THE MAKERS OIL CORPORATION  
PO BOX 1270  
SOMERVILLE TX 77879

Based on information contained in the application (Form R-9) received August 23, 2017, and subsequent information received to date, you are hereby authorized to reclaim oilfield related hydrocarbons designated herein:

**Odessa Reclamation Permit (Form R-9)**
- Texas & Pacific Railroad Company Survey, A-220
- Latitude, Longitude: 31.802647°, -102.453269°
- Ector County, Texas
- RRC District 08, Midland

**NARRATIVE DESCRIPTION OF PROCESS:**

Incoming oil and gas wastes are off-loaded into processing tanks, where the waste is thermally treated, and gravity separated into oil, water and solid fractions. The separated oil fraction is collected and transferred to an oil tank to be stored and sold. The remaining aqueous phase liquids are conveyed to saltwater tanks for storage prior to being transported off-site for disposal at an authorized disposal facility. Residual liquids and solids from the processing tanks are conveyed to a centrifuge for mechanical separation of the waste. Solids from the centrifuge are transported to a roll-off box for storage prior to disposal at an authorized disposal facility. Recovered liquids are disposed of in an authorized manner.

Authority is granted by the Railroad Commission of Texas (RRC) to reclaim oilfield related hydrocarbons and store certain oil and gas waste in accordance with Texas Administrative Code (TAC) Title 16, Part 1, Chapter 3.57 (Statewide Rule 57) and Chapter §3.8 (Statewide Rule 8) and is subject to the following conditions:

**I. GENERAL PERMIT CONDITIONS**

A. The authority granted for this Reclamation Plant Permit (R9 08-1706) is effective **November 10, 2017**.

B. The permittee may not receive, store, handle, treat or reclaim oil and gas wastes or fluids or other hydrocarbons at the facility until financial security in the amount of **$140,271.00** is provided and approved by the RRC for the referenced facility.
C. The permittee shall maintain financial security in the amount of $140,271.00 until this facility (R9 08-1706) 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 RRC prior to making that modification.

D. 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).

E. Technical Permitting in Austin and the appropriate RRC District Office must be notified in writing when construction of the facility begins, and when the facility is complete. The permittee may not receive, store, handle, or treat oil and gas waste at the facility until the RRC District Office has performed an inspection of the completed facility and has verified that the facility 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” drawing(s), to be filed with Technical Permitting in Austin upon completion.

F. Use of the facility is limited to the treatment, processing, or reclamation of tank bottoms and other hydrocarbon wastes generated through activities associated with exploration, development, and production of crude oil and other wastes containing crude oil as defined by Statewide Rule 57 (b)(2).

G. The permittee shall not accept or release waste to a waste hauler unless the waste hauler has an RRC issued waste hauler permit and is authorized to transport waste to or from this facility.

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

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

J. 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 a leak free condition.

K. 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 registered Professional Engineer.
L. 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 chemical is contingent upon RRC approval. All chemicals must be stored according to the manufacturer’s specifications.

M. 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 comingle 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.

N. A copy of a site-specific Spill Prevention and 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.

O. A Stormwater Management Plan for the facility must be maintained on site and made available to RRC Staff for review and inspection upon request.

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

Q. Unless otherwise required by conditions of this permit, construction, use, and maintenance of the Reclamation Plant (R9 08-1706) must be in accordance with the information represented on the "Application For Permit To Operate A Reclamation Plant" (Form R-9) provided and incorporated into this permit as Permit Appendix A and attachments thereto.

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

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

T. This Reclamation Plant Permit (R9 08-1706) is nontransferable. A request for a new permit must be filed with Technical Permitting in Austin from the new operator.

U. Failure to comply with any provision of this permit may result in modification, suspension, termination or cancellation of this permit if Technical Permitting determines that the permittee is in violation of the RRC rules.

II. INCOMING AND OUTGOING WASTES

A. AUTHORIZED WASTES

1. Only oil and gas wastes that are non-hazardous or exempt from Resource Conservation and Recovery Act (RCRA), subchapter C and subject to the jurisdiction of the RRC may be received or processed at this facility. This permit authorizes the receipt and reclamation of only the following oil and gas wastes:
   a. Tank bottoms.
   b. Other hydrocarbon wastes, as defined by Statewide Rule 57 (b) (2).
2. No asbestos-containing material regulated under the Clean Air Act or polychlorinated biphenyls (PCB) containing material regulated under the Toxic Substances Control Act may be accepted for processing at the facility.

3. No oil and gas Naturally Occurring Radioactive Material (NORM) waste as defined in 16 TAC §4.603 or waste from a facility that is licensed by the Texas Department of State Health Services to process or treat oil and gas NORM waste may be received at this facility.

B. TESTING REQUIREMENTS FOR INCOMING WASTES

1. The operator of the Reclamation Plant must conduct a shakeout test on all tank bottoms or other hydrocarbon wastes upon removal from any producing lease tank, pipeline, storage tank, or other production facility, to determine crude oil content.

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

3. Each load of incoming waste, other than water-based drilling fluid and the associated cuttings, or oil-based drilling fluid and the associated cuttings, must be scanned for the presence of NORM using a scintillation meter with a sodium iodide detector or equivalent device. Specifications must be provided to the RRC for review for any equivalent devices. Calibration records for all NORM scanning devices must be maintained on-site and made available to RRC personnel upon request. Any load with a maximum reading of 50 microroentgens per hour or more may not be unloaded or processed at the facility unless further analysis of the waste demonstrates that the waste does not exceed 30 picocuries per gram of radium-226 combined with radium-228 or 150 picocuries per gram of any other radionuclide.

C. RECORDKEEPING REQUIREMENTS

1. Details of receipts, deliveries and stock on hand must be reported monthly on the Form R-2, Monthly Report for Reclaiming and Treating Plants. Submit the original Form R-2 report directly to Technical Permitting in Austin and a copy of the report to the appropriate RRC District Office by the 15th day of the following calendar month for the preceding month. Form R-2 shall be completed in accordance with Statewide Rule 57.

2. The permittee shall maintain the following records on each load of waste received at the facility for a period of three years from the date of receipt:
   a. Description of the site where the waste was generated, including:
      (1) Generator name.
      (2) Lease Name and Lease Number, Well Number or Gas I.D. Number or API Well Number.
      (3) County.
   b. Name and RRC permit number of the transporter.
   c. Date the waste is received.
   d. Volume of the waste material (specify units).
3. The permittee shall maintain the following records on each load of waste removed from the facility for a period of three years from the date of receipt:
   a. Date waste is removed and hauled to a disposal facility.
   b. Name and RRC permit number of the transporter.
   c. Volume of each shipment of waste hauled to a disposal facility.
   d. Type of waste (basic sediment, water, water-based mud, etc.).
   e. Name and permit number of the facility to which the waste was hauled to for disposal.

III. RECLAMATION PROCESS

A. Use of the reclamation process is limited to the treatment, processing, or reclamation of tank bottoms and other hydrocarbon wastes generated through activities associated with exploration, development, and production of crude oil and other wastes containing crude oil.

B. The “Application For Permit To Operate A Reclamation Plant” (Form R-9), which is attached as Permit Appendix A, grants authority for the reclaiming of oil field related hydrocarbons and does not cover reclamation of any refined products. Commingling or blending of refined products with crude 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 products or crude blended with products must be clearly identified on the RRC Form R-2 as “Products” or “Crude Blended with Products.”

C. The removal of tank bottoms or other hydrocarbon wastes from the facility for which a monthly report (Form R-2) is not filed with the RRC must be authorized in writing by the RRC 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.

D. The receipt of any tank bottoms or other hydrocarbon wastes from outside the State of Texas must be authorized in writing by the RRC prior to such receipt. Written approval from the RRC is not required if another regulatory agency indicates, in the appropriate monthly report, a corresponding delivery of the same material.

E. The Reclamation Plant (R9 08-1706) must be clearly identified with signs showing the name of the plant operator and permit number in letters and numerals at least three inches in height.

IV. CONSTRUCTION AND GENERAL OPERATIONS

A. The general layout and arrangement of the facility shall be consistent with the “Site Location Map” (Figure D-2) schematic, which is attached to and incorporated into this permit as Permit Appendix B.
B. The facility is limited to having no more than 11,838 barrels (bbls) of unprocessed and processed oil and gas waste and 17 cubic yards (cy) of residual solids resulting from the reclamation process onsite at any given time.

C. This facility consists of the following storage vessels:
   1. Five 500-bbl oil storage tanks.
   2. Nine 400-bbl oil storage tanks.
   3. Five 500-bbl process tanks.
   4. Three 400-bbl process tanks.
   5. Four 400-bbl saltwater tanks.
   6. Two 210-bbl diesel storage tanks.
   7. One 71-bbl freshwater storage tank.
   8. One 3-bbl centrifuge.
   10. One 17-cy roll-off box.

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

E. No waste, treated or untreated, may be placed directly on the ground. All untreated and treated waste must be stored in steel tanks or in steel, water tight roll-off boxes.

F. All equipment at the facility shall be kept on a gravel pad with a perimeter berm at least two feet high, and the perimeter berm must meet the construction specifications detailed in Permit Condition IV.G.

G. 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.

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

I. All wastes generated by reclaiming operations shall be disposed of in an authorized manner.
J. All storage tanks, equipment and roll-off boxes must be maintained in a leak-free condition. If inspection of a tank reveals deterioration or leaks, the tank must be repaired before resuming use of the tank.

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

L. Each month an integrity inspection of the entire facility must be performed on all concrete slabs, processing equipment, berms, and aboveground storage tanks for deterioration, leaks and spills. Monthly waste level inspections must also be conducted for all processing equipment, storage tanks and roll-off boxes, and reported. Records of each inspection must be kept on-site and maintained by the permittee, and made available upon request of the RRC for a period of three years from the date of the inspections. A summary of all monthly inspections must be submitted as part of the Quarterly Report required by Permit Condition IV.M.

M. The permittee must submit a Quarterly Report containing the specified information required in Permit Conditions II.C. and IV.L. to Technical Permitting in Austin no later than the 30th day of the month following each reporting period (January 1 through March 31, April 1 through June 30, July 1 through September 30, and October 1 through December 31), or each January 30, April 30, July 30, and October 30, respectively.

V. STORMWATER MANAGEMENT

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

B. 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.

C. Contact stormwater shall be prevented from migrating outside of the waste processing and storage areas. The facility shall be sloped to facilitate the separation of contact and non-contact stormwater.

D. Surface flow non-contact stormwater shall be prevented from entering the waste processing and storage areas. Areas outside of the bermed waste processing and storage areas shall be sloped to prevent non-contact stormwater from contacting waste.

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

F. 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.

VI. FACILITY CLOSURE

A. Technical Permitting in Austin and the appropriate RRC District Office must be notified in writing 60 days prior to commencement of closure activities.

B. All waste, chemicals, or associated waste materials must be processed and removed from the facility for authorized reuse, or disposed of in an authorized manner.
C. All processing equipment, aboveground storage tanks, piping, and any other associated equipment must be removed from the facility.

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

E. After waste removal and site excavations are completed, a minimum of two representative soil samples per acre must be taken to characterize the scope of any contamination at the facility. Samples must also be taken from around berms, storage areas, tanks, and processing equipment and from underneath the concrete pads if demolished. Those samples must be analyzed for the following Parameters and not exceed the corresponding Limitations:

<table>
<thead>
<tr>
<th>PARAMETER</th>
<th>LIMITATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>pH</td>
<td>6 to 10 standard units</td>
</tr>
<tr>
<td><em>EPA Method 9045C</em></td>
<td>≤ 4.0 mmhos/cm</td>
</tr>
<tr>
<td>Electrical Conductivity (EC)</td>
<td>≤ 10,000 mg/kg or 1% by weight</td>
</tr>
<tr>
<td><em>Louisiana Dept. of Natural Resources</em></td>
<td>≤ 30 mg/kg</td>
</tr>
<tr>
<td><em>Lab Procedures for Analysis of</em></td>
<td></td>
</tr>
<tr>
<td><em>Exploration and Production (E&amp;P)</em></td>
<td></td>
</tr>
<tr>
<td><em>Waste or equivalent</em></td>
<td></td>
</tr>
<tr>
<td>Total Petroleum Hydrocarbons (TPH)</td>
<td></td>
</tr>
<tr>
<td><em>Method 5035A/10005</em></td>
<td></td>
</tr>
<tr>
<td>Total Benzene, Toluene, Ethylbenzene,</td>
<td></td>
</tr>
<tr>
<td>Xylenes (BTEX)</td>
<td></td>
</tr>
<tr>
<td><em>EPA Method 5035A/8021/8260B</em></td>
<td></td>
</tr>
<tr>
<td>Metals (Total)</td>
<td></td>
</tr>
<tr>
<td><em>EPA Method 6010/6020/7471A</em></td>
<td>≤ 10 mg/kg</td>
</tr>
<tr>
<td>Arsenic</td>
<td>≤ 10,000 mg/kg</td>
</tr>
<tr>
<td>Barium</td>
<td>≤ 10 mg/kg</td>
</tr>
<tr>
<td>Cadmium</td>
<td>≤ 100 mg/kg</td>
</tr>
<tr>
<td>Chromium</td>
<td>≤ 200 mg/kg</td>
</tr>
<tr>
<td>Lead</td>
<td>≤ 10 mg/kg</td>
</tr>
<tr>
<td>Mercury</td>
<td>≤ 10 mg/kg</td>
</tr>
<tr>
<td>Selenium</td>
<td>≤ 200 mg/kg</td>
</tr>
<tr>
<td>Silver</td>
<td></td>
</tr>
</tbody>
</table>

F. A summary of the soil sampling required by **Permit Condition VI.E.** must be submitted to Technical Permitting upon closure and shall include:

a. A map drawn to scale with coordinates of the sampling locations.

b. A table indicating the results of the parameters sampled.

c. The date of sampling.

d. The approximate depth of the sample below land surface.

e. Copies of the laboratory analytical reports and Chain of Custody.
G. Any soil sample that exceeds the Parameter Limitations specified in Permit Condition VLE. is considered waste and must be disposed of at an authorized disposal facility.

H. 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 and restored to natural grade. Topsoil must be contoured and seeded with appropriate vegetation for the geographic region.

I. Final grading of the storage and processing areas must be accomplished in such a manner that rainfall will not collect in the former waste processing and storage area locations after closure.

J. 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 10, 2017.

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

cc: RRC District 08 / Midland
RRC Reporting Log, Austin
RRC Production Audit, Austin
Permit Appendix A

Application 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**

**DRAFT**

**2/7/90**

1. **OPERATOR NAME**, exactly as shown on P-5, Organization Report
   The Maker's Oil Corporation

2. **OPERATOR P-5 NO.**
   851524

3. **RRC DISTRICT NO.**
   8

4. **COUNTY OF PLANT LOCATION**
   Ector

5. **OPERATOR ADDRESS**, including city, state, and zip code
   24275 Katy Fwy, Suite 200
   Katy, Texas 77494

6. **PURPOSE OF PLANT**
   □ New permit for new facility. Estimated completion date:
   □ New permit for existing facility. Name of previous operator:
   □ One-time renewal of existing permit
   serial/registration (P-2) no.
   10-30-17

7. **TYPE OF FACILITY**
   X Permanent
   □ Portable

8. **Driving directions from the nearest town (identify town)**
   In Odessa, Texas at intersection of US 385 and IH-20, take IH-20 SW for 6.3 miles, turn NW on Kellogg Avenue for 0.2 miles, turn NE on W Boles Road, entrance to facility is at intersection of Kellogg Avenue and W Boles Road

9. **Brief description of treating process.**
   The Maker's Oil Corporation will gather crude oil that is a 2%-50% BS&W content, treat this material by heating to 180 degrees with a propane heater, the 1% BS&W oil fraction will be skimmed over to sale tanks. The remaining BS&W fraction will be disposed at a local RRC permitted commercial saltwater disposal facility.

10. **Material transported to plant in (see Inst. No. 6)**
    □ vehicles owned by applicant
    □ for-hire vehicles
    X 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.)**
    **TYPE OF FACILITY**
    Gas Transmission Pipeline
    Oneok Westex Transmission, LLC
    Natural Gas Liquids Pipeline
    DCP Operating Company, LP

**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.

**Papadakis**

**SIGNATURE**
Constantine Papadakis

**NAME (print or type)**

**TITLE**
Vice-President, Corporate Operations

**PHONE**
360-319-1596

**DATE**
8-14-17

**RECEIVED**
RRC OF TEXAS
SEP 21 2017
G & G
AUSTIN, TX

**NOVEMBER 10, 2017**

**Serial/registration no.**
R9 08-1706

**by**
Signature of RRC representative

**Phone No.**

**All wastes generated by reclaiming operations shall be disposed of in accordance with statewide rules, 8, 9, and 46 (relating to water protection, disposal wells, and fluid injection)**

**Facility Name:** Maker's Oil Odessa Reclamation Facility
Permit Appendix B

Site Location Map