



# RAILROAD COMMISSION OF TEXAS

## OIL AND GAS DIVISION

SCOTT ENVIRONMENTAL SERVICES, INC.  
PO BOX 6215  
LONGVIEW, TX 75608

Re: Authorization to Treat Fresh Water Base and Oil Base  
Drilling Mud and Cuttings for Re-use  
Renewed and Amended, Supersedes Permit Dated  
November 10, 2010  
State of Texas  
Districts 01, 02, 03, 04, 05, 06, 7B, 7C, 08, 8A, 09,  
and 10

In accordance with Chapter 4, Subchapter B of the Commission's rules and based on information contained in your original application dated July 21, 2005, your amendment application dated March 29, 2007, your amendment application dated October 16, 2007, your amendment and renewal application dated April 8, 2010, your amendment application received October 31, 2012 and subsequent information received to date, you are hereby authorized to store, handle, treat and re-use fresh water base and oil base drilling mud and cuttings generated in the State of Texas for re-use for the following load-bearing structures in the State of Texas: lease roads, drilling pads, tank batteries, compressor station pads, and county roads. This authority is subject to the following minimum conditions:

### I. GENERAL PERMIT CONDITIONS

- A. The effective date of this permit is April 3, 2013.
- B. The authority granted by this permit expires on November 9, 2015.
- C. The Commission may consider this permit for administrative renewal upon review.
- D. Any request for renewal should be received at least 60 days prior to the permit expiration date. The Commission may consider administrative renewal of the permit upon review.
- E. This permit is not transferable without the consent of the Commission. Any request for transfer of this permit should be filed with Technical Permitting in Austin at least 60 days before the permittee wishes the transfer to take place.
- F. This permit does not authorize the discharge from the treatment sites of any oil and gas waste, including contaminated stormwater.
- G. The drilling mud and cuttings, stabilized waste (resulting from an interim processing step between the unprocessed mud and cutting becoming a partially treated waste), and

partially treated waste must be mixed, stored, handled and applied in such a manner that the mud and cuttings, stabilized waste, and partially treated waste will not migrate off the site or enter any drainage ditch, dry creek, flowing creek, river or any other body of surface water.

- H. Material Safety Data Sheets must be submitted to the Austin Office and the appropriate District Office for any chemical proposed to be used, and not previously approved by the Commission, in the treatment of waste. Use of the chemical is contingent upon Commission approval.
- I. Any soil, media, or other debris contaminated by a spill of waste or any other materials at the treatment sites shall be promptly cleaned up and processed through the treatment cycle or disposed of in an authorized manner.
- J. 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.
- K. 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 permittee is in violation of the conditions of this permit or if permittee's operations pursuant to the permit are causing or allowing pollution of surface or subsurface water.
- L. An independent laboratory neither owned nor operated by the permittee must conduct any analysis of sampling required by this permit.

## **II. SITING, CONSTRUCTION, OPERATION AND PROCESS CONTROL**

### **A. SITING**

- 1. The storage cells at the drill sites and the location at the receiving sites may not be located:
  - a. Within a 100 year floodplain.
  - b. In a streambed.
  - c. In a sensitive area.
- 2. The storage cells at the drill sites and the location at the receiving sites must be located:
  - a. Above the top of the seasonal high water table.
  - b. At least 100 feet from surface water.
  - c. At least 150 feet from water wells.

### **B. CONSTRUCTION**

- 1. The storage cells located at the drill sites shall be designed to prevent stormwater runoff from entering the area.
- 2. The storage cells located at the drill sites shall be surrounded by berms with a minimum width at base of 3 times the height.

3. If the treatment cell/areas located at the receiving sites are constructed with a berm, the height, slope, and construction material of such berms shall be such that they are structurally sound and do not allow seepage.

C. OPERATION

1. The appropriate District Office must be notified in writing at least 48 hours prior to treatment at any site outside of a tank or reserve pit. Notification must include the location of the site including when assigned the Lease Number or Gas I.D. Number and Well Number, API Number or county road number.
2. Water base mud and/or oil base mud from no more than a few wells may be treated at any one site.
3. Treatment and re-use may only occur on the surface of oil and gas leases owned by the same operator who generated the mud and cuttings or on county roads.
4. The permittee must notify the surface owner prior to placing the water base and/or oil base mud and cuttings or stabilized waste on the surface for treatment and prior to placing the recyclable product on the surface for re-use.
5. The permittee must obtain written permission from the county commissioners prior to re-using the recyclable product on county roads.
6. Free standing wastewater from pits containing water base mud and cuttings may be stored in a separate storage cell without stabilization at the drill site. The wastewater must either be used as specified in Permit Condition II.C.11. or must be disposed of in an authorized manner.
7. Water base mud and cuttings and/or oil base mud and cuttings shall be mixed with and stabilized with appropriate amounts of cement kiln dust, fly ash, lime kiln dust, Portland cement, magnesia, foamed asphalt, an asphalt emulsion, and/or lime to create a stabilized or a partially treated waste. Mixing shall be done mechanically, such as with a trackhoe, dozer and/or pug mill.
8. After stabilizing the mud and cuttings to create a stabilized waste, the partially stabilized waste may be stored in a storage cell at the drill site.
9. Any stabilized waste at the drill site shall be tested for salinity, metals and hydrocarbons. If the waste is stabilized at the drill site and stabilized and stored there before re-use, such testing shall be completed after such stabilization and storage.
10. Excess rainwater collected within a bermed area shall be removed and disposed of in an authorized manner.
11. Any stabilized waste in a storage cell at the drill site may be moved to the receiving site, and spread and shaped using mechanical means. Appropriate amounts of cement kiln dust, fly ash, lime kiln dust, Portland cement, asphalt emulsions, foamed

asphalt, or lime shall then be added to the shaped and spread waste and mechanically mixed. The waste shall then be watered, compacted and bladed to create the partially treated waste. Within 48 hours after its arrival, the stabilized waste must be processed at the receiving site to create the partially treated waste to be tested in accordance with Condition II.D.2. Free standing wastewater from a storage cell at the drill site may be used to supply all or part of the required water.

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

D. PROCESS CONTROL

1. Bench scale tests shall be performed as needed to determine optimum mixing design.
2. A sample of the partially treated waste at each receiving site shall be tested, after at least seven days of aging for the parameters listed below for every 800 cubic yards of material produced. Each 800 cubic yard sample shall be tested for compressive strength. For the SPLP and 7 Day Leachate Test, each 800 cubic yard lot sample shall be composed of four (4) sub-samples obtained at 200 cubic yard intervals. The samples shall be analyzed for the following parameters:

<u>PARAMETER</u>	<u>LIMITATION</u>
<b>Compressive Strength by Method</b>	35 psi minimum
<b>Tex-113-E, Tex-120-E, Tex-121E, or Tex-117-E</b>	
<b>SPLP by EPA Method 1312</b>	
Arsenic	<5.00 mg/l
Barium	<100.00 mg/l
Cadmium	<1.00 mg/l
Chromium	<5.00 mg/l
Lead	<5.00 mg/l
Mercury	<0.20 mg/l
Selenium	<1.00 mg/l
Silver	<5.00 mg/l
 Benzene	 <0.50 mg/l

**1:4 Solid: Solution 7 Day Leachate Test (LAC 43:XIX.Subpart 1)<sup>1</sup>**

Chlorides	<700.00 <sup>1</sup> mg/l
TPH	<100.00 mg/l
pH (Standard Units)	6 – 12.49

---

<sup>1</sup> If the hydraulic conductivity of the molded sample is less than  $1 \times 10^{-6}$  cm/sec, a leachate liquid formed by leaching the molded sample itself with four times the molded sample volume of distilled water may be tested for chlorides, TPH, and pH.

3. Any material not meeting the limitations in Condition II.D.2. shall be returned to the mixing cycle and reprocessed or disposed of in an authorized manner.
4. Partially treated waste meeting or exceeding process control parameters listed in Condition II.D.2. is a recyclable product and is suitable for use on lease roads, drilling pads, tank batteries, compressor station pads, and county roads.

### III. RECORDKEEPING AND REPORTING REQUIREMENTS

#### A. RECORDKEEPING

1. Records must be kept of all waste treated for a period of three (3) years from the date of treatment. These records must include the following:
  - a. Name of the generator.
  - b. Source of the waste (Lease Number or Gas I.D. Number and Well Number, or API Number).
  - c. Date the waste is treated at the drill site.
  - d. Volume of the waste treated at the drill site.
  - e. Date waste is removed to the storage cell at the drill site.
  - f. Salinity and TPH of the treated waste and free standing wastewater in the storage cell at the drill site.
  - g. Date treated waste is removed to the receiving site.
  - h. Volume of treated waste removed to the receiving site.
  - i. Date free standing wastewater is removed to the receiving site.
  - j. Name of the carrier.
  - k. Identification of the receiving site including the Lease Number or Gas I.D. Number and Well Number, API Number, or County Road Number.
  - l. Documentation that the landowner of the receiving location has been notified of the use of the recyclable product on the landowner's property if used on private land.
  - m. Documentation that the county commissioners have approved the use of the recyclable product on the county roads if used on county roads.
  - n. Copies of analyses demonstrating that the final processed material has met the limitations in Condition No. II.D.2.
  - o. Documentation indicating the approximate location where processed material is used including a topographic map showing the location of the area.

#### B. REPORTING

1. A copy of the records required in Permit Condition No. III.A. must be submitted to Technical Permitting in Austin as part of the Semiannual Report required in Condition No. III.B. of this permit. If no waste was treated within a reporting period, a written statement indicating that no waste was treated must be submitted to Technical Permitting in Austin as part of the Semiannual Report required in Condition No. III.B. of this permit. For compressive strength analyses, each test report shall contain an explanation of why a specific test method was selected for each sample of final treated material.

2. Beginning six (6) months from the date of the permit and every six (6) months thereafter, permittee shall submit a Semiannual Report containing applicable information as required in Conditions II.D. and III.A of this permit for the previous six (6) month period.

#### IV. CLOSURE

- A. All reserve pits must be closed as required by Rule 8.
- B. All partially treated waste must be tested and confirmed as a recyclable product, then applied and re-used to construct lease roads, drilling pads, tank batteries, compressor station pads, or county roads or shall be disposed of in compliance with Commission rules.
- C. All unused free standing wastewater remaining in any storage cell at a drill site must be disposed of in an authorized manner.
- D. All equipment must be removed from each site and any dikes leveled or removed.
- E. The contents of any vessels or other containers shall be disposed of in an authorized manner.

This authorization is granted subject to review and cancellation should investigation show that such authorization is being abused.

  
Michael Sims, P.E., Manager  
Environmental Permits & Support  
Technical Permitting

cc: RRC - San Antonio / 01 and 02  
RRC - Houston / 03  
RRC - Corpus Christi / 04  
RRC - Kilgore / 05 and 06  
RRC - Abilene / 7B and 7C  
RRC - Midland / 08 and 08A  
RRC - Wichita Falls / 09  
RRC - Pampa / 10

#### NOTES:

- 1) Updated waste and product classifications throughout the permit to be consistent with terms found in Chapter 4, Subchapter B.
- 2) Added provisions to allow for a variable in sampling for 1:4 Solid: Solution 7 Day Leachate Test if the hydraulic conductivity of the molded sample is less than  $1 \times 10^{-6}$  cm/sec.