non- geocoded sites, if any listed, are not an environmental concern. There are no other sites noted in the database that pose any significant environmental concern to the subject facility.

LIMITING CONDITIONS

This report is based upon the application of scientific principles and professional opinions to certain facts with resultant subjective interpretations. Professional opinions expressed herein are based upon currently available information obtained within the limits of the existing data, scope of work, budget, and schedule. By their very nature, Phase I Environmental Site Assessments are often limited in the capacity to identify all significant environmental concerns which might affect the site, particularly with regard to subsurface contamination, flood issues and on-site historical and near vicinity chemical usage and releases. To the extent that more definitive conclusions are desired by the client than are warranted by the currently available facts, it is specifically stated here that Ray L. McKim, III intends that the conclusions and recommendations of this report will be used as guidance and not necessarily a firm course of action except where explicitly stated as such. Ray L. McKim, III makes no warranties, expressed or implied, as to the merchantability or fitness of the property for a particular purpose.

This report cannot and does not purport to give any definitive soil or groundwater contamination issues that may be present concerning AST/UST. Only a state licensed contractor for UST removal can determine the cost of any tank removal and also take soil samples to determine any needed remediation.

This report does not address RF exposure compliance issues, nor FAA or FCC issues other than those mentioned specifically within the assessment report.

This report also does not address the presence (or lack thereof) of black mold and other related bacteria or fungi. Also, the report does not address the very remote possibility of Vapor Intrusion Conditions.

Flood maps and /or topo maps, either of which may be used in this report, are at best an estimate of potential flood levels and drainage patterns and conditions. To assure against flooding conditions, an engineering survey showing flood elevations is strongly advised. This also applies to any NEPA report that may have been done in conjunction with this site.

The information provided in this report is not to be construed as legal advice. This report will follow ASTM E 1527-27 *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process* and will address any data gaps and its significance. The report may or may not be AAI compliant, any data gaps notwithstanding.

There may be a reliance of information from client's database and the accuracy of such information is not warranted and subject to such risk if used.

This report is for the sole use of the client identified herein on the cover letter- any uses or reliance of this report for parties not specifically named herein are not permissible without the written permission of Ray L. McKim, III. This report is void if payment for services rendered is not timely paid.

Vitae- Ray L. McKim, III

Graduated Texas Tech University- Business. Certified in 1993 as a Professional Landman & Environmental Site Assessor under the requirements as a member of the American Association of Professional Landmen; Member No. 3231. In 1994, successful completion of the University of Texas at Arlington's course "Inspecting Buildings for Asbestos Containing Materials" in compliance with asbestos accreditation requirements under TSCA Title II. Ray L. McKim, III is not licensed in the State of Texas to perform asbestos testing. Recent Client/Projects:

Oil & Gas

- 1) Antelope Energy-Reagan County Assets
- 2) Knowles SWD
- 3) Andrews County SWD
- 4) Traditions Oil & Gas- Panhandle Assets

Telecom- Phase I & NEPA for telecommunication towers

- 1) InSite Wireless/Vanguard Towers
- 2) C. A. Bass/Verizon/Kinder Morgan/Skyways
- 3) WesTex Towers
- 4) Centerpoint/TCT
- 5) Titan Towers
- 6) Sprint- oDAS environmentals
- 7) Oxy Pipeline/towers

Wind Turbine

- 1) AES- Buffalo Gap Windfarm- Nolan County, Texas
- 2) Hecate Energy- Solar farm- Upton County, Texas

Regional Commercial Clients - Banks & SBA loans on commercial properties

- 1) Prosperity Bank (statewide)
- 2) Western National Bank (now Frost)
- 3) Commercial State Bank (now AMMO)
- 4) Community National Bank-Midland, Lubbock, Dallas
- 5) SouthWest Bank-SBA lender
- 6) Security Bank (now AMMO)
- 7) Sonora Bank-San Angelo
- 8) First Capital Bank
- 9) First Financial Bank-San Angelo
- 10) First State Bank of Uvalde

Developers/Engineering Firms

- 1) NRG-Energy Commercial Realty
- 2) Maverick Engineering
- 3) Kent Oil Co./Kent Kwik and associated companies
- 4) Dahlia Development
- 5) Charlie Perdue Commercial Investments-Dallas
- 6) Wheelhouse Development-Lubbock
- 7) Day Creekside-San Angelo
- 8) Cooper Parkhill
- 9) Cities of Crane, Littlefield, Seminole & Midland Development Corp
- 10) Weir Engineering

Site: 20 acres- Section 33, Block 40, T-1S RR Co, Midland, Texas

View of subject looking east from northwest corner



Looking east from northwest corner of production pad on west side



Looking southeast from production pad on west side



Looking west from northeast corner of subject



Looking south from northeast corner



Google Earth aerial circa 2023



Google Earth aerial circa 2017



Google Earth aerial circa 2011



Google Earth aerial circa 2005



Google Earth aerial circa 1995



Surface Features and Parcel Plat



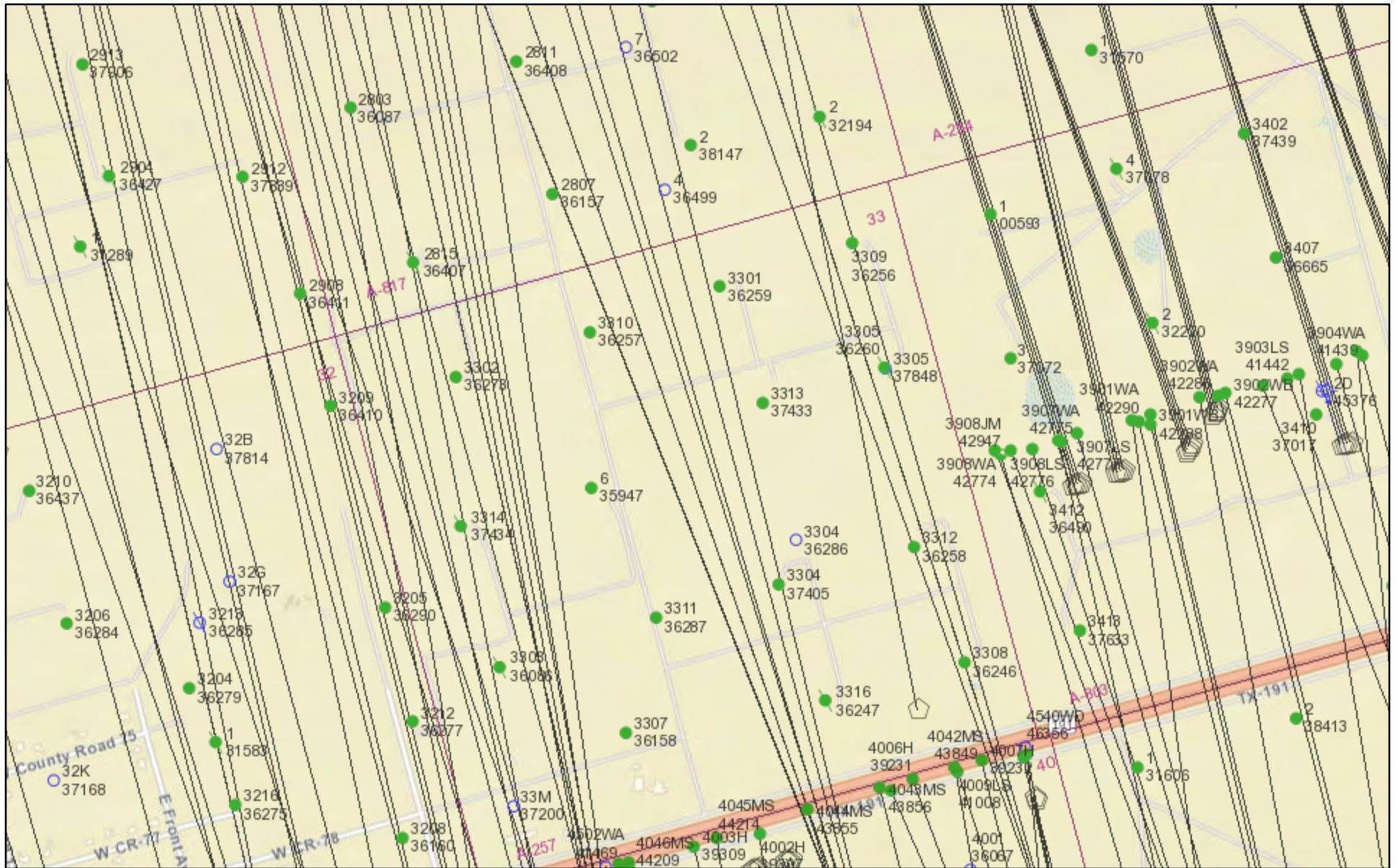
Flood Map



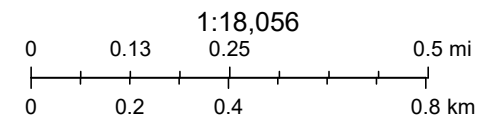
USGS The National Map: Orthoimagery. Data refreshed December, 2021.

Powered by Esri

<p>PIN</p> <ul style="list-style-type: none"> Approximate location based on user input and does not represent an authoritative property location Selected Flood/Map Boundary Digital Data Available No Digital Data Available Unmapped <p>MAP PANELS</p> <ul style="list-style-type: none"> Area of Minimal Flood Hazard Zone X Effective LOMRs Area of Undetermined Flood Hazard Zone D Otherwise Protected Area <p>OTHER AREAS</p> <ul style="list-style-type: none"> Coastal Barrier Resource System Area 	<p>SPECIAL FLOOD HAZARD AREAS</p> <ul style="list-style-type: none"> Without Base Flood Elevation (BFE) Zone A, V, AE99 With BFE or Depth Regulatory Floodway Zone AE, AO, AH, VE, AR <p>OTHER AREAS OF FLOOD HAZARD</p> <ul style="list-style-type: none"> 0.2% Annual Chance Flood Hazard. Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile. Zone X Future Conditions 1% Annual Chance Flood Hazard Zone X Area with Reduced Flood Risk due to Levee. See Notes. Zone X Area with Flood Risk due to Levee Zone D 	<p>CROSS SECTIONS</p> <ul style="list-style-type: none"> Cross Sections with 1% Annual Chance Water Surface Elevation Coastal Transact Base Flood Elevation Line (BFE) Limit of Study Jurisdiction Boundary Coastal Transact Baseline Profile Baseline Hydrographic Feature <p>OTHER FEATURES</p> <ul style="list-style-type: none"> Channel, Culvert, or Storm Sewer Levee, Dike, or Floodwall <p>GENERAL STRUCTURES</p>
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April 15, 2024



Bureau of Land Management, Esri, HERE, Garmin, INCREMENT P, NGA, USGS

Midland Development-20 Ac

HWY 191

Midland, TX 79707

Inquiry Number: 7624125.2s

April 15, 2024

FirstSearch Report



6 Armstrong Road, 4th floor
Shelton, CT 06484
Toll Free: 800.352.0050
www.edrnet.com

Search Summary Report

TARGET SITE HWY 191
MIDLAND, TX 79707

Category	Sel	Site	1/8	1/4	1/2	> 1/2	ZIP	TOTALS
<i>NPL</i>	Y	0	0	0	0	0	0	0
<i>NPL Delisted</i>	Y	0	0	0	0	0	0	0
<i>CERCLIS</i>	Y	0	0	0	0	-	0	0
<i>NFRAP</i>	Y	0	0	0	0	-	0	0
<i>RCRA COR ACT</i>	Y	0	0	0	0	0	0	0
<i>RCRA TSD</i>	Y	0	0	0	0	-	0	0
<i>RCRA GEN</i>	Y	0	0	0	-	-	0	0
<i>Federal IC / EC</i>	Y	0	0	0	0	-	0	0
<i>ERNS</i>	Y	0	-	-	-	-	0	0
<i>State/Tribal NPL</i>	Y	0	0	0	0	0	0	0
<i>State/Tribal SWL</i>	Y	0	0	0	0	-	0	0
<i>State/Tribal LTANKS</i>	Y	0	0	0	0	-	0	0
<i>State/Tribal Tanks</i>	Y	0	0	0	-	-	0	0
<i>State/Tribal IC / EC</i>	Y	0	0	0	0	-	0	0
<i>State/Tribal VCP</i>	Y	0	0	0	0	-	0	0
<i>ST/Tribal Brownfields</i>	Y	0	0	0	0	-	0	0
<i>US Brownfields</i>	Y	0	0	0	0	-	0	0
<i>Other Haz Sites</i>	Y	0	0	0	-	-	0	0
<i>Spills</i>	Y	0	-	-	-	-	0	0
<i>Other</i>	Y	0	0	0	-	-	0	0
- Totals --		0	0	0	0	0	0	0

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Search Summary Report

**TARGET SITE: HWY 191
MIDLAND, TX 79707**

Category	Database	Update	Radius	Site	1/8	1/4	1/2	> 1/2	ZIP	TOTALS
NPL	NPL	02/29/2024	1.000	0	0	0	0	0	0	0
	Proposed NPL	02/29/2024	1.000	0	0	0	0	0	0	0
NPL Delisted	Delisted NPL	02/29/2024	1.000	0	0	0	0	0	0	0
CERCLIS	SEMS	01/29/2024	0.500	0	0	0	0	-	0	0
NFRAP	SEMS-ARCHIVE	01/29/2024	0.500	0	0	0	0	-	0	0
RCRA COR ACT	CORRACTS	12/04/2023	1.000	0	0	0	0	0	0	0
RCRA TSD	RCRA-TSDF	12/04/2023	0.500	0	0	0	0	-	0	0
RCRA GEN	RCRA-LQG	12/04/2023	0.250	0	0	0	-	-	0	0
	RCRA-SQG	12/04/2023	0.250	0	0	0	-	-	0	0
	RCRA-VSQG	12/04/2023	0.250	0	0	0	-	-	0	0
Federal IC / EC	US ENG CONTROLS	02/13/2024	0.500	0	0	0	0	-	0	0
	US INST CONTROLS	02/13/2024	0.500	0	0	0	0	-	0	0
ERNS	ERNS	12/12/2023	TP	0	-	-	-	-	0	0
State/Tribal NPL	SHWS	12/28/2023	1.000	0	0	0	0	0	0	0
State/Tribal SWL	SWF/LF	01/16/2024	0.500	0	0	0	0	-	0	0
State/Tribal LTANKS	INDIAN LUST	10/25/2023	0.500	0	0	0	0	-	0	0
	LPST	03/20/2024	0.500	0	0	0	0	-	0	0
State/Tribal Tanks	UST	12/07/2023	0.250	0	0	0	-	-	0	0
	AST	12/07/2023	0.250	0	0	0	-	-	0	0
	INDIAN UST	10/24/2023	0.250	0	0	0	-	-	0	0
State/Tribal IC / EC	AUL	12/12/2023	0.500	0	0	0	0	-	0	0
State/Tribal VCP	VCP	12/12/2023	0.500	0	0	0	0	-	0	0
ST/Tribal Brownfields	BROWNFIELDS	12/01/2023	0.500	0	0	0	0	-	0	0
US Brownfields	US BROWNFIELDS	08/15/2023	0.500	0	0	0	0	-	0	0

Search Summary Report

**TARGET SITE: HWY 191
 MIDLAND, TX 79707**

Category	Database	Update	Radius	Site	1/8	1/4	1/2	> 1/2	ZIP	TOTALS
Other Haz Sites	PRIORITYCLEANERS	09/01/2023	0.250	0	0	0	-	-	0	0
	US CDL	12/31/2023	TP	0	-	-	-	-	0	0
Spills	HMIRS	12/12/2023	TP	0	-	-	-	-	0	0
	SPILLS	01/09/2024	TP	0	-	-	-	-	0	0
	SPILLS 90	10/23/2012	TP	0	-	-	-	-	0	0
	SPILLS 80	05/15/2005	TP	0	-	-	-	-	0	0
Other	RCRA NonGen / NLR	12/04/2023	0.250	0	0	0	-	-	0	0
	TSCA	12/31/2020	TP	0	-	-	-	-	0	0
	TRIS	12/31/2022	TP	0	-	-	-	-	0	0
	SSTS	01/16/2024	TP	0	-	-	-	-	0	0
	RAATS	04/17/1995	TP	0	-	-	-	-	0	0
	PRP	09/19/2023	TP	0	-	-	-	-	0	0
	PADS	03/20/2023	TP	0	-	-	-	-	0	0
	ICIS	11/18/2016	TP	0	-	-	-	-	0	0
	FTTS	04/09/2009	TP	0	-	-	-	-	0	0
	MLTS	01/02/2024	TP	0	-	-	-	-	0	0
	RADINFO	07/01/2019	TP	0	-	-	-	-	0	0
	INDIAN RESERV	12/31/2014	1.000	0	0	0	0	0	0	0
	US AIRS	10/12/2016	TP	0	-	-	-	-	0	0
	US MINES	02/05/2024	0.250	0	0	0	-	-	0	0
	MINES MRDS	08/23/2022	0.250	0	0	0	-	-	0	0
	ABANDONED MINES	11/28/2023	0.250	0	0	0	-	-	0	0
	FINDS	11/03/2023	TP	0	-	-	-	-	0	0
	DRYCLEANERS	11/07/2023	0.250	0	0	0	-	-	0	0
	Ind. Haz Waste	11/08/2023	0.250	0	0	0	-	-	0	0
		- Totals --			0	0	0	0	0	0

Site Information Report

Request Date: APRIL 15, 2024
Request Name: RAY MCKIM

Search Type: COORD
Job Number: MEP

Target Site: HWY 191
MIDLAND, TX 79707

Site Location

	<u>Degrees (Decimal)</u>	<u>Degrees (Min/Sec)</u>	<u>UTMs</u>
Longitude:	102.210511	102.2105110 - 102° 12' 37.83"	Easting: 763549.4
Latitude:	31.994519	31.9945190 - 31° 59' 40.26"	Northing: 3543041.5
Elevation:	2887 ft. above sea level		Zone: Zone 13

Demographics

Sites: 0	Non-Geocoded: 0	Population: N/A
RADON		
Federal EPA Radon Zone for MIDLAND County: 3		
Note: Zone 1 indoor average level > 4 pCi/L. : Zone 2 indoor average level >= 2 pCi/L and <= 4 pCi/L. : Zone 3 indoor average level < 2 pCi/L.		

Federal Area Radon Information for Zip Code: 79707		
Number of sites tested: 11		
<u>Area</u>	<u>Average Activity</u>	<u>% <4 pCi/L</u>
Living Area - 1st Floor	0.891 pCi/L	100%
Living Area - 2nd Floor	2.500 pCi/L	100%
Basement	2.100 pCi/L	100%

Federal Area Radon Information for MIDLAND COUNTY, TX		
Number of sites tested: 45		
<u>Area</u>	<u>Average Activity</u>	<u>% <4 pCi/L</u>
Living Area - 1st Floor	1.071 pCi/L	100%
Living Area - 2nd Floor	2.500 pCi/L	100%
Basement	2.100 pCi/L	100%

Site Information Report

RADON

State Database: TX Radon

Radon Test Results

County	Mean	Total Sites	%>4 pCi/L	%>20 pCi/L	Min pCi/L	Max pCi/L
MIDLAND	1.1	47	.0	.0	<.5	3.4

Target Site Summary Report

Target Property: HWY 191
MIDLAND, TX 79707

JOB: MEP

TOTAL: 0 GEOCODED: 0 NON GEOCODED: 0

Map ID	DB Type --ID/Status	Site Name	Address	Dist/Dir	ElevDiff	Page No.
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No sites found for target address

NO SITES FOUND

Database Descriptions

NPL: NPL National Priorities List (Superfund). The NPL is a subset of CERCLIS and identifies over 1,200 sites for priority cleanup under the Superfund Program. NPL sites may encompass relatively large areas. As such, EDR provides polygon coverage for over 1,000 NPL site boundaries produced by EPA's Environmental Photographic Interpretation Center (EPIC) and regional EPA offices. NPL - National Priority List Proposed NPL - Proposed National Priority List Sites.

NPL Delisted: Delisted NPL The National Oil and Hazardous Substances Pollution Contingency Plan (NCP) establishes the criteria that the EPA uses to delete sites from the NPL. In accordance with 40 CFR 300.425.(e), sites may be deleted from the NPL where no further response is appropriate. Delisted NPL - National Priority List Deletions

CERCLIS: SEMS SEMS (Superfund Enterprise Management System) tracks hazardous waste sites, potentially hazardous waste sites, and remedial activities performed in support of EPA's Superfund Program across the United States. The list was formerly know as CERCLIS, renamed to SEMS by the EPA in 2015. The list contains data on potentially hazardous waste sites that have been reported to the USEPA by states, municipalities, private companies and private persons, pursuant to Section 103 of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). This dataset also contains sites which are either proposed to or on the National Priorities List (NPL) and the sites which are in the screening and assessment phase for possible inclusion on the NPL. SEMS - Superfund Enterprise Management System

NFRAP: SEMS-ARCHIVE SEMS-ARCHIVE (Superfund Enterprise Management System Archive) tracks sites that have no further interest under the Federal Superfund Program based on available information. The list was formerly known as the CERCLIS-NFRAP, renamed to SEMS ARCHIVE by the EPA in 2015. EPA may perform a minimal level of assessment work at a site while it is archived if site conditions change and/or new information becomes available. Archived sites have been removed and archived from the inventory of SEMS sites. Archived status indicates that, to the best of EPA's knowledge, assessment at a site has been completed and that EPA has determined no further steps will be taken to list the site on the National Priorities List (NPL), unless information indicates this decision was not appropriate or other considerations require a recommendation for listing at a later time. The decision does not necessarily mean that there is no hazard associated with a given site; it only means that, based upon available information, the location is not judged to be potential NPL site. SEMS-ARCHIVE - Superfund Enterprise Management System Archive

RCRA COR ACT: CORRACTS CORRACTS identifies hazardous waste handlers with RCRA corrective action activity. CORRACTS - Corrective Action Report

RCRA TSD: RCRA-TSDF RCRAInfo is EPA's comprehensive information system, providing access to data supporting the Resource Conservation and Recovery Act (RCRA) of 1976 and the Hazardous and Solid Waste Amendments (HSWA) of 1984. The database includes selective information on sites which generate, transport, store, treat and/or dispose of hazardous waste as defined by the Resource Conservation and Recovery Act (RCRA). Transporters are individuals or entities that move hazardous waste from the generator offsite to a facility that can recycle, treat, store, or dispose of the waste. TSDFs treat, store, or dispose of the waste. RCRA-TSDF - RCRA - Treatment, Storage and Disposal

RCRA GEN: RCRA-LQG RCRAInfo is EPA's comprehensive information system, providing access to data supporting the Resource Conservation and Recovery Act (RCRA) of 1976 and the Hazardous and Solid Waste Amendments (HSWA) of 1984. The database includes selective information on sites which generate, transport, store, treat and/or dispose of hazardous waste as defined by the Resource Conservation and Recovery Act (RCRA). Large quantity generators (LQGs) generate over 1,000 kilograms (kg) of hazardous waste, or over 1 kg of acutely hazardous waste per month. RCRA-LQG - RCRA - Large Quantity Generators RCRA-SQG - RCRA - Small Quantity Generators. RCRA-VSQG - RCRA - Very Small Quantity Generators (Formerly Conditionally Exempt Small Quantity Generators).

Federal IC / EC: US ENG CONTROLS A listing of sites with engineering controls in place. Engineering controls include various forms of caps, building foundations, liners, and treatment methods to create pathway elimination for regulated substances to enter environmental media or effect human health. US ENG CONTROLS - Engineering Controls Sites List US INST CONTROLS - Institutional Controls Sites List.

Database Descriptions

ERNS: ERNS Emergency Response Notification System. ERNS records and stores information on reported releases of oil and hazardous substances. ERNS - Emergency Response Notification System

State/Tribal NPL: SHWS State Hazardous Waste Sites. State hazardous waste site records are the states' equivalent to CERCLIS. These sites may or may not already be listed on the federal CERCLIS list. Priority sites planned for cleanup using state funds (state equivalent of Superfund) are identified along with sites where cleanup will be paid for by potentially responsible parties. Available information varies by state. SHWS - State Superfund Registry

State/Tribal SWL: SWF/LF Solid Waste Facilities/Landfill Sites. SWF/LF type records typically contain an inventory of solid waste disposal facilities or landfills in a particular state. Depending on the state, these may be active or inactive facilities or open dumps that failed to meet RCRA Subtitle D Section 4004 criteria for solid waste landfills or disposal sites. SWF/LF - Permitted Solid Waste Facilities

State/Tribal LTANKS: INDIAN LUST R7 INDIAN LUST R8 - Leaking Underground Storage Tanks on Indian Land. INDIAN LUST R5 - Leaking Underground Storage Tanks on Indian Land. INDIAN LUST R1 - Leaking Underground Storage Tanks on Indian Land. INDIAN LUST R10 - Leaking Underground Storage Tanks on Indian Land. INDIAN LUST R6 - Leaking Underground Storage Tanks on Indian Land. INDIAN LUST R4 - Leaking Underground Storage Tanks on Indian Land. INDIAN LUST R9 - Leaking Underground Storage Tanks on Indian Land. A listing of leaking underground storage tank locations on Indian Land. INDIAN LUST R9 - Leaking Underground Storage Tanks on Indian Land LPST - Leaking Petroleum Storage Tank Database. RDR - Release Determination Report Listing.

State/Tribal Tanks: UST Registered Underground Storage Tanks. UST's are regulated under Subtitle I of the Resource Conservation and Recovery Act (RCRA) and must be registered with the state department responsible for administering the UST program. Available information varies by state program. UST - Petroleum Storage Tank Database AST - Petroleum Storage Tank Database. INDIAN UST R8 - Underground Storage Tanks on Indian Land. INDIAN UST R10 - Underground Storage Tanks on Indian Land. INDIAN UST R9 - Underground Storage Tanks on Indian Land. INDIAN UST R7 - Underground Storage Tanks on Indian Land. INDIAN UST R6 - Underground Storage Tanks on Indian Land. INDIAN UST R1 - Underground Storage Tanks on Indian Land. INDIAN UST R4 - Underground Storage Tanks on Indian Land. INDIAN UST R5 - Underground Storage Tanks on Indian Land.

State/Tribal IC / EC: AUL Activity and use limitations include both engineering controls and institutional controls. AUL - Sites with Controls

State/Tribal VCP: VCP RRC VCP TCEQ - Voluntary Cleanup Program Database. The Voluntary Cleanup Program (RRC-VCP) provides an incentive to remediate Oil & Gas related pollution by participants as long as they did not cause or contribute to the contamination. Applicants to the program receive a release of liability to the state in exchange for a successful cleanup. VCP TCEQ - Voluntary Cleanup Program Sites

ST/Tribal Brownfields: BROWNFIELDS Brownfield site assessments that are being cleaned under EPA grant monies. BROWNFIELDS - Brownfields Site Assessments

US Brownfields: US BROWNFIELDS Brownfields are real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant. Cleaning up and reinvesting in these properties takes development pressures off of undeveloped, open land, and both improves and protects the environment. Assessment, Cleanup and Redevelopment Exchange System (ACRES) stores information reported by EPA Brownfields grant recipients on brownfields properties assessed or cleaned up with grant funding as well as information on Targeted Brownfields Assessments performed by EPA Regions. A listing of ACRES Brownfield sites is obtained from Cleanups in My Community. Cleanups in My Community provides information on Brownfields properties for which information is reported back to EPA, as well as areas served by Brownfields grant programs. US BROWNFIELDS - A Listing of Brownfields Sites

Database Descriptions

Other Haz Sites: PRIORITY CLEANERS A listing of dry cleaner related contaminated sites. PRIORITY CLEANERS - Dry Cleaner Remediation Program Prioritization List US CDL - Clandestine Drug Labs. CENTRAL REGISTRY - The Central Registry.

Other Tanks: NON REGIST PST A listing of non-registered petroleum storage tank site locations. NON REGIST PST - Petroleum Storage Tank Non Registered

Spills: HMIRS Hazardous Materials Incident Report System. HMIRS contains hazardous material spill incidents reported to DOT. HMIRS - Hazardous Materials Information Reporting System SPILLS - Spills Database. SPILLS 90 - SPILLS90 data from FirstSearch. SPILLS 80 - SPILLS80 data from FirstSearch.

Other: RCRA NonGen / NLR RCRAInfo is EPA's comprehensive information system, providing access to data supporting the Resource Conservation and Recovery Act (RCRA) of 1976 and the Hazardous and Solid Waste Amendments (HSWA) of 1984. The database includes selective information on sites which generate, transport, store, treat and/or dispose of hazardous waste as defined by the Resource Conservation and Recovery Act (RCRA). Non-Generators do not presently generate hazardous waste. RCRA NonGen / NLR - RCRA - Non Generators / No Longer Regulated FEDLAND - Federal and Indian Lands. TSCA - Toxic Substances Control Act. TRIS - Toxic Chemical Release Inventory System. SSTS - Section 7 Tracking Systems. RAATS - RCRA Administrative Action Tracking System. PRP - Potentially Responsible Parties. PADS - PCB Activity Database System. ICIS - Integrated Compliance Information System. FTTS - FIFRA/ TSCA Tracking System - FIFRA (Federal Insecticide, Fungicide, & Rodenticide Act)/TSCA (Toxic Substances Control Act). FTTS INSP - FIFRA/ TSCA Tracking System - FIFRA (Federal Insecticide, Fungicide, & Rodenticide Act)/TSCA (Toxic Substances Control Act). MLTS - Material Licensing Tracking System. RADINFO - Radiation Information Database. BRS - Biennial Reporting System. INDIAN RESERV - Indian Reservations. US AIRS (AFS) - Aerometric Information Retrieval System Facility Subsystem (AFS). US AIRS MINOR - Air Facility System Data. US MINES - Mines Master Index File. MINES VIOLATIONS - MSHA Violation Assessment Data. US MINES 2 - Ferrous and Nonferrous Metal Mines Database Listing. US MINES 3 - Active Mines & Mineral Plants Database Listing. ABANDONED MINES - Abandoned Mines. MINES MRDS - Mineral Resources Data System. FINDS - Facility Index System/Facility Registry System. PFAS NPL - Superfund Sites with PFAS Detections Information. PFAS FEDERAL SITES - Federal Sites PFAS Information. PFAS TRIS - List of PFAS Added to the TRI. PFAS TSCA - PFAS Manufacture and Imports Information. PFAS RCRA MANIFEST - PFAS Transfers Identified In the RCRA Database Listing. PFAS ATSDR - PFAS Contamination Site Location Listing. PFAS WQP - Ambient Environmental Sampling for PFAS. PFAS NPDES - Clean Water Act Discharge Monitoring Information. PFAS ECHO - Facilities in Industries that May Be Handling PFAS Listing. PFAS ECHO FIRE TRAINING - Facilities in Industries that May Be Handling PFAS Listing. PFAS PART 139 AIRPORT - All Certified Part 139 Airports PFAS Information Listing. AQUEOUS FOAM NRC - Aqueous Foam Related Incidents Listing. PCS - Permit Compliance System. PCS ENF - Enforcement data. BIOSOLIDS - ICIS-NPDES Biosolids Facility Data. PFAS - PFAS Contamination Site Location Listing. AQUEOUS FOAM - AFFF Sites Listing. DRYCLEANERS - Drycleaner Registration Database Listing. Ind. Haz Waste - Industrial & Hazardous Waste Database. PST STAGE 2 - PST Stage 2. COMP HIST - Compliance History Listing. LAND PERMIT - Land Application Permit Listing. PETRO STOR CAVERNS - Listing of Permitted Storage Caverns. UST FINDER RELEASE - UST Finder Releases Database. RRC OCP - Operator Cleanup Program Listing. UST FINDER - UST Finder Database.

Database Sources

NPL: EPA

Updated Quarterly

NPL Delisted: EPA

Updated Quarterly

CERCLIS: EPA

Updated Quarterly

NFRAP: EPA

Updated Quarterly

RCRA COR ACT: EPA

Updated Quarterly

RCRA TSD: Environmental Protection Agency

Updated Quarterly

RCRA GEN: Environmental Protection Agency

Updated Quarterly

Federal IC / EC: Environmental Protection Agency

Varies

ERNS: National Response Center, United States Coast Guard

Updated Quarterly

State/Tribal NPL: Texas Commission on Environmental Quality

Updated Semi-Annually

State/Tribal SWL: Texas Commission on Environmental Quality

Updated Quarterly

State/Tribal LTANKS: EPA Region 6

Varies

State/Tribal Tanks: Texas Commission on Environmental Quality

Updated Quarterly

Database Sources

State/Tribal IC / EC: Texas Commission on Environmental Quality

Varies

State/Tribal VCP: Texas Commission on Environmental Quality

Updated Quarterly

ST/Tribal Brownfields: TCEQ

Updated Semi-Annually

US Brownfields: Environmental Protection Agency

Updated Semi-Annually

Other Haz Sites: Texas Commission on Environmental Quality

Varies

Other Tanks: Texas Commission on Environmental Quality

Updated Quarterly

Spills: U.S. Department of Transportation

Updated Quarterly

Other: Environmental Protection Agency

Updated Quarterly

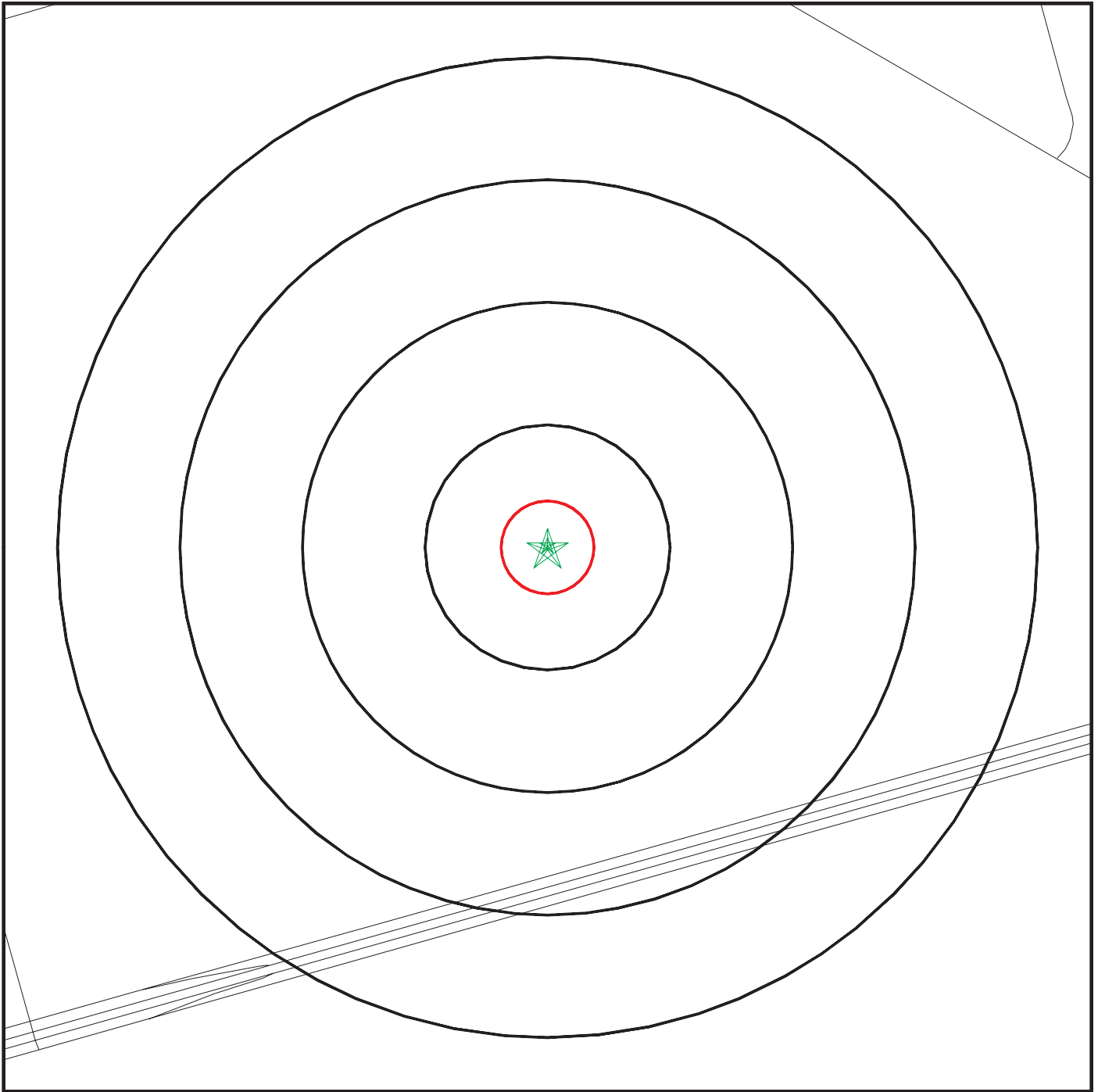
Street Name Report for Streets near the Target Property

Target Property: HWY 191
MIDLAND, TX 79707

JOB: MEP

Street Name	Dist/Dir	Street Name	Dist/Dir
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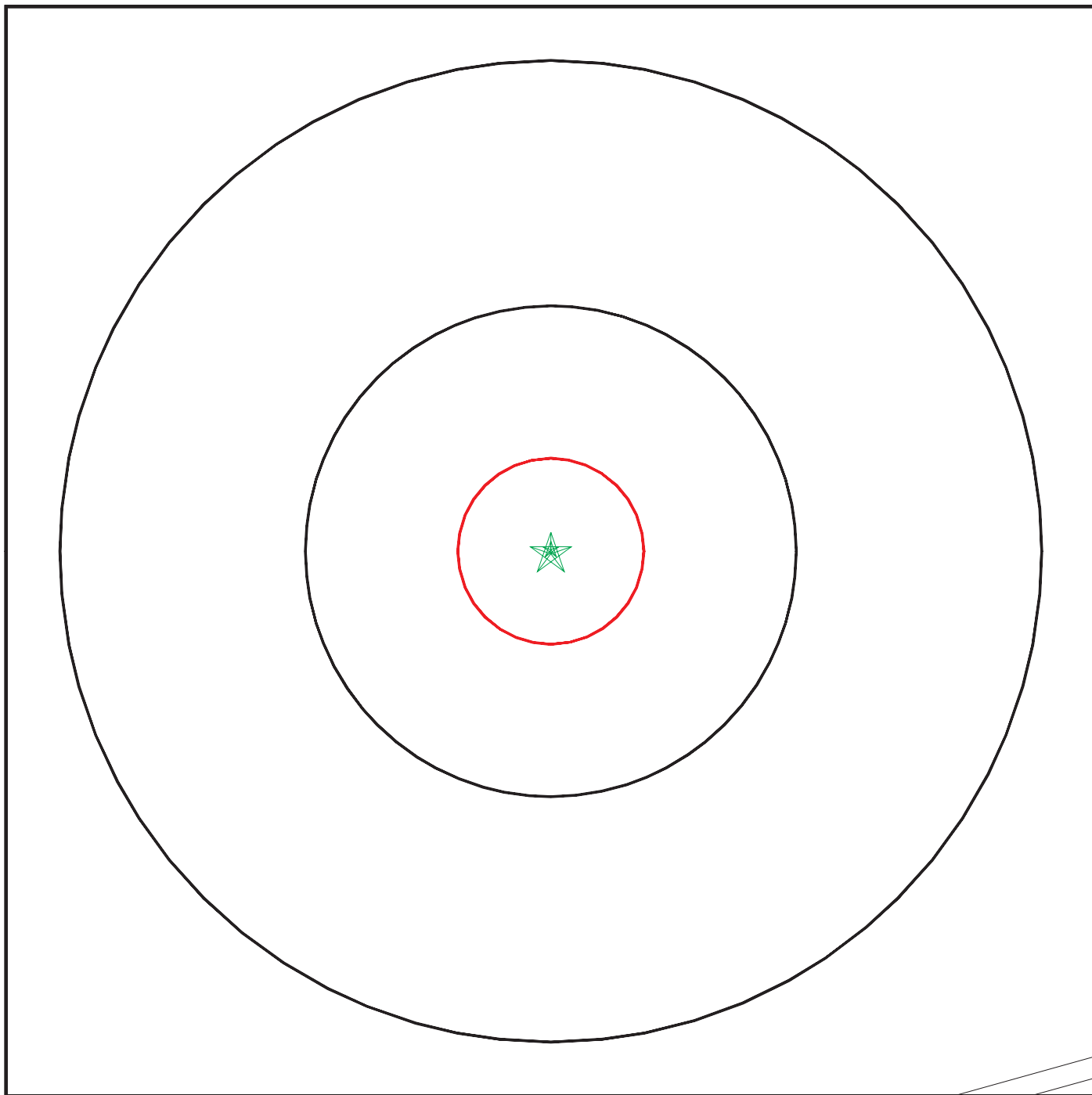
HWY 191 MIDLAND, TX 79707



Black Rings Represent Qtr. Mile Radius; Red Ring Represents 500 ft. Radius

- ★ Target Property (Latitude: 31.994519 Longitude: 102.210511)
- ▲ Identified Sites
- ▨ Indian Reservations BIA
- ▨ National Priority List Sites

HWY 191 MIDLAND, TX 79707



Black Rings Represent Qtr. Mile Radius; Red Ring Represents 500 ft. Radius

- ★ Target Property (Latitude: 31.994519 Longitude: 102.210511)
- ▲ Identified Sites
- ▨ Indian Reservations BIA
- ▨ National Priority List Sites

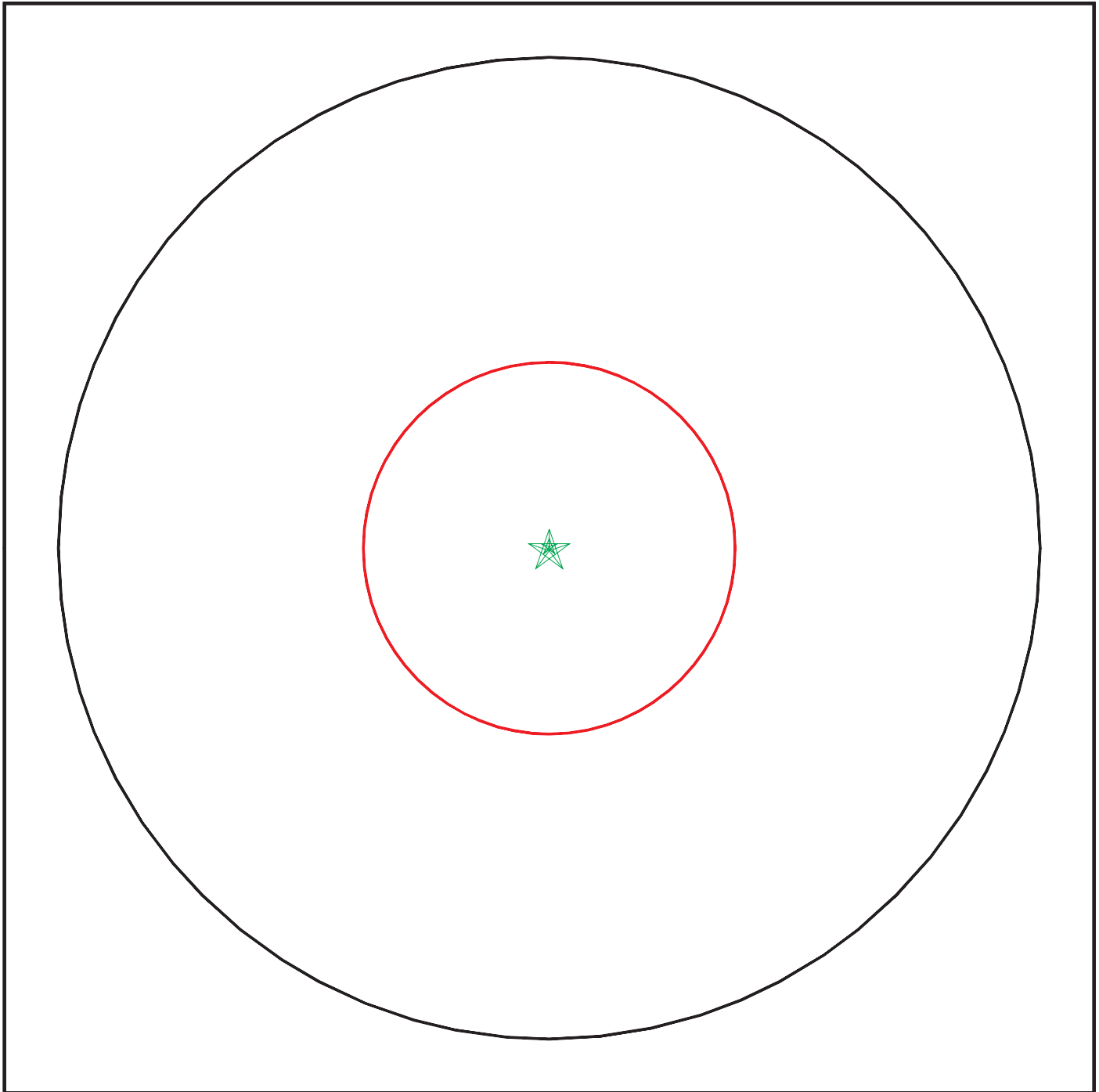
Environmental FirstSearch

0.25 Mile Radius

ASTM MAP: RCRAGEN, ERNS, UST, FED IC/EC, METH LABS



HWY 191 MIDLAND, TX 79707



Black Rings Represent Qtr. Mile Radius; Red Ring Represents 500 ft. Radius

★ Target Property (Latitude: 31.994519 Longitude: 102.210511)

▲ Identified Sites ▨ Indian Reservations BIA

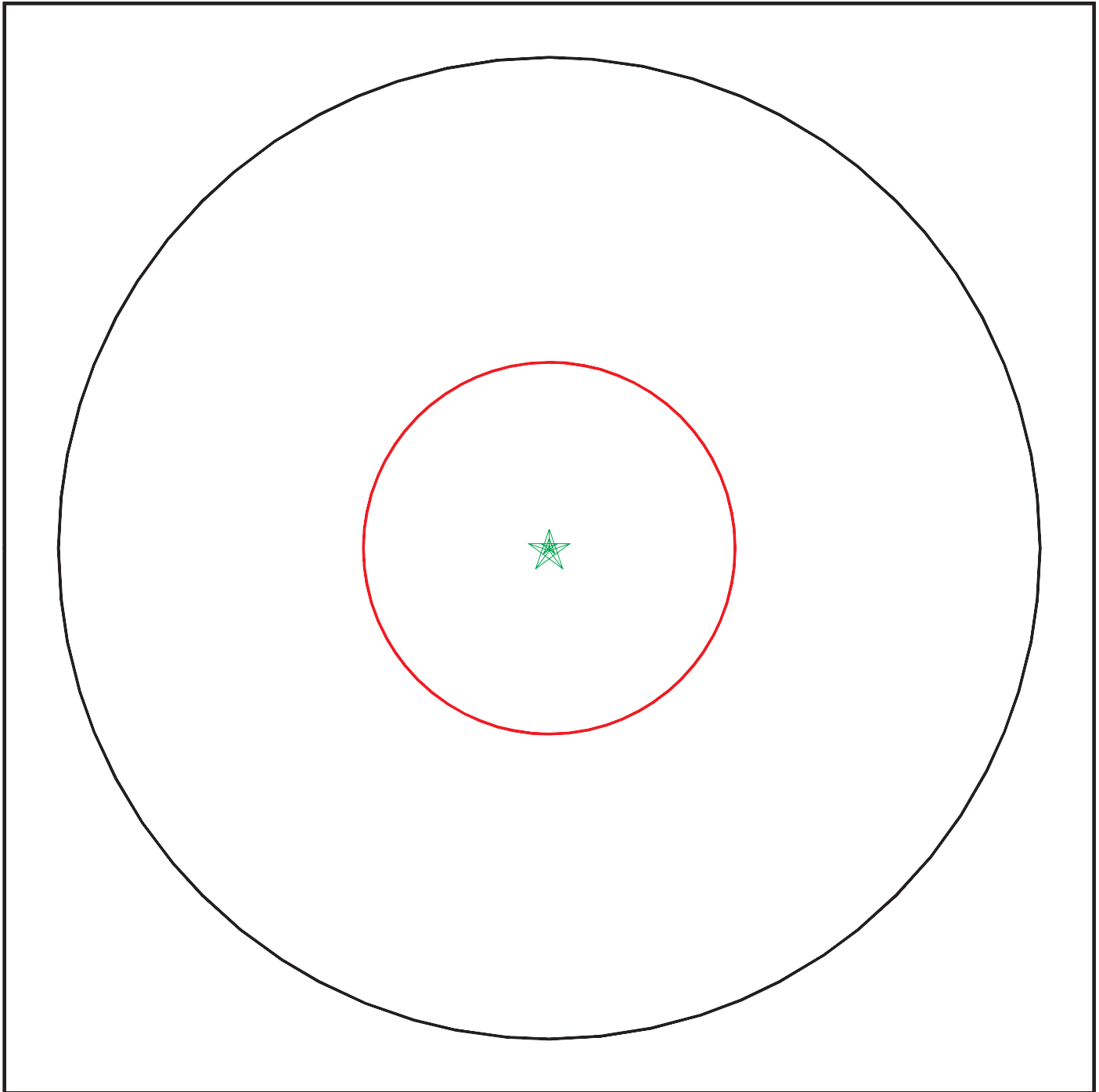
▨ National Priority List Sites

Environmental FirstSearch

0.25 Mile Radius
Non ASTM Map, Spills, FINDS



HWY 191 MIDLAND, TX 79707



Black Rings Represent Qtr. Mile Radius; Red Ring Represents 500 ft. Radius

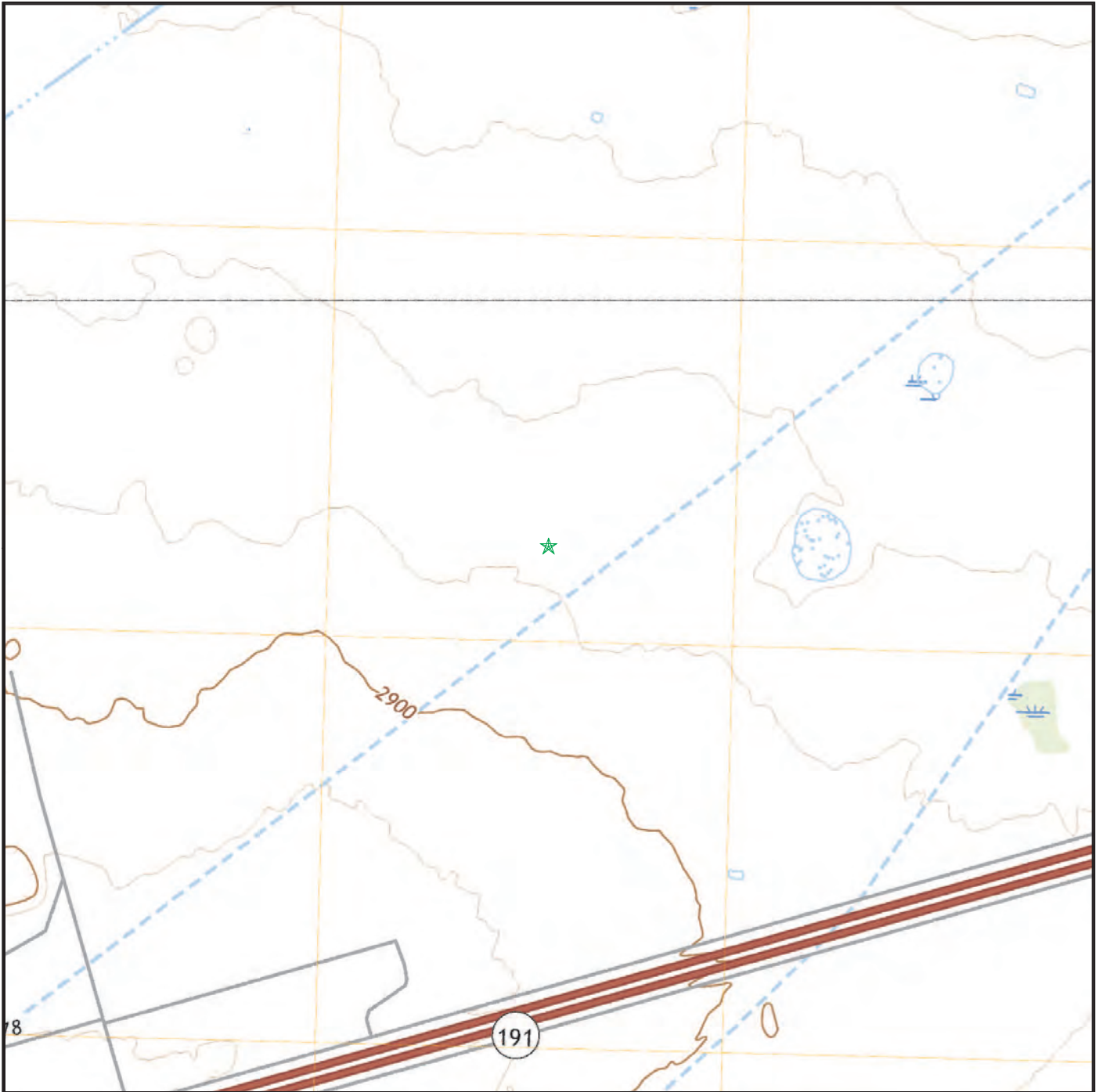
- ★ Target Property (Latitude: 31.994519 Longitude: 102.210511)
- ▲ Identified Sites
- ▣ Indian Reservations BIA
- ⚡ Sensitive Receptors
- ⚠ National Priority List Sites

Site location Map

Topo: 0.75 Mile Radius



HWY 191 MIDLAND, TX 79707



Map Image Position: TP
Map Reference Code & Name: 50017917 Southwest Midland
Map State(s): TX
Version Date: 2022
Map Image Position: N
Map Reference Code & Name: 50017960 Northwest Midland
Map State(s): TX
Version Date: 2022