RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

PERMIT TO RECEIVE, STORE, TREAT AND RECYCLE CERTAIN
NON-HAZARDOUS OIL AND GAS WASTES

Permit No. STF-0127
Associated Pits: P012582, P012583
Effective Date: February 23, 2018

H2O MIDSTREAM PERMIAN LLC
3151 BRIARPARK STE 825
HOUSTON TX 77042

Based on information contained in the application received August 3, 2017, and subsequent
information received to date, you are hereby authorized to receive, store, handle, treat, and
recycle of certain nonhazardous oil and gas wastes subject to the jurisdiction of the Railroad
Commission of Texas (RRC) as specified below at the following facility:

Permit for Commercial Stationary Treatment Facility (STF) for
Fluid Recycling with Associated Pits
Newton Produced Water HUB
Section 10, Block 33, Township 1 North Texas and Pacific Railway Company Survey
Latitude, Longitude: 32.333194°, -101.534861°
Howard County, Texas
RRC District 08, Midland

NARRATIVE DESCRIPTION OF PROCESS

Oil and gas wastes enter the facility through a closed gathering network and pass through a
desanding unit before oil and produced water are phase separated in two gun barrel tanks. The
separated brine fluids are piped to a series of storage tanks, where salts may be added to create
weighted brine, or stored in collecting pits for use as completion fluids or disposed of in two
onsite, Class II injection wells. The recovered hydrocarbons are transferred to the oil storage
tanks and sold. Recovered solids are periodically removed from the tanks for disposal at an
offsite RRC authorized disposal facility.

Authority is granted to receive, store, handle, treat and recycle oil and gas wastes in accordance
with 16 Texas Administrative Code (TAC) §3.8 (Statewide Rule 8), 16 TAC Chapter 4,
Subchapter B, and is subject to the following minimum conditions:

I. GENERAL PERMIT CONDITIONS
A. The authority granted by this permit is effective February 23, 2018 and will expire on
B. The permittee may not receive, store, handle or recycle oil and gas wastes at the facility until financial security in the amount of $3,064,355.00 is provided and approved by the RRC for the referenced facility. This amount provides financial security for all RRC permitted activities (STF-0127) and the Waste Management Units (pit permits P012582 and P012583) allocated for this facility.

C. In accordance with 16 TAC §3.78, the permittee shall maintain financial security in the amount of $3,064,355.00 until the entire facility has been closed in accordance with this permit. Technical Permitting reserves the right to revise this amount, as necessary. Prior to any modification of this facility that would require increased financial security, an updated closure cost estimate must be submitted to Technical Permitting in Austin, and any additional financial security must be filed with and approved by the 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 construction of the facility. The permittee may not begin receiving, storing, handling, treating or recycling oil and gas waste until the 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. A sign must be posted at each entrance to the facility, which must show the Operator Name, Facility Name, Stationary Treatment Facility permit number, and associated pit permit numbers in letters and numerals at least three inches in height.

F. Prior to beginning operations, the perimeter of the facility must be enclosed with a security fence suitable to keep out unauthorized access. The site is to be attended continuously or secured when unattended. Access gates must be closed and locked when not attended by facility personnel.

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

H. 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.

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

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. 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.
L. 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.

M. A copy of a site-specific Spill Control Plan must be provided to Technical Permitting, that establishes spill response and containment protocol(s) and means and methods for initial remedial actions in the event of a waste or waste related release or discharge. A copy of the Plan must be maintained on-site and made available for review and inspection.

N. 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.

O. All chemical laboratory analyses required to be performed in accordance with this permit must be performed using appropriate 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.

P. 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.

Q. This permit is **not transferable** without the consent of the RRC. Any request for transfer of this permit must be filed with Technical Permitting in Austin at least 60 days before the permittee wishes the transfer to take place.

R. Unless otherwise dictated by this permit, construction and operation of the facility must be as represented in the original application and subsequent information received to date by Technical Permitting in Austin. Any deviation from the permit must be approved by amendment from Technical Permitting in Austin before implementation.

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

1. The report shall contain applicable information as required in Permit Conditions II.C.3., III.K., V.K. and VI.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 untreated waste received shall be included.

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

Failure to comply with any condition of this permit or any determination by the RRC that this permit is being abused, will be cause for enforcement action including, but not limited to, modification, suspension, or termination of this permit, and the possibility of penalty action.

II. INCOMING WASTES

A. AUTHORIZED WASTES

1. Only wastes subject to the jurisdiction of the RRC and exempt from Subtitle C of the Resource Conservation and Recovery Act (RCRA), may be received, stored, treated, and recycled at this facility, including, but not limited to:

   a. Produced water and residual solids; and

   b. Frac flow-back fluids and residual solids.

2. 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 must be submitted to and approved by Technical Permitting in Austin prior to any active reclamation activities at the referenced facility. No free oil may be disposed of at the facility. Any recovered free oil must be handled according to protocols specified in Permit Condition III.J.

3. No asbestos-containing material regulated under the Clean Air Act or polychlorinated biphenyls (PCB) material regulated under the Toxic Substances Control Act may be accepted for processing at this facility.

4. 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 (DSHS) to process or treat oil and gas NORM waste may be received at this facility.

5. No waste may be received or recycled at this facility if it is not a waste under the jurisdiction of the RRC. No hazardous waste as defined by the EPA in 40 CFR Part 261 may be received or recycled at this facility.

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

7. 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).
B. TESTING REQUIREMENTS FOR INCOMING WASTES

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

2. Prior to receipt at the site, representative samples of waste from commercial oil and gas facilities and reclamation plants must be analyzed for and may not exceed the Limitation for the following Parameter(s):

<table>
<thead>
<tr>
<th>PARAMETER</th>
<th>LIMITATION</th>
</tr>
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<tbody>
<tr>
<td>TOX</td>
<td>100 mg/L</td>
</tr>
<tr>
<td></td>
<td><em>EPA Method 9020B</em></td>
</tr>
<tr>
<td>OR</td>
<td>100 mg/kg</td>
</tr>
<tr>
<td>EOX</td>
<td><em>EPA Method 9023</em></td>
</tr>
</tbody>
</table>

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

3. 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 device(s) 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. Instrument calibration records must be maintained onsite and made available to RRC personnel upon request. Any load with a reading of 50 microroentgens per hour or greater may not be unloaded or processed at the facility unless further analysis of the waste demonstrates that the waste does not exceed 30 picocuries per gram of Radium-226 combined with Radium-228, or 150 picocuries per gram of any other radionuclide.

C. RECORDKEEPING REQUIREMENTS

1. The permittee must 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:

      i. Generator name;

      ii. Lease name and number and well number(s), or gas ID number(s), or American Petroleum Institute (API) well number(s); or latitude and longitude coordinates in decimal degrees if waste was not generated on a lease; and

      iii. County;

   iv. Name and RRC permit number of transporter.

   v. Date the waste was received.
vi. Amount of waste material (specify units).
   b. Detailed description of the type of waste, including any analysis required by
      Permit Conditions II.B.2. and II.B.3., above.

2. The permittee must maintain the following records on each load of outgoing waste
   sent from the referenced facility to an authorized disposal facility for a period of
   three years from the date of shipment:
   a. Date waste is removed and hauled to a disposal facility;
   b. Name and RRC permit number of the transporter;
   c. Volume (specify units) of each shipment of waste hauled to a 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 hauled to for
      disposal.

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.S. and
   shall include the following information:
   a. All records required Permit Conditions II.C.1. and II.C.2. 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.

III. GENERAL FACILITY DESIGN

A. The general layout and arrangement of the facility must be consistent with the
   "Proposed Facility Diagram, Newton Produced Water Hub" schematic, received on
   November 7, 2017, which is attached and incorporated into this permit as Permit
   Appendix A.

B. The facility must consist of the following waste management units:
   1. One 800-bbl Desanding Tank;
   2. Two 1,000-bbl HWSB Gunbarrel Tanks;
   3. Four 1,000-bbl Production Water Tanks;
   4. Two 300-bbl Crude Oil Sales Tanks; and
   5. Two 500,000-bbl Collecting Pits (P012582 and P012583).

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

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

F. A perimeter berm that surrounds the entire facility must be constructed and maintained to provide a physical barrier to prevent potential run-on and/or runoff of surface flow stormwater. The perimeter berm must be constructed to a minimum height of at least two feet above grade with a slope no steeper than a one to three (vertical to horizontal) ratio.

G. 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 one to three (vertical to horizontal) 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 storm water within the waste management units. Refer to the Stormwater Management requirements specified in Permit Condition VII.

H. All the storage tanks containing fluid waste or fuel 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 and the volume of a 25 year/24-hour rainfall event for Howard County is acceptable.

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

J. No oil may be allowed to accumulate on top of the water or wastes stored in the pits. Any oil on top of any waste liquids must be collected and handled in accordance with RRC rules. Any recovered oil must be recorded and filed as 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 the entity 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.

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

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

1. The results of the monthly inspection of concrete slabs, berms, dikes and firewalls 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.

IV. CONSTRUCTION AND OPERATION OF THE TANK BATTERY

A. The general layout and arrangement of the Tank Battery shall be consistent with the “Proposed Facility Diagram, Newton Produced Water Hub” schematic, which is included in Permit Appendix A.

B. The Water Treatment and Oil Storage Area shall be completely surrounded by a 27-inch galvannealed steel berm with a 60-mil polyurea liner overlaying a substrate formed of a compacted earthen surface compliant with Permit Condition III.G., a 4-inch basal layer of sand and overlain with a geotextile fabric.

C. The polyurea liner must be installed in accordance with the manufacturer’s specifications and sound engineering practices.

V. CONSTRUCTION AND OPERATION OF THE COLLECTING PITS (P012582, P012583)

A. The general layout and arrangement of the Collecting Pits (P012582, P012583) must be consistent with the “Proposed Pond Plan View” (Sheet C1.01), the “Pond Cross Section A-A Profile” (Sheet C1.02), the “Pond Cross Section B-B Profile” (Sheet C1.03), the “Pond Cross Section C-C Profile” (Sheet C1.04), and the “General Details” (Sheet C1.05 and Sheet C1.06) schematics, received on November 7, 2017, which are attached and incorporated into this permit as Permit Appendix B.
B. Use of the pits (P012582 and P012583) are limited to the collection and storage of non-hazardous oil and gas wastes prior to recycling, reuse or disposal by injection in a Class II injection well. No other oil fluids or oil and gas wastes may be stored or staged in the pits.

C. A sign shall be posted at each Collecting Pit (P012582 and P012583) identifying them by name and permit number using letters and numerals at least three inches in height.

D. The Collecting Pits (P012582 and P012583) must have approximate dimensions measured from the top of the berms no greater than 505 feet by 507 feet with a usable capacity not to exceed 569,002 bbl or 118,331 cubic yards each.

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

F. The pits must be constructed in accordance with the liner installation methods included in the application and be composed of 12 inches of compacted subgrade, a 40-mil high-density polyethylene (HDPE) secondary liner and a 60-mil conductive HDPE primary liner.

G. The pits must be equipped with a leak detection system (LDS), which will consist of a HDPE drainage layer with a thickness of at least 200 mils placed between the primary and secondary liners, along with a leak detection trench/sump and riser that are designed to maintain sufficient capacity to allow continuous flow and fluid evacuation. Design and installation must be consistent with the details shown on the “General Details” (Sheet C1.05 and Sheet C1.06) schematics provided in Permit Appendix B.

H. The liner systems and the LDS must be installed in accordance with the manufacturer’s specifications and sound engineering practices.

I. The floor of each pit must maintain at least a 1% slope to allow fluids to drain to the leak detection sump.

J. The leak detection system must be monitored at least weekly and the permittee must maintain a record of when the liner and the leak detection system are inspected and the results of each inspection. This record shall include:
   1. Date of fluid level measuring;
   2. Fluid level or volume;
   3. Volume of fluid removed;
   4. Electrical conductivity; and
   5. Chloride concentration of the fluids removed.

K. A report of all records required by Permit Condition V.J, above must be submitted in table form within the Quarterly Report required by Permit Condition I.S. The physical record must be maintained by the permittee for the life of the pit. The physical record shall be filed with the RRC upon request.

L. If the leak detection system indicates a possible liner system failure, the liner system must be inspected for deterioration and leaks within five days of the initial detection of the failure. The Midland District Office must be notified by phone or email within 24
hours of the initial detection of the failure. No additional waste shall be added to the pit in the event of a failure. After inspection, the identified failed component must be replaced or repaired and re-inspected by RRC personnel before resuming use of the pit.

A liner system failure for Collecting Pits (P012582 and P012583) is defined as any of the following:

1. A leak rate from the primary liner greater than the calculated Action Leakage Rate (ALR) of 3,637 gallons per day or 1000 gallons per acre per day (GPAD).
2. Any failure in the leak detection and return system or any component thereof.
3. Any detected damage to or leakage from the secondary liner.

M. No oil may be allowed to accumulate on top of the water or wastes stored in the Collecting Pit. Any oil on top of the water must be collected and reported in accordance with Permit Condition III.J.

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

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. GROUNDWATER MONITORING

A. Six groundwater monitoring wells must be installed and numbered as represented on the “Proposed Facility Diagram, Newton Produced Water Hub” schematic provided in Permit Appendix A.

1. The groundwater monitoring wells must be completed in accordance with 16 TAC Part 4, Chapter 76 (Water Well Drillers and Water Well Pump Installers).
2. The groundwater monitoring wells must be completed in the shallowest groundwater zone and the completion must isolate that zone from any deeper groundwater zone.
3. The screened interval of the wells must be designed to intercept at least five feet of groundwater from the first groundwater-bearing unit.
4. Provisions must be made to protect the well heads from damage by vehicles and heavy equipment.
5. The groundwater monitoring wells must be maintained in good condition with a lockable water-tight expansion cap that prohibits unauthorized access.
6. The groundwater monitoring wells must be able to provide a representative sample of groundwater underlying the site for the duration of facility operations. If a groundwater monitoring well is not capable of providing a representative sample, the permittee must notify Technical Permitting in Austin and install a replacement groundwater monitoring well that is acceptable to Technical Permitting.
7. The following information must be submitted after the wells are completed:

a. A soil boring lithological log for each 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, total depth, and the top of the first encountered water or saturated soils.

b. A well installation diagram detailing construction specifications for each well, including riser and screen length, screen slot size, bentonite and cement intervals. The sand pack size should be identified and compatible with the well screen slot size and the local lithology.

c. A survey elevation for each well head reference point (top of casing) relative to a real or arbitrary bench mark 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 8260B/8021 or equivalent</td>
<td></td>
</tr>
<tr>
<td>Total Petroleum Hydrocarbons (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>Standard Units</td>
</tr>
<tr>
<td>EPA Method 150.1 or equivalent</td>
<td>(S.U.)</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</td>
<td></td>
</tr>
<tr>
<td>Sulfates</td>
<td></td>
</tr>
<tr>
<td>EPA Method 300 or equivalent</td>
<td></td>
</tr>
<tr>
<td>Total Metals:</td>
<td>mg/L</td>
</tr>
<tr>
<td>Arsenic, Barium, Cadmium, Chromium, Lead,</td>
<td></td>
</tr>
<tr>
<td>Mercury, Selenium, and Silver</td>
<td></td>
</tr>
<tr>
<td>EPA Method 200, 200.7, 6010, 6020, 7470</td>
<td>(series), or equivalent</td>
</tr>
</tbody>
</table>

C. A Quarterly Report as specified by Permit Condition I.S. must be submitted to Technical Permitting consisting of all groundwater monitoring well data, results of the Parameters tested in Permit Condition VI.B, corresponding Laboratory Analytical Reports, Chain of Custody, an analytical results summary table, and an executive summary detailing pertinent activities during the corresponding quarter.
VII. STORMWATER MANAGEMENT

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

B. A perimeter berm that surrounds the entire facility must be constructed and maintained to provide a physical barrier to prevent potential run-on and/or runoff of stormwater. The perimeter berm must be constructed to a minimum height of at least two feet above grade with a slope no steeper than one to three (vertical to horizontal) ratio and meet the berm integrity requirements specified in Permit Conditions III.F. and III.G.

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. Non-contact surface flow 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 surface flow stormwater from contacting waste.

E. Contact stormwater must be collected within 24 hours of accessibility and utilized within the waste treatment process or 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.

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

VIII. SITE CLOSURE

A. Technical Permitting and the appropriate 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. All waste from the waste storage areas, tanks, and the solids processing areas must be removed and processed through the facility or disposed of in an authorized manner.

C. All equipment must be dismantled, removed, salvaged, or disposed of in an authorized manner.

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

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

F. 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. The sampling plan must be representative of the entire facility. Samples must be taken from around and underneath the Waste Storage Areas and the Collecting Pits (P012582, P012583).
G. Soil samples must be analyzed for the Parameters listed in Permit Condition VIII.H, and those 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.

H. Soil samples must be acquired and analyzed for the following Parameters and the specified Limitations shall not be exceeded:

<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>( \leq 4.0 ) mmhos/cm</td>
</tr>
<tr>
<td>TPH <em>(EPA Method 5035A/TX1005)</em></td>
<td>( \leq 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>( \leq 30 ) mg/kg</td>
</tr>
<tr>
<td>Metals (Total) <em>(EPA Method 6010/6020/7471A)</em></td>
<td>( \leq 10 ) mg/kg</td>
</tr>
<tr>
<td>Arsenic</td>
<td>( \leq 10,000 ) mg/kg</td>
</tr>
<tr>
<td>Barium</td>
<td>( \leq 10 ) mg/kg</td>
</tr>
<tr>
<td>Cadmium</td>
<td>( \leq 100 ) mg/kg</td>
</tr>
<tr>
<td>Chromium</td>
<td>( \leq 200 ) mg/kg</td>
</tr>
<tr>
<td>Lead</td>
<td>( \leq 10 ) mg/kg</td>
</tr>
<tr>
<td>Mercury</td>
<td>( \leq 10 ) mg/kg</td>
</tr>
<tr>
<td>Selenium</td>
<td>( \leq 200 ) mg/kg</td>
</tr>
</tbody>
</table>

¹ Louisiana Department of Natural Resources Lab Procedures for Extraction and Analysis of Exploration and Production Waste or equivalent

I. A summary of the soil sampling required by Permit Conditions VIII.H. 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.

J. Any soil sample that exceeds the Parameter Limitations specified in Permit Condition VIII.H. is considered waste and must be disposed of at an authorized disposal facility.
K. When acceptable constituent levels have been verified in writing by Technical Permitting, all berms 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.

L. Upon approval of final closure of the site by the RRC, the Quarterly Report requirements in Permit Condition I.S will be fulfilled.

M. Final grading of the storage areas, and processing areas must be accomplished in such a manner that rainfall will not collect at all former waste processing areas and storage area locations after closure. 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: February 23, 2018

[Signature]
Grant Chambless, P.G., Manager
Environmental Permits & Support
Technical Permitting

Attachments: Permit Appendices A and B

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

Proposed Facility Diagram
Newton Produced Water Hub
APPENDIX B

Proposed Pond Plan View (Sheet C1.01)

Pond Cross Section A-A Profile (Sheet C1.02)

Pond Cross Section B-B Profile (Sheet C1.03)

Pond Cross Section C-C Profile (Sheet C1.04)

General Details (Sheet C1.05 and Sheet C1.06)