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-0122, and Associated R9 08-1702, and Collecting Pit P012513

SELECT ENERGY SERVICES, LLC
PO BOX 1715
GAINESVILLE, TX 76241

Based on information contained in the original application, received February 6, 2017, and subsequent information received to date, you are hereby authorized to receive, store, handle, treat and reclaim certain oil and gas wastes subject to the jurisdiction of the Railroad Commission of Texas (RRC) as specified below at the following facility:

Stationary Treatment Facility/Reclamation and Collecting/Washout Pit
SES Odessa Oil and Gas Waste Separation/Reclamation STF Facility
Section 31, Block 41 T2S T.& P R.R. Co. Survey, A-77
Latitude, Longitude: 31.848688°, -102.307275°
Ector County, Texas
RRC District 08, Midland

NARRATIVE DESCRIPTION OF PROCESS:

Incoming oil and gas liquid and solid wastes are transferred from vacuum trucks into the Collecting/Washout Pit (P012513) where the waste will be pumped or actively conveyed to the Solids Separation Area. Once in the Solids Separation Area the waste will be separated using shaker screens mounted above a holding tank. Separated solids will be placed into a 40-cubic yard roll-off container for disposal. The separated liquid fraction will be directed to a 500-barrel storage tank where a polymer will be added before the liquid mixture is pumped to a centrifuge for further separation. The isolated liquid fraction processed through the centrifuge will then be pumped to an oil and water separator tank for further separation and reclamation. The solid fraction will be collected in a roll-off container for disposal offsite. Once separated, the oil fraction is transferred to an oil storage tank and sold. Separated liquid waste will be pumped to one of four water storage tanks prior to being conveyed to the adjacent Class II injection well for disposal. The underground piping will extend to the edge of the property boundary of SES Odessa Oil and Gas Waste Separation/Reclamation (STF) Facility at latitude/longitude: 31.848781, -102.307542 and continue to the property that is co-owned by Select Energy Services L.L.C and a joint venture partner Pro-Select SWD #2, LLC. Separated solids collected in the two roll-off containers will be transported offsite to an RRC authorized disposal facility.
Authority is granted to receive, store, handle, treat, phase separate, and reclaim oil and gas wastes in accordance with Texas Administrative Code (TAC) Title 16, Part 1, Chapter §3.8 (Statewide Rule 8), and the "active" reclamation of crude oil from oil and gas waste authorization under 16 TAC §3.57 (Statewide Rule 57) and is subject to the following minimum conditions:

I. GENERAL PERMIT CONDITIONS

A. The effective date of the permits (STF-0122 and P012513) is December 5, 2017 and they expire on December 6, 2022. The Stationary Treatment Facility permit (STF-0122) and the permit to Use and Maintain a Commercial Washout/Collecting Pit (P012513) 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 the permits. The effective date of the Reclamation Plant Permit (R9 08-1702) is December 5, 2017 and does not expire and cannot be transferred. A new permit must be obtained by the new operator.

B. The permittee may not receive, store, handle, treat, or reclaim oil and gas wastes at the facility until financial security in the amount of $254,741.00 is provided to and approved by the RRC for the referenced facility. This amount provides financial security for the RRC permitted waste storage and treatment permits (STF-0122, R9 08-1702, and P012513) 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 $254,741.00 until this facility and all of the referenced Permit Nos: (STF-0122, R9 08-1702, and P012513) have 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 (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 when construction of the facility and the collecting pit are initiated and at completion. The permittee may not begin receiving, storing, handling, treating, or reclaiming 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. The "Application For Permit To Operate A Reclamation Plant" (Form R-9), which is attached 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. Commingle 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 products or crude blended with refined products must be clearly identified on the RRC Form R-2 as “Products” or “Crude Blended with Products.”

G. 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).

H. The removal of tank bottoms or other hydrocarbon wastes from the facility for which monthly reports (Form R-2) are 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 reclamer and intended destination of the material.

I. 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 from the RRC is not required if another regulatory entity with jurisdiction over the waste indicates, in the appropriate monthly report, a corresponding delivery of the same material.

J. 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.

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

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

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

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 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.

O. 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.

P. Prior to beginning operations, the facility shall have procedures in place to prevent unauthorized access. The entire facility shall be surrounded by a six-foot high security fence. Access shall be maintained by a locked gate when the facility is unattended.

Q. Any deviation from this permit must be approved by amendment from Technical Permitting in Austin before implementation.
R. This permit does not authorize the discharge from the facility of any oil and gas waste, including contaminated or contact stormwater.

S. 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.

T. 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.

U. 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.

V. 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.

W. 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.

X. The permits (STF-0122 and P012513) are 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.

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

1. The report shall contain applicable information as required in Permit Conditions III.B.4., III.B.5., IV.U., IV.V., V.M., 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.

Z. 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. AUTHORIZED WASTE

A. 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, process, and reclaim only the following oil and gas wastes:

1. Water-based drilling fluids and associated cuttings;
2. Oil-based drilling fluids and associated cuttings;
3. Production tank bottoms which do not exceed 7% in oil content as determined by a Standard American Petroleum Institute (API) Shakeout test;
4. Saltwater (produced brine or produced water); and
5. Other hydrocarbon waste, as defined by Statewide Rule 57(b)(2).

B. 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.

C. 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.

D. No other waste may be accepted 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 authorized disposal facility on their “Oil and Gas Waste Hauler’s Authority to use Approved Disposal/Injection System”, (Form WH-3).

III. WASTE TESTING AND RECORDKEEPING REQUIREMENTS

A. WASTE TESTING

1. For the purposes of this permit a representative sample of incoming waste is defined as a composite sample composed of four (4) grab samples from each 50 cubic yards of waste material from each job (e.g., from each well, pit, spill location).

2. Each load of incoming waste, other than water-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 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 (pCi) per gram of Radium-226 combined with Radium-228, or 150 pCi per gram of any other radionuclide.

3. The operator of the Reclamation Plant (R9 08-1702) 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.

4. The Shakeout Test shall be conducted in accordance with the most current American Petroleum Institute (API) or ASTM method.
5. 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>
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</thead>
<tbody>
<tr>
<td>Total Organic Halides (TOX)</td>
<td>100 mg/l</td>
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<tr>
<td><em>(EPA Method 9020B)</em></td>
<td></td>
</tr>
<tr>
<td>OR</td>
<td></td>
</tr>
<tr>
<td>Extractable Organic Halides</td>
<td>100 mg/l</td>
</tr>
<tr>
<td><em>(EOX) (EPA Method 9023)</em></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 this waste.

B. RECORDKEEPING REQUIREMENTS

1. Details of receipts of deliveries for incoming waste to be processed at the Reclamation Plant *(R9 08-1702)* and the stock on hand (available for re-sale) must be reported monthly on the Form R-2, *(Monthly Report for Reclaiming 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.

2. 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.A. above.

3. 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.

4. 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.Y. and
shall include the following information:

a. All records required by Permit Condition III.B.2. and III.B.3. 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.

5. If no waste was received during any quarter after the effective date of this permit or
after construction of the facility has been 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.Y.

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 “Washout Pit/Solids Separation Schematic” (Drawing 1),
received June 19, 2017, which is 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 Separation and Collecting/Washout Pit Area:
   a. (One) 500-bbl Closed Top Frac Tank (3);
   b. (One) Shale Shaker (2);
   c. (One) 40-cy Roll-Off Box (4);
   d. (One) 11.9-bbl Polymer Tank (5);
   e. (One) 20-cy Roll-Off Box (8)
   f. (One) Centrifuge (9); and
   g. (One) 1,154-bbl Collecting/Washout Pit (P012513)

2. Reclamation Area
   a. (One) 500-bbl Closed Top Oil/Water Separator Tank (11);
   b. (One) 500-bbl Vented Oil Storage Tank (10)
   c. (Four) 500-bbl Closed Top Waste Water Tanks (14)
C. No additional storage capacity may be added without prior written approval by Technical Permitting. A request for any additional storage or tankage must be submitted in writing to Technical Permitting for review.

D. The facility is limited to having no more than 4,666 barrels (bbl) of unprocessed and processed oil and gas waste and 60 cubic yards (cy) of residual solids resulting from handling, separation, treatment, and reclamation on-site at any given time.

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 numbers in letters and numerals at least three inches in height.

F. The general layout and arrangement of the Reclamation Area (R9 08-1702) shall be consistent with the “Blow-Up of Reclamation Area” (Drawing No. 4) received March 28, 2017, which is attached to and incorporated into this permit as Permit Appendix B.

G. Use of the Reclamation Plant (R9 08-1702) 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 specified in SWR 57 (b)(2).

H. Liquid waste stored in the four closed-top waste water storage tanks located in the Reclamation Area shall be metered and logged prior to being pumped via underground piping and a transfer pump to the adjacent Pro-Select SWD #2, LLC for disposal.

I. The underground piping shall exit the SES Odessa Oil and Gas Waste Separation/Reclamation (STF) Facility (STF-0122, R9 08-1702, and P012513) at latitude/longitude (31.848781, -102.307542) as identified on the “Washout Pit/Solids Separation Schematic” (Drawing No. 1) received June 19, 2017, which is attached to and incorporated into this permit as Permit Appendix A. The underground piping must be buried at a depth at least three-feet below the ground surface for protection from routine traffic and to prevent rupturing the pipeline and the location must be inspected periodically for signs of breakage.

J. In the even that a rupture should occur in the underground piping, Select Energy Services LLC shall be responsible for any waste cleanup and the disposal from the point of discharge up to the property boundary location at latitude/longitude (31.848781, -102.307542) as identified on the “Washout Pit/Solids Separation Schematic” (Drawing No. 1) received June 19, 2017, which is attached to and incorporated into this permit as Permit No. 1. If a rupture should occur in the underground piping located on the adjacent property leased by Pro-Select SWD #2, it will be the responsibility of the (Lessees), whose address is 1400 Post Ok Blvd., Suite 400, Houston, Texas 77056 to properly cleanup and dispose of any waste resulting from the breakage.

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

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

M. 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 or repaired before resuming use.

N. 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.
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. 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.

Q. 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.

R. 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.

S. All 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 Ector County is acceptable.

T. No oil may be allowed to accumulate on top of the water or wastes stored in the Collecting Pit (P012513). 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, 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. 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.

U. 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.Y.

V. 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 I.Y.:

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.

V. CONSTRUCTION AND OPERATION OF THE UNLOADING AREA AND COLLECTING/WASHOUT PIT (P012513)

A. The Unloading Area Pad and the Collecting/Washout Pit (P012513) must be constructed as shown on the "Plan and Sections" (Drawing No. 2), schematic received on June 19, 2017, which is attached to and incorporated into this permit as Permit Appendix B.

B. The Unloading Area Pad shall consist of an above grade concrete slab that is approximately 75-feet long by 60-feet wide. The slab shall consist of reinforced concrete with a minimum thickness of 8-inches. The entrance/exit to the unloading pad shall have a 9-inch high by 2-feet wide concrete bump curb constructed to prevent surface flow run-on and/or run-off from entering or exiting the pit. The Unloading Area Pad must slope toward the Collecting/Washout Pit (P012513) and shall maintain a slope of at least 1.75-percent so that the wastes will gravity flow directly into the pit.

C. Use of the Unloading Area Pad shall be for unloading waste from waste hauling trucks into the adjacent Collecting/Washout Pit (P012513) and for washing out residual waste from trucks or frac tanks after delivery exclusively. All waste received must be processed through the facility upon receipt and may not be stored or staged on the Unloading Area Pad at any time.
D. The Collecting/Washout Pit (P012513) must be 48-feet long by 60-feet-wide and have a maximum depth of 4-feet and 6-inches. The pit slab must contain a slope that is at least 10.75-percent to allow waste to gravity flow into the pit and shall be constructed of reinforced concrete with a minimum thickness of 8-inches. The pit side and back walls shall be constructed of reinforced concrete and have a wall thickness of at least 6-inches. The pit walls will extend two-feet above grade for containment of waste which will surround three sides of the pit and have a wall thickness of at least 6-inches.

E. The usable capacity for the Collecting/Washout Pit (P012513) must not exceed 1,154 barrels or 240 cubic yards.

F. Use of the Collecting/Washout Pit (P012513) 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.

G. A sign shall be posted identifying the pit permit number in letters and numerals at least three inches in height.

H. At least two-feet of freeboard must be maintained between the fluid level and the top of the pit containment walls.

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

J. The ground surface surrounding the Unloading Area Pad and Collecting/Washout Pit (P012513) must be graded such that all surfaces slope away from the pit to prevent surface flow stormwater from entering the pit.

K. No waste may be placed directly onto the ground out side of the pit or unloading area.

L. This permit does not authorize discharge of waste from Collecting/Washout Pit (P012513) to the land surface or surface water.

M. The Collecting/Washout Pit (P012513) 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 Permit Condition I.Y. of this permit. The Midland District Office must be notified by phone or email at least 48 hours before emptying the pit for inspection.

N. The concrete liner must be inspected whenever evidence of a liner failure is detected. 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 District Office personnel before resuming use of the pit.

O. 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 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. Berms and other containment structures must be constructed around all waste management units and 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. This permit does not authorize the discharge of oil and gas waste or stormwater that has come into contact with oil and gas waste.

D. 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.

E. Contact stormwater must be contained within the waste processing and storage area. Any accumulated contact stormwater must be removed within 24-hours and disposed of in an authorized manner.

F. Contact stormwater shall be prevented from migrating outside of the Waste Separation Area, Reclamation Area, Unloading, and Collecting/Washout Pit 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 Waste Separation Area, Reclamation Area, Unloading, and Collecting/Washout Pit 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 Conditions IV.R. and IV.S. 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 Ector County.

VII. GROUNDWATER MONITORING

A. Four (4) groundwater monitor wells must be installed and be located as represented on the “Monitoring Well Locations” (Project No. 02-165177) schematic, received October 9, 2017, which is attached to and incorporated into this permit as Permit Appendix C.

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 (EPA Method 8260/8021B or equivalent)</td>
<td>mg/L</td>
</tr>
<tr>
<td>Total Petroleum Hydrocarbon (TPH) (Method TX1005)</td>
<td>mg/L</td>
</tr>
<tr>
<td>Total Dissolved Solids (TDS) (Standard Method 160.1 or equivalent)</td>
<td>mg/L</td>
</tr>
<tr>
<td>pH (EPA Method 150.1 or equivalent)</td>
<td>s.u.</td>
</tr>
</tbody>
</table>

**Solubilized Cations:**

| Calcium, Magnesium, Potassium, and Sodium (EPA Method 6020 or equivalent) | mg/L     |

**Solubilized Anions:**

| Bromides, Carbonates, Chlorides, Nitrates, and Sulfates (EPA Method 300 or equivalent) | mg/L     |

C. Copies of the results must be filed with Technical Permitting as part of the Quarterly Report required in Permit Condition I.Y. 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 waste related equipment and storage units must be emptied, cleaned, 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 Separation (STF-0122), Reclamation (R9 08-1702), and Collecting/Washout Pit (P012513) Areas 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 Pit (P012513) 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 area, collecting/washout pits, concrete chute, concrete pads, pumps, and equipment shall be cleaned, salvaged and or 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 area, concrete liners, concrete aprons and all visually contaminated soils from beneath the 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 former pit location, and five 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 VIII.I.6. must be analyzed for the analytical Parameters listed in Permit Condition VIII.J., and the specified Parameter Limitations shall not be exceeded.

8. 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.

J. Soil samples required by Permit Conditions VIII.I.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 <em>EPA Method 9045C or equivalent</em></td>
<td>6 to 10 standard units</td>
</tr>
<tr>
<td>Electrical Conductivity (EC)¹</td>
<td>≤ 4.0 mmhos/cm</td>
</tr>
<tr>
<td>Total Petroleum Hydrocarbons (TPH) <em>EPA Method 5035A/TX1005</em></td>
<td>≤ 10,000 mg/kg or 1 % by weight</td>
</tr>
<tr>
<td>Total Benzene, Toluene, Ethylbenzene, Xylenes (BTEX) <em>EPA Method 5035A/8021/8260B</em></td>
<td>≤ 30 mg/kg</td>
</tr>
<tr>
<td>Metals (Total) <em>EPA Method 6010/6020/7471A</em></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>

K. A summary of the soil sampling required by Permit Conditions VIII.I.6. 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;

¹ Louisiana Department of Natural Resources (LDNR) Lab Procedures for Extraction and Analysis of Exploration and Production E&P Waste or equivalent
4. The approximate depth of the sample below land surface; and

5. Copies of the laboratory analytical reports and chain of custody.

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

M. Once the laboratory results of the closure sampling activities contain acceptable constituent levels and have been approved by the 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.

N. Final surface grading of the storage tank and processing area must be accomplished in such a manner that rainfall will not collect at these former locations. Upon final closure, the Midland 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 December 5, 2017

[Signature]
Grant Chamblee, 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

APPLICATION FOR PERMIT TO OPERATE
A RECLAMATION PLANT
(FORM R-9)

AND

WASHOUT PIT/SOLIDS SEPARATION SCHEMATIC
(DRAWING NO. 1)
APPLICATION FOR PERMIT TO OPERATE
A RECLAMATION PLANT

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

1. OPERATOR NAME, exactly as shown on P-S, Organization Report
Select Energy Services, LLC

5. OPERATOR ADDRESS, including city, state, and zip code
1820 North IH 35
Gainesville TX, 76240
P.O. Box 1715

3. RRC DISTRICT NO.

4. COUNTY OF PLANT LOCATION
Ector County

2. OPERATOR P-S NO.
765002

6. PURPOSE OF PLANT
☐ New permit for new facility.
☒ New permit for existing facility
☐ One-time renewal of existing permit
Name of previous operator:

8. Driving directions from the nearest town (identify town):
From Odessa, Texas merge onto Interstate 20 going east after driving approximately 3.00 miles exit S John Ben Sheppard Parkway and turn right. After driving approximately 0.50 miles the facility will be on your left.

9. Brief description of treating process:
Treatment process includes a washout/collection pit, large solids separation via shale shaker, smaller solids removal via polymer addition and centrifugation and fluids collection in frac tanks. Oil from frac tanks will be reclaimed for resale.

10. Material transported to plant in (see last, 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.)

TYPE OF FACILITY
Saltwater Disposal Facility

OPERATOR
Select Energy Services, LLC

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.

Operator
Nate Butler

SIGNATURE
Halle Butler

NAME (print or type)

TITLE

PHONE
281-841-6731

DATE
12-15-16

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 release is authorized by the Commission. The facility schematic diagram is to be kept with this permit.

Permit and diagram are to be kept at facility.

Serial/registration no.
R9-08-1702

by
Signature of RRC representative

Dec. 5, 2017

DECEMBER 5, 2017

(1)(c) 463.4354

ALL WASTES GENERATED BY RECLAMING OPERATIONS SHALL BE DISPOSED OF IN ACCORDANCE WITH STATEWIDE RULES, 8, 3, AND 46 (RELATING TO WATER PROTECTION, DISPOSAL WELLS, AND FLUID INJECTION)

Facility Name: SES Odessa O/I Waste Separation/Reclamation STF Facility
Associated with (STF) CN-0122, CN-012513 (EODG/WWST), and SWD UIC #00010744.
PERMIT APPENDIX B

BLOW-UP OF RECLAMATION AREA
(DRAWING NO. 4)

AND

PLAN AND SECTIONS
(DRAWING NO. 2)
PERMIT APPENDIX C

MONITORING WELL LOCATIONS
(PROJECT NO. 02-165177)