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July 15, 2011

RECORDED IN 29841 FEB

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SURFACE TRANSPORTATION BOARD

Chief
Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423

Dear Section Chief:

Enclosed for recordation pursuant to the provisions of 49.U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Security Agreement and Lease Assignment, dated as of June 29, 2011, a primary document as defined in the Board's Rules for the Recordation of Documents.

We request that this document be cross-indexed.

The names and addresses of the parties to the enclosed document are:

Borrower/Mortgagor/
Lessor/Assignor

Rio Grande Chemical, Ltd.
901 Lindberg Avenue
McAllen, Texas 78501

Lender/Mortgagee/Assignee

San Antonio National Bank
45 N E Loop 410
San Antonio, TX 78216

A description of the railroad equipment covered by the enclosed document is twenty-five (25) AAR Car Type C112, 2004 ARI built, 3272 c.f. capacity, 286 GRI, two pocket covered hopper railcars with gravity unloading gates, numbered as follows: RGCX 1725, RGCX 1726, RGCX 1727, RGCX 1728, RGCX 1729, RGCX 1730, RGCX 1731, RGCX 1732, RGCX 1733, RGCX 1734, RGCX 1735, RGCX 1736, RGCX 1737, RGCX 1738, RGCX 1739, RGCX 1740, RGCX 1741, RGCX 1742, RGCX 1743, RGCX 1744, RGCX 1745, RGCX 1746, RGCX 1747, RGCX 1748, RGCX 1749.

Also enclosed is a check in the amount of \$41.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Please return a stamped copy of the enclosed document to the undersigned.

Chief
Section of Administration
Office of Proceedings
Surface Transportation Board
Page 2

A short summary of the document to appear in the index is as follows: a memorandum giving notice of the granting by Rio Grande Chemical, Ltd., as Mortgagor/Assignor, to San Antonio National Bank, as Mortgagee/Assignee, of a security interest in the 25 railroad cars described above, and giving notice also of the assignment by Rio Grande Chemical, Ltd., to San Antonio National Bank of all right, title, and interest of Rio Grande Chemical, Ltd., under a lease of said railroad cars to Halliburton Energy Services, Inc., which became effective May 10, 2011.

Sincerely,



R. Harry Akio

RHA/cgb
encl.

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SURFACE TRANSPORTATION BOARD

**MEMORANDUM OF SECURITY AGREEMENT
AND LEASE ASSIGNMENT**

dated as of June 29, 2011,

between

RIO GRANDE CHEMICAL, LTD.,
a Texas limited partnership,
as Borrower

and

SAN ANTONIO NATIONAL BANK ,
as Lender

**FILED WITH THE SURFACE TRANSPORTATION BOARD
PURSUANT TO 49 U.S.C. §11301**

MEMORANDUM OF SECURITY AGREEMENT AND LEASE ASSIGNMENT

THIS MEMORANDUM OF SECURITY AGREEMENT AND LEASE ASSIGNMENT, dated as of June 29, 2011, by and between **RIO GRANDE CHEMICAL, LTD. ("Borrower")**, a Texas limited partnership, and **SAN ANTONIO NATIONAL BANK ("Lender")**:

1. Lender has made loan to Borrower pursuant to a Promissory Note and Loan Agreement. Payment of said loan is secured by a Security Agreement and an Assignment of Lease.

2. Pursuant to said Security Agreement and said Assignment of Lease, Borrower grants to Lender a security interest in and assignment of all Borrower's right, title and interest in, to and under (but none of its obligations with respect to) the following, whether now owned or hereafter acquired:

(i) twenty-five (25) AAR Car Type C112, 2004 ARI built, 3272 c.f. capacity, 286 GRL, two pocket covered hopper railcars with gravity unloading gates, as more particularly described on Exhibit "A" attached hereto and made a part hereof and all replacements and substitutions therefor and accessions thereto;

(ii) that certain Rider No. 12 To Railcar Net Leasing Agreement with an effective date of May 10, 2011 ("Rider 12") between Borrower, as Lessor, and Halliburton Energy Services, Inc., as Lessee, which Rider 12 is related to and incorporates the terms of the Railcar Net Leasing Agreement dated April 1, 2004, between Borrower and Halliburton Energy Services, Inc., together with any and all related exhibits, amendments, addenda instruments, guaranties, and other agreements related thereto (collectively, the "Lease");

(iii) any and all rent, casualty, indemnity and other payments due under the Lease and the related lease documents;

(iv) all of Borrower's rights and entitlements under the Lease and related lease documents, including, among other things, the right to receive notices and financial information, to give or withhold consents and waivers, to declare or waive any default and/or exercise all remedies thereunder and to take any and all other actions associated with the Lease;

(v) all related accounts, guaranties, collateral pledges, and supporting obligations;
and

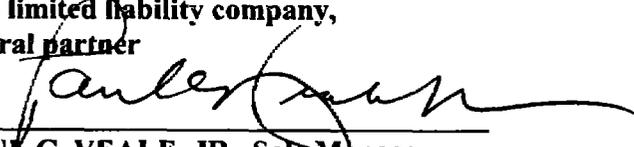
(vi) all proceeds of the foregoing.

(3) This Memorandum of Security Agreement and Lease Assignment may be executed in multiple counterparts, all of which taken together shall constitute one original agreement binding on the parties, notwithstanding that all parties are not signatories to the same counterpart.

IN WITNESS WHEREOF, each of the parties hereto has caused this Memorandum of Security Agreement and Lease Assignment to be executed by its duly authorized officer or representative as of the date first above written.

**RIO GRANDE CHEMICAL, LTD.,
a Texas limited partnership**

**By: RIO GRANDE CHEMICAL (GP), L.L.C.,
a Texas limited liability company,
its general partner**

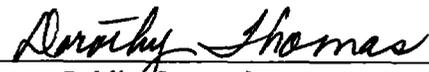
By: 
PAUL G. VEALE, JR., Sole Manager

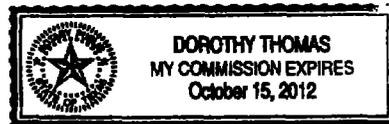
THE STATE OF TEXAS

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COUNTY OF HIDALGO

I hereby certify that on this 29th day of June, 2011, before me, personally appeared **PAUL G. VEALE, JR.**, to me personally known, who, being by me duly sworn, acknowledged himself to be the **Sole Manager of RIO GRANDE CHEMICAL (GP), L.L.C., a Texas limited liability company, the general partner of RIO GRANDE CHEMICAL, LTD., a Texas limited partnership**, and acknowledged that he, as such **Sole Manager**, being authorized so to do, executed the instrument for the purposes therein contained by signing the name of **RIO GRANDE CHEMICAL (GP), L.L.C., a Texas limited liability company, as the general partner of RIO GRANDE CHEMICAL, LTD., a Texas limited partnership**, by himself as **Sole Manager**.


Notary Public, State of Texas



SAN ANTONIO NATIONAL BANK

BY: *Pace Erbstoesser*

Pace Erbstoesser

(Name typed or printed)

ITS: SVP

THE STATE OF TEXAS

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COUNTY OF HIDALGO

I hereby certify that on this 29TH day of June, 2011, before me, personally appeared Pace Erbstoesser, to me personally known, who, being by me duly sworn, acknowledged himself to be the Senior V.P. of SAN ANTONIO NATIONAL BANK, and acknowledged that he, as such Senior V.P., being authorized so to do, executed the instrument for the purposes therein contained by signing the name of SAN ANTONIO NATIONAL BANK by himself as Senior V.P.

Kay G. Hernandez
Notary Public, State of Texas

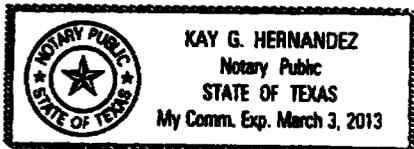


Exhibit "A"

Twenty-five (25) AAR Car Type C112, 2004 ARI built, 3272 c.f. capacity, 286 GRL,
two pocket covered hopper railcars with gravity unloading gates

Rio Grande Chemical, Ltd.

Halliburton Rider 12 Cars

Equipment Id	Equipment Group	Equipment Type Code	Mechanical Designation	Stenciled Mark Owner	Equipment Identification
RGCX 1725	HOPP	C112	LO	RGCX	0008971373
RGCX 1726	HOPP	C112	LO	RGCX	0008971374
RGCX 1727	HOPP	C112	LO	RGCX	0008971375
RGCX 1728	HOPP	C112	LO	RGCX	0008971376
RGCX 1729	HOPP	C112	LO	RGCX	0008971377
RGCX 1730	HOPP	C112	LO	RGCX	0008971378
RGCX 1731	HOPP	C112	LO	RGCX	0008971379
RGCX 1732	HOPP	C112	LO	RGCX	0008971380
RGCX 1733	HOPP	C112	LO	RGCX	0008971381
RGCX 1734	HOPP	C112	LO	RGCX	0008971382
RGCX 1735	HOPP	C112	LO	RGCX	0008971383
RGCX 1736	HOPP	C112	LO	RGCX	0008971384
RGCX 1737	HOPP	C112	LO	RGCX	0008971385
RGCX 1738	HOPP	C112	LO	RGCX	0008971386
RGCX 1739	HOPP	C112	LO	RGCX	0008971387
RGCX 1740	HOPP	C112	LO	RGCX	0008971388
RGCX 1741	HOPP	C112	LO	RGCX	0008971389
RGCX 1742	HOPP	C112	LO	RGCX	0008971390
RGCX 1743	HOPP	C112	LO	RGCX	0008971391
RGCX 1744	HOPP	C112	LO	RGCX	0008971392
RGCX 1745	HOPP	C112	LO	RGCX	0008971393
RGCX 1746	HOPP	C112	LO	RGCX	0008971394
RGCX 1747	HOPP	C112	LO	RGCX	0008971395
RGCX 1748	HOPP	C112	LO	RGCX	0008971396
RGCX 1749	HOPP	C112	LO	RGCX	0008971397