RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

PERMIT TO RECEIVE, STORE, HANDLE, TREAT AND DISPOSE OF CERTAIN
NONHAZARDOUS OIL AND GAS WASTES

Permit No. STF-0157

GOODNIGHT MIDSTREAM PERMIAN, LLC
5910 N CENTRAL EXPY SUITE 850
DALLAS TX 75206

Based on information contained in the initial application, received on December 12, 2019, and subsequent information received to date, you are hereby authorized to receive, store, handle, treat and dispose of certain non-hazardous oil and gas wastes as described in the permit application and as specified below at the following facility:

Commercial Stationary Treatment Facility
Timber Oil & Gas Waste Separation STF Facility
Latitude and Longitude: 31.500760°, -103.227700°
Ward County, Texas
RRC District 08, Midland

NARRATIVE DESCRIPTION OF PROCESS:
Incoming wastewater generated from drilling, completion and production operations in the area delivered to the facility via pipeline and truck transport. The wastewater is treated, processed and separated to remove hydrocarbons and suspended solids prior to the fluid wastes being pumped to off-site Class II injection wells for disposal as necessary.

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

I. General Permit Conditions
   A. This effective date of this permit is May 6, 2020 and expires on May 5, 2025.
   B. The permittee may not receive, store, handle, treat or dispose of oil and gas wastes or fluids at the facility until financial security in the amount of $150,598.00 is provided and approved by the RRC from the reference location. This amount provides financial security for the RRC permitted Waste Storage and Treatment Units described below.
   C. In accordance with 16 TAC § 3.78 the permittee must maintain financial security in the amount of $150,598.00, until this facility has been closed in accordance with this permit and all of the referenced equipment and storage tanks have been emptied and removed. 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 this 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 upon request.

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

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

G. Technical Permitting in Austin and the Midland 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 disposing of oil and gas waste until the appropriate District Office has performed its inspection of the completed facility and has verified that the facility is constructed in accordance with the application and this permit.

H. 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.

I. 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.

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

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

L. 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.

M. 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 on RRC approval. All chemicals must be stored according to the manufacturer’s recommendations.
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. 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.

P. This permit is not transferable without the consent of the RRC, and the permittee will retain responsibility for the facility until the RRC has approved transfer of the permit to a subsequent operator. Any request for transfer of this permit must be filed with Technical Permitting at least 60 days before the permittee wishes the transfer to take place.

Q. The permittee is the party responsible for the storage, handling and disposal of all oil and gas wastes accepted at the facility.

R. The permittee must submit a Quarterly Report in accordance with the following:

1. The report must contain applicable information as required in Permit Conditions III.E. and IV.K.

2. The quarterly reporting periods must 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 must 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 must be included that describes facility operations and relevant activities that occurred during the specific quarter.

5. Data tables presenting volumes or amounts of waste received, treated, and disposed of must be included.

6. Laboratory analytical reports, the corresponding chain of custody, and other relevant data must be included.

7. The data tables and laboratory analytical reports may be submitted in hard copy or digital format (flash drive, CD, etc.)

S. Failure to comply with any provision of this permit or any determination by the RRC that this permit is being abused will be cause for enforcement action including, but not limiting to, modification, suspension, or termination of this permit in accordance with Statewide Rule 8(d)(6)(E).

II. Authorized Wastes

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

1. Produced water and residual solids

2. Frac flowback water and residual solids

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

D. 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 the facility.

E. 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. Any recovered free oil must be handled according to protocols specified in Permit Condition IV.J.

F. 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 Record Keeping Requirements

A. Each load of incoming waste received by truck, 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). Waste received by pipeline must be scanned in the same manner once daily. Manufacturer’s specifications must be submitted to Technical Permitting for equivalent devices used for NORM detection. All instrument calibration records must be maintained onsite and made available 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.

B. 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>
</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 receipt of waste with an EOX/TOX >100 parts per million may be considered. Authority must be obtained from Technical Permitting in Austin prior to acceptance of the waste.

C. 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 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)

4. Detailed description of the type of waste, including any analysis required by Permit Conditions III.A. and III.B., above

D. The permittee must 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.)
5. Name and permit number of the facility

E. A report must be submitted to Technical Permitting in Austin and the Midland District Office as part of the Quarterly Report required in Permit Condition I.R. and must include the following information:

1. A table summarizing all incoming waste, including the following:
   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 the waste was not generated on a lease  
   c. County  
   d. Name and RRC permit number(s) of the transporter(s)  
   e. Description and total volume (specify units) of waste from each job (for which Permit Conditions III.C.1.a., III.C.1.b., and III.C.1.c are the same)  
   f. The total volume of each type of waste material received during the quarter

2. A table summarizing all waste removed from the facility, including the following:
   a. Name and permit number of the disposal facility  
   b. Name and RRC permit number(s) of the transporter(s)  
   c. Description and total volume (specify units) of waste hauled to the disposal facility  
   d. The total volume of each type of waste that leaves the facility for disposal or final disposition during the quarter

3. Copies of all analyses required by Permit Conditions III.A. and III.B., above
IV. General Facility Design and Maintenance Requirements

A. The general layout and arrangement of the facility must be consistent with the "Timber Facility Site Plan" (Exhibit 8) and "Timber Facility Process Flow Diagram" (Exhibit 5) diagrams, received on December 12, 2019, which are attached as Permit Appendix A.

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 must consist of and is defined by the following waste management unit designations:
   1. Tank Battery:
      a. Four (4) 270 bbl Gunbarrel Tanks
      b. One (1) 750 bbl Skim Oil Tank
      c. Four (4) 5,000 bbl Saltwater Tanks

D. No waste, treated or untreated, may be directly placed 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 vessel.

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

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

H. 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 $1 \times 10^{-7}$ 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 must 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. Refer to the Stormwater Management requirements specified in Permit Condition V.

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

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 skimmed off 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 oil will be moved.
   e. Name, address, telephone, and fax number of the facility buying the oil to be moved.
   f. Contact person, T-1 permit number, and P-5 Operator Number of the oil buyer.
   g. A description of the source(s) of the oil at the facility.

K. Each month an integrity inspection of the entire facility must be performed on all concrete slabs, processing equipment, dikes, firewalls or berms, and aboveground storage tanks 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.R.

1. The results of the monthly inspection of concrete slabs within the facility for evidence of deterioration, leakage, or lack of structural integrity, 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. STORMWATER MANAGEMENT

A. The facility must be designed and constructed to capture, contain, and isolate contact stormwater, and prevent run-on of non-contact stormwater.
B. 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 the 25-year, 24-hour storm event volume for Ward County and meet the criteria specified in Permit Condition IV.H.

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

D. 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.

E. Contact stormwater must be prevented from migrating outside of the waste processing and storage areas.

F. Non-contact stormwater must be prevented from entering the waste processing and storage areas. Areas outside of the bermed waste processing and storage areas must be sloped to prevent non-contact stormwater from contacting waste.

G. Contact stormwater must be collected within 24 hours of accessibility and disposed of in an authorized manner. The facility must be sloped to facilitate the separation of contact and non-contact stormwater.

H. 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.

VI. 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 and removed from the facility and disposed of in an authorized manner.

C. All processing equipment, above-ground storage tanks, and any other non-maintenance related equipment must be cleaned and removed from the facility. The contents of all tanks, vessels, pits, or other containers must be disposed of in an authorized manner.

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

E. All liners, concrete pads, tanks and vaults must be steam cleaned and demolished and the rubble, secondary liners and wash water disposed of in an authorized manner.

F. Affected soils underlying the concrete pads must be removed and disposed of in an authorized manner.

G. The entire facility must be backfilled as necessary, contoured to original grade and re-vegetated as appropriate for the geographic region.

H. Closure of the facility must proceed as follows:
   1. The concrete areas, concrete pads, unloading bays and access roads must be cleaned and demolished, and the concrete rubble and wash-water must be disposed
of in an authorized manner. All visually contaminated soils must be excavated and removed. The contaminated soil must be disposed of in an authorized manner.

2. 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 five representative soil samples per acre. Samples must be taken from around and underneath the waste storage areas.

3. Soil samples must be analyzed for the parameters listed in Permit Condition VI.I., and those parameter limitations must 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.

I. Soil samples 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>pH</td>
<td>6 to 10 standard units</td>
</tr>
<tr>
<td>Electrical Conductivity (EC)</td>
<td>≤ 4.0 mmhos/cm</td>
</tr>
<tr>
<td>Total Petroleum Hydrocarbons (TPH)</td>
<td>≤ 10,000 mg/kg or 1% by weight</td>
</tr>
<tr>
<td>Total Benzene, Toluene, Ethylbenzene, Xylenes (BTEX)</td>
<td>≤ 30 mg/kg</td>
</tr>
<tr>
<td>Metals (Total)</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>

J. A summary of the soil sampling 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
   5. Copies of the laboratory analytical reports and chain of custody
K. Any soil sample that exceeds the parameter limitations specified in Permit Condition VI.I. is considered waste and must be disposed of at an authorized disposal facility.

L. Once the results of the closure activities have been approved by the RRC, the operator may begin final surface grading of the storage tank battery areas. Grading must be accomplished in such a manner that rainfall will not collect at these former locations. Upon final closure, the appropriate District Office and Technical Permitting in Austin must 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 May 6, 2020

Attachments: Appendix A

CC: RRC DISTRICT 08, MIDLAND
     P-5 DEPARTMENT
Permit Appendix A

Timber Facility Site Plan

Timber Facility Process Flow Diagram
EXHIBIT 5
TIMBER FACILITY PROCESS FLOW DIAGRAM