



RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

Amended Permit No. STF-030
Supersedes Permit Dated August 20, 2013

TOPCAT TRUCK WASH, LLC
PO BOX 921
KILGORE TX 75663

Based on information contained in your application dated January 4, 2011 and subsequent information received to date, you are hereby authorized to receive, store, handle, and treat certain oil and gas wastes as specified below at the following facility:

Waskom Treatment Facility, Including Pit Permit Nos. 011654A, 011654B, 011655
S. Dickerson Survey, A-222
Latitude and Longitude: 32.480704°, -94.088901°
Harrison County, Texas
RRC District 06

NARRATIVE DESCRIPTION OF PROCESS

Incoming waste is offloaded into two aboveground mud storage tanks. The waste is directed through piping to a centrifuge where solids and liquids are separated. Processed solids are conveyed to the Mixing Pit and liquids are pumped to the Washout Pit. Emptied trucks are directed to the Washout Pit and rinsed with recycled wastewater resulting from the washout of vehicles and the mud separation process. Liquids in the Washout Pit drain to a sump where the liquids are pumped into aboveground water storage tanks. Excess water from the water storage tanks is piped to three frac tanks for final settling prior to being loaded onto trucks and hauled to an off-site permitted disposal well. Solids conveyed from the centrifuge to the mixing tank are stabilized with fly ash prior to removal and disposal at an off-site permitted disposal facility. Excess stabilized solids from the Mixing Pit may be stored in the Solids Storage Pit prior to removal and disposal.

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

I. GENERAL PERMIT CONDITIONS

- A. This permit is effective **September 13, 2013**, and expires **August 22, 2014**.
- B. This permit may be considered for administrative renewal upon request and subsequent review by the Commission.
- C. This permit is nontransferable without the consent of the Commission.

- D. No waste may be received at the referenced facility until the monitor wells required by Condition VIII have been completed and the documentation required by Condition VIII.A have been provided to and approved by Technical Permitting.
- E. The permittee shall make all records available for review and/or copying during normal business hours upon request of Commission personnel.
- F. All laboratory analyses required to be performed by Condition VIII.B shall be performed by an independent laboratory neither owned nor operated by the permittee.
- G. Failure to comply with any provision of this permit will be cause for modification, suspension, or termination of this permit.
- H. The permittee shall submit a Quarterly Report containing the applicable information required in Conditions III.C., V.F., VI.F., VII.H., and VIII.B of this permit. The reporting periods shall be January 1 through March 31, April 1 through June 30, July 1 through September 30, and October 1 through December 31 of each year.

The Quarterly Reports shall be submitted to Technical Permitting in Austin and the Kilgore District Office no later than the 31st day of the month following each reporting period, or each May 1, July 31, October 31, and January 31, respectively.

II. INCOMING WASTES

A. AUTHORIZED WASTES

1. Only RCRA exempt wastes subject to the jurisdiction of the Railroad Commission of Texas may be received or processed at this facility. This permit authorizes the receipt of only the following oil and gas wastes:
 - a. Water based drilling fluids and associated cuttings;
 - b. Oil based drilling fluids and associated cuttings;
 - c. Contaminated soils from RCRA exempt crude oil spills, gathering pipeline, and saltwater spills;
 - d. Formation sands and other solids from saltwater storage tanks or vessels and non-commercial saltwater pits;
 - e. Production tank bottoms which do not exceed 7% in oil content as determined by a Standard API Shakeout;
 - f. Liners from non-commercial reserve and washout pits.
2. This permit does not authorize the reclamation of crude oil from oil and gas waste. A request for authorization under Statewide Rule 57 must be submitted to Technical Permitting in Austin prior to any reclamation activities at the referenced facility.
3. No oil and gas Naturally Occurring Radioactive Material (NORM) waste defined in 16 TAC §4.603 or waste from a facility that is licensed by the Texas State Health Services to process or treat oil and gas NORM waste may be received at this facility.

4. No waste may be received at the facility if it is not a waste under the jurisdiction of the Railroad Commission of Texas. No hazardous waste, as defined by the U.S. Environmental Protection Agency in 40 CFR Part 261, or industrial waste may be received at the facility.

B. TESTING REQUIREMENTS FOR INCOMING WASTES

1. For the purposes of this permit, a representative sample of incoming waste is defined as a composite sample composed of one grab sample from each 50 cubic yards of waste material from each job (e.g., from each well, pit, spill location.)
2. Each load of incoming waste, other than water base drilling fluid and the associated cuttings, or oil base drilling fluid and the associated cuttings, must be scanned for the presence of NORM using a scintillation meter with a sodium iodide 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.

III. RECORDKEEPING REQUIREMENTS

- A. 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:
 - a. Generator name;
 - b. Lease name and number or gas ID or API Well Number; and
 - c. County;
 2. Name of transporter;
 3. Amount of waste material (specify units); and
 4. A description of the type of waste material, including:
 - a. Fluid-to-Solid ratio; and
 - b. Detailed description of the type of waste including any analysis required by Condition II.B.2 above.
- B. The permittee shall maintain the following records on each load of outgoing waste sent from the referenced facility to an authorized disposal facility for a period of three (3) years from the date of shipment:
 1. Description of the facility to where the waste is sent to for disposal, including:
 - a. Disposal operator name;
 - b. Disposal permit number; and
 - c. County
 2. Name of transporter;

3. Amount of waste material (specify units); and
 4. A detailed description of the type of waste material.
- C. A report of all records required by Conditions III.A. and III.B. above, as well as a summary of waste receipts including the volume of each type of material received on a monthly basis shall be submitted to Technical Permitting in Austin and the Kilgore District Office as part of the Quarterly Report required in Condition I.H. of this permit.

IV. CONSTRUCTION AND MAINTENANCE REQUIREMENTS

- A. The general layout and arrangement of the facility shall be consistent with the site plan dated March 8, 2011, which is attached to and incorporated as part of this permit as **Permit Appendix A**.
- B. A sign shall be posted at each entrance to the facility, which shall show the permit number in letters and numerals at least one-inch in height.
- C. Fly ash used in the treatment process shall be stored in vessels designed for the safe storage of the particular chemical. These vessels shall be maintained in a leak-free condition. Requests to use any other chemicals in the treatment process shall be submitted to and approved by Technical Permitting in Austin prior to use.
- D. The Process Area shall consist of the following equipment:
- One 500-bbl centrifuge;
 - Two 400-bbl mud tanks;
 - One nominal capacity centrifuge catch tank;
 - Four 400-bbl processing water tanks;
 - Three 500-bbl load-out frac tanks.
- E. Any pits and/or buried tanks shall be permitted in accordance with Statewide Rule 8.
- F. All untreated waste shall be contained in steel tanks or in permitted pits. All pits and tanks shall be maintained in a leak-free condition.
- G. All above ground tanks containing untreated waste shall be contained within a cinder block containment wall. Walls shall be constructed and maintained to a minimum height of three (3) feet and a thickness of at least six (6) inches. All wall sections constructed of cinder block shall be lined with a liner, such as gunite or shotcrete, that will not be reasonably expected to puncture, tear, or otherwise be structurally compromised by operations at the facility. The liner must be installed according to accepted, standard industry practices and must have a hydraulic conductivity equal to or less than 1×10^{-7} cm/sec. Manufacturer specifications and installation procedures shall be submitted to and approved by Technical Permitting in Austin prior to installation of the liner. The permittee shall notify the Kilgore District office at least 48 hours prior to liner installation. Use of the pit to contain oil and gas waste may not commence until the Kilgore District Office inspects the installed liner and Technical Permitting in Austin approves the use of the pit.

- H. The perimeter of the property shall be enclosed with a fence suitable to keep out unauthorized access to the extent where terrain and/or vegetation prohibit access to the facility. The site is to be attended continuously or secured when unattended.
- I. Any spill of waste, treating chemical, or any other material shall be immediately cleaned up and processed through the treatment process or disposed of in an authorized manner.
- J. Spills contained in the cinder block containment walls (as described in Condition IV.G. above) surrounding the mud storage tanks, processing water tanks, centrifuge, and load-out tanks shall be immediately removed and processed through the treatment process or disposed of in an authorized manner.
- K. This facility shall conform to all Texas Commission on Environmental Quality (TCEQ) air quality rules and regulations.

V. WASHOUT PIT (P011654A) CONSTRUCTION AND OPERATION

- A. Use of the Washout Pit (Permit No. P011654A) is limited to the residue from the washout of trucks that contained waste as described in Condition II of this permit.
- B. The Washout Pit bottom shall be constructed of concrete at least six (6) inches thick. The pit walls shall be constructed of concrete at least six (6) inches thick to a height of at least one (1) foot and cinder block at least six (6) inches thick to a total height of three (3) feet. All wall sections constructed of cinder block shall be lined with a liner, such as gunite or shotcrete, that will not be reasonably expected to puncture, tear, or otherwise be structurally compromised by operations at the facility. The liner must be installed according to accepted, standard industry practices and must have a hydraulic conductivity equal to or less than 1×10^{-7} cm/sec. Manufacturer specifications and installation procedures shall be submitted to and approved by Technical Permitting in Austin prior to installation of the liner. The permittee shall notify the Kilgore District office at least 48 hours prior to liner installation. Use of the pit to contain oil and gas waste may not commence until the Kilgore District Office inspects the installed liner and Technical Permitting in Austin approves the use of the pit.
- C. The capacity of the Washout Pit may not exceed 4,800 barrels.
- D. At least two (2) foot of freeboard must be maintained between the fluid level in the pit and the top of the pit.
- E. The pit must be emptied and the liner inspected annually for deterioration and/or leaks. The Kilgore District Office must be notified at least 48 hours before each inspection. The liner must also be inspected whenever evidence of liner leakage arises. If inspection of the liner reveals a leak or other loss of liner integrity, the liner must be replaced or repaired before resuming use of the pit.
- F. The permittee must maintain a record of when the liner is inspected and the results of each inspection. This record shall be submitted to Technical Permitting in Austin as part of the Quarterly Report required in Condition I.H. of this permit.

- G. Unless otherwise required by 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.
- H. A sign shall be posted at the pit, which shall show the pit permit number in numerals at least one inch in height.
- I. This permit does not authorize the discharge of any oil and gas waste from the pit.
- J. The pit must be dewatered, emptied, backfilled, and compacted 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, Technical Permitting in Austin and the Kilgore District Office shall be notified in writing.

VI. MIXING PIT (Permit No. P011654B) CONSTRUCTION AND OPERATING CONDITIONS

- A. Use of the Mixing Pit (Permit No. P011654B) is limited to the storage of processed solids from the 500-bbl centrifuge at the referenced facility. No other oil and gas waste may be stored in this pit.
- B. The Mixing Pit bottom shall be constructed of concrete at least six (6) inches thick. The pit walls shall be constructed of concrete at least six (6) inches thick to a height of at least one (1) foot and cinder block at least six (6) inches thick to a total height of three (3) feet. All wall sections constructed of cinder block shall be lined with a liner, such as gunite or shotcrete, that will not be reasonably expected to puncture, tear, or otherwise be structurally compromised by operations at the facility. The liner must be installed according to accepted, standard industry practices and must have a hydraulic conductivity equal to or less than 1×10^{-7} cm/sec. Manufacturer specifications and installation procedures shall be submitted to and approved by Technical Permitting in Austin prior to installation of the liner. The permittee shall notify the Kilgore District office at least 48 hours prior to liner installation. Use of the pit to contain oil and gas waste may not commence until the Kilgore District Office inspects the installed liner and Technical Permitting in Austin approves the use of the pit.
- C. The capacity of the Mixing Pit may not exceed 3,360 barrels.
- D. At least two (2) foot of freeboard must be maintained between the waste level in the pit and the top of the pit.
- E. The pit must be emptied and the liner inspected annually for deterioration and/or leaks. The Kilgore District Office must be notified at least 48 hours before each inspection. The liner must also be inspected whenever evidence of liner leakage arises. If inspection of the liner reveals a leak or other loss of liner integrity, the liner must be replaced or repaired before resuming use of the pit.
- F. The permittee must maintain a record of when the liner is inspected and the results of each inspection. This record shall be submitted to Technical Permitting in Austin as part of the Quarterly Report required in Condition I.H. of this permit.

- G. Unless otherwise required by 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.
- H. A sign shall be posted at the pit, which shall show the pit permit number in numerals at least one inch in height.
- I. This permit does not authorize the discharge of any oil and gas waste from the pit.
- J. The pit must be dewatered, emptied, backfilled, and compacted 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, Technical Permitting in Austin and the Kilgore District Office shall be notified in writing.

VII. SOLIDS STORAGE PIT (Permit No. P011655) CONSTRUCTION AND OPERATING CONDITIONS

- A. Use of the Solids Storage Pit (Permit No. P011655) is limited to the storage of solids processed in the Mixing Pit (P011654B) that have passed a paint filter test. No other oil and gas waste may be stored in this pit.
- B. A paint filter test must be performed on a representative sample of every 50 cubic yards of treated waste, or for the sum of treated waste placed in the Solids Storage pit within 24 hours, whichever is less. If the sample does not pass the paint filter test, the waste shall not be placed into the Solids Storage pit, and must be re-treated or disposed of in an authorized manner.
- C. The Solids Storage Pit base must be constructed of concrete at least six (6) inches thick and the walls constructed of cinder block or concrete at least three (3) feet high and six (6) inches thick. All wall sections constructed of cinder block shall be lined with a liner, such as gunite or shotcrete, that will not be reasonably expected to puncture, tear, or otherwise be structurally compromised by operations at the facility. The liner must be installed according to accepted, standard industry practices and must have a hydraulic conductivity equal to or less than 1×10^{-7} cm/sec. Manufacturer specifications and installation procedures shall be submitted to and approved by Technical Permitting in Austin prior to installation of the liner. The permittee shall notify the Kilgore District office at least 48 hours prior to liner installation. Use of the pit to contain oil and gas waste may not commence until the Kilgore District Office inspects the installed liner and Technical Permitting in Austin approves the use of the pit.
- D. The capacity of the Solids Storage Pit may not exceed 6,850 barrels.
- E. Solids placed in the pit must be removed within 30 days from the date the solids are placed into the pit.
- F. At least two (2) foot of freeboard must be maintained between the waste level in the pit and the top of the pit.
- G. The pit must be emptied and the liner inspected annually for deterioration and/or leaks. The Kilgore District Office must be notified at least 48 hours before each

arises. If inspection of the liner reveals a leak or other loss of liner integrity, the liner must be replaced or repaired before resuming use of the pit.

- H. The permittee must maintain a record of when the liner is inspected and the results of each inspection. This record shall be submitted to Technical Permitting in Austin as part of the Quarterly Report required in Condition I.H. of this permit.
- I. Unless otherwise required by 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.
- J. A sign shall be posted at the pit, which shall show the pit permit number in numerals at least one inch in height.
- K. This permit does not authorize the discharge of any oil and gas waste from the pit.
- L. The pit must be dewatered, emptied, backfilled, and compacted 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, Technical Permitting in Austin and the Kilgore District Office shall be notified in writing.

VIII. MONITOR WELLS

- A. Four (4) monitor wells must be installed and numbered as represented on **Permit Appendix A**.
 - 1. The wells must be completed in accordance with 16 TAC Part 4, Chapter 76 (Water Well Drillers and water Well Pump Installers).
 - 2. The wells must be completed in the shallowest groundwater zone and the completion must isolate that zone from any deeper groundwater zone.
 - 3. The screened interval of the wells must be designed to intercept the top of the groundwater.
 - 4. Provision must be made to protect the well heads from damage by vehicles and heavy equipment.
 - 5. The following information must be submitted 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.
 - d. A potentiometric map showing static water levels and the calculated direction of groundwater flow.

- B. 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 with Technical Permitting as part of the Quarterly Report required in Condition I.H. of this permit.

IX. STORMWATER CONTROL

- A. This permit does not authorize the discharge of oil and gas waste or stormwater that has come into contact with oil and gas waste.
- B. Stormwater dikes must be constructed around the area as depicted in **Permit Appendix A**. The dikes must be constructed with asphalt, concrete, or similar material to a minimum height of six (6) inches. Any road(s) traversing the dikes may not compromise the integrity of the dikes' ability to control stormwater.
- C. Stormwater collected in the treatment facility area must be disposed of in an authorized manner.
- D. All permitted pits at the facility shall be covered by a roof constructed in a manner to prevent rainfall from entering the pits.
- E. A discharge permit from the Environmental Protection Agency (EPA) may be required for non-contact stormwater discharges. If required, the permit from the EPA must be in place prior to commencement of discharge operations.

X. CLOSURE OF THE SITE

- A. Closure of the K & D Water Works Waskom Facility shall proceed as follows:
1. All waste must be processed through the facility or disposed of in an authorized manner. No waste may be permanently disposed of at this facility.
 2. The contents of all containment areas, tanks, vessels, or other containers shall be disposed of in an authorized manner.
 3. All treatment equipment shall be removed and salvaged, if possible, or disposed of in an authorized manner.
 4. All monitor wells shall remain unplugged and monitoring reporting requirements remain effective until written approval from Technical Permitting in Austin is granted for plugging the monitor wells.
 5. After waste removal and site excavation are completed, representative soil samples shall be obtained from around the location of the treatment facility as indicated in the application dated January 4, 2011 in Section 22.6. These

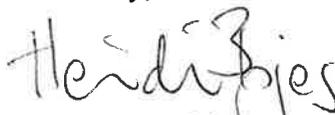
composite samples shall be analyzed and the following constituent levels shall not be exceeded:

Constituent (units)	Closure Limit
pH (s.u.)	6.0 to 10.0
Electrical Conductivity (mmhos)	4.0
TPH (mass %)	<1
BTEX (mg/kg)	30.0
Constituent (units)	
Closure Limit	
Metals (mg/kg):	
Arsenic	10.0
Barium	10000.0
Cadmium	10.0
Chromium	100.0
Lead	200.0
Mercury	10.0
Selenium	10.0
Silver	200.0

6. A map showing the sampling locations and copies of the analysis required by Condition X.A.5 shall be submitted to Technical Permitting in Austin. When acceptable constituent levels have been verified in writing by Technical Permitting, the earthen berms shall be leveled to grade. Topsoil shall then be contoured and seeded with appropriate vegetation.
 7. Provision shall be taken to prevent erosion both during and following closure activities.
- B. Technical Permitting and the Kilgore District Office shall be notified in writing at least 45 days prior to commencement of closure activity so that the Commission may monitor closure to assure compliance with the closure plan. Closure activities shall be performed in accordance with the information contained in the permit application dated January 4, 2011.

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

Sincerely,



Heidi Bojes, Manager
Environmental Permits and Support
Technical Permitting

Notes:

1. Removed Permit Condition I.D. referring to financial security.