RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

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

Permit Nos. STF-0123,
R9 08-1703, and P012514

SELECT ENERGY SERVICES LLC
P O BOX 1715
GAINESVILLE TX  76241

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

**SES Pecos Commercial Oil and Gas Waste Separation/Reclamation STF Facility**
Section 10, Block C-9, Public School Land Survey, A-5638
Latitude, Longitude: 31.341681°, -103.601397°
Reeves 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 (P012514) 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 screen mounted above the holding tank. Separated solids will be placed in 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 liquid waste storage tanks (#14) prior to being conveyed to the adjacent Class II injection well for disposal. Underground piping will extend from the liquid waste storage tanks (#14) to the edge of the property boundary of SES Odessa Oil and Gas Waste Separation/Reclamation STF Facility and continue across the property boundary to the adjacent property that is co-owned by Select Energy Services, L.L.C. and joint venture partner Pecos South 869 SWD. Separated solids collected in the two roll-off containers will be transported offsite to an RRC authorized disposal facility.

Authority is granted by the RRC to receive, store, handle and treat certain non-hazardous oil and gas wastes and reclaim oilfield hydrocarbons in accordance with 16 Texas Administrative Code (TAC) §3.8 (Statewide Rule 8) and §3.57 (Statewide Rule 57), and is subject to the following conditions:
I. GENERAL PERMIT CONDITIONS

A. This permit is effective July 20, 2018 and expires July 19, 2023.

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 $269,909.00 is provided for and approved by the RRC for the referenced location. This amount provides financial security for the RRC permitted Waste Storage and Treatment Units (STF-0123) as listed below.

C. In accordance with 16 TAC § 3.78 the permittee shall maintain financial security in the amount of $269,909.00 until this facility and all of the referenced Permit Nos.: STF-0123, R9 08-1703 and Collecting/Washout Pit (P012514), including all associated equipment and tanks, have been closed in accordance with this permit. Technical Permitting reserves the right to revise this amount, as necessary. Prior to any modification or expansion of this facility that would require increased financial security, an updated Closure Cost Estimate must be submitted to Technical Permitting in Austin, and any additional financial security must be filed with and approved by the RRC prior to making that modification.

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

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

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

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

H. 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).

I. Technical Permitting in Austin and the Midland District Office must be notified in writing when the construction of the facility is initiated and with the completion of each waste management unit.

J. Technical Permitting in Austin and the Midland District Office must be notified in writing upon final completion of the facility. The permittee may not begin receiving, storing, handling, treating, or reclaiming oil and gas waste until the Midland 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.

K. Unless otherwise required by conditions of this permit, construction, use and maintenance of the facility must be in accordance with the information represented in the permit application and attachments thereto. When construction of the facility is completed, submit the “as-built” plans to be incorporated as part of the permit application.

L. 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 reclamation 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”.

M. 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 claimer and intended destination of the material.

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

O. An On-Site Sewage Facility (OSSF) may be constructed, operated and maintained within the boundaries of the subject facility without an additional permit from the Commission if: (1) the OSSF waste is not commingled with any other oil and gas waste; (2) the system is designed by a Professional Engineer registered in the state of Texas or a sewage system installer licensed in the state of Texas; and (3) the construction, operation and maintenance of the OSSF complies with all applicable local, county and state requirements.

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

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

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

S. 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) and certified by a Texas licensed Professional Engineer.

T. 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.

U. This permit may be considered for administrative renewal upon review by the RRC. Any application for renewal should be received at least 60 days prior to the permit expiration date.

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

W. The permittee shall submit a Quarterly Report according to the following:
   1. The report shall contain applicable information as required in Permit Conditions III.I., IV.M. and V.I. of this permit.
2. The quarterly reporting periods shall be January 1 through March 31, April 1 through June 30, July 1 through September 30, and October 1 through December 31 of each year.

3. The reports shall be submitted to Technical Permitting in Austin and the appropriate District Office no later than the 30th day of the month following each reporting period, or each April 30th, July 30th, October 30th, and January 30th, respectively.

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

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

6. The laboratory analytical reports and the corresponding chain of custody shall be provided for all chemical analyses performed.

X. 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 WASTES

A. Only oil and gas wastes subject to the jurisdiction of the RRC that are non-hazardous according to Subtitle C (Resource Conservation and Recovery Act (RCRA)), may be received. You may receive, store, handle, treat, process, and dispose of only the following oil and gas wastes:

1. Water-based drilling fluids and associated cuttings;

2. Oil-based drilling fluids and associated cuttings;

3. Non-injectable waste waters (too many solids to directly inject into an injection well without pretreatment for solids removal);

4. Produced brine or produced water; and

5. Production tank bottoms that are subsequently chemically and/or heat treated.

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

C. RCRA non-exempt wastes under the jurisdiction of the RRC may be accepted and processed at the facility if analytical results demonstrate that the waste is characteristically non-hazardous. See Permit Condition III.E.

D. 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.

E. 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.

F. All waste haulers received at the facility must be currently permitted Oil and Gas Waste Haulers and must have the subject facility listed as an approved disposal facility on their "Oil and Gas Waste Hauler's Authority to use Approved Disposal/Injection System", (Form WH-3).
III. WASTE TESTING AND RECORD KEEPING REQUIREMENTS

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

B. Each load of incoming waste, other than water-based drilling fluids and associated cuttings or oil-based drilling fluid and associated cuttings, must be scanned for the presence of NORM using a scintillation meter with a sodium iodide detector or other equivalent devices that 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 per gram of Radium-226 combined with Radium-228, or 150 picocuries per gram of any other radionuclide.

C. The operator of the Reclamation Plant (R9 08-1703) 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 storage vessel from a production facility to determine crude oil content and lease condensate thereof.

D. 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 Parameter:

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

Special authorization for disposal of waste with a TOX/EOX greater than 100 mg/L may be considered. Authority must be obtained from Technical Permitting in Austin prior to receipt of waste.

E. Prior to acceptance at the site, representative samples of incoming RCRA non-exempt waste or any international waste must be analyzed for the following Parameters and may not exceed the specified Limitations:

<table>
<thead>
<tr>
<th>PARAMETER</th>
<th>LIMITATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corrosivity</td>
<td>pH 2.0 -12.5 standard units (s.u.)</td>
</tr>
<tr>
<td>(EPA Method 1110A, 9040C or equivalent)</td>
<td></td>
</tr>
<tr>
<td>Ignitability</td>
<td>Flash Point &lt; 60° C or 140°F</td>
</tr>
<tr>
<td>(EPA Method 1010A, 1020B, or 1030A)</td>
<td></td>
</tr>
<tr>
<td>Reactivity</td>
<td>No materials exhibiting the characteristic of reactivity as defined by RCRA</td>
</tr>
</tbody>
</table>
PARAMETER | LIMITATION
--- | ---
Toxicity | No materials exhibiting the characteristic of toxicity as defined by RCRA (*EPA Method 1311, Toxicity Characteristic Leaching Procedure (TCLP)*)

Metals (*TCLP*)
(*EPA Method 1311/6010/6020/7147A*)

<table>
<thead>
<tr>
<th>Element</th>
<th>Limitation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arsenic (As)</td>
<td>&lt; 5.0 mg/L</td>
</tr>
<tr>
<td>Barium (Ba)</td>
<td>&lt; 100.0 mg/L</td>
</tr>
<tr>
<td>Cadmium (Cd)</td>
<td>&lt; 1.0 mg/L</td>
</tr>
<tr>
<td>Chromium (Cr)</td>
<td>&lt; 5.0 mg/L</td>
</tr>
<tr>
<td>Lead (Pb)</td>
<td>&lt; 5.0 mg/L</td>
</tr>
<tr>
<td>Mercury (Hg)</td>
<td>&lt; 0.2 mg/L</td>
</tr>
<tr>
<td>Selenium (Se)</td>
<td>&lt; 1.0 mg/L</td>
</tr>
<tr>
<td>Silver (Ag)</td>
<td>&lt; 5.0 mg/L</td>
</tr>
</tbody>
</table>
| Benzene (*TCLP*)
(*EPA Method 1311/8260B/8021B*) | < 0.5 mg/L     |

F. Details of receipts, deliveries for incoming waste to be processed at the Reclamation Plant (*R9 08-1703*) 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 of the Form R-2 report 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 by the report. Form R-2 shall be completed in accordance with Statewide Rule 57.

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

1. Description of the site where the waste was generated, including:
   a. Generator name;
   b. 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
   c. County.
2. Name and RRC permit number of the transporter;
3. Volume of waste material (specify units); and
4. Detailed description of the type of waste, including any analysis required by Permit Conditions III.B., III.C., III.D. and III.E. above.

H. 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:

1. Date waste is removed and hauled to a disposal facility;
2. Name and RRC permit number of the transporter;
3. Volume (specify units) of each shipment of waste hauled to a disposal facility;
4. Type of waste (basic sediment, water, water-based mud, etc.); and
5. Name and permit number of the facility to which the waste was hauled to for disposal.

I. A report must be submitted to Technical Permitting in Austin and the appropriate District Office as part of the Quarterly Report required in Permit Condition I.W. and shall include the following information:
   1. All records required by Permit Conditions III.G., and III.H. above, as well as a table summary of waste receipts;
   2. The total volume of each type of waste material received during the specific quarter; and
   3. Total volume of each type of waste that leaves the facility for disposal or final disposition during the quarter.

IV. GENERAL FACILITY DESIGN AND MAINTENANCE REQUIREMENTS

A. The general layout and arrangement of the facility must be consistent with the "WASHOUT PIT/SOLIDS SEPARATION SCHEMATIC" (Drawing No. 1) diagram, received on June 19, 2017, and the "BLOW-UP OF RECLAMATION AREA" (Drawing No. 4) diagram, received on May 22, 2017, which are attached and incorporated as part of this permit as Permit Appendix B.

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

C. The entire facility shall consist of and is defined by 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 (P012514).
   2. Reclamation Area:
      a. One 500-bbl Closed Top Oil/Water Separator Tank (#11);
      b. One 500-bbl Vented Oil Storage Tank (#10); and
      c. Four 500-bbl Closed Top Waste Water Tanks (#14).

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

E. All storage tanks, equipment and roll-off boxes must be maintained in a leak-free condition. If inspection of a tank, roll-off box or storage vessel reveals deterioration or leaks, it must be repaired or replaced before resuming use of the tank.
F. All storage tanks containing fluid waste or fuel shall be contained within dikes or berms. Secondary containment of 120% total storage capacity is recommended; however, a firewall capacity that will capture 100% of the volume of the largest tank plus the volume of a 25-year/24-hour rainfall event for Reeves County is acceptable.

G. Any spill of waste, chemicals, or any other material must be collected and containerized within 24 hours and conveyed through the treatment process or disposed of in an authorized manner.

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

I. Dikes or containment structures must be constructed around all waste management units. All earthen dikes surrounding pits and constructed as perimeter berms must be compacted or constructed of material that meets 95% Standard Proctor (ASTM D698) or 90-92% Modified Proctor (ASTM D1557) density and meet a permeability of 1 x 10^-7 cm/sec or less when compacted. During construction, successive lifts should not exceed nine inches in thickness, and the surface between lifts should be scarified to achieve a good seal. 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 contact storm water within the waste management units.

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

K. The entrance/exit to the facility must have a concrete/asphalt berm that is at least one foot in height and eight feet wide with a grated trench on the interior side to capture surface flow from the site.

L. No oil may be allowed to accumulate on top of the water or wastes stored in the Collecting/Drying Pit (P012514). 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.

M. Each month an inspection of the entire facility must be performed on all concrete slabs, processing equipment, containment berms, and aboveground storage tanks or vessels for deterioration, leaks and spills. The records of each inspection must be kept on-site and maintained for a period of three (3) years from the date of the inspection. The following must be included in the inspection report and submitted as part of the Quarterly Report required by Permit Condition I.W.:

1. The results of the monthly inspection of concrete slabs and the sacrificial soil layer for Collecting/Washout Pit (P012514) within the facility for evidence of deterioration, leakage, or storm water run-on, and a description of corrective action taken, if any.

2. The results of the monthly inspection of process equipment, tanks, and roll-off boxes for evidence of deterioration or leakage, and a description of corrective action taken, if any.

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

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

V. CONSTRUCTION AND OPERATION OF THE UNLOADING AREA AND THE COLLECTING WASHOUT PIT (P012514)

A. The general layout and arrangement of the Unloading Area and the Collecting/Washout Pit (P012514) must be consistent with the “PLAN AND SECTIONS” (Drawing No. 2) diagram, received on June 19, 2017, which is attached and incorporated into this permit as Permit Appendix C.

B. The Unloading Area shall consist of an above grade reinforced concrete slab that is approximately 75 feet long by 60 feet wide and at least eight (8) inches thick. The entrance/exit to the Unloading Area shall have a bump curb constructed that is nine (9) inches high by two (2) feet wide to prevent surface flow run-on and run-off from entering or exiting the pit. The Unloading Area must slope toward the Collecting/Washout Pit and shall maintain a slope of at least 1.75 percent so that the wastes will gravity flow directly to the pit. The Unloading Area shall be used exclusively for unloading waste into the adjacent Collecting/Washout Pit and for washing out residual waste from trucks or frac tanks. Waste may not be stored or staged on the Unloading Area at any time.

C. A sign shall be posted identifying the Collecting/Washout Pit by name and permit number using letters and numerals at least three inches in height.

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

E. The Collecting/Washout Pit must be approximately 48 feet long by 60 feet wide and have a maximum depth of four (4) feet six (6) inches. The pit must contain a slope of at least 10.75 percent to allow waste to gravity flow into the pit. The pit must be constructed of reinforced concrete with a minimum floor thickness of eight (8) inches and a minimum sidewall thickness of six (6) inches. The sidewalls will extend two (2) feet above grade on three (3)
sides of the pit for containment of waste. The usable capacity for the pit must not exceed 1,154 barrels or 240 cubic yards.

F. At least two feet of freeboard must be maintained between the fluid level in the pit and the top of the pit wall.

G. The pit must be constructed in accordance with the liner installation methods included in the application.

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

I. The pit must be emptied and visually inspected annually for deterioration and leaks. A record of this inspection and photographs of the interior of the pit must be maintained and shall be submitted to Technical Permitting in Austin as part of the Quarterly Report required in Permit Condition I.W. The Midland District Office must be notified by phone or email at least 48 hours before emptying the pit for inspection.

J. The concrete liner must be inspected whenever evidence of liner leakage arises. If inspection of the concrete liner reveals cracking, a leak or other loss of integrity, the waste must be immediately removed. No waste shall be added to the affected Collecting/Washout Pit (P012514) until the concrete liner has been replaced or repaired and re-inspected by RRC personnel before resuming use of the pit(s).

K. The area surrounding the pit must be graded such that all surfaces slope away from the pit to prevent surface flow of stormwater from entering the pit.

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

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

VI. STORMWATER MANAGEMENT

A. The general layout and arrangement of the stormwater management structures shall be consistent with the “WASHOUT PIT/SOLIDS SEPARATION SCHEMATIC” (Drawing No. 1) diagram provided in Permit Appendix B.

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. All above ground storage tanks must be contained within dikes. Dikes must be constructed and maintained at a minimum to contain the largest tank’s maximum capacity, plus freeboard to contain a 25-year, 24-hour storm event volume for Reeves County as specified in the Permit Conditions IV.F. and IV.I.

D. Contact stormwater must be contained within the waste management units. Any accumulated contact stormwater must be removed and disposed of in an authorized manner.

E. 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.
VII. FACILITY CLOSURE

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

B. At facility closure, all waste, chemicals and waste related materials must be and/or removed from the facility for authorized reuse or disposed of in an authorized manner.

C. Waste processing equipment, above ground storage tanks and any other equipment not associated with the maintenance of the facility must be removed.

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

E. The entire facility must be backfilled as necessary, contoured to original grade and revegetated with ground cover appropriate for the geographic region.

F. Closure of the Unloading Area, Collecting/Washout Pit (P012514) and Reclamation Area (R9 08-1703) shall be as follows:

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

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

3. The concrete areas, concrete pit, concrete pads and access roads shall be cleaned and demolished, and the concrete rubble and wash-water must be disposed of in an authorized manner.

4. The Collecting/Washout Pit (P012514) must be dewatered, emptied, and demolished. All wastes, including the liners, must be removed and disposed of in an authorized manner.

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

6. Once waste removal is completed from the waste handling areas, a soil sampling plan must be submitted to Technical Permitting to characterize the scope of any residual contamination at the facility. After the removal of wastes, composite soil samples must be taken comprised 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 Collecting Pit Areas, the Truck Washout Ramp, the Liquified Waste Transfer Ramps, the Solid Waste Transfer Ramp and the Working Area.

7. Soil Samples required by Permit Condition VII.F.6. must be analyzed for the analytical parameters listed in Permit Condition VII.G., and the specific parameter limitations shall not be exceeded. If any Parameter Limitation is exceeded, additional waste must be removed from that location, and the area must be resampled. The process must be repeated until the analytical results meet criteria.
G. Soil samples required by Permit Condition VII.F.6. must be analyzed for the following parameters and shall not exceed the specified limitations:

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

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

H. A summary of the soil sampling required by Permit Condition VII.F.6. must include:

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

I. Any soil sample that exceeds the parameter limitations specified in Permit Condition VII.G. is considered waste and must be disposed of at an authorized disposal facility.

J. Once the results of the closure activities have been approved by the RRC, the former Collecting/Washout Pit (P012514) area must be backfilled, compacted and properly closed. Final surface grading of the facility and former pit areas 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.
SELECT ENERGY SERVICES LLC
Permit Nos. STF-0123, R9 08-1703, and P012514
Page 13 of 13

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

APPROVED AND ISSUED ON: July 20, 2018

[Tiffany Humberson's signature]
Tiffany Humberson, Manager
Environmental Permits & Support
Technical Permitting

Attachments: Permit Appendices A through C

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

APPLICATION FOR PERMIT TO OPERATE A RECLAMATION PLANT
(FORM R-9)
**RAILROAD COMMISSION OF TEXAS**  
**Oil and Gas Division**

**APPLICATION FOR PERMIT TO OPERATE**  
**A RECLAMATION PLANT**

<table>
<thead>
<tr>
<th>1. OPERATOR NAME, exactly as shown on P.S. Organization Report</th>
<th>2. OPERATOR P.S. NO.</th>
<th>3. RRC DISTRICT NO.</th>
<th>4. COUNTY OR PLANT LOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Select Energy Services, LLC</td>
<td>765602</td>
<td>08</td>
<td>Reeves County</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5. OPERATOR ADDRESS, including city, state, and zip code</th>
<th>6. PURPOSE OF FILING</th>
</tr>
</thead>
<tbody>
<tr>
<td>1820 North IH 35, Gainesville TX, 78240</td>
<td>□ New permit for new facility. Estimated completion date:</td>
</tr>
<tr>
<td>P.O. Box 1715</td>
<td>□ New permit for existing facility. Name of previous operator:</td>
</tr>
<tr>
<td></td>
<td>□ One-time renewal of existing permit serial/registration (R-2) no.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>7. TYPE OF FACILITY</th>
<th>8. Driving directions from the nearest town (identify town):</th>
</tr>
</thead>
<tbody>
<tr>
<td>X Permanent</td>
<td>From Pecos, Texas, head west on Interstate 20 for approximately 8.00 miles. Turn left on Highway 869 and then drive for 3.25 miles. Turn left on Highway 1934, and the facility will be located on the left.</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>9. Brief description of treating process</th>
<th>10. Material transported to plant (see Inst. No. 8)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Select Energy Services will be utilizing a washout/collection pit, after the fluid is pumped to a shale shaker and solids are removed, the fluid will then be pumped to a centrifuge where the oil will be separated and reclaimed for resale</td>
<td>□ vehicles owned by applicant □ for-hire vehicles X both applicant's and for-hire vehicles</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>11. Identify all oil and/or gas-related facilities located within 100 yards of facility, (example: well, pipeline, saltwater disposal facility, tank battery, etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TYPE OF FACILITY: Saltwater Disposal Facility</td>
</tr>
<tr>
<td>OPERATOR: Select Energy Services, LLC</td>
</tr>
</tbody>
</table>

**CERTIFICATION**: I certify under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that it was prepared by 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.

**SIGNATURE**: H. Bactul

**TITLE**: Corporate Environmental Coord.

**NAME (print or type)**: H. Bactul

**PHONE**: 981-461-3153

**DATE**: 12-15-16

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**TO BE COMPLETED BY RAILROAD COMMISSION PERSONNEL**

This permit is valid until cancellation under either of the following conditions:

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

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

Serial/registration no. 91-08-1703 is issued/renewed effective July 20, 2018

**Signature of permit representative**: Tiffany Humblad
**Phone No.**: 512-463-4354

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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**: SE5 Pecos O/I Waste Separation/Reclamation STF Facility.
**Associated with**: STF CN-0123, CN-012514 (Collecting/Washout) SWD HICH-000 105883.**
PERMIT APPENDIX B

WASHOUT PIT/SOLIDS SEPARATION SCHEMATIC
(DRAWING NO. 1)

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

PLAN AND SECTIONS
(DRAWING NO. 2)
FIGURE 2-CROSS-SECTIONS OF WASHOUT COLLECTING PIT

SECTION B-B
HORIZONTAL SCALE: 1"=20'
VERTICAL SCALE: 1"=2.5'

SECTION A-A
HORIZONTAL SCALE: 1"=20'
VERTICAL SCALE: 1"=5'

0.5'W x 2'H CONCRETE CONTAINMENT WALL DIKE AROUND PAD (TYP. BOTH SIDES)

0.5'W x 2'H CONTENTAIN WALL AROUND PIT

0.75'H x 2'W CONCRETE BUMP CURB

23' SLOPE

6'-11" WALL (TYP.)

SEE SECTION B-B FOR DETAIL

6-IN WALL #4 BARS
8" O.C.E.W.

2' OF FREEBOARD

MAXIMUM FLUID LEVEL

8 IN. SLAB (TYP.) #4
BARS O.C.E.W.

CONC. FOOTING NO.5
CONT. HORIZ. BARS

GROUND SURFACE
(TYP.)

FILL

8"