

Recording Requested By and
When Recorded Return to:

Pipeline Operations
Sinclair Transportation Company LLC
2828 North Harwood Street, Suite 1300
Dallas, Texas 75201

SPACE ABOVE THIS LINE FOR RECORDERS USE ONLY

Parcel No.: RP10S23E360900

**THIS PROPERTY IS SUBJECT TO AN ENVIRONMENTAL COVENANT IMPOSING
ACTIVITY AND USE LIMITATIONS PURSUANT TO THE UNIFORM ENVIRONMENTAL
COVENANTS ACT, IDAHO CODE § 55-3001, et seq.**

ENVIRONMENTAL COVENANT

Sinclair Transportation Company LLC (hereafter referred to as "Sinclair Transportation"), GRANTOR, grants this Environmental Covenant. As provided in Idaho Code §55-3008, Sinclair Transportation is also the GRANTEE.

This instrument is an Environmental Covenant ("Environmental Covenant") executed by Sinclair Transportation and the Idaho Department of Environmental Quality ("Department") pursuant to the Uniform Environmental Covenants Act, Idaho Code §§ 55-3001 through 3015. This Environmental Covenant sets forth protective provisions, covenants, restrictions, and conditions (collectively referred to as "Activity and Use Limitations") on the Property described below. The Activity and Use Limitations are designed to protect natural resources, human health, and the environment. Sinclair Transportation is a "Holder" as defined in Idaho Code § 55-3002(6). Sinclair Transportation, as the current Property owner grants this Environmental Covenant to all signatories to this instrument.

Property. This Environmental Covenant concerns real property located at 409 East Highway 81, County of Cassia, State of Idaho, legally described as Cassia County Parcel RP10S23E360900 (hereafter referred to as "the Property"). The Property is legally described in the attached Schedule A. The Property and Restricted Area are depicted in the map attached as Schedule B.

Property Ownership. Sinclair Transportation hereby represents and warrants to the other signatories to this Environmental Covenant that it is the sole owner of the Property, holds fee simple title to the Property and Sinclair Transportation has the power and authority to enter into this Environmental Covenant.

Reason for Activity and Use Limitations. The environmental response project performed for environmental remediation of the Property is referred to as the Burley Products Terminal and responded to historical releases of petroleum products. The Property has been used for bulk storage of petroleum products for over 60 years. Response actions included a comprehensive groundwater monitoring program, excavation of impacted soils, and groundwater and soil

remediation using air sparging and vapor extraction/vapor recovery systems. The environmental response project was conducted under the oversight of the Department and the United States Environmental Protection Agency (“EPA”). This Environmental Covenant is required because residual concentrations of benzene and ethylbenzene exist in groundwater underlying portions of the Property. The concentrations exist at limited locations underlying the Property and are above the groundwater ingestion standard as determined by the Department. Therefore, future use of groundwater at the Property shall be limited to protect human health and the environment.

Name and Location of Administrative Record. A copy of the Electronic Data Management System No. 2011BAZ953 can be found at the Idaho DEQ Twin Falls Regional Office, located at 650 Addison Avenue West, Suite 110, Twin Falls, ID 83301

Activity and Use Limitations. By acceptance and recordation of this Environmental Covenant, Sinclair Transportation, and any successors in interest, are hereby restricted from using the Property, now or at any time in the future, as specifically set forth below:

1. There shall be no extraction of ground water under the Property for ingestion or culinary purposes. An existing domestic well is located on the Property in the lawn area northwest of the office building as shown on the maps attached as Schedule B and Schedule C. Water from this well is plumbed to two spigots on the exterior of the building, to the restroom inside of the building, and to a sink in a laboratory room in the building. No other access points are present.

Water from this well may be used to irrigate the lawn/landscaping on the Property, and for supplying water to the restroom in the building for the toilets, wash basins, and the emergency shower. A maintenance plan to provide continued use with restrictions is attached as Schedule C.

However, groundwater may be extracted at any point on the Property as part of the environmental response project.

Breach and Cure of Activity and Use Limitations. Sinclair Transportation, or its successors in interest, shall be responsible for demonstrating that use on the Property is in conformity with the Activity and Use Limitations. If any event or action occurs that constitutes or may constitute a breach of the Activity and Use Limitations, Sinclair Transportation, or any successors in interest, shall notify the Department within thirty (30) days of becoming aware of the event or action, and shall remedy the breach of the Activity and Use Limitations within sixty (60) days of becoming aware of the event or action, or such other time frame as may be agreed to by Sinclair Transportation, or any successors in interest, and Department.

Amendment by Consent. This Environmental Covenant may be amended by consent pursuant to Idaho Code § 55-3010. Except for an assignment undertaken pursuant to a governmental reorganization, assignment of this Environmental Covenant to a new Holder is an amendment. The Holder waives their right to sign the amendment as provided in Idaho Code § 55-3010(1)(c).

Duration and Termination. The Activity and Use Limitations shall apply to the Property, or any subdivided portion thereof, in perpetuity unless terminated by court action as provided in Idaho Code § 55-3009 or by consent pursuant to Idaho Code § 55-3010. Sinclair Transportation, or its successors in interest, may seek consent to terminate the Activity and Use Limitations that apply to the Property, or any subdivided portion thereof, pursuant to Idaho Code § 55-3010, by demonstrating with the record before the Department that:

Concentrations of petroleum constituents of interest in groundwater are at levels the Department deems in writing to meet groundwater ingestion criteria.

Upon a request and demonstration of the record for termination of the Environment Covenant, the Department will take all reasonable steps to locate or identify Holders to determine consent to terminate. If the Department finds that the person no longer exists or cannot be located or identified with the exercise of reasonable diligence, the Holder waives their right to sign the termination as provided in Idaho Code § 55-3010.

Provisions to Run With the Land. Each and all of the Activity and Use Limitations shall run with the land, and pass with each and every portion of the Property, and shall apply to and bind the respective successors in interest thereof. Each and all of the Activity and Use Limitations are imposed upon the entire Property unless expressly stated as applicable to a specific portion of the Property.

Concurrence of Subsequent Owners Presumed. All purchasers, lessees, or possessors of any portion of the Property shall be deemed by their purchase, leasing, or possession of such Property, to be in accord with the foregoing and to agree for and among themselves, and their successors, that the Activity and Use Limitations as herein established must be adhered to and that their interest in the Property shall be subject to the Activity and Use Limitations contained herein.

Recording/Filing of Environmental Covenant. This Environmental Covenant and any amendment or termination of this Environmental Covenant shall be recorded in the county recorder's office of every county in which any portion of the Property subject to the Environmental Covenant is located. This Environmental Covenant or any amendment or termination shall be recorded by Sinclair Transportation, or its successors in interest, within ten (10) days of receipt of this Environmental Covenant signed by the Department. Within ten (10) days of the recording of this Environmental Covenant, or any amendment or termination, Sinclair Transportation, or its successors in interest, shall provide to the Department a copy of this recorded Environmental Covenant, or any amendment or termination of this Environmental Covenant. Upon receipt of the copy of the recorded Environmental Covenant, and any amendment or termination therein, the Department shall post the copy of the fully executed instrument in the Registry as required by Idaho Code Section 55-3012(1). In addition, a copy of this recorded Environmental Covenant, or any amendment or termination, shall be provided by Sinclair Transportation, or by its successors in interest, to the following persons: (a) each person that signed this Environmental Covenant; (b) each person holding a recorded interest in the Property; (c) each person in possession of the Property; (d) each municipality or other local government in which the Property is located; and (e) any other person the Department requires. The validity of this Environmental Covenant is not affected by failure to provide a copy of this Environmental Covenant as required under this section.

Compliance Reporting. Sinclair Transportation, or and any successors in interest, shall submit to the Department on an annual basis written documentation verifying that the Activity and Use Limitations remain in place and their compliance with the activity and use limitations.

Enforcement. The Department and any party of this Environmental Covenant shall have authority to enforce the Activity and Use Limitations against Sinclair Transportation, or its successors in interest, including subsequent owners of the Property and any other person using the Property. Failure of Sinclair Transportation, or its successors in interest, to comply with any of the Activity

and Use Limitations set forth herein shall be grounds for the Department, or its successor, and/or any party to this Environmental Covenant to require that Sinclair Transportation correct or remove any violations of this Environmental Covenant. Violation of this Environmental Covenant shall be grounds for the Department, or its successor, and/or any persons identified in Idaho Code § 55-3011 to file civil actions against Sinclair Transportation, or its successors in interest, as provided by law or in equity, including without limitation, the Uniform Environmental Covenants Act, Idaho Code § 55-3011.

Non-Waiver. No failure on the part of the Department or any Holder at any time to require performance of any term of this Environmental Covenant shall be taken or held to be a waiver of such term or in any way affect the Department's or any Holder's rights to enforce such term.

Property Access. The Department shall have a right of access to the Property at reasonable times for the purposes of evaluating compliance with this Environmental Covenant.

Notice of Conveyance of Property. Within thirty (30) days of the closing of any conveyance of the Property, or part thereof, the Conveyer of the Property, shall provide written notice to the Department and each municipality or other local government in which the Property is located, the name and address of all the owners and/or occupants of the Property, or part thereof, conveyed. The Department shall not, by reason of this Environmental Covenant, have authority to approve, disapprove, or otherwise affect any conveyance of the Property except as otherwise provided by law.

Notices. All notices required hereunder shall be in writing and mailed in the United States Mail, postage prepaid, by certified or registered mail, return receipt requested, to the appropriate address indicated below, or at such address as a party, or its successors to this Environmental Covenant, may designate in a written notice given to the other parties to this Environmental Covenant. Notices which are deposited in the United States Mail in accordance with the terms of this provision shall be deemed received three (3) days after the date of mailing thereof.

OWNER: Pipeline Operations
Sinclair Transportation Company LLC
2828 North Harwood, Suite 1300
Dallas, TX 75201

THE DEPARTMENT:
Idaho Department of Environmental Quality
ATTN: Assessment and Compliance Bureau Chief
Waste Management and Remediation Division
1410 N. Hilton
Boise, ID 83706

Costs and Expenses. All costs of terminating this Environmental Covenant, including the cost of any remediation or abatement of any environmental condition related to Activity and Use Limitations pertaining to the Property, shall be borne by the party seeking such termination.

Partial Invalidity. If any portion of this Environmental Covenant or terms set forth herein is determined to be invalid for any reason, the remaining portion shall remain in full force and effect as if such invalidated portion had not been included herein.

Headings. Headings at the beginning of each section of this Environmental Covenant are solely

for the convenience of the parties and are not a part of this Environmental Covenant.

Idaho Code References. All references to the Idaho Code sections include successor provisions.

Reservation of Rights. Notwithstanding any provision of this Environmental Covenant, the Department retains all of its access and enforcement authorities under any applicable statute or rule. Nothing in this Environmental Covenant shall affect the Department's ability to enforce the terms of any Consent Order or other agreement relating to remediation of the Property entered into between the Department and Sinclair Transportation, or any other responsible party. Nothing in this Environmental Covenant shall affect the obligations of Sinclair Transportation, or any other responsible party under such consent order or other agreement. The Department's acceptance hereunder is based upon the information presently known or available to the Department with respect to the environmental condition of the Property, and the Department reserves the right to take appropriate action under applicable authorities in the event the Department determines new information warrants such action.

Effective Date. The effective date of this instrument shall be the date the fully executed Environmental Covenant is recorded at the county recorder's office.

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SCHEDULE A
PROPERTY DESCRIPTION

PARCEL NO. 1;

TOWNSHIP 10 SOUTH, RANGE 23 EAST OF THE BOISE MERIDIAN, CASSIA
COUNTY, IDAHO

Section 36: A part of Lot 2, more particularly described as follows:

Beginning at a point on the South right of way line of the Union Pacific Railroad
which is North 0°02' West 1956 feet and North 87°01' West 2068.3 feet
from the East Quarter corner of said Section 36;
Thence South 02°51'13" West for 120.43 feet (South 2°56'30" West 120.12 feet,
rec.);
Thence South 53°07'11" East for 259.11 feet (South 53°02' East 259.5 feet, rec.);
Thence South 44°56'28" East for 700.92 feet (South 44°49'30" East 694.85 feet,
rec.);
Thence North 88°35'18" West for 1268.66 feet (North 88°45' West 1263 feet,
rec.);
Thence North 00°04'59" East for 769.36 feet (North 0°02' West 770 feet, rec.);
Thence South 87°07'19" East for 571.50 feet (South 87°01' East 573 feet, rec.) to
the Point of Beginning.

SCHEDULE B
BURLEY PRODUCTS TERMINAL
RESTRICTED AREA MAP
409 EAST HIGHWAY 81, BURLEY, IDAHO



Base Image Source:
Google Earth



Restricted Area /
Approximate Site Boundary



Approximate Location of
Domestic Well

Burley Products Terminal
409 East Highway 81
Burley, Cassia County, ID
Schedule B

SCHEDULE C
DOMESTIC WELL MANAGEMENT PLAN

Domestic Well Limited Use Management Plan

The domestic well at the Burley Products Terminal office is located in the lawn area northwest of the office building. The well supplies water to two spigots on the exterior of the building (near the northwest and southwest corners of the building), to a sink in a small laboratory room on the north side of the building, and to the restroom area at the southwest corner of the building. There is no drinking fountain within the building; bottled water is purchased for drinking at the office.

The well is approximately 302 feet deep, with casing installed to 270.5 feet deep based on a driller's log on file at the Idaho Department of Water Resources. The well was sampled three times between November 1998 and April 2000. Gasoline chemicals of interest were not detected in any of the samples. The affected water bearing zones on the terminal are 60 feet below the ground surface or shallower.

Access to the site is limited to Sinclair Transportation personnel, transport drivers, and occasional visitors. Sinclair Transportation personnel include two full time employees who operate the terminal. Other Sinclair Transportation employees may visit from other locations to conduct various activities. Vendors or contractors may visit the terminal on an as-requested basis. Transport drivers use the loading rack to fill the tanker trucks. They receive paperwork from a printer located at the office building. There is no access to the water from the domestic well at the loading rack.

The exterior spigots are used to operate sprinklers for irrigating the lawn and landscaping area adjacent to the office building. This use will be continued. Signs will be placed on the exterior wall at each of the spigot locations stating that the water is non-potable.

Water from the well is used to supply the toilets, sinks, and an emergency shower in the restroom area. A bi-lingual sign will be placed on the interior wall near the sinks stating that the water is non-potable. A laboratory room contains a rarely-used sink that is supplied with water from the well. A sign will be placed on the interior wall near the sink stating that the water is non-potable. Sinclair Transportation personnel who operate the Burley Products Terminal will be tasked with verifying that the signs remain in place, remain legible, and replacing them as necessary. Verification that the signs are present and that water is not being used for ingestion will be included in the annual compliance report.



Schedule C
Office Area Features Map