HIGH ROLLER WELLS, LLC.
1008 SOUTHWEST CIRCLE
CENTER, TX 75935

Based on information contained in your application dated July 09, 2013 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:

   Commercial Oil and Gas Waste Separation Facility
   High Roller Wells, LLC Separation Facility
   High Roller Wells SWD Lease (262066)
   Samuel Steadham Survey, A-252
   Latitude and Longitude: 31.478293°, -94.113109°
   San Augustine County, Texas
   RRC District 06, Kilgore

NARRATIVE DESCRIPTION OF PROCESS

Incoming wastes are offloaded into two separate concrete flumes, one for liquids and one for solids. The solid waste is directed through the flume to the shaker screens then deposited in the roll out boxes located in the solids loading area. The liquid is then pumped over to the collecting pits (P011819A, P011819B, P011819C and P011819D). The accumulated solids are delivered to the Woolworth Road Landfill in Louisiana. The liquid waste offloaded goes directly to the collecting pits by way of the concrete flume. The liquids pass through the series of collecting pits and are then injected down the onsite salt water disposal well # 405-30454. The collecting pits are skimmed and the oil is stored in a 200 bbl steel storage tank, and then transported to a refinery. Emptied trucks are directed to the washout pit (P011818) and rinsed with fresh water; the resulting waste from the washout of vehicles is pumped into the collecting pits.

Authority is granted to receive, store, handle, and treat 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. This permit is effective April 24, 2014 and expires on April 24, 2019.

B. The permittee shall maintain financial security in the amount of $120,183.00 until this facility has been closed in accordance with this permit. Technical Permitting reserves the right to revise this amount, as necessary. Prior to any modification of this facility that would require increased financial security, an updated closure cost estimate must be submitted to Technical Permitting in Austin, and any additional financial security must be filed with and approved by the Commission prior to making that modification.

C. The permittee may not receive, store, handle, or treat oil and gas waste at the facility until all necessary air permits are obtained from the Texas Commission on Environmental Quality.

D. 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.

E. 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.

F. Any deviation from this permit must be approved by amendment from Technical Permitting in Austin before implementation.

G. Unless otherwise required by conditions of this permit, construction, use, and maintenance of the facility must be in accordance with the information represented in the permit application and attachments thereto.

H. This permit does not authorize discharge from the facility of any oil and gas waste, including contaminated storm water.

I. The permittee must post a sign at the facility entrance, which must show the permit number in numerals at least three inches in height.

J. Any soil, media, or other debris contaminated by a spill of waste or any other materials at the facility must be cleaned up immediately and processed through the facility or disposed of in an authorized manner.

K. Any soil additives or treatment chemicals must be approved by technical Permitting prior to use in the treatment.

L. Material Safety Data Sheets (MSDS) must be submitted to Technical Permitting in Austin 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. The permittee shall make all records available for review and/or copying during normal business hours upon request of Commission personnel.
N. 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 and VIII. B have been provided to and approved by Technical Permitting.

O. All laboratory analyses required to be performed by Condition VII.B shall be performed by an independent NELAP certified laboratory neither owned nor operated by the permittee.

P. The permittee shall submit a Quarterly Report containing the applicable information required in Conditions III.E., IV.C, V.I.E, V.I.E, 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.

Q. Prior authority to dispose of waste at this commercial facility must have been issued to a permitted waste hauler, who’s RRC-issued permit must list this commercial facility as authorized to receive waste from the permitted waste hauler.

R. The site-specific Spill prevention, Control and Countermeasure (SPCC) Plan must be maintained on-site and made available for review and inspection.

S. 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.

T. An On-Site Sewage Facility (OSSF) may be constructed, operated, and maintained within the boundaries of the subject facility without an additional permit from the Commission if: the OSSF waste is not commingled with any other oil and gas waste; the system is designed by a professional engineer registered in the state of Texas a sewage system installer licensed in the state of Texas; and the construction, operation, and maintenance of the OSSF complies with all applicable local, county, and state requirements.

II. AUTHORIZED WASTES

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

1. Water based drilling fluids and associated cuttings;
2. Oil based drilling fluids and associated cuttings;
3. Contaminated soils from RCRA exempt crude oil spills, gathering pipeline, and saltwater spills;
4. Formation sands and other solids from saltwater storage tanks or vessels and non-commercial saltwater pits;

5. Liners from non-commercial reserve and washout pits.

6. Tank bottoms from gas plants, crude oil reclamation plants, crude oil separation facilities, and crude oil production facilities;

B. 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.

C. 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.

III. WASTE TESTING REQUIREMENTS FOR INCOMING WASTES

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 taken from a 200 cubic yard lot with each grab sample taken 50 cubic yard intervals.

B. For TOX analyses, a representative sample of incoming waste is defined as one grab sample from each 50 cubic yards of waste material from each job. 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:

<table>
<thead>
<tr>
<th>PARAMETER</th>
<th>LIMITATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOX (Total Organic Halides)</td>
<td>100 mg/kg</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>PARAMETER</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Total Petroleum Hydrocarbons (TPH)</td>
</tr>
<tr>
<td>B. Chloride concentration</td>
</tr>
<tr>
<td>C. pH</td>
</tr>
</tbody>
</table>

D. Each load of incoming waste, other than water-based drilling fluids and associated cuttings, or oil-based drilling fluid and associated cuttings, must be scanned for the presence of Naturally Occurring Radioactive Material (NORM) using a scintillation meter with a sodium iodide detector. Any load with a reading of 50 microroentgens per hour or greater 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, and 150 picocuries per gram of any other radionuclide.
E. A report of all records required by Conditions III.B. and III.C. above, shall be submitted to Technical Permitting in Austin and the Kilgore District Office as part of the Quarterly Report required in Condition I.P. of this permit.

IV. 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;
   d. Latitude and Longitude if the waste was not generated on lease.

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 III.B and III.C 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 IV.A. and IV.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.P. of this permit.

V. CONSTRUCTION AND MAINTENANCE REQUIREMENTS

A. The general layout and arrangement of the facility shall be consistent with the site plan dated November 2013, which is attached to and incorporated as part of this permit as Permit Appendix A.
B. Any material 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.

C. The Process Area shall consist of the following equipment:
   1. One 962-bbl steel mud tank;
   2. Four shaker screens and roll out boxes;
   3. One 200 bbl steel oil storage tank;

D. Any pits shall be permitted in accordance with Statewide Rule 8.

E. All untreated waste shall be contained in steel mud tank, roll off boxes or in permitted pits. All pits, steel mud tank and roll out boxes shall be maintained in a leak-free condition.

F. All above ground tanks containing untreated waste shall be contained within a concrete containment wall. Walls shall be constructed and maintained to a minimum height of three feet and a thickness of at least one foot.

G. Spills contained in the containment walls (as described in Condition IV.F. above) surrounding the mud storage tanks, processing concrete flumes, and shakers, shall be immediately removed and processed through the treatment process or disposed of in an authorized manner.

VI. WASHOUT PIT (P011818) CONSTRUCTION AND OPERATION

A. Use of the washout pit (Permit No. P011818) is limited to the residue from the washout of trucks that contained waste as described in Condition II of this permit.

B. The capacity of the washout pit may not exceed 146 barrels.

C. At least two feet of freeboard must be maintained between the fluid level in the pit and the top of the pit.

D. The pit must be emptied and the concrete inspected annually for deterioration and/or leaks. The Kilgore District Office must be notified at least 48 hours before each inspection. The pit must also be inspected whenever evidence of leakage arises. If inspection of the concrete reveals a leak or other loss of integrity, the concrete must be replaced or repaired before resuming use of the pit.

E. The permittee must maintain a record of when the concrete 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.P. of this permit.

F. 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.

G. A sign shall be posted at the pit, which shall show the pit permit number in numerals at least three inches in height.

H. This permit does not authorize the discharge of any oil and gas waste from the pit.
I. 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. COLLECTING PITS (Permit Nos. P011819A, P011819B, P011819C, P011819D)
CONSTRUCTION AND OPERATING CONDITIONS

A. Use of the collecting pits (Permit Nos. P011819A, P011819B, P011819C and P011819D) is limited to the processing of liquid wastes from the offloading flumes and the washout pit (Permit No. P011818) at the referenced facility. No oil and gas waste may be stored in these pits.

B. The capacity of each collecting pit may not exceed 2,227 barrels. For a total capacity of 8,908 barrels combined.

C. At least two feet of freeboard must be maintained between the waste level in the pits and the top of the pits.

D. The pits must be emptied and the concrete inspected annually for deterioration and/or leaks. The Kilgore District Office must be notified at least 48 hours before each inspection. The pits must also be inspected whenever evidence of leakage arises. If inspection of the concrete reveals a leak or other loss of integrity, the concrete must be replaced or repaired before resuming use of the pits.

E. 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.P. of this permit.

F. 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.

G. A sign shall be posted at the pits, which shall show the pit permit numbers in numerals at least three inches in height.

H. This permit does not authorize the discharge of any oil and gas waste from the pits.

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

VIII. MONITOR WELLS

A. Three (3) 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 well must be water tight at the surface and fitted with a lockable water tight expansion cap.

6. 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, screened interval and the top of the first encountered water or saturated soils.
   b. A well installation diagram detailing construction specifications 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  
2. Benzene  
3. TPH  
4. TDS  
5. Chlorides  
6. Bromides  
7. Sulfates  
8. Nitrates  
9. Carbonates  
10. Calcium  
11. Magnesium  
12. Sodium  
13. Potassium

C. Copies of the results must be filed with Technical Permitting as part of the Quarterly Report required in Condition I.N. 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 earthen dikes must be constructed with native soil material to a minimum height of six (6) inches and six (6) inches wide. 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. 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 High Roller Wells, LLC. 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 requirements remain effective until written approval from Technical Permitting in Austin is granted for plugging the monitor wells.

5. A minimum of two representative soil samples per acre must be taken to characterize the scope of any contamination at the facility. Samples must be taken from around the Washout Pit and Collecting Pits, berms, storage, tanks, and processing equipment and from underneath the Truck unloading area and Solids Loading area. Those samples must be analyzed for the following constituent levels:

<table>
<thead>
<tr>
<th>PARAMETER</th>
<th>CLOSURE LIMIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>pH</td>
<td>6.0 to 10.0 s. u.</td>
</tr>
<tr>
<td>Electrical Conductivity (EC)</td>
<td>4.0 mmhos/cm</td>
</tr>
<tr>
<td>TPH (at least to C40)</td>
<td>&lt; 1% by mass</td>
</tr>
<tr>
<td>BTEX</td>
<td>30.0 mg/kg</td>
</tr>
<tr>
<td>Metals:</td>
<td></td>
</tr>
<tr>
<td>Arsenic</td>
<td>&lt; 10.0 mg/kg</td>
</tr>
<tr>
<td>Barium</td>
<td>&lt; 20,000 mg/kg</td>
</tr>
<tr>
<td>Cadmium</td>
<td>&lt; 1.00 mg/kg</td>
</tr>
<tr>
<td>Chromium (total)</td>
<td>&lt; 5.00 mg/kg</td>
</tr>
<tr>
<td>Lead</td>
<td>&lt; 200 mg/kg</td>
</tr>
<tr>
<td>Mercury</td>
<td>&lt; 10.0 mg/kg</td>
</tr>
<tr>
<td>Selenium</td>
<td>&lt; 5.0 mg/kg</td>
</tr>
<tr>
<td>Silver</td>
<td>&lt; 200 mg/kg</td>
</tr>
</tbody>
</table>
6. A map showing the sampling locations and copies of the analyses required by Condition X 5. must be submitted to Technical Permitting in Austin. When acceptable soil constituent levels have been verified by Technical Permitting in Austin, the earthen berms must be leveled to grade and topsoil must 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 July 09, 2013.

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

APPROVED AND ISSUED ON April 24, 2014

Grant Chambless, P.G.
Manager, Environmental Permitting and Support

cc:
ATTN: CHRISTOPHER HOTCHKISS
ATTORNEY AT LAW
P O BOX 1945
AUSTIN TX 78767