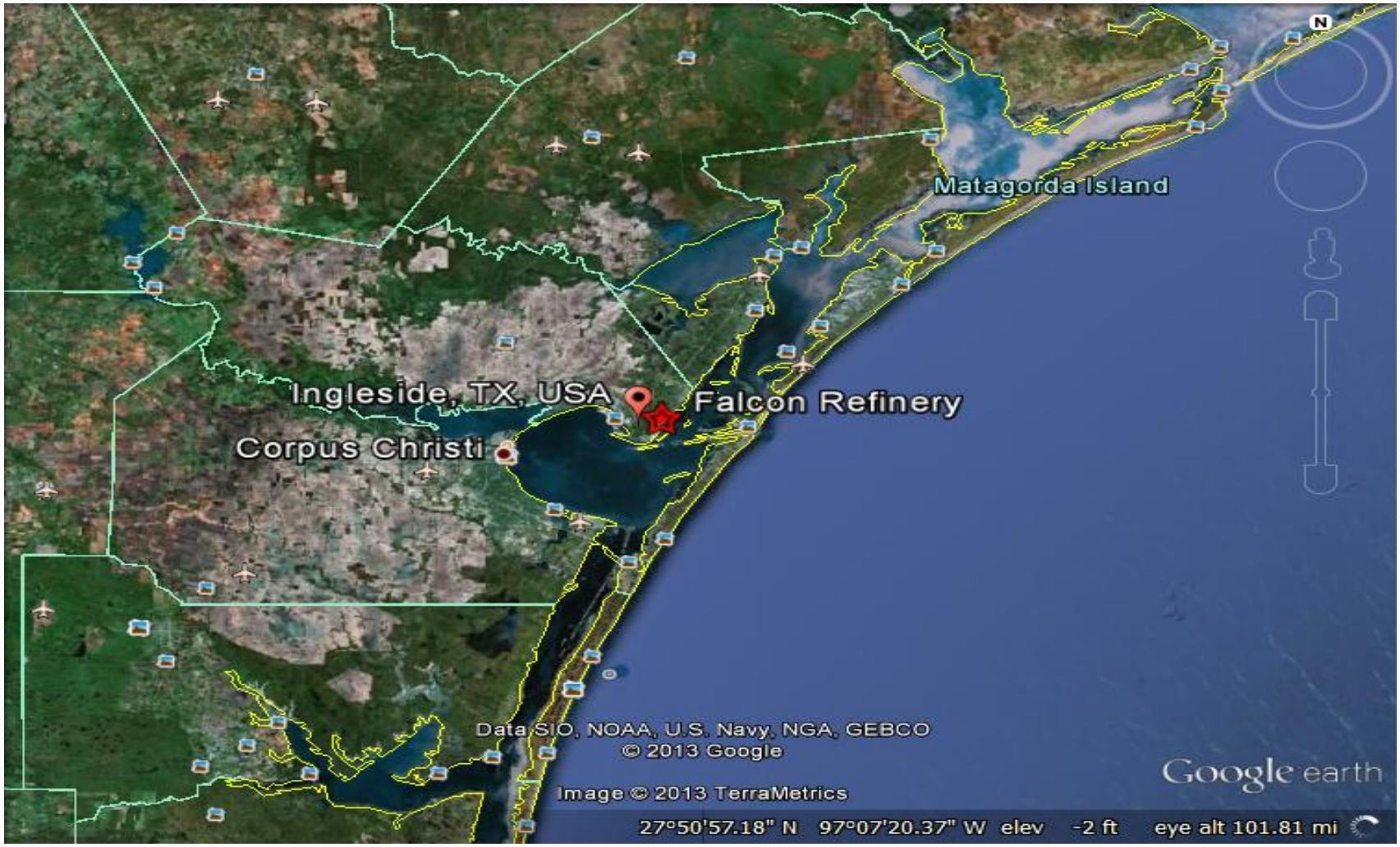
Falcon Refinery Site Update 2/20/14

9569016

Site Location



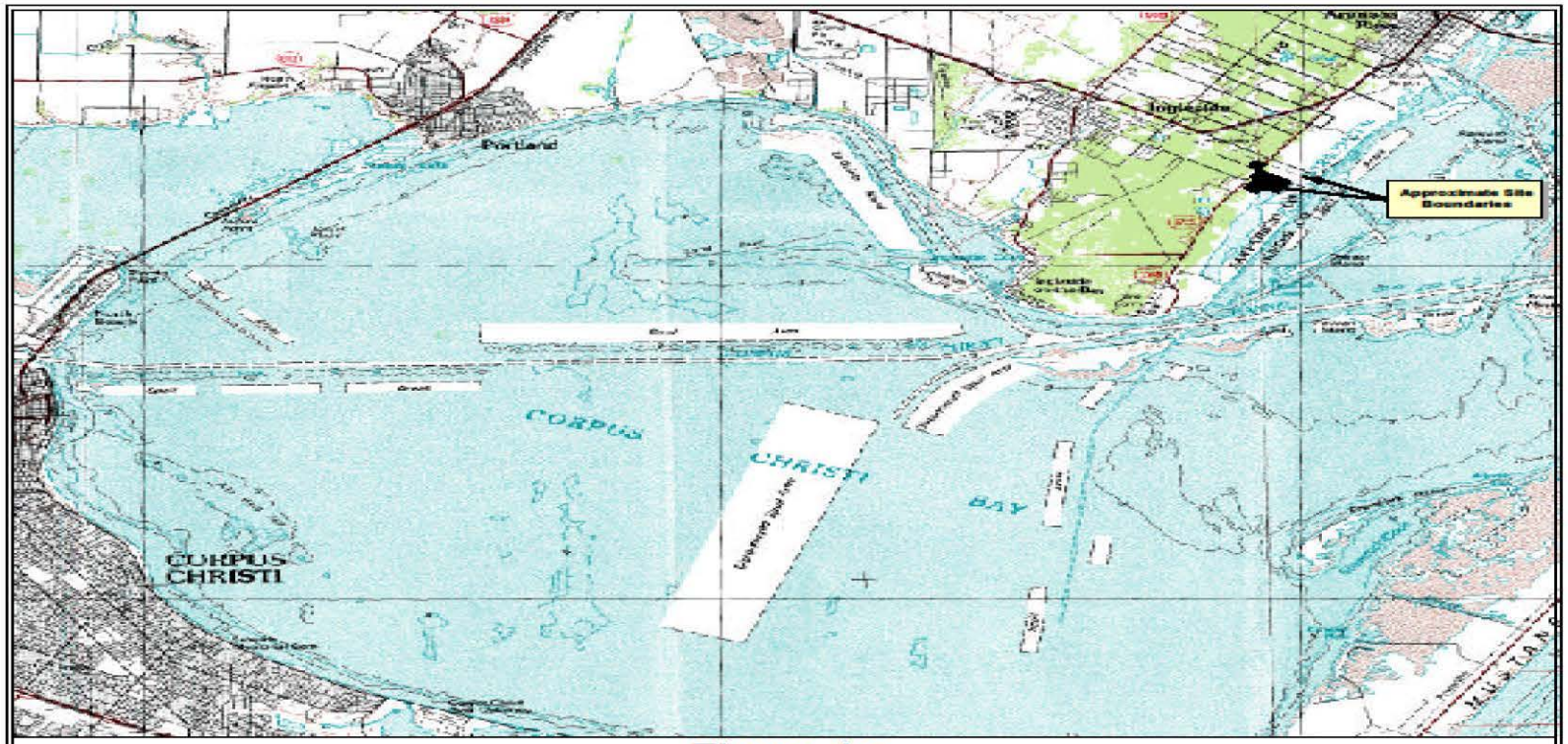
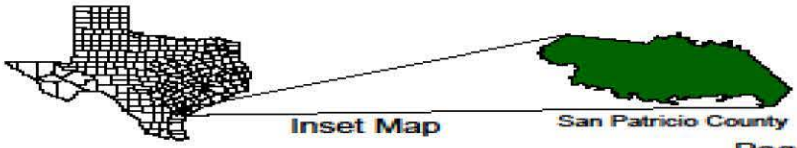


Figure 1a
Regional Location Map
Falcon Refinery aka National Oil Recovery Corporation
Ingleside, San Patricio County, Texas
TXD 086 278 058

Protecting Texas by Reducing and Preventing Pollution

2 0 2 4 Miles

N W E S



Source

The base data used is the Corpus Christi 1:100,000 scale Digital Raster Graphic (DRG), which is a scanned image of an U.S. Geological Survey topographic map. UTM NAD 27 Zone 14

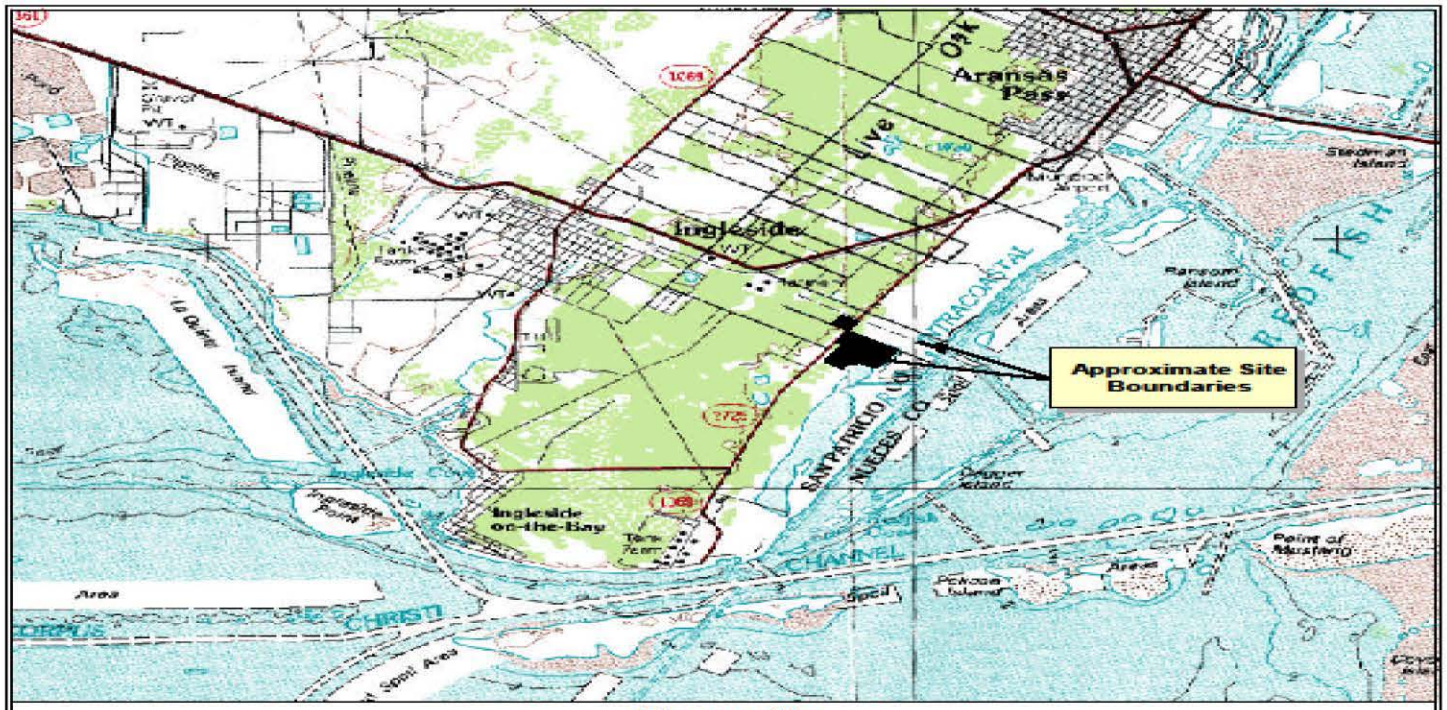


Figure 1b
Site Location Map
Falcon Refinery aka National Oil Recovery Corporation
Ingleside, San Patricio County, Texas
TXD 086 278 058

Protecting Texas by Reducing and Preventing Pollution

1 0 1 2 Miles

N W E S

Source

The base data used is the Corpus Christi 1:100,000 scale Digital Raster Graphic (DRG), which is a scanned image of an U.S. Geological Survey topographic map. UTM NAD 27 Zone 14

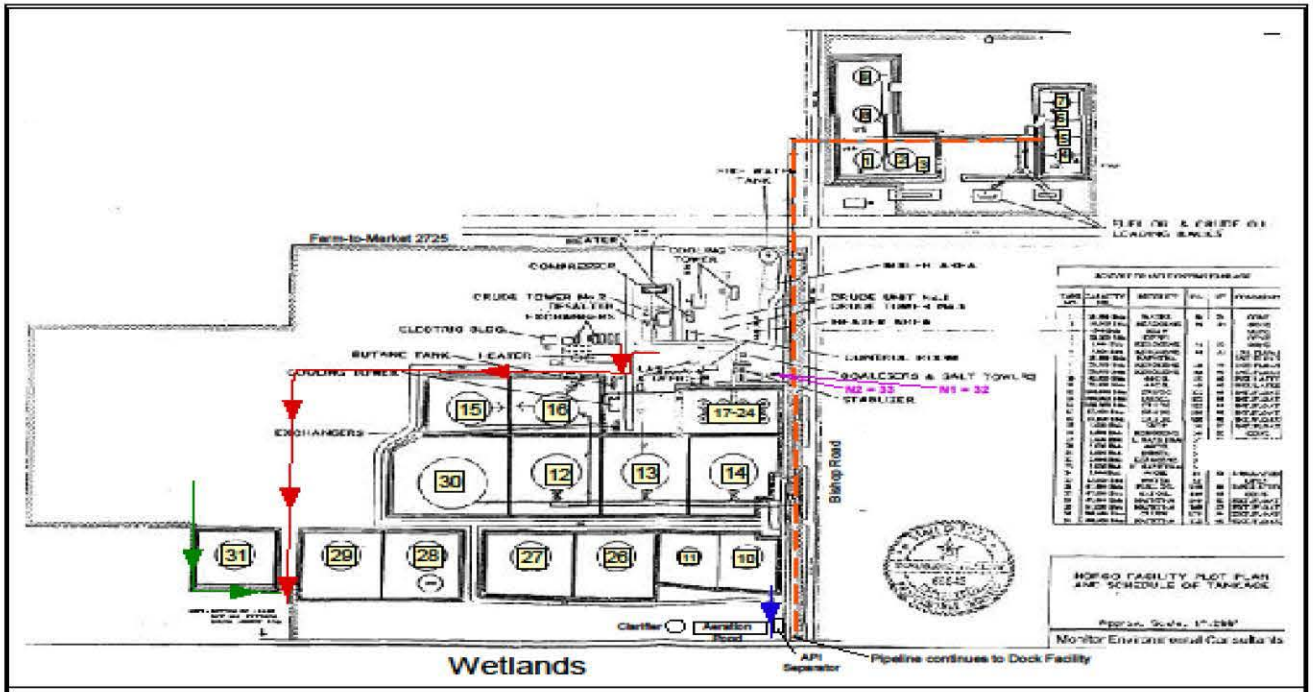
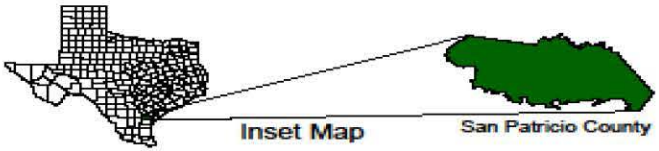


Figure 1c
Site Detail Map

Falcon Refinery aka National Oil Recovery Corporation
Ingleside, San Patricio County, Texas
TXD 086 278 058



Legend

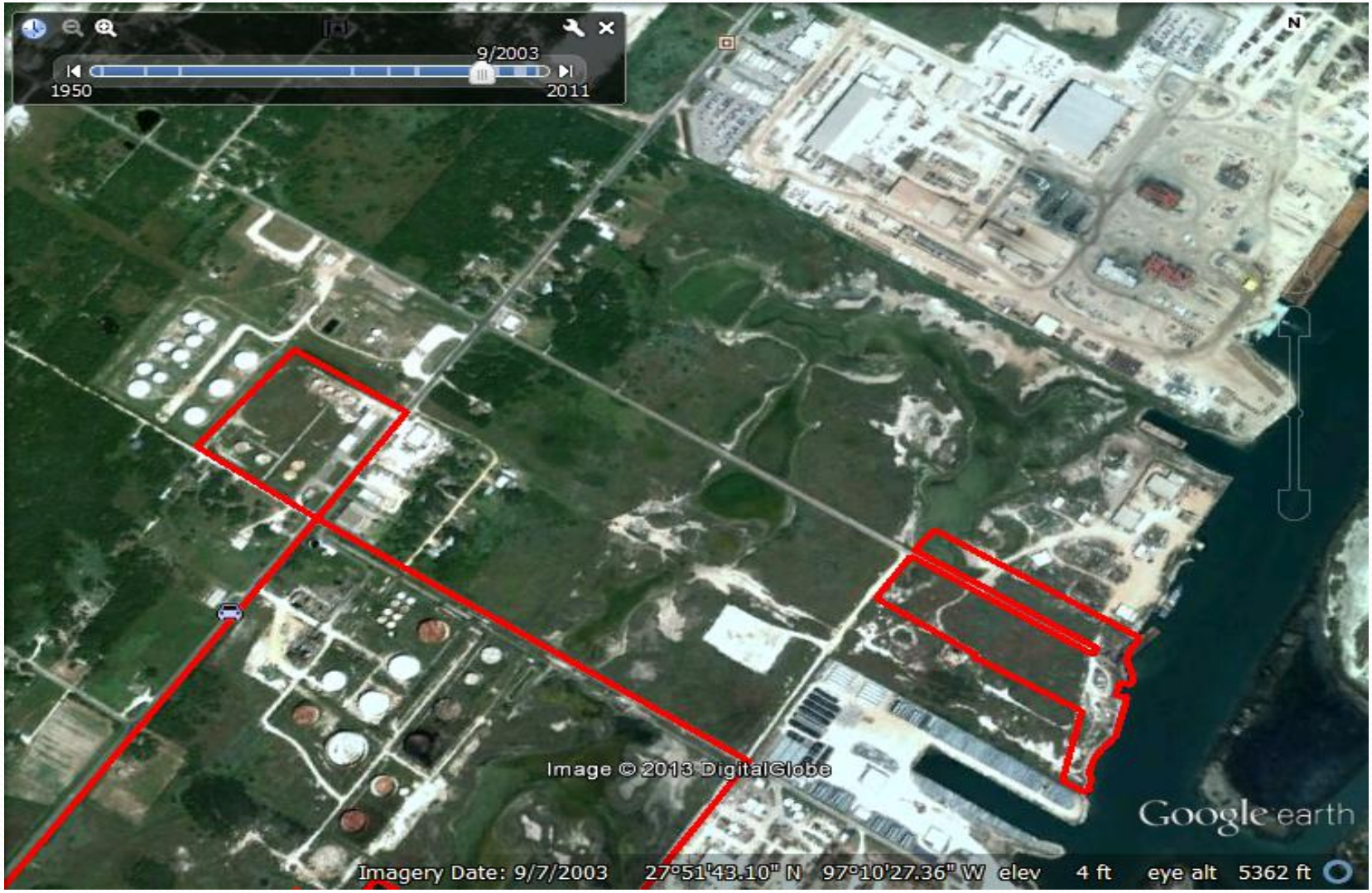
- Drainage Pathway No. 1
- Drainage Pathway No. 2
- Possible Drainage Pathway
- Pipeline

Protecting Texas by Reducing and Preventing Pollution

Reference

Ref. 17, pp. 33-35

09.2003 Aerial



Site History

- 4/1980: The refinery was constructed by UNI Refining
  - The refinery or portions thereof operated intermittently under various entities for refining and storage and then just storage.
- 12/1990: National Oil Recovery Corporation (NORCO) obtained the facility
- 6/1991: NORCO obtained the dock facility from Sun Operating.
  - It does not appear that NORCO ever operated the facility but did lease the facility out for use of the onsite storage tanks.

Enforcement – 2004

- Jun 2004: Two AOCs (Removal AOC and Remedial [RI/FS] AOC) issued to National Oil Recovery Corporation (NORCO).
- RI/FS AOC for Falcon Refinery as a Superfund Alternative Site.

Enforcement – 2010

- Feb 2010: NORCO advised EPA that it was financial unable to continue performance of Removal and RI/FS actions.
- Feb. 2010 to March 2011:
- EPA supports NORCO's attempt to sell the refinery because NORCO informs EPA that the sale proceeds would be used to finance the remaining requirements of the two orders.

Enforcement - 2011

- Mar 2011: EPA invokes work takeover provisions in Removal and Remedial Orders for default of both orders. EPA also sends notice that EPA intended to perfect a lien on the property.
- Apr 2011: EPA receives $1,000,000.00 from NORCO's two letters of Credit. ($500.000.00 each deposited into two separate Special Accounts.

Enforcement – 2011 (cont.)

- Mar 2011: EPA invokes work takeover provisions in Removal and Remedial Orders for default of both orders. EPA also sends notice that EPA intended to perfect a lien on the property.
- Apr 2011: EPA receives $1,000,000.00 from NORCO's two letters of Credit. ($500.000.00 each deposited into two separate Special Accounts.

Enforcement – 2012

- Feb 2012: NORCO sells the Falcon Refinery Site to Lazarus Texas Refinery I, LLC (LTRI).
  - Letter Agreement between NORCO and LTRI provides that LTRI is solely responsible for costs, expenses and penalties in any way relating to … the EPA mandated clean-up contemplated and provided for under the AOC's and Agreed Orders.
- Mar 2012: EPA sent letter to NORCO demanding payment of $209,036.12 to comply with RI/FS order.
- Sep 2012: EPA Cincinnati sends notice of non-compliance letter to NORCO for failure to pay past due amount of $209,036.12 for remedial.

Enforcement – 2012 (cont.)

- Mar 2012: EPA sent letter to NORCO demanding payment of $209,036.12 to comply with RI/FS order.
- Sep 2012: EPA Cincinnati sends notice of non-compliance letter to NORCO for failure to pay past due amount of $209,036.12 for remdial.

Enforcement - 2013

- Jan. 2013: Region 6 referral of Superior Oil to DOJ alleging OPA violations by Superior.*
- Aug 26, 2013: EPA received NORCO's CERCLA 104(e) response. EO's review of NOROC's response revealed numerous unanswered questions.

  - *NORCO/LTRI Lessee

Enforcement – 2013 (cont.)

- July 2013: CERCLA 104(e) Information Request sent to NORCO requesting:
  - information concerning the assumption of responsibilities by LTRI for costs, expenses and penalties;
  - and financial information to evaluate NORCO's obligations for the Site (inability to pay information).

- Aug. 2013: CERCLA 104(e) Information Request sent to LTRI requesting:
  - 1) information relating to intent to be responsible for NORCO's costs, expenses and penalties involving the Removal/Remedial AOCs issued to NORCO,
  - 2) information concerning its relations to its numerous related business entities, and
  - 3) information concerning its possible status as a bona fide prospective purchaser (BFPP).

ENFORCEMENT – 2013 (cont.)

- Aug 26, 2013: EPA received NORCO's CERCLA 104(e) response. EO's review of NORCO'S response revealed numerous unanswered questions.
- Sep 18, 2013: EPA received LTRI's CERCLA 104(e) response. EO's review of LTRI's response revealed numerous unanswered issues of concern.

Enforcement – 2014

- Drafting of follow-up questions underway to address unanswered responses in NORCO's and LTRI's CERCLA 104(e) responses.
- Continuation of coordination involving the dock area of the site between Remedial, Removal, Enforcement and Legal branches and John Carroll, LTRI concerning LTRI's bank loan to finance remaining removal action. (rewrite)

Enforcement – 2014 (cont.)

- Consideration be given for EPA to file lien on the site.
- EPA will follow up with 104(e) letters to NORCO and LTRI
- Consideration for classifying LTRI as a PRP
- Continued coordination involving the dock area of the site between Remedial, Removal, Enforcement and Legal branches and John Carroll, LTRI concerning LTRI's bank loan to finance remaining removal action.

Site History

Removal

- 08/2003: Action Memo for Oversight Costs Signed to be included in AOC ($99,993).
- 06/2004: Removal AOC entered into with PRP (National Oil Recovery Corporation (NORCO)) to conduct Removal Action. The Scope of Work is:
  - Remove/Dispose of source materials from tanks, misc. containers, equipment, buildings, piping, and piping to the docks
  - The work also includes:
    - Asbestos Inspection and Abatement
    - Assessment and Removal of Hazardous Substance, or Pollutants, or Contaminants
    - Decontamination of Containers, Equipment, Piping, and Buildings
    - Removal of Containers, Equipment, Piping, and Other Contaminated Items
    - Consolidation, Removal, and Disposal of Visibly Contaminated Soils

11.22.2011 Aerial

Site History

Removal

- During NORCO Ownership under the AOC (8/2003 – 2/2012), NORCO accomplished the following:
  - Disposal of:
    - 7.8 M gallons of hazardous waste liquids via deep well injection
    - 40 yd of petroleum contaminated soils
    - 15 yd hazardous solids
    - 58 T pounds of K169/Caustic Sludge
    - 166 T pounds K169 Sludge
    - 50 yd fiberglass insulation
  - Recycled 1.8 M pounds metal
  - Recycled 17 T gallons of oil
  - Cleaned/Gas Freed/Demolished 15 Tanks

Site History

Removal

- LTR1 actions since 2/12 – 12/12purchase:
  - Conducted Site Maintenance Activities
  - Repaired Secondary Containment
  - Cleaned and Made Temp. Repair to T12 to facilitate transfer of water from T26
  - Set up transfer piping to transfer water from T26 to T12
  - Irrigation Field Set Up for Land Application of Treated water from T12/26
  - Removed portion of T30 internal roof to access sludge
  - Disposed of 50 yd of fiberglass insulation from previous tank demo
  - Inventoried/Sample Waste for Disposal and Treatment Option.
- 1/13: LTR1 progress stops due to funding issues
- 3/13: LTR1 provides information about a loan it is seeking to continue progress at site
- 4/13 LTR1 indicates the loan value is initially $3.2 million but no further work can be done until loan is approved.

Items Remaining to be Completed

Removal

- Remaining Removal Activities:
- Tank 26
  - Transfer oily water from T26 to T12 or T16 or
  - Remove/Dispose of oily water/sludge (26,000 bbl/11375 bbl)
  - Demolish /RefurbishTank (as desired)
  - Remove all contaminated soils from below tank
- Tank 7
  - Remove/Dispose sludge from Tank (861 bbls)
  - Demolish /RefurbishTank (as desired)
  - Remove all contaminated soils from below tank
- Tank 30
  - Remove remainder of internal roof
  - Remove/Dispose of oily water/sludge (3032 bbl/3032 bbl)
  - Demolish /RefurbishTank (as desired)
  - Remove all contaminated soils from below tank
- Tank 12
  - Transfer oily water (6246 bbl) to T16 to be treated and irrigated
  - Demolish /RefurbishTank (as desired)
  - Remove all contaminated soils from below tank

Items to be completed

Removal

- Removal of materials from all piping and other equipment
- Butane Tank
  - Clean/Dispose of residual material
- Water Treatment System
  - Test installed irrigation system
  - Treat water with treatment chemical/sand/activated carbon
  - Test to determine if it meets TCEQ and Land Disposal Criteria and Retreat as necessary
  - Batch irrigate once water meets criteria
- Asbestos Removal
  - Conduct additional Asbestos Survey of Process Area
  - Conduct Asbestos Removal/Disposal as required
- Removal Action Report

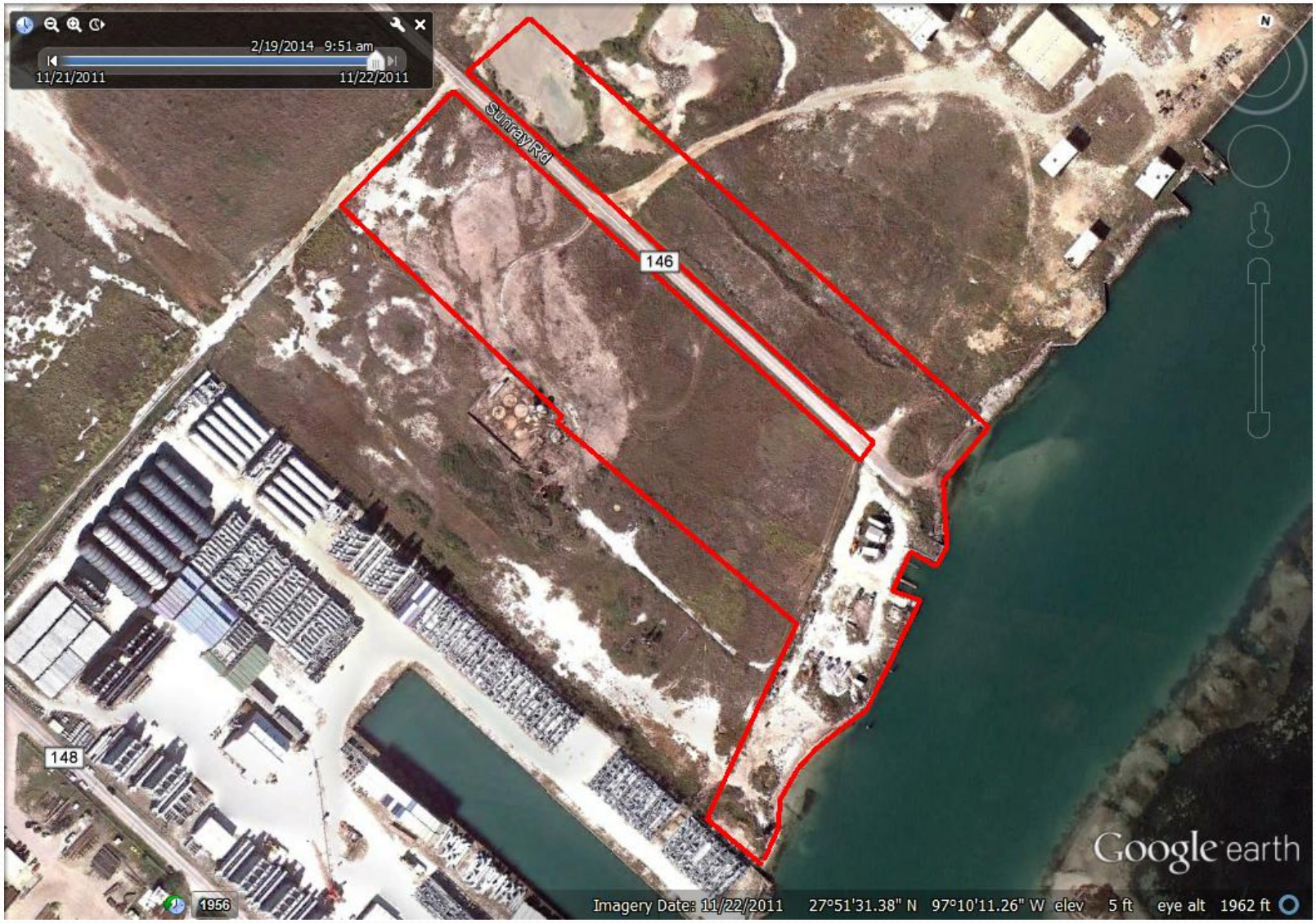
Aerial Photo of Feb 2010 Spill

11.22.11 Aerial Showing Property

North Refinery Area 11.22.13

Main Refinery Area 11.22.13

Refinery Dock Area 11.22.13



Refinery Dock Closeup 11.22.13

Tankage

Tank Number	Tank Capacity (bbls)	Waste Type	Waste Volume (feet)	Waste Volume (bbls)
7	10000	Sludge (K169)	2.5	861
12	100000	Oily Water	3	6246
26	65000	Oily Water Sludge (K169)	16 7	26000 11375
30	160000	Oily Water Sludge (K169)	0.75 0.75	3082 3082

- Tanks 13, 14, 15 being still with Superior Crude
- Tank 16 is being repaired by LTR1 (complete)

Estimated Costs

- Sludge: 643,356 gallons @6.02#/gal@ .0005 ton/# X $500/ton = $968,250
- Oily Water: 35328 bbls (1,483,776 gallons) X $1.00 = $ 1,483,000
- Asbestos Waste: $3600
- Soil: $ 50,000
- Transportation: $350,000
- Labor: $ 1,000,000
- Equipment & Supplies: $ 1,000,000
- Total: $ 5,821,500 (includes 20% contingency)

RI/FS

08/2007: NORCO conducts RI Sampling (Phase I).

05/2009 EPA approves RI/FS Phase II WP, FSP, & QAPP

RI/FS

03/28/2011: Work Takeover Letter issued to NORCO for default on Remedial Order

04/2011: EPA obtains $500K for Remedial through Letters of Credit from NORCO due to default on Remedial AOC

12/2011: EPA informs NORCO that EPA was taking over the RI/FS

RI/FS

09/2012: RI/FS Task Order issued to RACS Contractor ($500K need $1.2M).

02/2013: EPA approves Contractor's Site Management Plan, QAPP, and FSP for RI/FS.

08/2013: EPA Amends the FSP to conduct sampling in two phases

09/2013: Phase I sampling completed (Background sampling, monitor well installation, AOC 3, AOC 4, and AOC 5 sampling completed)

RI/FS

12/2013: EPA receives validated analytical data for Phase I sampling.

12/2013: LTRI requests EPA review risk assessment for AOC 4 prepared by LTRI's contractor

01/2014: EPA forwards LTRI's request to EPA's contractor to determine feasibility of using the information in EPA's Risk Assessment for the site.

RI/FS Schedule

Review data from Phase I sampling to determine data needs for Phase II Mar 2014

Phase II sampling (spring/summer 2014)

Risk Assessment for Site Sep 2014

RI Report Dec 2014

FS Report June 2015

N

0 200 400

Feet

Legend:

- Proposed Monitoring Well Location
- Proposed Soil Sample Location
- Area of Concern 1 Boundary

Source: AOC and pipeline locations from TRC, dated, March 10, 2011

Image Source: 2009 Texas Orthoimagery Program, Texas Strategic Mapping Program, TNRIS, 2009

Falcon Refinery Superfund Site
Ingleside, San Patricio County, Texas

Figure 2
AOC-1 Sample Locations
Field Sampling Plan

N

0 100 200

Feet

Legend:

- Proposed Monitoring Well Location
- Proposed Soil Sample Location
- Area of Concern 2 Boundary

Note:
Soil boring co-located with MW-11

Source: AOC and pipeline locations from TRC, dated, March 10, 2011

Image Source: 2009 Texas Orthoimagery Program, Texas Strategic Mapping Program, TNRIS, 2009

Falcon Refinery Superfund Site
Ingleside, San Patricio County, Texas

Figure 3
AOC-2 Sample Locations
Field Sampling Plan

Falcon Refinery Superfund Site
Ingleside, San Patricio County, Texas

Figure 4
AOC-3 Sample Locations
Field Sampling Plan

Falcon Refinery Superfund Site
Ingleside, San Patricio County, Texas

Figure 5
AOC-4 Sample Locations
Field Sampling Plan

Falcon Refinery Superfund Site
Ingleside, San Patricio County, Texas

Figure 6
AOC-5 Sample Locations
Field Sampling Plan

Falcon Refinery Superfund Site
Ingleside, San Patricio County, Texas

Figure 9
Background Sample Locations
Field Sampling Plan