RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION
PERMIT TO RECEIVE, STORE, HANDLE AND TREAT CERTAIN
NONHAZARDOUS OIL AND GAS WASTES

 Permit No's: STF-0100,
 Associated Pit Permits
 P012304 and P012530

W TX LAND FARM RESOURCES 1 LLC
1460 MAIN STREET SUITE 200
SOUTH LAKE TX 76092

Based on information contained in the original application, received December 22, 2014, the revised
application received August 12, 2015, and subsequent information received to date, you are hereby
authorized to receive, store, handle, and treat certain oil and gas wastes subject to the jurisdiction of the
Railroad Commission of Texas (RRC) as specified below at the following facility:

  Martin County – WTLFR 1 Commercial Oil and Gas Waste Separation Facility
  J. & P.R. R Co Survey 17 Block 30, A-7
  Latitude and Longitude 32.233736°, -101.693292°
  Martin County, Texas
  RRC District 8, Midland

NARRATIVE DESCRIPTION OF PROCESS:

Incoming oil and gas liquid and solid wastes will be offloaded into the Collecting Pit (P012530) where
the waste will be pumped or actively conveyed to the solids separation area. Waste in the solids
separation area will be separated using shaker screens mounted above a mud tank. Separated solids will
be placed into a roll-off box for disposal. The separated liquid waste will be directed into a 500-barrel
mud tank before being pumped into the decanter unit for further separation. The isolated liquid fraction
processed through the decanter unit will be pumped into one of three 500-barrel holding tanks. Once the
holding tanks reach capacity, the excess liquid will be pumped into the Collecting Pit (P012304). The
remaining separated solids in the decanter unit will be directed into the adjacent roll-off box before being
transported offsite for disposal. Separated liquids stored in the holding tanks and collecting pit will be
trucked to a RRC permitted Class II injection well for disposal.

Authority is granted to receive, store, handle, treat and phase separate oil and gas wastes in accordance
with Texas Administrative Code (TAC) Title 16, Part 1, Chapter §3.8 (Statewide Rule 8), and is subject
to the following minimum conditions:

1. GENERAL PERMIT CONDITIONS
   A. The effective date of this permit is September 6, 2017 and expires on September 5, 2022.
B. The permittee may not receive, store, or handle, oil and gas wastes at the facility until financial security in the amount of $473,848.00 is provided to and approved by the RRC for the referenced facility. This amount provides financial security for all RRC permitted waste storage and treatment permits (STF-0100, P012304 and P012530) associated with this facility.

C. In accordance with 16 TAC § 3.78 (Statewide Rule 78) the permittee shall maintain financial security in the amount of $473,848.00 until this facility has been closed in accordance with the associated permits. 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 (CCE) 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. Technical Permitting in Austin and the appropriate District Office must be notified in writing upon final completion of the construction of the facility. The permittee may not begin receiving, storing, handling, or treating oil and gas waste until the Midland District Office has inspected the completed facility and has verified that it is constructed in accordance with the application and this permit. If there are any changes to the facility design during construction, they must be included on the "as-built" drawings, to be filed with Technical Permitting in Austin upon completion.

E. No waste may be received at the above referenced facility until the groundwater monitoring wells required by Permit Condition VII., have been completed, developed, surveyed, and sampled. The documentation required by Permit Condition VII.A. and VII.B. must be provided to and approved by Technical Permitting within 30 days after installation of the groundwater monitoring wells.

F. A site-specific Spill Control Plan that details means and methods of waste containment and recovery 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.

G. A Stormwater Management Plan for the facility, shall be maintained on-site and made available upon request of the RRC.

H. Technical Permitting in Austin and the appropriate District Office must be notified in writing when construction of the facility is initiated and at the completion of the Collecting Pit (P012304) and the Collecting Pit (P012530).

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

J. 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 RRC 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 or 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.

K. 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. When construction of the facility is completed, submit the "as-built" plans to be incorporated as part of the permit application.
L. Prior to beginning operations, the facility shall have procedures in place to prevent unauthorized access. The entire facility shall be surrounded by a security fence. Access shall be maintained by a locked gate when the facility is unattended.

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

N. This permit does not authorize the discharge of any oil and gas waste, including contaminated or contact storm water.

O. Any soil, media, or other debris contaminated by a spill of waste or any other waste-related materials at the facility must be collected and containerized immediately re-processed or disposed of in an authorized manner.

P. Any soil additives, bio-accelerators, or treatment chemicals must be approved by Technical Permitting prior to use at the facility. They must be stored in vessels designed for the safe storage of the particular compound, and these vessels shall be maintained in leak free condition.

Q. Safety Data Sheets (SDS) must be submitted to Technical Permitting in Austin for any chemical or bio-accelerator proposed to be used in the treatment of waste at the facility. Use of the compound is contingent on RRC approval and must be used and stored according to the manufacturer’s recommendations.

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 laboratory analysis must be collected and preserved in a manner appropriate for that analytical method as specified by 40 CFR, Part 136. All geotechnical testing is to be performed utilizing tests standardized by the American Society for Testing and Materials (ASTM International) and certified by a Texas licensed Professional Engineer.

S. 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.

T. This permit may be considered for administrative renewal upon request and subsequent review by the RRC. Any request for permit renewal must be received by Technical Permitting in Austin within 60 days of the expiration of this permit.

U. This permit is nontransferable without consent of the RRC. Any request for permit transfer must be filed with Technical Permitting in Austin at least 60 days before the permittee wishes the transfer to take place.

V. The permittee shall submit a Quarterly Report according to the following:

1. The report shall contain applicable information as required in Permit Conditions III.E.5., III.E.4., IV.P., IV.Q., V.D, and VII.C.

2. The quarterly 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.

3. 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.

4. An Executive Summary shall be included that describes facility operations and relevant activities that occurred during the specific quarter.

5. Data tables presenting volumes or amounts of treated waste shall be included.

6. Analytical results as specified in Permit Conditions III.E., and VII.C. shall be included.

7. All records including laboratory analytical reports and corresponding chain of custody as specified in Permit Conditions III.E., and VII.C. shall be included.

W. Failure to comply with any provision of this permit shall be cause for modification, suspension, termination or cancellation of this permit if Technical Permitting determines that the permittee is in violation of Statewide Rule 8 (d) (6) (E).

II. INCOMING WASTE

A. AUTHORIZED WASTES

1. Only oil and gas wastes subject to the jurisdiction of the RRC that are non-hazardous or exempt from the Resource Conservation and Recovery Act (RCRA), Subtitle C may be received. You may receive, store, handle, treat, and process only the following oil and gas wastes:
   a. Water-based drilling fluids and associated cuttings;
   b. Oil-based drilling fluids and associated cuttings;
   c. Formation sands and other solids from saltwater storage tanks or vessels and non-commercial saltwater pits
   d. Contaminated soils from crude oil spills, pipeline, condensate, and saltwater spills;
   e. Production tank bottoms which do not exceed 7% in oil content as determined by a Standard American Petroleum Institute (API) Shakeout test;
   f. Saltwater (produced brine or produced water);
   g. Completion, workover, and stimulation fluids;
   h. Produced formation fresh water;
   i. Collecting pit water and residual solids.

2. No oil and gas Naturally Occurring Radioactive Material (NORM) waste as defined in 16 TAC §4.603 (Oil and Gas NORM) or waste from a facility that is licensed by the Texas Department of State Health Services (DSHS) to process or treat oil and gas NORM waste may be received at the facility.
3. No asbestos-containing material regulated under the Clean Air Act or polychlorinated biphenyl (PCB) containing material regulated under the Toxic Substances Control Act may be accepted for processing at this facility.

4. 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 authorized disposal facility on their "Oil and Gas Waste Hauler’s Authority to use Approved Disposal/Injection System", (Form WH-3).

5. This permit does not authorize the “active” reclamation of crude oil from oil and gas waste. A request for authorization under 16 TAC §3.57 (Statewide Rule 57) must be submitted to Technical Permitting in Austin prior to any reclamation activities at the referenced facility.

6. No other waste may be accepted at this facility.

### III. WASTE TESTING AND RECORD KEEPING REQUIREMENTS

A. For the purposes of this permit, other than Extractable Organic Halides (EOX) or Total Organic Halides (TOX) analyses, 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). For EOX/TOX analyses, a representative sample is defined as one four-part composite sample from each 50 cubic yards of waste material from each job.

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 comply 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 microcuries 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 (pCi) per gram of Radium-226 combined with Radium-228, or 150 pCi per gram of any other radionuclide.

C. 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 limit for the respective parameters:

<table>
<thead>
<tr>
<th>PARAMETER</th>
<th>LIMITATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOX (EPA Method 9020B)</td>
<td>100 mg/l</td>
</tr>
<tr>
<td><strong>OR</strong></td>
<td></td>
</tr>
<tr>
<td>EOX (EPA Method 9023)</td>
<td>100 mg/l</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 this waste.

D. Prior to receipt at the site, representative samples of all incoming RCRA non-exempt waste from commercial oil and gas facilities, including contaminated soil from crude oil
transportation, must be analyzed for the following parameters and may not exceed the following limitations:

<table>
<thead>
<tr>
<th>PARAMETER</th>
<th>LIMITATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corrosivity</td>
<td>pH 2.0 - 12.5 standard units (s.u.) <em>EPA Method 1110A, 9040C or equivalent</em></td>
</tr>
<tr>
<td>Ignitability</td>
<td>Flash Point &lt; 60° C <em>EPA Method 1010A, 1020B, or 1030A</em></td>
</tr>
<tr>
<td>Reactivity</td>
<td>No materials exhibiting the characteristic of reactivity as defined by RCRA</td>
</tr>
<tr>
<td>Toxicity</td>
<td>No materials exhibiting the characteristic of toxicity as defined by RCRA</td>
</tr>
</tbody>
</table>

Toxic Characteristic Leaching Procedure (TCLP) *EPA Method 1311*

TCLP Metals:
*EPA Method 1311/6010/6020/7147A*

- Arsenic (As) < 5.0 mg/L
- Barium (Ba) < 100.0 mg/L
- Cadmium (Cd) < 1.0 mg/L
- Chromium (Cr) < 5.0 mg/L
- Lead (Pb) < 5.0 mg/L
- Mercury (Hg) < 0.2 mg/L
- Selenium (Se) < 1.0 mg/L
- Silver (Ag) < 5.0 mg/L
- Benzene < 0.5 mg/L
*EPA Method 1311/8260/8021B*

E. RECORDKEEPING REQUIREMENTS

1. 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:
   a. 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);
      iii. Latitude and longitude coordinates in decimal degrees if waste was not generated on a lease; and
      iv. County;
   b. Name and RRC permit number of the transporter;
   c. Volume of waste material (specify units); and
   d. Detailed description of the type of waste, including any analysis required by Permit Conditions III.B., III.C, and III.D. above.
2. The permittee shall maintain the following records on each load of waste removed from the facility for a period of three (3) years from the date of receipt:
   a. Date waste is removed and hauled to an authorized disposal facility;
   b. Name and RRC permit number of the transporter;
   c. Volume (specify units) of each shipment of waste hauled to an authorized disposal facility;
   d. Type of waste (basic sediment, water, water-based mud, etc.); and
   e. Name and permit number of the facility to which the waste was disposed.

3. 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:
   a. All records required by Permit Condition III.B., III.C., and III.D. above, as well as a summary of waste receipts;
   b. The total volume of each type of waste material received during the specific quarter; and
   c. Total volume of each type of waste that leaves the facility for disposal or final disposition during the quarter.

4. If no waste was received during the quarter prior to or after construction of the facility is completed, a written statement indicating that "no waste was received" must be submitted to Technical Permitting in Austin as part of the Quarterly Report required in Permit Condition I.V.

IV. GENERAL FACILITY DESIGN AND MAINTENANCE REQUIREMENTS

A. Unless otherwise specified by this permit, the general layout and arrangement of the facility must be consistent with the "Site Plan" (Sheet 9.5), received February 6, 2017 and the "Site Grading Plan" (Sheet 12.1) schematics, received September 15, 2015, which are attached to and incorporated into this permit as Permit Appendix A.

B. The entire facility shall consist of the following waste management unit designations:

1. Waste Processing and Storage Area:
   a. One 500-bbl Agitator Mixing Tank;
   b. One 500-bbl Mud Tank;
   c. Three 96-bbl Roll-Off Boxes;
   d. One 400-bbl Oil Storage Tank;
   e. Three 500-bbl Saltwater Storage Tanks;
   f. Collecting Pit (P012530)
   g. Collecting Pit (P012304).

C. Any pits and/or buried tanks shall be permitted in accordance with Statewide Rule 8.
D. 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.

E. No waste, treated or untreated, may be placed or stored on the ground.

F. All untreated waste shall be contained in tanks, water tight roll-off boxes, or in permitted pits. All pits, tanks, and roll-off boxes shall be maintained in a leak-free condition.

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 evidence of deterioration or leaks, it must be removed from service and repaired before resuming use.

H. Any spill of waste, chemicals, or any other waste-related material must be collected and containerized within 24 hours, and processed or disposed of in an authorized manner.

I. Spills contained within the fire wall surrounding the Waste Processing and Storage Area shall be immediately collected and containerized, and processed through the treatment process or disposed of in an authorized manner.

J. A perimeter berm must be constructed to surround the entire facility and must be designed to prevent non-contact storm water run-on and prevent contact storm water runoff (if any) from going off-site. A perimeter berm must be constructed to a minimum height of at least two feet above land surface with a slope no steeper than a three to one (horizontal to vertical) ratio on each side.

K. Berms or containment structures must be constructed around all waste management units and must be compacted or constructed of material that meets 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 storm water around the waste management areas and contain and isolate contact storm water within the waste management units. Refer to the stormwater management requirements specified in Permit Condition VI.

L. All the storage tanks containing fluid waste shall be contained within dikes. Secondary containment of 120% total storage capacity is recommended, however a minimum capacity that will capture 100% of the capacity of the largest tank plus the 25 year/24-hour rainfall event volume for Martin County is acceptable.

M. 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 locked gates when unattended. The locked gates must be installed at each entry point or exit point and must be included in the “as built” drawings. Fencing shall be required unless terrain or vegetation prevents truck or livestock access except through entrances with lockable gates.

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

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

P. Each month an inspection of the entire facility must be performed on all concrete slabs, processing equipment, berms, 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.

Q. The permittee must maintain the following records for a period of three (3) years from the date of the inspection and provide a summary in the Quarterly Report as required by Permit Condition IV.P.:

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 silt fencing/rock filter dams installed to control and modulate run-off to surface waters and indicate whether debris has been removed.

V. CONSTRUCTION AND OPERATION OF THE WASTE PROCESSING AND STORAGE AREA

A. The general layout, arrangement, construction, and operation of the Waste Processing and Storage Area must be consistent with the “Site Plan” (Sheet 9.5) schematic and the “Site Grading Plan” (Sheet 12.1) schematics, which are attached to and incorporated into this permit as Permit Appendix A.

1. The Waste Processing and Storage Areas must have a reinforced concrete liner with a minimum thickness of 12-inches.

2. The concrete liner must be installed and maintained in accordance with the application, best management and sound engineering practices.

3. The floor of the Waste Processing and Storage Area shall have a minimum slope of 1% allowing for the collection of spilled material or contact stormwater to gravity drain toward a sump which measures 2-feet in length by 2-feet wide with a depth of 2-feet. Spilled material or contact stormwater will be pumped from the sump into the Mud Tank for waste processing and storage.

4. All the storage tanks containing fluid waste or fuel shall be contained within dikes.

5. The Stormwater Containment Area must be graded and contoured as illustrated in the “Site Grading Plan” (Sheet 12.1) schematic provided in Permit Appendix A.

6. The Stormwater Containment Area may only be used for the collection, retention and evaporation of non-contact stormwater.

7. The Stormwater Containment Area may not be used for the storage of contact stormwater or other oil and gas waste. Non-contact stormwater must be pumped into the Collecting Pit (P012304) as necessary.
B. The general layout and arrangement of the Truck Offloading Bays and the Collecting Pit (P012530), must be consistent with the “Site Plan” (Sheet 9.5) schematic in Permit Appendix A, and the “Offloading/Washout & Loading Area Plans & Cross Sections” (Sheet 9.8), schematics received February 6, 2017 which are attached to and incorporated into this permit as Permit Appendix B.

1. The Truck Offloading Bays and Washout Area will consist of three above-grade unloading bays which drain to the Collecting Pit (P012530) by a common collection trench.

2. The bays and Collecting Pit must be lined with reinforced concrete with a minimum thickness of 12-inches. The concrete liner must be installed and maintained in accordance with best management and sound engineering practices.

3. Each offloading bay is approximately 18 feet wide by 37-feet long, with the approximate dimensions of the shared collection trench being 3’ x 57’ and is graded to allow fluids to gravity drain towards the Collecting Pit. The bays must have a concrete roll-over curb at the entrance and exit points of each bay, which must be at least 12-inches in height and at least three feet in width. The outer two sides of the washout bays shall consist of a bump-curb at least 6-inches wide and 12-inches high.

4. Use of the Collecting Pit (P012530) is limited to the collection of 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.

5. The usable capacity of the Collecting Pit (P012530) must not exceed 31 barrels or 6.45 cubic yards. At least 1-foot of freeboard must be maintained between the waste level in the pit and the top of the pit. No waste may be stored in the offloading bays or the common collection trench.

6. A sign shall be posted identifying the Collecting Pit by operator name and permit number using letters and numbers at least three inches in height.

7. No waste may be placed directly onto the ground.

8. This permit does not authorize the discharge of any oil and gas waste from the pit.

9. The Collecting Pit must be emptied and visually inspected annually for deterioration and leaks. A record of this inspection and photographs of the interior of the pit and bays must be maintained and made available upon request of the RRC. The appropriate District Office must be notified by phone or email at least 48 hours before emptying the pit for inspection.

C. The general layout and arrangement of the Loading Pad Area and Collecting Pit (P012304) must be consistent with the “Offloading/Washout & Loading Area Plans & Cross Sections” (Sheet 9.8) schematic provided in Permit Appendix B; and with the “Collecting Pit Plan” (Sheet C1) received May 8, 2015 and the “Collecting Pit Cross Sections” (Sheet C2) schematics received February 6, 2017, which are attached to and incorporated into this permit as Permit Appendix C.

1. Use of the Collecting Pit (P012304) is limited to the collection of wastewater when the three (3) 500 BBL saltwater storage tanks are at full
capacity and prior to disposal. No other oil field fluids or oil and gas wastes may be stored or staged in the pit.

2. A sign shall be posted identifying the Collecting Pit (P012304), which must show the operator name and pit permit number using letters and numerals at least 3-inches in height.

3. The Collecting Pit (P012304) dimensions must be approximately 250 feet in length by 146.5 feet wide with a depth of 12-feet. The pit must be constructed with a 12-inch clay liner that is overlain by a High Density Polyethylene (HDPE) Geomembrane Liner with a thickness of 40 mils.

4. The liner must be installed and maintained in accordance with the material manufactures specification, best management and sound engineering practices, the application and this permit.

5. The usable capacity for the Collecting Pit (P012304) shall not exceed 37,548 barrels or 7,808 cubic yards. At least two feet of freeboard must be maintained between the fluid level in the pit and the top of the pit.

6. The Loading Pad shall be used to convey liquids into the Collecting Pit (P012304) at times when the three (3) 500 BBL saltwater storage tanks are at full capacity. The Loading Pad may not be used to store, stage or dry out solids prior to disposal.
   a. The Loading Pad is an above grade structure that is approximately 16-feet wide by 37-feet long and designed to receive liquid waste to gravity drain to the collecting pit.
   b. The loading pad must have a reinforced concrete liner with a minimum thickness of 12-inches. There must be a concrete roll-over curb at the entrance and exit points of the pad, at least 12-inches in height and 3-feet in width. The outer two sides of the loading area slab shall consist of a bump-curb that must be at least 6-inches in width and 12-inches in height to accommodate for the slope of the slab.
   c. The floor of the Loading Pad shall have a minimum slope of 1% allowing for the collection of spilled materials to gravity drain toward a 2-foot long by 2-foot wide sump with a depth of 2-feet, located in the center of the Loading Pad. Spilled material will be pumped from the sump to the processing area for separation.

D. The Collecting Pit (P012530) and the Collecting Pit (P012304) must be emptied and visually inspected annually for deterioration and leaks. A record of these inspections and photographs of the interior of the pit must be maintained and shall be submitted to Technical Permitting in Austin as part of the Quarterly Report required in Condition I.V. of this permit. The Midland District Office must be notified by phone or email at least 48 hours before emptying the pits for inspection.

E. The HDPE liner of the Collecting Pit (P012304) and the concrete liner of the Collecting Pit (P012530) must be inspected whenever evidence of leakage arises. If inspection of the liners 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.
F. 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.

Or

An original signed "Letter of Authority Request for Oil Movement" (Form T-1) must initially be submitted on letterhead to Field Operations, Austin, TX, 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. The 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 operator requesting to move the oil;

c. Volume (barrels) of oil to be moved;

d. Name and location of the facility to which oil will be moved;

e. Name, address, telephone, and fax number of organization buying the oil to be moved;

f. Contact person, T-1 permit number, and P-5 Operator Number of the oil buyer;

g. A description of the source(s) of the oil at the facility.

G. This permit does not authorize discharge of waste from Collecting Pits (P012304) or (P012530) to the surface or surface water.

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

VI. STORMWATER MANAGEMENT

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

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

C. A discharge permit from the EPA may be required for a non-contact stormwater discharge. If required, the permit from the EPA must be in place prior to commencement of discharge operations.

D. If contact stormwater is retained within the Stormwater Containment Area, it must be disposed of in an authorized manner.

E. Contact stormwater must be contained within the waste processing and storage area. Any accumulated contact stormwater must be removed within 72-hours and disposed of in an authorized manner.

F. Contact stormwater shall be prevented from migrating outside of the offloading, waste processing, storage, and loading areas. The facility shall be sloped and graded to facilitate the separation of contact and non-contact stormwater.
G. Non-contact surface-flow stormwater shall be prevented from entering the offloading, processing, storage, loading, and truck washout areas. Areas outside of the bermed waste processing and storage areas shall be sloped to prevent non-contact surface-flow stormwater from contacting waste.

H. All above ground storage tanks must be contained within dikes. Dikes must be constructed and maintained as specified in Permit Condition IV.L. with a minimum capacity available to contain 100% of the largest tank volume, plus the volume generated from a 25-year, 24-hour rainfall event for Martin County.

VII. GROUNDWATER MONITORING

A. Four (4) groundwater monitor wells must be installed as represented on the “Site Plan” (Sheet 9.5) schematic in 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 to penetrate 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 at least five feet of groundwater from the first groundwater-bearing unit.

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

5. The wells must be maintained in good condition with a lockable water-tight expansion cap that prohibits unauthorized access.

6. Monitor wells must be able to provide a sample of groundwater that is representative of the groundwater underlying the site for the duration of facility operations. If a monitor well is not capable of providing a representative sample, the permittee must notify Technical Permitting in Austin and install a replacement monitor well that is acceptable to the RRC.

7. The following information must be submitted after the wells are completed:

   a. A soil boring lithological log for the well, with the soils described using the Unified Soil Classification System (equivalent to ASTM D 2487 and ASTM D 2488). The log must also include the method of drilling, well specifications, slot size, riser and screen length, bentonite and cement intervals, total depth, and the top of the first encountered water or saturated soils. The sand pack size should be compatible with the well screen slot size, as well as the local lithology;

   b. A well installation diagram detailing the construction specifications for each well;

   c. A survey elevation for each well head reference point (top of casing) relative to a real or arbitrary benchmark and mean sea level;

   d. A potentiometric surface map showing static water levels, the estimated groundwater flow direction, and the calculated groundwater flow gradient.
B. The groundwater monitoring wells must be sampled or monitored for the following parameters after installation and quarterly thereafter:

<table>
<thead>
<tr>
<th>PARAMETER</th>
<th>UNITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Static Water Level</td>
<td>Feet (ft.)</td>
</tr>
<tr>
<td>Total Depth</td>
<td>ft.</td>
</tr>
<tr>
<td>Benzene</td>
<td>mg/L</td>
</tr>
<tr>
<td>(EPA Method 8260/8021B or equivalent)</td>
<td></td>
</tr>
<tr>
<td>Total Petroleum Hydrocarbon (TPH)</td>
<td>mg/L</td>
</tr>
<tr>
<td>(Method TX1005)</td>
<td></td>
</tr>
<tr>
<td>Total Dissolved Solids (TDS)</td>
<td>mg/L</td>
</tr>
<tr>
<td>(Standard Method 160.1 or equivalent)</td>
<td></td>
</tr>
<tr>
<td>pH</td>
<td>s.u.</td>
</tr>
<tr>
<td>(EPA Method 150.1 or equivalent)</td>
<td></td>
</tr>
<tr>
<td>Solubilized Cations</td>
<td>mg/L</td>
</tr>
<tr>
<td>Calcium, Magnesium, Potassium, and Sodium</td>
<td></td>
</tr>
<tr>
<td>(EPA Method 6020 or equivalent)</td>
<td></td>
</tr>
<tr>
<td>Solubilized Anions</td>
<td>mg/L</td>
</tr>
<tr>
<td>Bromides, Carbonates, Chlorides, Nitrates, and Sulfates</td>
<td></td>
</tr>
<tr>
<td>(EPA Method 300 or equivalent)</td>
<td></td>
</tr>
</tbody>
</table>

C. Copies of the results must be filed with Technical Permitting as part of the Quarterly Report required in Permit Condition I.V. The laboratory analytical reports and the corresponding chain of custody shall be provided for all chemical analyses performed.

VIII. FACILITY CLOSURE

A. Technical Permitting and the Midland District Office must be notified in writing at least 45 days prior to commencement of 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 removed from the facility for authorized reuse or disposed of in an authorized manner.

C. All processing equipment, above ground storage tanks, associated piping and any other equipment and storage units must be dismantled, removed, salvaged, or disposed of in an authorized manner.

D. All liners, pads, and vaults must be steam-cleaned and demolished, and the generated rubble and waste water must be disposed of in an authorized manner.

E. All monitor wells shall remain functional and reporting requirements remain effective until written approval from Technical permitting in Austin is granted for plugging and abandoning the monitor wells.

F. Provisions must be taken to prevent erosion both during and following closure.
G. The entire facility must be backfilled as necessary, contoured to original grade and seeded with vegetation appropriate for the geographic region.

H. All affected or contaminated soils must be removed and disposed of in an authorized manner.

I. Closure of the Waste Processing, Storage, and Stormwater Containment Areas shall be as follows:

1. All aboveground storage equipment must be removed from the area.

2. The concrete shall be steam-cleaned, demolished and the concrete rubble and wash water must be disposed of in an authorized manner.

3. At least 12 inches of soil from beneath the concrete shall be excavated, removed and disposed of in an authorized manner.

4. After the removal of wastes, composite soil samples must be taken comprised of a minimum of four representative soil samples from around and underneath the Waste Processing and Storage area(s), and from the center, and the lowest elevation of the non-contact Stormwater Containment Area.

5. Soil samples must be analyzed for the parameters listed in Permit Condition VIII.K, and the specified limitations shall not be exceeded. If soil Parameter Limitations are exceeded, the identified waste must be disposed of in an authorized manner, and the area must be resampled. The process shall be repeated until the soil samples meet the closure criteria.

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

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

J. Closure of the Truck Off-load Pad, Collecting Pit (P012530), Collecting Pit (P012304), and the Loading Pad shall be as follows:

1. The Collecting Pit (P012530) and Collecting Pit (P012304) must be dewatered, emptied, backfilled, compacted, and properly closed. All wastes, including the liners, must be removed and disposed of in an authorized manner.

2. The concrete unloading and loading pads and the Collecting Pit (P012530) shall be steam-cleaned, demolished and the concrete rubble and wash-water must be disposed of in an authorized manner.

3. At least 12 inches of soil from beneath the concrete unloading pad and Collecting Pit (P012530), concrete liners, concrete aprons, and all visually contaminated soils from beneath the synthetic and clay liners of the Collecting Pit (P012304) shall be excavated and removed. The contaminated soil must be disposed of in an authorized manner.

4. Once waste removal is completed, a soil sampling plan must be submitted to Technical Permitting to characterize the scope of any contamination at the facility.
5. After the removal of wastes, composite soil samples must be taken comprised of a minimum of four representative soil samples per acre. Samples must be taken from around and underneath Collecting Pits (P012530) and (P012304), and the Loading Pad Areas.

6. Soil samples must be analyzed for the Parameters listed in Permit Condition VIII.K., and those Parameter Limitations shall not be exceeded. If soil Parameter Limitations are exceeded, the identified waste must be disposed of in an authorized manner, and the area must be resampled. The process shall be repeated until the soil samples meet the closure criteria.

K. Soil samples required by Permit Conditions VIII.I. and VIII.J. 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 s.u.</td>
</tr>
<tr>
<td>Electrical Conductivity (EC) ¹</td>
<td>≤ 4.0 mmhos/cm</td>
</tr>
<tr>
<td>TPH (EPA Method 5035A/TX1005)</td>
<td>≤ 10,000 mg/kg or ¹</td>
</tr>
<tr>
<td>Total Benzene, Toluene, Ethylbenzene, Xylenes</td>
<td>% by weight</td>
</tr>
<tr>
<td>(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 of Natural Resources (LDNR) Lab Procedures for Extraction and Analysis of Exploration and Production (E&P) Waste or equivalent.

L. A summary of the soil sampling required by Permit Conditions VIII.I and VIII.J. 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.

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

N. Once the results of the closure activities have been approved by the RRC, the pits must be dewatered, emptied, demolished, backfilled, and compacted within 120 days of final cessation of use of each pit. Final surface grading of the pits and the storage tank battery areas must be accomplished in such a manner that rainfall will not collect at these former locations. Upon final closure, the appropriate 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  **September 6, 2017**

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

**Attachments:** Permit Appendices A, B, and C

cc: RRC – District 8 – Midland
    RRC – Production Audit – Austin
    RRC – EPS Reporting Log – Austin
PERMIT APPENDIX A

SITE PLAN (SHEET 9.5)

&

SITE GRADING PLAN (SHEET 12.1)
PERMIT APPENDIX B

OFFLOADING/WASHOUT & LOADING AREA
PLANS & CROSS SECTIONS

(SHEET 9.8)
OFFLOADING/WASHOUT
AREA PLAN
SCALE: 1" = 10'

LOADING AREA PLAN
SCALE: 1" = 10'

SECTION A-A'
SCALE: 1" = 10'

SECTION B-B'
SCALE: 1" = 10'

NOTE:
1. ALL CONCRETE SLABS ARE 1" THICK.
2. THE LOADING AREA PAD WILL NOT BE USED FOR STORING OR DRYING WASTE.
PERMIT APPENDIX C

COLLECTING PIT PLAN
(SHEET C1)

&

COLLECTING PIT CROSS SECTIONS
(SHEET C2)