

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

**OIL AND GAS DOCKET
NO. 04-0286726**

**FINAL ORDER
GRANTING THE APPLICATION OF SURFACE EQUITIES ENVIRONMENTAL, LLC,
PURSUANT TO STATEWIDE RULE 8
FOR A COMMERCIAL PERMIT TO MAINTAIN AND OPERATE A PIT
AT THE MATEO LUERA PROPERTY, JIM WELLS COUNTY, TEXAS.**

The Commission finds that after statutory notice in the above-numbered docket heard on February 24, 2014, the presiding examiners have made and filed a report and proposal for decision containing findings of fact and conclusions of law, which was served on all parties of record; that the proposed application is in compliance with all statutory requirements; and that this proceeding was duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas.

The Commission, after review and due consideration of the examiners' report and proposal for decision, the findings of fact and conclusions of law contained therein, and any exceptions and replies thereto, hereby adopts as its own the findings of fact and conclusions of law contained therein, and incorporates said findings of fact and conclusions of law as if fully set out and separately stated herein.

Therefore, it is **ORDERED** by the Railroad Commission of Texas that the application of Surface Equities Environmental, LLC, Commercial Permit to Maintain and Operate a Pit, Mateo Luera Property, Jim Wells County, Texas, is hereby **GRANTED** in accordance with the attached permit.

Each exception to the examiners' proposal for decision not expressly granted herein is overruled. All requested findings of fact and conclusions of law which are not expressly adopted herein are denied. All pending motions and requests for relief not previously granted or granted herein are denied.

This order will not be final and effective until 20 days after a party is notified of the Commission's order. A party is presumed to have been notified of the Commission's order three days after the date on which the notice is actually mailed. If a timely motion for rehearing is filed by any party at interest, this order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission. Pursuant to TEX. GOV'T CODE §2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law, is hereby extended until 90 days from the date the order is served on the parties.

Done this 13th day of November, 2014.

RAILROAD COMMISSION OF TEXAS

Christi Craddick

CHAIRMAN CHRISTI CRADDICK

David Porter

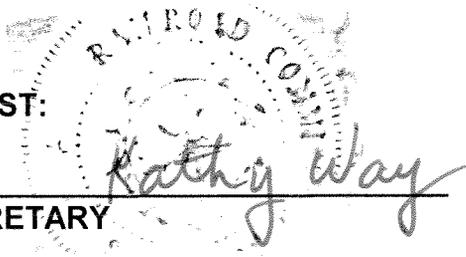
COMMISSIONER DAVID PORTER

Barry T. Smitherman

COMMISSIONER BARRY T. SMITHERMAN

ATTEST:

SECRETARY



PERMIT TO MAINTAIN AND USE A PIT

Permit No. **P012012**

SURFACE EQUITIES ENVIR, L.L.C.
129 BAYVIEW DRIVE
MATHIS TX 78368

Based on information contained in your application (Form H-11) dated November 14, 2013, and subsequent information received to date, you are hereby authorized to maintain and use the pit designated herein:

Commercial Washout Pit
Mateo Luera Property
1,900 Feet FWL and 960 Feet FNL of the G. Reynolds Survey A-384
Latitude, Longitude: 27.97946°, -98.03637°
Jim Wells County, Texas
RRC District 04, Corpus Christi

Authority is granted to maintain and use the pit in accordance with Statewide Rule 8 and is subject to the following conditions:

1. This permit is effective November 13, 2014, and will expire on November 13, 2019.
2. The permittee may not receive, store, or handle, oil and gas wastes or fluids at the pit until sufficient financial security is provided and approved by the Oil & Gas Division for the referenced location. The required financial security will not be less than \$18,040. The Oil & Gas Division, Environmental Permits & Support Unit, will review this preliminary amount and modify it as necessary to account for activities to ensure no residual waste, affected soils, or affected groundwater remain at the site upon facility closure.
3. In accordance with Statewide Rule 78, financial security must be provided to the Commission in the amount necessary to close the facility. 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 Commission prior to making that modification.
4. The appropriate District Office must be notified upon completion of construction of the pit. The permittee may not begin using the pit until the appropriate District Office has inspected the pit and verified that the pit is constructed in accordance with the application and permit.
5. Use of the pit is limited to the collection of wastewater from the washout of trucks. No other oil field fluids or oil and gas wastes may be stored or disposed of in the pit.

6. No oil and gas NORM (Naturally Occurring Radioactive Material) waste, as defined in 16 TAC §4.603, or waste from a facility that is licensed by the Texas Department of State Health Services to process oil and gas NORM waste may be received at this facility.
7. The capacity of the pit must not exceed 2,140 barrels.
8. At least two feet of freeboard must be maintained between the fluid level in the pit and the land surface.
9. The land surface must be graded such that all surfaces slope away from the pit so as to eliminate any stormwater from entering the pit.
10. Dikes or walls at least two feet above the land surface must be maintained on all sides of the pit.
11. The pit must be lined with a concrete primary liner that is at least eight-inches thick and a high-density polyethylene secondary liner that is at least 60-mils thick
12. The liners must be installed in accordance with the liner manufacturer's specifications and sound engineering practices.
13. The pit must be equipped with a leak detection system to detect leaks in the liner. The leak detection system must be monitored at least monthly.
14. If the leak detection system indicates liner failure, the appropriate District Office must be notified of the failure within 24 hours of detection of liner failure. Liner system failure is defined as any of the following:
 - a. Any fluid detected in any observation well and confirmed to be greater than 3,000 mg/L chloride concentration.
 - b. Any failure in the leak detection system or any component thereof.
15. If the leak detection system indicates a liner failure, the liner must be inspected for deterioration and leaks within 10 days of the detection of the liner failure. After inspection, the liner must be replaced or repaired before resuming use of the pit.
16. The permittee must maintain a record of when the leak detection system and the liner are inspected and the results of each inspection. This record must be maintained by the permittee for the life of the liner, and, upon request of the Commission, the record shall be filed with the Commission.
17. No oil may be allowed to accumulate on top of the water or wastes stored in the pit. Any oil on top of the liquids must be skimmed off and handled in accordance with Commission rules. A Skim Oil/Condensate Report (Form P-18) must be filed for every month in which skim oil is recovered and then subsequently sold during the operation of this facility.
18. The permittee shall not accept waste from a waste hauler unless the waste hauler has an Commission-issued waste hauler permit and is authorized to deposit waste at this facility.
19. Records must be kept of each load of waste received at the facility. Records must include the following:

- a. Name of the generator;
 - b. Source of the waste (Lease Name and Lease Number, Well Number, or Gas I.D. Number or API Well Number);
 - c. Name of the carrier;
 - d. Date the waste is received; and
 - e. Estimated volume of the load.
20. Records must be kept of each load of waste that leaves the facility for disposal, excluding any on-lease injection well. Records must include the following:
- a. Date waste is removed from the pit and hauled to disposal;
 - b. Name of the carrier
 - c. Volume of each shipment of waste hauled to disposal;
 - d. Type of waste (basic sediment, water, water-based mud, etc.); and
 - e. Name of the facility to which the waste was hauled for disposal.
21. The records required by Conditions 18. and 19. must be maintained by the permittee for at least three years from the date the waste was received at the facility. Upon request of the Commission, the records must be filed with the Commission.
22. 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.
23. A sign must be posted at the pit, which must show the pit permit number in numerals at least three inches in height.
24. The pit must be dewatered and emptied within 120 days of final cessation of use of the pit. Final closure of the pit must be accomplished in such a manner that rainfall will not collect at the pit location after pit closure. Upon final closure, the appropriate District Office shall be notified in writing.
25. This permit does not authorize the discharge of any oil and gas wastes from the pit.
26. This permit is nontransferable without consent of the Commission. Any request for permit transfer must be filed with Technical Permitting in Austin.
27. This permit may be considered for administrative renewal upon request and subsequent review by the Commission.

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