BARRY T. SMITHERMAN, CHAIRMAN
DAVID PORTER, COMMISSIONER
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GIL BUJANO, P.E.
DIRECTOR, OIL AND GAS DIVISION
DOUG O. JOHNSTON, P.E.
ASSISTANT DIRECTOR, TECHNICAL PERMITTING

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

EAGLE FORD RECLAMATION CO, LLC
1901 NAPA VALLEY DR SUITE 201B
LITTLE ROCK, AR 72212

November 08, 2013

Re: **THIS COVER LETTER ISSUED AS FIRST PART OF PERMIT - DO NOT SEPARATE FROM ATTACHED PERMIT**
Permit to Operate a Commercial Stationary Treatment Facility
Permit Number STF-053 **AMENDED**
Pit Permit Numbers P011844, P011845, P011846, P011847, P012028
Eagle Ford Reclamation Company, LLC Facility
Live Oak County, Texas

Mr. Jones,

This letter and the attached Commercial Stationary Treatment Facility amended permit constitute the authority of Eagle Ford Reclamation Company, LLC to operate the above referenced recycling facility.

The additional amendments to the amended permit issued July 05, 2013 are made pursuant to your request to amend the referenced permit that was received on August 13, 2013.

As noted on the last page of the permit, this third permit amendment differs from the second amended permit issued on July 05, 2013 by: changing the effective date from July 05, 2013 to November 08, 2013; amending Condition V.C. by eliminating the required testing of all incoming waste for TPH, Chlorides and pH; and making minor editing and formatting changes. The expiration date remains the same as in the permit issued on May 3, 2013.

You may contact Rob Conti at (512) 463-4056 or me at (512) 463 6760 should you have any questions.

Doug Johnson, P.E.
Assistant Director
Technical Permitting

Enclosure

cc: RRC District Office 02

BARRY T. SMITHERMAN, CHAIRMAN
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RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

EAGLE FORD RECLAMATION CO, LLC
1901 NAPA VALLEY DR SUITE 201B
LITTLE ROCK, AR 72212

Re: Permit to Operate a Commercial Stationary Treatment Facility
Permit Number STF-053 **AMENDED** Supersedes Permit Dated July 05, 2013
Pit Permit Numbers P011844, P011845, P011846, P011847, P012028
Eagle Ford Reclamation Company, LLC Facility
Live Oak County

Based on information contained in your application received August 3, 2012, subsequent information received to date, your request for specific minor amendments as discussed with Commission staff on May 22, 2013, your request to amend the referenced permit that was received on June 06, 2013, with subsequent information submitted on June 7 and June 18, 2013, and your request to amend the referenced permit that was received on August 13, 2013, you are hereby authorized to receive, store, handle, and treat certain non-hazardous oil and gas wastes as specified below at the following facility:

Eagle Ford Reclamation Company, LLC Facility
Latitude and Longitude- N 28.58530, W 98.22771
Comanche Hills 7.5 Minute USGS Quadrangle
Three Rivers, Texas
Live Oak County
RRC District 2 - San Antonio

Authority is granted to receive, store, handle, and treat certain nonhazardous oil and gas wastes in accordance with Statewide Rule 8 and Chapter 4, Subchapter B and subject to the following minimum conditions:

I. GENERAL PERMIT CONDITIONS

A. No oil and gas waste may be received, stored, handled, or treated at the referenced facility until financial security as required by Rule 78 is provided to and approved by the Commission.

B. No oil and gas waste may be received at the referenced facility until either: data are submitted to and approved by the Commission showing that an on-site 100-foot boring did not recover water in a 24-hour test; or monitor wells are completed, and

monitor well information is submitted to and approved by the Commission as required by Permit Condition II.

C. Technical Permitting in Austin and the San Antonio District Office must be notified in writing when construction of the facility is initiated.

D. The permittee may not begin receiving, storing, handling, or treating oil and gas waste at the facility until any necessary air permits or exemptions are obtained.

E. Technical Permitting in Austin and the San Antonio District Office must be notified in writing upon final completion of construction of the facility. The permittee may not begin receiving, storing, handling, or treating oil and gas waste at the facility until the District Office has performed its inspection of the completed facility and has verified that the facility is constructed in accordance with the application and this permit.

F. The effective date of this permit amendment is November 8, 2013.

G. The authority granted by this permit expires on May 2, 2018.

H. This permit may be considered for administrative renewal upon review by the Commission. Any request for renewal should be received at least 60 days prior to the permit expiration date.

I. Beginning three (3) months from the date of the permit and every three (3) months thereafter, permittee shall submit a Quarterly Report containing applicable information as required in the Conditions V.F., VII.B.3., VII.B.5., VIII.C. and VIII.D. of this permit for the previous three (3) month period. The first Quarterly Report shall cover the period of May 29, 2013, the date of the first permit amendment, through September 30, 2013. Subsequent Quarterly Reports shall cover the periods of October 1 through December 31, January 1 through March 31, April 1 through June 30 and July 1 through September 30.

J. This permit is not transferable without the consent of the Commission. Any request for transfer of this permit must be filed with Technical Permitting in Austin at least 60 days before the permittee wishes the transfer to take place.

K. This permit does not authorize the discharge from the facility of any oil and gas waste, including contaminated stormwater.

L. Material Safety Data Sheets must be submitted to the Austin Office for any chemical proposed to be used in the treatment of waste at the facility. Use of the chemical is contingent upon Commission approval.

M. Any soil, media, or other debris contaminated by a spill of waste or any other materials at the facility shall be promptly cleaned up and processed through the treatment cycle or disposed of in an authorized manner.

N. The permittee shall make all records required by this permit available for review and/or copying during normal business hours upon request of Commission personnel.

O. The permittee shall post a sign at the facility entrance, which shall show the permit number in numerals at least one inch in height.

P. Failure to comply with any provision of this permit shall be cause for modification, suspension or termination of this permit. This permit may be canceled if Technical Permitting determines that the facility is in violation of the conditions of this permit or if operation of the facility is causing or allowing pollution of surface or subsurface water.

Q. An independent laboratory neither owned nor operated by the permittee must conduct any analysis of sampling required by this permit.

II. MONITOR WELLS

Groundwater monitor wells are required to be installed, maintained and routinely sampled at the facility. The following provisions must be met for each well:

1) Three (3) monitor wells must be installed at the facility. The monitor wells are to be installed at the locations designated in the revised site plan dated June 07, 2013, Permit Appendix A (attached).

2) The monitor wells must be completed in accordance with 16 TAC Part 4, Chapter 76 (Water Well Drillers and Water Well Pump Installers).

3) The wells must be completed in the shallowest groundwater zone, and the completion must isolate that zone from any deeper groundwater zone.

4) The screened interval of the wells must be designed to intercept the top of the groundwater.

5) Provision must be made to protect the well heads from damage by vehicles and heavy equipment.

   i) The following information must be submitted within 30 days after the wells are completed:

a. A soil boring log for each well, with the soils described using the Unified Soil Classification System (equivalent to ASTM D 2487 and 2488). The log must also include the method of drilling, total depth, and the top of the first encountered water or saturated soils;

b. A well installation diagram for each well;

c. A survey elevation for each well head reference point; and

d. A potentiometric map showing static water levels and the calculated direction of groundwater flow.

6) The monitor wells must be monitored for the following parameters after installation, and quarterly thereafter:

1. Static water level	8. Nitrates
2. Benzene	9. Carbonates
3. TPH	10. Calcium
4. TDS	11. Magnesium
5. Chlorides	12. Sodium
6. Bromides	13. Potassium
7. Sulfates	

Copies of the results must be filed quarterly with Technical Permitting and the San Antonio District Office.

III. TRIAL RUN FOR ROAD BASE

The permittee must demonstrate the ability to successfully process at this facility the first one thousand cubic yard batch of waste to be used as road base before any additional waste may be received or processed for use as road base.

A. Technical Permitting in Austin and the San Antonio District Office must be notified at least 48 hours before waste processing for road base begins.

B. Samples of the processed waste to be used as road base must be collected and analyzed as required by Condition VII.C.2).

C. For waste material to be processed as road base, samples shall be collected from every 200 cubic yards of the first 1000 cubic yard batch and analyzed for wetting and drying durability by ASTM D 559-96, modified to provide that samples are compacted and molded from finished processed material. Total weight loss after 12 cycles may not exceed 15%.

D. A written report of the Trial Run must be submitted to Technical Permitting in Austin within 30 days of receipt of the analyses required in Condition III.D.4). The following information must be included:

1) the actual volume of waste material processed;

2) type of waste (as described in Condition IV.) and description of the waste material, including analyses required by Conditions V.B., V.C., V.D. and V.E.;

3) the volume and type of stabilization material used;

4) copies of all lab analyses required by Conditions III.C., V.B., V.C., V.D., V.E. and VII.C.2).

E. The process must begin with oil and gas waste of the type authorized in Condition IV. The final processed road base must meet the limitations of Conditions III.C. and VII.C.2).

F. The treated waste may not be applied to roads, and no additional waste may be received or processed for use as road base, until Technical Permitting has verified the results and determined that the waste was successfully processed.

IV. AUTHORIZED WASTES

Only wastes subject to the jurisdiction of the Railroad Commission of Texas and exempt from RCRA, Subtitle C may be received. You may receive, store, handle, treat and process only the following RCRA exempt or non-hazardous, non-injectable, oil and gas wastes:

> water based drilling fluids and the associated cuttings; oil based drilling fluids and the associated cuttings; tank bottoms from gas plants, crude oil reclamation plants and crude oil production/separation facilities; waste material from produced water collecting pits; produced formation sand; soil contaminated with produced water, crude oil, or condensate.

No waste may be received, stored, handled, or treated at the facility if it is not a waste under the jurisdiction of the Railroad Commission of Texas, it is a listed hazardous waste, or it exhibits one or more hazardous waste characteristics and does not fall within the oil and gas exemption of §3001(b)(2)(A) of RCRA. Special authorization for processing RCRA non-exempt oilfield waste may be considered. Authority must be obtained from Technical Permitting in Austin prior to acceptance of the waste.

Inert materials including cinder block, brick, rock, and gravel may be stored at the facility as necessary aggregate in the manufacturing of stabilized road base at the facility.

No asbestos-containing material regulated under the Clean Air Act or PCB (polychlorinated biphenyls) material regulated under the Toxic Substances Control Act may be accepted for processing at the facility.

No oil and gas NORM (naturally occurring radioactive material) waste as defined in 16 TAC §4.603 (Oil and Gas NORM) or waste from a facility that is licensed by the Texas Department of State Health Services to process or treat oil and gas NORM waste may be received at this facility, other than oil and gas NORM that does not exceed the maximum concentrations specified in Condition V.D. of this permit.

V. WASTE TESTING AND RECORD KEEPING REQUIREMENTS

A. For the purposes of this permit, other than TOX analyses, a representative sample of incoming waste is defined as a four-part composite sample comprising one grab sample from each 50 cubic yards of waste material from each 200 cubic yard lot (e.g., from each pit, spill location, tank bottom, or facility). For TOX analyses, a representative sample is defined as one grab sample from each 50 cubic yards of waste material from each job.

B. Prior to receipt at the site, representative samples of waste from commercial oil and gas facilities must be analyzed and may not exceed the limit for the following parameter:

PARAMETER	LIMITATION
TOX (Total Organic Halides)	100 mg/kg

Special authorization for processing of waste with a TOX >100 mg/kg may be considered. Authority must be obtained from Technical Permitting in Austin prior to acceptance of the waste.

C. Prior to or upon receipt at the site, representative samples of all incoming waste must be analyzed for the following parameters:

PARAMETER
none

D. Each load of incoming waste, other than water based drilling fluids and the associated cuttings, or oil base drilling fluid and the associated cuttings, must be scanned for the presence of naturally occurring radioactive material (NORM) using a scintillation meter with a sodium iodine detector. Any load with a maximum reading of 50 microroentgens per hour or more may not be unloaded or processed at the facility

unless further analysis of the waste demonstrates that the waste does not exceed 30 picocuries per gram Radium-226 combined with Radium-228 or 150 picocuries per gram of any other radionuclide.

E. The permittee shall maintain the following records on each load of waste received at the facility for a period of three (3) years from the date of receipt:

1) description of the site where the waste was generated, including:

i) generator name;
ii) lease name, lease number and well number or gas ID number or API well number;
iii) county; and
iv) carrier name;

2) amount of waste material received (specify units);

3) type of waste and description of the waste material, including any analyses required by Subsection V. For crude oil and/or condensate contaminated soil, clarify how determination was made that waste is exempt from RCRA, Subtitle C; and

4) copies of all lab analyses for each sample required to be analyzed by Conditions V.B., V.C, V.D. and V.E.

F. A report of the records required by Condition V.E.1), 2), 3) and 4) shall be submitted to Technical Permitting in Austin as part of the Quarterly Report required in Condition I.I. of this permit. If no waste was received within a reporting period, a written statement indicating that no waste was received must be submitted to Technical Permitting in Austin as part of the Quarterly Report required in Condition I.I. of this permit.

VI. GENERAL FACILITY DESIGN

A. The general layout and arrangement of the facility shall be consistent with the revised facility site plan dated June 07, 2013, which is incorporated as part of this permit as Permit Appendix A (attached).

B. Any chemical used in the treatment process shall be stored in vessels designed for the safe storage of the particular chemical and these vessels shall be maintained in a leak free condition.

C. Prior to beginning operations the facility shall have security to prevent unauthorized access. The entire property shall be surrounded by a wire fence. Access shall be

secured by a locked gate when the facility is unattended and by a security guard when attended. Only employees of the permittee may have a key to the lock.

VII. CONSTRUCTION, OPERATION AND PROCESS CONTROL

A. CONSTRUCTION

1) The facility storage vessels shall consist of:
   a. Fourteen (14) Above Ground Steel Storage Process and Non-Process Tanks with the following capacities/contents:

   1) 3,900-gallon thermal oil tank;

   2) 9,050-gallon scrubber condensate tank;

   3) 18,900-gallon recycled base oil (RBO) settling tank;

   4) 18,900-gallon water settling tank;

   5) 18,900-gallon diesel surge tank;

   6) 18,900-gallon rag* receiving tank;

   7) 21,500-gallon recycled base oil (RBO) sales tank;

   8) 18,900-gallon water product tank;

   9) 21,500-gallon bulk storage tank;

   10) 18,900-gallon rag* separation tank;

   11) 1,915-gallon centrifuge discharge tank 1;

   12) 1,915-gallon centrifuge discharge tank 2;

   13) 6,000-gallon nitrogen tank;

   14) 1,000-gallon emergency generator fuel tank;

   15) 25,000-gallon well water tank;

   16) 30,000-gallon propane tank;

   17) 1,300-gallon oil water separator tank;

18) 15,000-gallon blowdown water tank;

19) 15,000-gallon blowdown water tank; and

b. Four (4) collecting pits with a volume of 753 barrels per pit (Pit Permit Numbers P011844, P011845, P011846, P011847); and

c. One (1) washout pit with a volume of 641 barrels (Pit Permit Number P012028).

2) The entire facility shall be surrounded by an earthen berm. This berm shall be keyed into the underlying soil and shall be constructed to a height of two (2) feet and width at base of six (6) feet. The berm will compacted and maintained so as to allow for full liquid waste containment in the event of a catastrophic release.

3) Pits shall be designed with the following parameters:

a. The capacity of each collecting pit may not exceed 753 barrels (31,626 gallons). The capacity of the washout pit may not exceed 641 barrels (26,922 gallons).

b. At least 2 feet of freeboard must be maintained between the fluid level of the pit and the land surface.

c. No oil may be allowed to accumulate on top of the waste stored in the pit.

d. Unless otherwise required by the conditions of this permit, construction, use and maintenance of the pit shall be in accordance with the information represented on the application (Form H-11) and attachments thereto.

e. The collecting pits are to be constructed of 12-inch thick concrete lined with an epoxy coating. A 40-mil thickness High Density Polyethylene (HDPE) liner will be installed beneath each concrete pit so as to contain any leaks. Construction of the washout pit will be same as for the collecting pits, but without the epoxy coating.

f. A leak detection system consisting of a 4-inch observation well for each collecting and washout pit will be installed into the interstitial space between the concrete and liner. The interstitial space will be sloped so as to allow drainage of any leaks towards the observation well. The well will be monitored weekly for leaks. If a leak is detected the pit will be drained within 24 hours, inspected and repaired. If a leak is detected the San Antonio District Office must be notified immediately.

g. A sign shall be posted at the pit which shall show the pit permit number in numerals at least one inch in height.

h. The pit must be dewatered and emptied within 120 days of final cessation of use of the pit. Final closure of the pit must be accomplished in such a manner that rainfall will not collect at the pit location after pit closure. Upon final closure, the District Office shall be notified in writing.

B. OPERATION

1) Incoming waste must be unloaded directly from the transport truck or trailer into one of four collecting pits. Rinsate generated from washing out tank trucks or containers used to transport waste to the site must be contained in the truck wash catchment washout pit. Waste or rinsate may not be unloaded or discharged onto the ground.

2) The pits must be maintained in a leak-free condition. The pits must be emptied and inspected annually for deterioration and/or leaks. If inspection of a pit reveals deterioration and/or leaks, the pit must be repaired before resuming use of the pit.

3) The permittee must maintain a record of when the pits are inspected and the results of each inspection. A copy of the records shall be submitted to Technical Permitting in Austin as part of the Quarterly Report required in Condition I.I.

4) All solid waste curing pads shall be cleared and inspected annually for deterioration. If inspection reveals deterioration, the pads must be repaired before resuming use of the pad.

5) The permittee must maintain a record of when the pads are inspected and the results of each inspection. A copy of the records shall be submitted to Technical Permitting in Austin as part of the Quarterly Report required in Condition I.I.

6) Excess rainwater collected within the bermed area shall be removed and disposed of in an authorized manner.

7) Processed waste intended for use as road base product must have the appropriate amounts of inert aggregate so that the final treated material meets the limitations in Condition VII.C.

8) The material treated for use as road base must be segregated until laboratory results are received and demonstrate that the material meets permit specifications for use as road base.

9) The material treated for use as bulking agent, dust suppressant or daily landfill cover must be segregated from untreated waste, partially treated waste, and/or other recyclable products.

10) Recycled base oil, as described in the permit application, must be stored and segregated from untreated waste, partially treated waste, and other recyclable products.

11) No treated material shall be stockpiled on the ground.

12) Appropriate measures shall be taken to control dust at all times.

13) No more than 326,606 gallons total of liquid untreated waste, treated waste, and recycled base oil, as described in the permit application, may be stored at the facility at any one time. No more than 26,922 gallons (641 barrels) of rinsate may be stored in the washout pit at one time.

14) No more than 1,700 cubic yards total of solid untreated waste, treated waste, and/or recyclable product may be stored at the facility at any one time.

C. PROCESS CONTROL FOR ROAD BASE

1) Bench scale tests shall be performed as needed to determine optimum mixing design.

2) A sample of the final treated material shall be tested for the parameters listed below for every 800 tons of material produced. The 800-ton lot sample shall be composed of a composite of four (4) sub-samples obtained at 200-ton intervals. Each 800-ton lot sample shall be analyzed for the following parameters:

PARAMETER	LIMITATION
Compressive Strength by a TXDOT Approved Method	35 psi minimum
SPLP by EPA Method 1312	
Metals	
Arsenic	< 5.00 mg/l
Barium	< 100.0 mg/l
Cadmium	< 1.00 mg/l
Chromium (total)	< 5.00 mg/l
Lead	< 5.00 mg/l
Mercury	< 0.200 mg/l
Selenium	< 1.00 mg/l
Silver	< 5.00 mg/l
Zinc	< 5.00 mg/l
Benzene	< 0.500 mg/l
Chlorides	< 700.0 mg/l

TPH	< 100 mg/l
pH (Standard Units)	6 - 12.49

3) Any material not meeting the limitations in Condition VII.C.2. shall be returned to the mixing cycle and reprocessed, or reused in accordance with Condition VIII. of this permit.

VIII. PROCESSED SOLID MATERIAL & RECYCLED BASE OIL FINAL DISPOSITION

A. Processed solid material meeting process control parameters listed in Condition VII.C.2. is suitable for use as road base material and may be used as road base off-site. Processed solid material that does not meet process control parameters listed in Condition VII.C.2. may be used as a bulking agent, dust suppressant or daily landfill cover at TCEQ-permitted landfills that are authorized to accept oil and gas waste under the jurisdiction of RRC or disposed of in an authorized manner.

B. Recycled base oil, as described in the permit application, recovered during the treatment of oil and gas waste may be stored on site, reused on site in an authorized manner, or sold for reuse off site.

C. The following records shall be kept at the facility for a period of three (3) years from the date of removal for each load of processed solid material and recycled base oil:

1) the date the processed solid material or recycled base oil is removed from the facility;

2) the volume of processed solid material or recycled base oil removed from the facility;

3) the identification of the recipient;

4) documentation that the landowner of the receiving location has approved the use of the processed material on the landowner's property if used as road base on private roads;

5) documentation that the processed road base material has met the specifications required by the final user; and

6) documentation indicating the approximate location where processed solid material is used or disposed.

D. Copies of records required to be kept by Condition VIII.C. of this permit and copies of analyses demonstrating that processed road base material has met the limitations in

Condition VII.C.2. shall be submitted to Technical Permitting in Austin as part of the Quarterly Report required in Condition I.I.

E. The oil and gas waste may not be accumulated speculatively. Beginning with the effective date of the permit, and annually thereafter, the amount of waste that is recycled or disposed of in an authorized manner must equal at least 75% by volume of the amount of waste accumulated on the anniversary of the effective date of the permit. Eagle Ford Reclamation Company, LLC must keep records showing the volume of waste on hand as of the effective date of the permit, the amount of waste received during each year from the effective date of the permit, and the amount of waste remaining on each anniversary of the effective date of the permit. A copy of the records shall be submitted to Technical Permitting in Austin as part of the Quarterly Report required in Condition I.I.

IX. FACILITY CLOSURE

A. All waste must be processed through the facility and reused in accordance with Condition VIII. or disposed of in an authorized manner.

B. The contents of all tanks, pits, receiving pads or other containers shall be disposed of in an authorized manner.

C. All tanks, piping, pumps and related treatment equipment must be steam cleaned and removed from the property. Concrete structures such as any buildings or canopies may remain in place.

D. Representative soil samples must be collected from beneath each pit, each tank and any processed and unprocessed holding pads. The samples shall be analyzed and the following constituent levels shall not be exceeded:

PARAMETER	PRE-CLOSURE LIMIT
pH (Standard Units)	6 to 10
Electrical Conductivity (mmhos/cm)	4
TPH (weight %)	< 1
Metals (mg/kg)	
Arsenic	10.00
Barium	20,000.00
Cadmium	3.00
Chromium	100.00
Lead	200.00
Mercury	10.00
Selenium	5.00
Silver	200.00
BTEX (mg/kg)	30.00

E. Representative groundwater samples must be collected from the three monitor wells. Upon closure Technical Permitting will determine the analytical methods and constituent limits which are appropriate for facility closure.

F. A map showing the sampling locations and copies of the analyses required by Condition II.6. shall be submitted to the Austin Office.

G. Provisions shall be taken to prevent erosion both during and following closure.

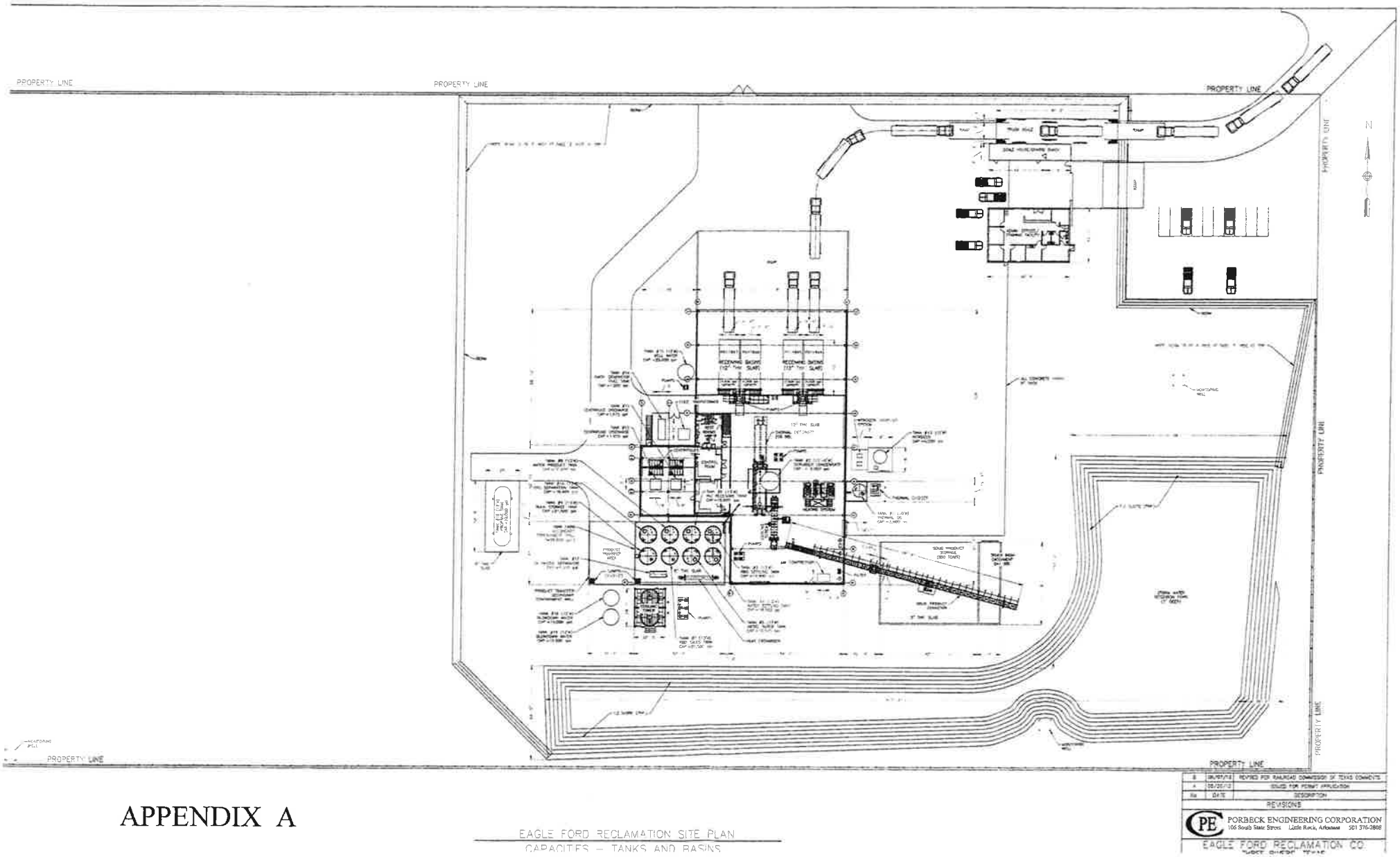
H. All monitor wells must be plugged in accordance with 16 TAC Part 4, Chapter 76 (Water Well Drillers and Water Well Pump Installers).

I. Technical Permitting in Austin and the San Antonio District Office must be notified in writing 45 days prior to commencement of closure activities.

Doug Johnson, P.E.
Assistant Director
Technical Permitting

Note: This permit differs from the second permit amendment issued on July 05, 2013 by: changing the effective date from July 05, 2013 to November 8, 2013; amending Condition V.C. by eliminating the required testing of all incoming waste for TPH, Chlorides and pH, and making minor editing and formatting changes. The expiration date remains the same as in the permit issued on May 3, 2013.

* The term "rag" is used to describe the emulsified layer of water and hydrocarbons that is produced during above processes.



APPENDIX A

EAGLE FORD RECLAMATION SITE PLAN

CAPACITES – TANKS AND BASINS