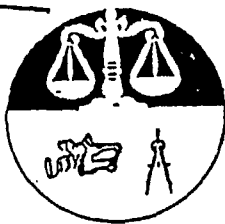


PLAINTIFF'S EXHIBIT

UC-P-64

DE 006828

LEGAL PRODUCTIONS



LEGAL PRODUCTIONS

1200 E. Hanison
Brownsville, Texas 78520
(512) 544-6881

FIELD FOOTAGE LOG

Ground level

PRODUCTION/PROJECT LPI/Union Carbide Corp.

Tape # 12

PAGE 1 OF 3
DATE 6-12-91

SCENE	TAKE	TIME	SHOT DESCRIPTION	COMMENTS
		0:00:00		
1	1	0:34:25	Top of tank #3321 (Overall view) 360° (2-1)(A-2)	Pan left then Pan Right
	2	0:50:07	Start over again Overall view @ 360° (2-1)(A-2)	P-L (2-3)(A-3)
	3	1:36:25	Top of tank #3321 @ 360° (Facing South) (2-1)(A-2)	P-R "
2	1	2:17:17	Facing South of blk. tank. Top of tank #3321	Stationary "
	2	2:27:21	Facing South " " " "	Z-O, P-L "
	3	2:31:03	" " " " "	Z-I, P-R, Z-O "
	4	3:01:03	" " " " "	Z-I & P-L "
	5	3:11:23	" " " " "	P-R, Z-I & jerking "
	6	3:31:11	" " " " "	P-R & P-L "
	7	3:52:04	" " " " "	P-L to P-R (2-3)(A-3)
3	1	4:08:22	Looking South @ Office Complex from tank #3321	Stationary "
	2	4:22:08	" " " " "	Z-I & Z-O "
4	1	4:39:12	Looking South @ 3 metal bldgs. from tank #3321	Z-O & Pan left "
5	1	4:52:25	" " " " "	Z-O, Pan left & Z-I "
6	1	5:24:12	Looking South @ bldg #461 from top of tank #3321	Stationary then Z-O "
	2	5:54:03	" " " " "	P-L, Z-O (2-3)(A-3)
	3	5:59:22	Looking East - Top of tank #3321 - brown pipes on ground	P-L, Z-I & Z-O "
	4	6:26:03	Looking East - #3321 - Asbestos pipe on ground	P-L, Z-I & Z-O "
	5	6:46:13	" " At brown pipes on ground	Z-I, Z-O "
	6	6:58:20	" " Framing of metal beams	P-L, Z-O, Z-I & Z-O "

DE 006829



LEGAL PRODUCTIONS

1200 E. Garison
Brownsville, Texas 78520
(512) 544-6881

FIELD FOOTAGE LOG

PRODUCTION/PROJECT LPI / Union Carbide Corp. Tape #12
PAGE 2 OF 3
DATE 6-12-91

SCENE	TAKE	TIME	SHOT DESCRIPTION	COMMENTS
6	6	6:58:20	Lost reading on previous page	
	7	7:35:11	Looking East @ Removed tank from tank #3321	P-L, Z-O, Z-I (23)(A-3)
	8	7:52:22	" " " " " "	Z-I + Z-O
	9	8:15:16	" to brush area (# tank 3321 to North)	P-L, Z-I, Z-O
7	1	8:48:28	From red bldg. to several tanks (Looking North)	P-Left
	2	9:03:23	" " " " " "	P-R, Z-I
	3	9:15:09	From tank #3321 (Looking North) to brown tanks	Z-O, Z-I, Z-O
	4	9:38:22	From tank #3321 (Looking North) to (5) spheres	Z-I + Z-O
	5	9:55:16	From tank #3321 to 3-tanks & 1-sphere	P-L, Z-I
	6	10:12:12	" " Looking North to 1-sphere	Z-I
	7	10:28:07	" " " " " "	Z-O, Z-I + Z-O
	8	10:57:19	" " " to blue bldg. facing (W)	P-L, Z-I, Z-O
	9	11:22:03	" " Looking West to removed tank	Z-I, Z-O, Z-I + Z-O
	10	11:55:06	" " " to concrete beams	P-R, Z-I + Z-O
	11	12:24:05	" " " " " "	Z-I, P-R, Z-O
	12	12:45:29	" " Looking West to orange bldg.	Z-I, Z-O
	13	13:03:15	" " " " to 2-Story Plant	Z-I, Z-O, Z-I
	14	13:35:04	" " " " Small metal bldg. (gray)	Z-O, Z-I
8	1	13:57:17	" " " " of blue bldg.	Stationary
	2	14:04:09	" " " " of white tank	Z-O, Z-I (23)(A-3)

DE 006830

DE 006831

Development of Gut Plan -
Braunsauke Plant

DE 006832

UNION
CARBIDE

UNION CARBIDE CORPORATION

35 OLD RIDGEBURY ROAD, DANBURY, CT 06817-0001

COATINGS & COATING MATERIALS DIVISION

FACSIMILE TRANSMITTAL COVER SHEET

SENDING TO FACSIMILE NO. 512-831-5278
TO: 621/10472
(Brownsville)
CC: _____

FROM: D. W. Lash
RE: Brownsville
DATE: 7/19/92

Total number of pages including this page: _____

Call 071/22 on telephone no. 203-794-2251 if you do not
receive all of the pages. Our Facsimile Number is 203-794-3133.

5055R/41

DE 006833

001

UNION CARBIDE-SOCIETY OF AMERICAN ENGINEERS

08:22

02/12/90

UNION CARBIDE CHEMICALS AND PLASTICS COMPANY INC.
Solvents & Coatings Materials Division

39 Old Ridgebury Road
Danbury, CT 06817-0001

Attorney Client Privileged

TO: B. Adler
F. H. Cone

DATE: February 9, 1990

CC: B. Cortez
C. R. Kline
J. Smith
D. B. Smith, II
M. E. Tapp
R. L. Homack

SUBJECT: Brownsville Site Exit Plan
Update

In accordance with your request, I have prepared the following outline and summary of the continuation of our efforts to develop an optimal series of actions for the final closing of and withdrawal from the Brownsville Plant Site which meets corporate environmental policies, minimizes UCC&Ps long term risk and evaluates the cost/benefit trade offs. This updated version was developed at a team meeting on January 30, 1990. The key plan components include the following activities:

- Definition of the site soil and water condition.
- Definition of a site remediation plan.
- Disposition of the land upon which the plant facilities are located.
- Disposition of buildings and structures.
- Disposition of machinery and equipment.
- Consideration of the above issues in light of the ongoing litigation.
- Preparation of two accruals, one for the ongoing commercial and legal activities and the other for all environmental activities.

The issues and actions associated with each of the above components are discussed below.

DE 006834

A. Definition of the Site Soil and Water Condition, Site Remediation Plan and Land Disposition Plan.

Mark Tapp estimates that the effort to define the site, soil and ground water conditions and to develop a remediation plan will be completed by the end of 1993. During this period the site manning and resources should remain at current levels. The activities of one employee, Dub Barnett, are solely devoted to environmental issues and will be reflected in the budgets and accruals as such. After 1993, we will need to continue to have personnel at the site to manage the remediation projects and these costs will be included in the environmental accrual once they are defined.

The Ball Mill Residue Basin Closure plan is based on the continuation of a non-RECRA designation. Maintaining a non-RECRA designation is critical to meeting the project's projected expenditures and timetable through 1994. During the closure of the Ball Mill Residue Basin, we discovered that a significant portion of the waste appears to have been generated by Amoco. Further investigation of the site revealed additional areas within the plant containing Amoco generated waste. We plan to notify Amoco of our findings and request that they participate in the remediation.

Once the site, soil and water surveys are completed and the remediation plans are developed, the team will choose one of the several options for the disposition of the land upon which the plant is located. There are at least three options for the land disposition:

- Terminate the lease and return the land to the Brownsville Navigation District (BND).
- Continue to lease all or a portion of the site on a long term basis until remediation is completed.
- Purchase all or appropriate portions, of the site.
- Combinations of the above.

The choice of the land disposition option will depend on the balancing of the following considerations: remediation time, future land use, risk, and cost. Implementation of any option requires negotiation with the BND.

The Brownsville Plant environmental expenditure forecast is shown in Table 1. The forecast lists the various environmental projects and their anticipated expenditures through 1994. These expenditures total \$8450M from January 1, 1990 through December 31, 1994. Future remediation costs will be projected for each project when defined. The remediation may take many years to complete depending on their nature.

RHL/5400m/2
2/9/90

DE 006835

The action items developed for the environmental portion of the site exit plan include:

<u>Actions</u>	<u>Responsibility</u>	<u>Completion Date</u>
Prepare site maps (which are grided) showing: • Those areas we believe will require further study • Those areas where Amoco generated waste is located. • Those areas designated RECRA and non-RECRA.	A. Booth	3/8/90
Prepare a letter to notify Amoco of their environmental responsibilities at the plant site.	F. H. Cone/ B. Adler	3/8/90
Ask the real estate department for assistance in valuing the land at the plant site.	R. W. Lasher/ F. H. Cone	3/8/90

B. Disposition of the Structures Located on the Site

The disposition of the structures located on the plant site will depend upon the option chosen for disposal of the land. At a minimum, the transite buildings (which contain asbestos) should be removed and properly landfilled, along with any transite siding. The concrete frames for the oxygen compressor building can remain on-site and should be tested for waste products and remediated if necessary. The estimated cost of the transite removal and disposal is approximately \$250M.

At the appropriate time, discussions should be held with the BND to determine those structures and equipment which may benefit the port such as docks and other general facilities. Obviously, if the land is returned to the BND the permanent buildings will be part of the negotiated package.

The action items developed for disposition of the structures include:

<u>Actions</u>	<u>Responsibility</u>	<u>Completion Date</u>
Explain the site exit plan to the BND.	R. W. Lasher/ B. Cortez	When Appropriate
Determine if the BND wants the docks, equipment located on them and other general facilities.	R. W. Lasher/ B. Cortez	When Appropriate
Determine if the BND is interested in selling the plant site and negotiate any land, building, facility and other site issues with the BND to achieve the exit plan.	R. W. Lasher/ B. Cortez	When Appropriate

RWL/5400m/3 - 2/9/90

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-4-

<u>Actions</u>	<u>Responsibility</u>	<u>Completion Date</u>
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Investigate the remaining permanent buildings for asbestos.	B. Cortez	4/2/90
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Determine if the BNO can use any clean concrete for fill.	R. W. Lasher/ B. Cortez	When Appropriate
---	----------------------------	---------------------

C. Disposition of the Machinery and Equipment

The team is of the opinion that the machinery and equipment located on the site should be dismantled and used at another Union Carbide location or sold to third parties and removed from the site. The equipment dismantlement is to include the removal and disposal of asbestos installation and all other cleanup activities. Investment Recovery will have the responsibility for this portion of the exit plan. Investment Recovery estimates the net dismantlement cost at \$125M. The basis for the cost estimate is shown in Table 3.

The timing of the dismantlement activities is dependent upon the Texas Supreme Court ruling whether they will hear RIO's appeal of the trial and appellate courts' decisions, which held, as a matter of law, that RIO Systems, Inc. has no right, title or interest in the Brownsville Plant. The Texas Supreme Court should rule by late March, 1990. This ruling is the key regarding UCC&P's undisputed ownership of the plant. If the court chooses to hear RIO's appeal then the timing of the dismantlement is unknown. If the court denies to hear the appeal, which is the most likely outcome, then the dismantlement can begin.

The actions required to initiate these activities are shown below:

<u>Actions</u>	<u>Responsibility</u>	<u>Completion Date</u>
----------------	-----------------------	------------------------

Prepare a surplus property declaration. Include any environmental issues associated with the dismantlement and specify disposal instructions.	B. Cortez/ M. Tapp	3/8/90
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Investment Recovery will contract for the dismantlement and the sale or transfer of the equipment.	J. Smith	2Q90
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Inform Universal Process Equipment and Louisiana Chemical Equipment of the dismantlement plans.	R. W. Lasher	When Appropriate
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RHL/5400m/4
2/9/90

DE 006837

D. Preparation of Accruals

The projected costs associated with the definition of the site soil and water conditions and the subsequent definition of site remediation plans are listed by project in an environmental accrual in Table 1. The total cost is estimated at \$8450M through 1994. This accrual does not include long term remediation activities which are not yet defined and may continue into the 21st Century.

The activities at the plant site should switch from disposition of the equipment, buildings and land to solely environmental activities by the beginning of 1994. Consequently, site activities other than environmental are budgeted through 1993 at an estimated cost of \$6462M. Table 2 itemizes these costs while Table 3 itemizes the equipment and building dismantlement costs along with the key assumptions.

E. Summary

The development and implementation of a site exit plan for the Brownsville Plant requires coordination of many interrelated activities, several of which are outside of UCC&P's control. The environmental remediation plan must be accepted by the Texas Water Commission and will ultimately determine the duration of our presence on the site. The BND will play a role regarding the site disposition options and the associated cost. Finally, the outcome of RIO's appeal to the Texas Supreme Court will determine the timing of the dismantling of the equipment and transite structures.

The plan will be updated as significant events occur and these activities and costs can be reasonably estimated so the accrual can be adjusted with some degree of precision.

Best regards,

Dick

R. W. Lasher

RHL/wg/S
5400m

02/12/98

08:26

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DE 006839

TABLE 1
Brownsville Plant Environmental Forecast

Acct. No.	Activities	1989	1990	1991	1992	1993	1994	Total 1990-1994 ⁵	Comments
594010	Ball Mill Basin/ Disposal Pits ¹	2944	1200	250	1000	100	100	2650	Non RCRA Designation
594120	Facility Survey/ Remediation ²	265	700	700	1500	1500	250	4650	
594110	4 Fuel Oil Tanks	142	0	0	0	0	0	0	
594020	2 HM Tanks & Incinerator	166	0	0	0	0	0	0	
594030	4 HM Tanks ³	156	50	215	70	70	70	475	
594040	9 NMH	18	0	0	0	0	0	0	
594160	PCB Trars.	0	40	0	0	0	0	40	
594100	Process Area Hastes	43	0	0	0	0	0	0	
594130	RCRA Permit ⁴	132	50	200	0	0	0	250	
594170	Soil Study	0	40	100	100	0	0	240	
New	UST Tank	0	50	25	0	0	0	75	
New	HM Sumps	0	70	0	0	0	0	70	
	TOTAL	3866	2200	1490	2670	1670	420	8450	

- 1 - Full RCRA closure/post-closure/corrective action required.
 2 - Inclusion into RCRA permit plus actual corrective action.
 3 - Full RCRA closure/post-closure required.
 4 - RCRA permit required for plant.
 5 - Remediation expenditures after 1994 to be defined.

RWL/255BH/1
1/9/90

TABLE 2
Brownsville Plants
Estimated Expenses 1990-1993

	\$M					
	1989 Actual	1990	1991	1992	1993	Totals ⁽⁵⁾
Labor (Excludes Garnett)	\$44	\$47	\$50	\$53	\$53	\$203
Contract Security	152	162	172	127 ⁽¹⁾	127	588
Contract Services	119	80	85	62 ⁽²⁾	62	289
Utilities	20	18	20	10	10	58
Property Taxes	48	48	48	6 ⁽³⁾	6	108
Lease Payments	102	102	102	150	150	504
Miscellaneous	2	17	10	10	10	47
Sub-Total	487	474	487	418	418	1,797
Litigation	398	400 ⁽⁴⁾	250	0	0	650
Exxon Pipeline Lease	4,621	2,760	0	0	0	2,760
Dismantlement		755	500			1,255
Total	\$5,108	\$4,534	\$1,237	\$418	\$418	\$6,462

- (1) Reduce guard force by 2 full time guards, on evening, nights and weekends.
- (2) Brown & root reduced to 2 full time employees.
- (3) Taxes are estimated on my estimate of the value of the remaining buildings - this might still be high.
- (4) Assumes favorable decision from Texas Supreme Court and trial court. Costs projected for limited issues.
- (5) For 1990 through 1993 only.

RWL/2559H/1
2/9/90

DE 006840

TABLE 3
Brownsville Dismantlement
Cost Estimate

Dismantle everything except brick and metal buildings, substations and the dock area. Fryable asbestos and transite buildings will be removed and properly landfilled.

	Estimated Cost \$M
Dismantlement Cost	\$755M
Equipment & Scrap Credit	(700)
Asbestos Removal Cost	436
Transite Buildings Removal Cost	250
Concrete Removal and Disosal	200
Residual Product Removal and Disposal	200
Subtotal	\$1,141M
Contingency @ 10%	114
Total	<u>\$1,255M</u>

The project is scheduled to be completed in 1991.

See attached list of assumptions.

RWL/2559H/2
2/9/90

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