RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

PERMIT TO STORE, HANDLE, SEPARATE, AND RECLAIM CERTAIN
NON-HAZARDOUS OIL AND GAS WASTES

AMENDED
Permit No. STF-074,
Associated Permit Nos. R9 08-1519 and P012581
Supersedes Permit Dated August 10, 2016

TERVITA, LLC
10613 W. SAM HOUSTON PKWY, SUITE 300
HOUSTON, TX 77064

Based on information contained in the original application, received August 12, 2013, the transfer request received December 29, 2015, the amendment request received on June 28, 2017, and subsequent information received to date, you are hereby authorized to receive, store, handle, treat and reclaim certain oil and gas wastes as specified below at the following facility:

Crane County Stationary Treatment Facility (STF)
T & P Railway Company Survey, A-862
Latitude, Longitude: 31.628972°, -102.329287°
Crane County, Texas
RRC District 08, Midland

NARRATIVE DESCRIPTION OF PROCESS

Incoming oil and gas waste is transferred from vacuum trucks into a concrete unloading trench and settling box and then overflows into the distribution area. Fluids are then pumped through the shakers to the receiving tanks and allowed to further settle to displace more residual solids. Once these solids have settled, the liquid fraction is pumped to a centrifuge and then gun barrel tank where it is gravity separated into solids, brine water, and an oily emulsion. The oily emulsion is transferred from the gun barrel tank to the concentrated oil tank. The brine water fraction is conveyed from the gun barrel tank to the settling tank and on to the brine distribution tank. Fluids in the brine distribution tank are recycled and used to clean the inside of trucks that contain heavy solids or disposed of in an authorized manner. Separated oil is conveyed to the oil storage tank is reclaimed and sold to an authorized crude oil gatherer. Separated solids that settle in the tanks and boxes onsite are disposed of off-site at a waste disposal facility authorized to accept the wastes.

Authority is granted by the Railroad Commission of Texas (RRC) to separate and reclaim oilfield related hydrocarbons in accordance with 16 Texas Administrative Code (TAC) §3.57 (Statewide Rule 57), 16 TAC §3.8 (Statewide Rule 8), and is subject to the following minimum conditions:
I. GENERAL PERMIT CONDITIONS

A. The authority granted by this permit is effective **November 13, 2017**, and will expire on **August 9, 2021**.

B. The permittee may not receive, store, handle, treat and reclaim oil and gas wastes at the facility until financial security in the amount of **$165,000.00** is provided to and approved by the RRC for the referenced location. This amount provides financial security for the RRC permitted waste storage and treatment units as listed in their respective permits.

C. In accordance with 16 TAC § 3.78 the permittee shall maintain financial security in the amount of **$165,000.00** until this facility and all of the referenced Permit Nos: **STF-074, R9 08-1519** and **P012581** have been closed in accordance with this permit. Technical Permitting reserves the right to revise this amount, as necessary. Prior to any modification or expansion 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 RRC prior to making that modification.

D. The permittee may not begin receiving, storing, handling, treating, separating, reclaiming or disposing of oil and gas waste at the facility until all necessary air permits or exemptions (if any) are obtained from the Texas Commission on Environmental Quality (TCEQ).

E. The facility’s Stormwater Management Plan shall be maintained on-site and made available upon request of the RRC.

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

G. A discharge permit from the Environmental Protection Agency (EPA) may be required for non-contact storm water discharges. If required, the permit from the EPA must be in place prior to commencement of discharge operations.

H. A copy of the site-specific Spill Control Plan that details means and methods of waste management and containment in the event of a release or discharge must be maintained on-site and made available to RRC staff for review and inspection upon request.

I. 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.

J. The “Application For Permit To Operate A Reclamation Plant” (Form R-9), which is attached to and incorporated into this permit as **Permit Appendix A**, grants authority for the active reclaiming of oil field related hydrocarbons and does not cover reclamation of any refined products. Commingling or blending of refined products with crude oil or condensate is not permitted unless written authority is granted by the RRC’s Director of Field Operations following a formal written request for such blending by the Reclamation Plant operator. Any deliveries made containing refined products or crude blended with refined products must be clearly identified on the RRC Form R-2 as **“Products”** or **“Crude Blended with Products.”**
K. The permit to operate a reclamation plant shall remain in effect until canceled at the request of the operator, the permitted facility has been inactive for 12 months or there has been a violation, or a violation is threatened, of any provision of the permit, the conservation laws of the state or the rules or orders of Statewide Rule 57(c) (7).

L. The removal of tank bottoms or other hydrocarbon wastes from the facility for which monthly reports are not filed with the RRC must be authorized in writing by the Commission prior to such removal. A written request for such authorization must be sent to Technical Permitting in Austin, and must detail the location, description, estimated volume and specific origin of the material removed, as well as the name of the reclaimer and intended destination of the material.

M. The receipt of any tank bottoms or other hydrocarbons wastes from outside the State of Texas must be authorized in writing by the RRC prior to such receipt. Written approval is not required if another regulatory entity with jurisdiction over the waste will indicate, in the appropriate monthly report, a corresponding delivery of the same material.

N. 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: (1) the OSSF waste is not commingled with any other oil and gas waste; (2) the system is designed by a Professional Engineer registered in the state of Texas or a sewage system installer licensed in the state of Texas; and (3) the construction, operation, and maintenance of the OSSF complies with all applicable local, county, and state requirements.

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

P. Any soil additives, stabilizers, bioaccelerators or treatment chemicals must be approved by Technical Permitting prior to use at the facility.

Q. Safety Data Sheets (SDS) must be submitted to Technical Permitting in Austin for any chemical or compound proposed to be used in the treatment of waste at the facility. Use of the compound is contingent upon RRC approval. All chemicals must be stored according to the manufacturer’s specifications.

R. All chemical laboratory analyses required to be performed in accordance with this permit must be performed using appropriate Environmental Protection Agency (EPA) Methods or Standard Methods by an independent National Environmental Laboratory Accreditation Program (NELAP) certified laboratory neither owned nor operated by the permittee. Any sample collected for chemical laboratory analysis must be collected and preserved in a manner appropriate for that analytical method and must be consistent with criteria specified in 40 CFR Part 136. All geotechnical testing must be performed by a laboratory certified to conduct geotechnical testing according to the standards specified by ASTM International (ASTM) and approved by a Professional Engineer licensed in the State of Texas.

S. Stationary treatment Facility (STF-074) and the associated Commercial Washout/Collecting Pit (P012581) may be considered for administrative renewal upon review by the RRC. Any request for renewal should be received at least 60 days prior to the permit expiration date. The Reclamation Plant Permit (R9 08-1519) is nontransferable by Rule §3.57 (c) (9).
T. Permits No. STF-074 and P012581 are non-transferable without the consent of the RRC. 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.

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

V. The permittee shall submit a Quarterly Report according to the following:
   1. The report shall contain applicable information as required in Conditions III.I., IV.O. and V.1 of this permit.
   2. The reports shall be submitted to Technical Permitting in Austin and the appropriate District Office no later than the 30th day of the month following each reporting period, or each April 30th, July 30th, October 30th, and January 30th, respectively.

W. Failure to comply with any provision of this permit may be cause for modification, suspension, termination or cancellation of this permit in accordance with Statewide Rule 8 (d)(6)(E).

II. AUTHORIZED WASTES
   A. Only oil and gas wastes subject to the jurisdiction of the RRC that are non-hazardous and exempt from Resource Conservation and Recovery Act (RCRA) Subtitle C, may be received. You may receive, store, handle, treat, process and reclaim only the following oil and gas wastes:
      1. Water-based drilling fluid and associated cuttings.
      2. Oil-based drilling fluid and associated cuttings.
      3. Tank bottoms.
      4. Other hydrocarbon wastes, as defined by Statewide Rule 57 (b) (2).
   B. No other waste may be accepted at this facility.
   C. No oil and gas Naturally Occurring Radioactive Material (NORM) waste as defined in 16 TAC, Part 1, §4.603, or waste from a facility that is licensed by the Texas Department of State Health Services to handle, process or treat oil and gas NORM waste, may be received at this facility.
   D. No asbestos-containing material regulated under the Clean Air Act or polychlorinated biphenyls (PCB) material regulated under the Toxic Substances Control Act may be accepted for processing at this facility.
   E. All waste haulers received at the facility must be RRC permitted Oil and Gas Waste Haulers and must have the subject facility listed as an approved disposal facility on their “Oil and Gas Waste Hauler’s Authority to use Approved Disposal/Injection System”, (Form WH-3).
III. WASTE TESTING AND RECORD KEEPING REQUIREMENTS

A. For the purposes of this permit a representative sample of incoming waste is defined as a composite sample composed of four grab samples from each 50 cubic yards of waste material from each job (e.g., from each well, pit, spill location).

B. 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 NORM using a scintillation meter with a sodium iodide detector or other equivalent devices that complies with 25 TAC §289.259, Texas Regulations for Control of Radiation (TRCR Part 46). Manufacturer’s specifications must be submitted to Technical Permitting for equivalent devices used for NORM detection. 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 of Radium-226 combined with Radium-228, or 150 picocuries per gram of any other radionuclide. Current calibration records of all NORM screening devices must be maintained on-site and made available to RRC personnel upon request.

C. The operator of the Reclamation Plant (R9 08-1519) must conduct a shakeout test on all tank bottoms and other hydrocarbon wastes upon removal from any producing lease tank, pipeline storage tank or other production facility to determine crude oil content and lease condensate thereof.

D. The shakeout test shall be conducted in accordance with the most current American Petroleum Institute (API) or ASTM International method.

E. Prior to receipt at the site, representative samples of waste from commercial oil and gas facilities and reclamation plants must be analyzed for either of the Parameters listed below and may not exceed the Limitation for the respective Parameters:

<table>
<thead>
<tr>
<th>PARAMETER</th>
<th>LIMITATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Organic Halides (TOX)</td>
<td>100 mg/l</td>
</tr>
<tr>
<td>(EPA Method 9020B)</td>
<td></td>
</tr>
<tr>
<td>or</td>
<td></td>
</tr>
<tr>
<td>Extractable Organic Halides (EOX)</td>
<td>100 mg/kg</td>
</tr>
<tr>
<td>(EPA Method 9023)</td>
<td></td>
</tr>
</tbody>
</table>

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

F. Details of receipts of deliveries for incoming waste to be processed at the Reclamation Plant (R9 08-1519) and the stock on hand (available for re-sale) must be reported monthly on the Form R-2, “Monthly Report for Reclaiiming and Treating Plants”. Submit the original Form R-2 directly to Technical Permitting in Austin and a copy of the report to the appropriate District Office by the 15th day of the calendar month following the month of the report. Form R-2 shall be completed in accordance with Statewide Rule 57.
G. The permittee must 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 and number and well number(s), or gas ID number(s), or American Petroleum Institute (API) well number(s); or latitude and longitude coordinates in decimal degrees if the waste was not generated on a lease; and
   iii. County;

2. Name and RRC permit number of the transporter;

3. Volume of waste material (specify units); and

4. Detailed description of the type of waste, including any analysis required by Permit Conditions III.B., III.D., III.E. and III.F. above.

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

1. Date waste is removed and hauled to a disposal facility;

2. Name and RRC permit number of the transporter;

3. Volume (specify units) of each shipment of waste hauled to a disposal facility;

4. Type of waste (basic sediment, water, water-based mud, etc.); and

5. Name and permit number of the disposal facility.

I. A report must be submitted to Technical Permitting in Austin and the appropriate District Office as part of the Quarterly Report required in Permit Condition I.V. and shall include the following information:

1. All records required by Permit Conditions III.G., III.H.. above, as well as a summary of waste receipts;

2. The total volume of each type of waste material received during the specific quarter; and

3. Total volume of each type of waste that leaves the facility for disposal or final disposition during the quarter.

IV. CONSTRUCTION AND GENERAL OPERATION

A. The general layout and arrangement of the facility must be consistent with the “SITE PLAN” (Drawing 1) diagram received June 28, 2017, which is attached to and incorporated into this permit as Permit Appendix B.

B. The facility is limited to having no more than 6,940 barrels (bbl) of unprocessed and processed oil and gas waste and 225 cubic yards (cy) of residual solids resulting from handling, separation, and treatment on-site at any given time.
C. The facility must consist of the following storage vessels:
   1. One 106-bbl Unloading Area (P012581).
   2. One 200-bbl Shaker Tank.
   3. Two 320-bbl Receiving Tanks.
   4. Two 1000-bbl Storage Tanks.
   5. Two 1000-bbl Water Storage Tanks.
   6. One 500-bbl Brine Storage Tank.
   7. One 500-bbl Gun Barrel Tank.
   8. Two 500-bbl Oil Storage Tanks.
   9. One 500-bbl Fresh Water Tank.

D. No additional storage volume may be added without prior written approval by Technical Permitting. A request for any additional capacity must be submitted in writing to Technical Permitting for review.

E. A sign must be posted at each entrance to the facility. The sign must be readily visible and show the operator name, facility name, and permit number in letters and numerals at least three inches in height.

F. No waste, treated or untreated, may be placed directly on the ground.

G. All storage tanks, equipment and roll-off boxes must be maintained in a leak-free condition. If inspection of a tank, roll-off box or storage vessel reveals deterioration or leaks, it must be repaired or replaced before resuming use of the tank.

H. Any spill of waste, chemical or any other waste related material must be collected and containerized within 24 hours and processed through the treatment process or disposed of in an authorized manner.

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

J. The facility shall maintain security to prevent unauthorized access. Access shall be secured by a 24-hour attendant or a six-foot-high security fence and a locked gate when unattended to prevent vehicle or livestock access. Fencing shall be required unless terrain or vegetation prevents truck or livestock access except through entrances with lockable gates.

K. Berms or containment structures must be constructed around all waste management units and must be compacted or constructed of material that meets or exceeds 95% Standard Proctor (ASTM D698) or 90-92% Modified Proctor (ASTM D1557) density. Each berm shall maintain a slope no steeper than a three to one (horizontal to vertical) ratio, unless constructed of concrete or equivalent material (firewalls). These structures must be used to divert non-contact stormwater around the waste management areas and contain and isolate contact stormwater within the waste management units.
L. All storage tanks containing fluid waste or fuel shall be contained within dikes. Secondary containment of 120% total storage capacity is recommended, however a firewall capacity that will capture 100% of the volume of the largest tank plus the volume of a 25 year/24-hour rainfall event for Crane County is acceptable.

M. Contact storm water must be contained within the waste management units. Any accumulated contact storm water must be removed within 72 hours and disposed of in an authorized manner.

N. No oil may be allowed to accumulate on top of the water or wastes stored in the pits. Any oil on top of the liquids must be collected and handled in accordance with RRC rules. Any recovered oil must be recorded and filed with the RRC on either a “Skim Oil/Condensate Report” (Form P-18) or a “Letter of Authority Request for Oil Movement” (Form T-1) Letter:

1. A Skim Oil/Condensate Report (Form P-18) must be filed with the RRC every month to record skim oil volumes recovered and sold during the operation of this facility. If no skim oil is recovered for a given month, a Form P-18 should still be filed with the RRC.

OR

2. An original signed “Letter of Authority Request for Oil Movement” (Form T-1) must initially be submitted on letterhead to Field Operations, Austin, Texas, Oil and Gas Division for every event in which sellable skim oil is recovered and intended to be sold during the operation of this facility. Filing frequency requirements may be redefined after the initial oil movement request has been processed. The request must include:

   a. The time period for which oil movement authority is requested;
   b. The name of the applicant requesting to move the oil;
   c. Volume (barrels) of oil to be moved;
   d. Name and location of the facility which the oil will be moved to;
   e. Name, address, telephone and fax number of facility buying the oil to be moved;
   f. Contact person, T-1 permit number and P-5 Operator Number of the oil buyer; and
   g. A description of the source(s) of the oil at the facility.

O. Each month an inspection of the entire facility must be performed on all concrete slabs, processing equipment, berms, firewalls and aboveground storage tanks for deterioration, leaks and spills. Records of each inspection must be kept on-site and submitted as part of the Quarterly Report required by Permit Condition I.V.

P. The permittee must maintain the following records for a period of three (3) years from the date of the inspection required by Permit Condition IV.O.:

1. The results of the monthly inspection of concrete slabs within the facility for evidence of deterioration, leakage or storm water run-on and a description of corrective action taken, if any.
2. The results of the monthly inspection of process equipment, tanks, and roll-off boxes for evidence of deterioration or leakage and a description of corrective action taken, if any.

3. The results of the monthly inspection of waste levels within the storage areas, tanks and roll-off boxes and a description of corrective action taken, if any.

4. The results of the monthly inspections of the containment structures installed to control and modulate run-off to surface waters, and indicate whether debris has been removed.

V. CONSTRUCTION AND OPERATION OF UNLOADING AREA AND COLLECTING/WASHOUT TRENCH/SUMP PIT (P012581)

A. The unloading area and the Collecting/Washout Trench/Sump Pit must be constructed as shown on the “UNLOADING TRENCH SECTIONS” (Drawing 2) diagram, received on June 28, 2017, which is attached to and incorporated into this permit as Permit Appendix C.

B. The Unloading Area shall consist of an above grade concrete slab that is approximately 24 feet wide and 68 feet long. The slab shall consist of reinforced concrete with a minimum thickness of 8 inches. The entrance/exports to the unloading bays shall have a concrete curb constructed that prevents surface flow run-on and/or run-off from the pit. The unloading area must slope toward the Collecting/Washout Pit (P012581) at 2% so that the wastes gravity flow directly into the pit.

C. Use of the Collecting/Washout Trench/Sump Pit is limited to the collection of non-hazardous oil and gas wastes as specified in Permit Condition II.A. No other oil field fluids or oil and gas wastes may be stored or staged in the pit.

D. A sign shall be posted identifying the Collecting/Washout Trench/Sump Pit permit number in letters and numerals at least three inches in height.

E. The approximate dimensions of the Collecting/Washout Trench/Sump Pit (P012581) are 68 feet long by 4 feet wide by 2 feet deep and must be lined with reinforced concrete with a minimum thickness of 8 inches. The usable capacity of the pit of 56 barrels.

F. At least one foot of freeboard must be maintained between the fluid level in the sump Pit and the top of the pit wall.

G. The concrete liner must be installed and maintained in accordance with best management and sound engineering practices.

H. The ground surface surrounding the unloading area and pit must be graded such that all surfaces slope away from the pit to prevent surface flow stormwater from entering the pit.

I. The pit must be emptied and visually inspected annually for deterioration and leaks. A record of each inspection and photographs of the interior of the pit must be maintained for the life of the pit and shall be submitted to Technical Permitting in Austin as part of the Quarterly Report required in Permit Condition I.V. The District Office must be notified by phone or email at least 48 hours before emptying the pit for inspection.
J. The concrete liner must be inspected whenever evidence of liner leakage arises. If inspection of the concrete liner reveals a leak or other loss of integrity, the liner must be replaced or repaired and re-inspected by RRC personnel before resuming use of the pit.

K. No oil may be allowed to accumulate on top of the water or wastes stored in the pit. Any oil on top of the liquids must be collected and handled in accordance with RRC rules. A “Skim Oil/Condensate Report” (Form P-18) must be filed for every month in which skim oil is recovered and then subsequently sold during the operation of this facility.

L. This permit does not authorize discharge of waste from the pits to the ground surface or surface water.

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

VI. STORMWATER MANAGEMENT

A. The facility must be designed and constructed to contain contact stormwater and prevent run-on of non-contact stormwater.

B. Berms and other containment structures must be constructed around all waste management units and chemical or waste storage areas. These structures must be used to divert non-contact stormwater around the waste management areas, and isolate and contain contact stormwater within the waste management units. Spills and releases into the interior ditches must be contained and removed immediately to prevent contact with stormwater.

C. Contact stormwater must be contained within the waste management units and must be removed and disposed of in an authorized manner.

D. Contact stormwater must be collected within 24 hours of accessibility and disposed of in an authorized manner.

E. This permit does not authorize the discharge of any oil and gas waste or any stormwater that has come into contact with oil and gas waste.

F. A discharge permit from the 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.

G. All above storage ground tanks must be surrounded by dikes. Dikes must be constructed and maintained, at a minimum, to contain 100% volume of the largest tank plus freeboard to contain a 25-year, 24-hour storm event volume for Crane County, as specified in the Permit Condition IV.L.
VII. FACILITY CLOSURE

A. Technical Permitting and the Midland District Office must be notified in writing at least 45 days prior to commencement of final closure activities. The permittee must submit a closure plan to Technical Permitting in Austin to be reviewed and approved prior to beginning closure activities.

B. At facility closure, all waste, chemicals, and waste related materials must be processed through the facility and/or removed from the facility for authorized reuse or disposal.

C. Processing equipment, aboveground storage tanks and any other non-maintenance waste related equipment must be emptied, cleaned and removed from the facility.

D. Provisions must be taken to prevent erosion both during and following site closure.

E. Closure of the Unloading Area, the Collecting/Washout Trench/Sump Pit (P012581) Liquids Settling Area and the Centrifuge Oil Processing Area shall be as follows:

1. The contents of all tanks, vessels, or other containers must be disposed of in an authorized manner.

2. All equipment must be removed and salvaged, if possible, or disposed of in an authorized manner.

3. The Collecting/Washout Trench/Sump Pit (P012581) must be dewatered, emptied, backfilled, compacted and properly closed. All wastes, including the liners, must be removed and disposed of in an authorized manner.

4. The concrete unloading bays, washout trench, collecting pits, concrete pads and access roads shall be cleaned and demolished, and the concrete rubble and wash-water must be disposed of in an authorized manner.

5. Twelve (12) inches of soil from beneath the concrete unloading bays, concrete liners, concrete aprons and all visually contaminated soils from beneath the synthetic pit liners shall be excavated and removed. The contaminated soil must be disposed of in an authorized manner.

6. Once waste removal is completed, a soil sampling plan must be submitted to Technical Permitting to characterize the scope of contamination (if any) at the facility. After the removal of wastes, composite soil samples must be taken composed of a minimum of four representative soil samples per acre. Samples must be taken from around and underneath the Unloading Area, Collecting/Washout Trench/Sump Pit, Liquids Settling Area, and the Centrifuge Oil Processing Area.

7. Soil samples required by Permit Condition VII.E.6. must be analyzed for the analytical Parameters listed in Permit Condition VII.F., and the specified Parameter Limitations shall not be exceeded.
F. Soil samples required by Permit Conditions VII.E.6. must be analyzed for the following Parameters and shall not exceed the specified Limitations:

<table>
<thead>
<tr>
<th>PARAMETER</th>
<th>LIMITATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>pH (EPA Method 9045C or equivalent)</td>
<td>6 to 10 standard units</td>
</tr>
<tr>
<td>Electrical Conductivity (EC)</td>
<td>≤4.0 mmhos/cm</td>
</tr>
<tr>
<td>Total Petroleum Hydrocarbon (TPH) (EPA Method 5035A/TX1005)</td>
<td>≤10,000 mg/kg or 1 % by weight</td>
</tr>
<tr>
<td>Total Benzene, Toluene, Ethylbenzene, Xylenes (BTEX) (EPA Method 5035A/8021/8260B)</td>
<td>≤30 mg/kg</td>
</tr>
<tr>
<td>Metals (Total) (EPA Method 6010/6020/7471A)</td>
<td></td>
</tr>
<tr>
<td>Arsenic</td>
<td>≤10 mg/kg</td>
</tr>
<tr>
<td>Barium</td>
<td>≤10,000 mg/kg</td>
</tr>
<tr>
<td>Cadmium</td>
<td>≤10 mg/kg</td>
</tr>
<tr>
<td>Chromium</td>
<td>≤100 mg/kg</td>
</tr>
<tr>
<td>Lead</td>
<td>≤200 mg/kg</td>
</tr>
<tr>
<td>Mercury</td>
<td>≤10 mg/kg</td>
</tr>
<tr>
<td>Selenium</td>
<td>≤10 mg/kg</td>
</tr>
<tr>
<td>Silver</td>
<td>≤200 mg/kg</td>
</tr>
</tbody>
</table>

1 Louisiana Department Natural Resources (LDNR) Lab Procedures for Extraction and Analysis of Exploration and Production (E&P) Waste or equivalent.

G. A summary of the soil sampling required by Permit Condition XII.E.6. must include:

1. A map drawn to scale with coordinates of the sampling locations.
2. A table indicating the results of the parameters sampled;
3. The date of sampling;
4. The approximate depth of the sample below land surface; and
5. Copies of the laboratory analytical reports and chain of custody.

H. Any soil sample that exceeds the Parameter Limitations specified in Permit Condition VII.F. is considered waste and must be disposed of at an authorized disposal facility.

I. When acceptable constituent levels have been verified in writing by Technical Permitting, all berms and tank pads must be leveled, and the site must be backfilled with clean fill and restored to natural grade. Topsoil must be contoured and seeded with appropriate vegetation for the geographic region.
J. Final grading of the storage and processing areas must be accomplished in such a manner that rainfall will not collect in the former pit, waste processing and chemical or waste storage area locations after closure. Upon final closure, the appropriate RRC District Office and Technical Permitting in Austin shall be notified in writing.

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

APPROVED AND ISSUED ON November 13, 2017

[Signature]

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

Attachments: Permit Appendices A, B and C

cc: RRC – District 08, Midland
    RRC – Production Audit, Austin
    RRC – EPS Reporting Log, Austin
PERMIT APPENDIX A

“Application For Permit To Operate A Reclamation Plant”

(Form R-9)
RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

APPLICATION FOR PERMIT TO OPERATE
A RECLAMATION PLANT

1. OPERATOR NAME, exactly as shown on P-5, Organization Report
Tervita, LLC

2. OPERATOR P-A NO.
844072

3. RRC DISTRICT NO.
08

4. COUNTY OF PLANT LOCATION
Crane

5. OPERATOR ADDRESS, including city, state, and zip code
10613 W. Sam Houston Pkwy. North, Ste. 300
Houston, TX 77064

6. PURPOSE OF PLANT
☒ New permit for new facility. Estimated completion date: Facility is in place.
☐ New permit for existing facility. Name of previous operator:
☐ One-time renewal of existing permit serial/registration (R-2) no.

7. TYPE OF FACILITY
☒ Permanent
☐ Portable

8. Driving directions from the nearest town (identify town).
The facility is located at 7975 Highway 385 North Odessa, Texas. The facility is located at the southwest corner of Highway 385 and Michelle Road. (see Figure 1 in Attachment 2).

Oil/water/solids separation using heat, gravity, and mechanical methods. Refer to Figure 2 in Attachment 2 for more information.

10. Material transported to plant (see Inst. No. 6)
☐ vehicles owned by applicant
☐ for-hire vehicles
☒ both applicant's and for-hire vehicles

11. Identify all oil and/or gas-related facilities located within 100 yards of facility (example: well, pipeline, saltwater disposal facility, tank battery, etc.)

<table>
<thead>
<tr>
<th>TYPE OF FACILITY</th>
<th>OPERATOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil Well</td>
<td>Devon Energy Production</td>
</tr>
<tr>
<td>Injection Well</td>
<td>Leather Neck Oilfield Serv</td>
</tr>
</tbody>
</table>

CERTIFICATION. I certify under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that it was prepared by me or under my supervision and direction, and that the data and facts stated herein are true, correct, and complete to the best of my knowledge.

Harold Barber, P.E.

Director of Asset Management

1321 399-4522

DEC. 23, 2015

TO BE COMPLETED BY RAILROAD COMMISSION PERSONNEL

This permit is valid until cancellation under either of the following conditions:
1. The above named operator requests cancellation in writing.
2. The commission cancels the permit after notice and opportunity for hearing because
   a. the permit facility has been inactive for 12 months or
   b. there has been a violation or a violation is threatened of any provision of the permit, the conservation laws of the state,
      or rules or orders of the Commission.

This permit is non-transferable. The financial assurance filed in support of this application shall be renewed and continued in effect until its conditions have been met or released is authorized by the Commission. The facility schematic diagram is to be kept with this permit.

Serial/registration no.

908-1519

Issued/renewed effective (date)

November 13, 2017

Signature of RRC representative

All wastes generated by reclaiming operations shall be disposed of in accordance with state-wide rules, 8, 9, and 46 (relating to water protection, disposal wells, and fluid injection).
Permit Appendix B

“SITE PLAN” (Drawing 1)
Incoming waste from vacuum trucks is discharged into an unloading and settling box and overflows into the distribution area. Solids will then be separated by thermal, physical, chemical, or gravity separation.

Liquids are pumped through shakers to receiving tanks and allowed to settle to displace more residual solids. Fluid is then pumped to the centrifuge for further separation before being pumped to the gun barrel where it is gravity separated into solids, brine water, and oily emulsion. Brine water is conveyed from the gun barrel to the settling tank and on to the brine distribution tank.

Oily emulsion is conveyed from the gun barrel to the concentrated emulsion tank. Heat may also be used to facilitate the separation process. Fluids in the brine distribution tank are recycled and used to clean trucks that contain heavy solids or disposed of in an authorized manner at a nearby salt water disposal (SWD) site. Separated oil is conveyed to oil storage tanks prior to transport for re-sale.

Solids that settle in the tanks and boxes onsite are transported and disposed of at an authorized oil and gas waste disposal facility.
Permit Appendix C

“UNLOADING TRENCH SECTIONS”
(Drawing 2)