RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

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

Permit Nos.: STF-0128, R9 7C-1707,
P012596, P012597, P012598, P012599,
P012600 and P012601

SPRINT KARNES CNTY DISPOSAL, LLC
950 ECHO LANE SUITE 357
HOUSTON, TX 77024

Based on information contained in the original application, received on September 26, 2017, and subsequent information received to date, you are hereby authorized to receive, store, handle, treat, reclaim and dispose of certain non-hazardous oil and gas wastes as specified below at the following facility:

Sprint Reagan County TRD, STF Facility (136 Acres)
Section 4, Block M, TT RR Co Survey, A-896 and A-923
Latitude, Longitude: 31.418575°, -101.691314°
Reagan County, Texas
RRC District 7C, San Angelo

NARRATIVE DESCRIPTION OF PROCESS:

Incoming oil and gas fluid wastes will be unloaded into the Collecting/Receiving Pits (P012597, P012598, P012599 and P012600). The fluids will be pumped to the treatment/recovery and processing area for separation. Active separation will be done with shakers, mixing tanks and separators (gun barrels). Some of the separated fluids will be re-used at the truck washout area and gravity flow back to the receiving pits for further re-use or processing. The excess liquid wastes will be disposed of at a permitted Class II injection well. Skim oil will be recovered and sold.

Incoming oil and gas solid wastes will be unloaded into the Collecting/Drying Pit (P012601) for stabilization and testing prior to placement in the on-site Disposal Pit (P012596). Disposal operations at this facility consist of one Disposal Pit comprised of seven cells (phases) that shall be constructed in the specified sequence. The Disposal cells will be excavated, constructed, filled, capped and closed according to their phase number (i.e., Phase 1 is first, and Phase 7 is last). Solid waste collected from the Collecting/Receiving Pits, Collecting/Drying Pits, and Collecting/Washout Pit Area will be disposed of in the active Disposal Phase after passing a Paint Filter Test. Solid waste received at the facility that has met disposal criteria will be disposed of in the active Disposal Phase.
Authority is granted by the Railroad Commission of Texas (RRC) to receive, store, handle, treat, reclaim or dispose of certain nonhazardous oil and gas wastes in accordance 16 Texas Administrative Code (TAC) §3.57 (Statewide Rule 57) and TAC, §3.8 (Statewide Rule 8) and is subject to the following conditions:

I. GENERAL PERMIT CONDITIONS

A. The effective date of this permit is October 17, 2018 and expires on October 16, 2023.

B. The permittee may not receive, store, handle, treat, reclaim or dispose of oil and gas wastes or fluids at the facility until financial security in the amount of **$3,673,770.00** is provided and approved by the RRC for the referenced location. This amount provides financial security for the RRC permitted Waste Storage and Treatment Units listed below.

C. In accordance with 16 TAC § 3.78 the permittee shall maintain financial security in the amount of **$3,673,770.00** until this facility and all the referenced Permit Nos: STF-0128, R9 7C-1707, Collecting/Receiving Pits (P012597, P012598, P012599 and P012600), Collecting/Drying Pit (P012601) and Disposal Pit (P012596) have been closed in accordance with this permit. Technical Permitting reserves the right to revise this amount, as necessary. Prior to any modification of this facility that would require increased financial security, an updated closure cost estimate 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. No waste may be received at the referenced facility until a restrictive covenant is signed by a representative of the permittee, the landowner, and a representative of the RRC; and the signed document is filed in the Real Property Records Section of Reagan County, Texas, and proof of the filing with Reagan County is submitted to and approved by the RRC.

E. 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.

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

G. 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.

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

I. The permittee may not receive, store, handle, treat, reclaim 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).
J. Technical Permitting in Austin and the San Angelo District Office must be notified in writing when construction of the facility is initiated and with the completion of the disposal pit and/or each waste management unit.

K. Technical Permitting in Austin and the San Angelo 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 San Angelo 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.

L. 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.

M. The “Application for Permit to Operate a Reclamation Plant” (Form R-9), which is attached and incorporated into this permit as Permit Appendix A, grants authority for the active reclaiming of oil field related hydrocarbons and does not cover reclamation of any refined products. Commingling or blending of refined products with crude oil or condensate is not permitted unless written authority is granted by the RRC’s Director of Field Operations following a formal written request for such blending by the Reclamation Plant operator. Any deliveries made containing products or crude blended with products must be clearly identified on the RRC Form R-2 as “Products” or “Crude Blended with Products.”

N. The removal of tank bottoms or other hydrocarbon wastes from the facility for which monthly reports are not filed with the RRC must be authorized in writing by the RRC prior to such removal. A written request for such authorization must be sent to Technical Permitting in Austin, and must detail the location, description, estimated volume, and specific origin of the material removed, as well as the name of the reclamer and intended destination of the material.

O. 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.

P. 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.

Q. Any deviation from this permit must be approved by amendment from Technical Permitting in Austin before implementation.
R. Any soil additives, stabilizers, bioaccelerators or treatment chemicals must be approved by Technical Permitting prior to use at the facility.

S. Safety Data Sheets (SDS) must be submitted to Technical Permitting in Austin for any chemical or component 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.

T. 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.

U. 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.

V. 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.

W. 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.

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

1. The report shall contain applicable information as required in Permit Conditions III.J., IV.K., V.G.10, V.H.10., VI.F., VII.M., and XI.F.

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 San Angelo 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. Laboratory analytical results, corresponding chain of custody and other relevant data as specified in Permit Conditions III.H. and X.G. shall be included.
Y. 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) or Statewide Rule 57 (c)(7).

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. Contaminated soils from crude oil spills, pipeline spills, and saltwater spills from production operations
4. Hydraulic fracturing flow-back water and associated solids
5. Produced formation sands
6. Absorbent pads from crude oil spills from production operations
7. Hydrocarbon, solids, sands and emulsion generated from separators, fluid treatment vessels and production impoundments
8. Solid wastes from gas dehydration and gas plant sweetening wastes (i.e. spent filter media, amine filters, precipitated amine sludge, iron sponge, iron sulfide scale, and hydrogen sulfide scrubber fluids and sludge)
9. Contaminated liners and bottoms from reserve pits and washout pits
10. Production tank bottoms, which do not exceed 7% in oil content as determined by a Standard API Shakeout. Production tank bottoms exceeding 7% in oil content may be accepted if they first undergo onsite oil reclamation prior to being disposed of in a disposal pit
11. Pipeline associated wastes
12. Other hydrocarbon wastes

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.F.

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 RRC 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. 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 sample 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. 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.

C. The operator of the Reclamation Plant (R9 7C-1707) 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. All waste shall pass a Paint Filter Test (EPA Method 9095) prior to interment into a disposal pit. Test results from each Paint Filter Test must be submitted to Technical Permitting in Austin.

E. 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 > 100 ppm may be considered. Authority must be obtained from Technical Permitting in Austin prior to acceptance of that waste.

F. 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.) (EPA Method 1110A, 9040C or equivalent)</td>
</tr>
<tr>
<td>Ignitability</td>
<td>Flash Point &lt; 60° C (EPA Method 1010A, 1020B, or 1030A)</td>
</tr>
<tr>
<td>Reactivity</td>
<td>No materials exhibiting the characteristic of reactivity as defined by RCRA</td>
</tr>
<tr>
<td>Toxicity</td>
<td>No materials exhibiting the characteristic of toxicity as defined by RCRA (EPA Method 1311)</td>
</tr>
<tr>
<td>Metals: Toxicity Characteristic Leaching Procedure (TCLP) (EPA Method 1311/6010/6020/7471A)</td>
<td></td>
</tr>
<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>
<tr>
<td>Benzene (TCLP)</td>
<td>&lt; 0.5 mg/L</td>
</tr>
</tbody>
</table>

G. Details of receipts, deliveries for incoming waste to be processed at the Reclamation Plant (R9 7C-1707) 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 San Angelo 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.
H. 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. III.E. and III.F. above.

I. 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.)
5. Name and permit number of the facility

J. A report must be submitted to Technical Permitting in Austin and the San Angelo District Office as part of the Quarterly Report required in Permit Condition I.X. and shall include the following information:

1. All records required by Permit Conditions III.H and III.I. above, as well as a summary of waste receipts
2. The total volume of each type of waste material received during the specific quarter
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 shall be consistent with the "FACILITY SITE PLAN" (Drawing C.4) diagram, received March 5, 2018, which is attached and incorporated into 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. Treatment Area:
   a. Reclamation Plant (R9 7C-1707)
   b. Four (4) Collecting/Receiving Pits (P012597, P012598, P012599 and P012600)
   c. Two (2) Wash Pads
   d. One (1) Collecting/Drying Pit (P012601)
   e. Two (2) shakers
   f. One (1) Heater
   g. Three (3) 1,500-bbl Tanks
   h. Three (3) 1,200-bbl Mixing Tanks

2. Storage Tank Area:
   a. One (1) 750-bbl Gun barrel
   b. Three (3) 500-bbl Oil Tanks

3. One (1) Disposal Pit (P012596, 7 Phases)

4. One (1) Stormwater Retention Pond

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 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.

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 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. Refer to the Stormwater Management requirements specified in Permit Condition I.X.
I. 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. Fencing shall be 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 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 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.X.:

1. The results of the monthly inspection of concrete slabs within the facility for evidence of deterioration, leakage, or storm water run-on, and a description of corrective action taken, if any.
2. The results of the monthly inspection of process equipment, tanks, and roll-off boxes for evidence of deterioration or leakage, and a description of corrective action taken, if any.

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

4. The results of the monthly inspections of the silt fencing/rock filter dams installed to control and modulate run-off to surface waters and indicate whether debris has been removed.

V. CONSTRUCTION AND OPERATION OF THE TREATMENT AREA, COLLECTING/RECEIVING PITS (P012597, P012598, P012599 and P012600) AND THE COLLECTING/DRYING PIT (P012601)

A. The general layout and arrangement of the Treatment Area, the Collecting/Receiving Pits (P012597, P012598, P012599 and P012600) and the Collecting/Drying Pit (P012601) shall be consistent with the schematic diagram “PROCESS FACILITIES PLAN” (Drawing C.6), received on March 5, 2018, which is attached to and incorporated into this permit as Permit Appendix C.

B. The process equipment and storage tanks shall be located on a concrete pad with a thickness of at least eight (8) inches and a wall thickness of at least eight (8) inches. The concrete secondary containment wall that surrounds Storage Tank Area must be at least four feet in height.

C. All storage tanks containing fluid waste or fuel shall be contained within dikes. 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 Reagan County is acceptable.

D. Spills within the secondary containment areas shall be containerized immediately and contact stormwater must be managed as waste and disposed of in an authorized manner.

E. The truck washout area shall consist of an above-grade structure that will have two wash bays that are each approximately 70 feet wide by 126 feet long. The slab shall be constructed of reinforced concrete with a minimum thickness of eight (8) inches. The bays must have a 1% slope that allows the fluids to drain directly into the Collecting/Receiving Pits (P012597, P012598, P012599 and P012600). Construction shall be consistent with the schematic diagram “PROCESS AREA SECTIONS” (Drawing C.16 and Drawing C.17), received on December 11, 2017, which are attached and incorporated into this permit as Permit Appendix D.

F. The ground surface surrounding the truck washout bays must be graded such that all surfaces slope away from the washout bays and the pits to prevent surface flow storm water from entering the pit.
G. CONSTRUCTION AND OPERATION OF THE COLLECTING/RECEIVING PITS (P012597, P012598, P012599 and P012600)

1. The general layout and arrangement of the Collecting/Receiving Pits (P012597, P012598, P012599 and P012600) shall be consistent with the diagrams which are attached and incorporated into this permit as Permit Appendices C and D.

2. Use of the pits is limited to the collection of non-hazardous oil and gas waste as specified in Permit Condition II., and rinseate and residual solids generated from the washout of trucks and frac tanks. No other oil field fluids or oil and gas wastes may be stored or staged in the pit.

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

4. Each Collecting/Receiving Pit must be approximately 126 feet long by 30 feet wide by 10.5 feet deep. The usable capacity of the of each pit must not exceed 2,098 bbl or 436 cubic yards.

5. The unloading ramp of each pit shall have a minimum slope of 10% allowing for the wastes to gravity flow towards the back of the pits.

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

7. Residual solid waste that accumulates at the bottom of the pit shall be removed regularly to maintain freeboard and shall be disposed of in an authorized manner.

8. Liquid waste accumulated within the pit shall be removed, as needed, to maintain freeboard. Liquid waste shall be transferred to the tanks for further processing or transported offsite for disposal to an authorized Class II injection well.

9. Each Collecting/Receiving Pit shall be constructed of a reinforced concrete floor at least 10 inches thick and concrete containment walls at least eight-inches thick. The concrete liner must be installed and maintained in accordance with best management and sound engineering practices.

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

11. 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 pit must have all the waste immediately removed. No waste shall be added to the affected pit until the liner has been replaced or repaired and re-inspected by RRC personnel before resuming use of the pit.

12. This permit does not authorize the discharge of waste from any pit to the ground surface or to surface water.
13. Unless otherwise required by conditions of this permit, construction, use, and maintenance of the pits must be in accordance with the information represented on the application (Form H-11) and attachments thereto.

H. CONSTRUCTION AND OPERATION OF THE COLLECTING/DRYING PIT (P012601)

1. The general layout and arrangement of the Collecting/Drying Pit (P012601) shall must be consistent with the diagrams which are attached and incorporated into this permit as Permit Appendices C and D.

2. Use of the pit is limited to the collection of non-hazardous oil and gas solid wastes as specified in Permit Condition II. for stabilization prior to disposal in the on-site active disposal pit. No other oil field fluids or oil and gas wastes may be stored or staged in the pit.

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

4. The Collecting/Drying Pit must be approximately 200 feet long by 350 feet wide by four (4) feet deep. The usable capacity of the of the pit must not exceed 44,786 barrels or 9,313 cubic yards.

5. The pit shall have a minimum slope of 1.15% allowing for the wastes to gravity flow to the fluid collection sump that is approximately 20 feet by 12 feet by 3 feet deep.

6. The Collecting/Drying Pit shall be constructed of a reinforced concrete floor at least 10 inches thick and concrete containment walls at least 8 inches thick. The concrete liner must be installed and maintained in accordance with best management and sound engineering practices.

7. The concrete containment walls must at least four (4) feet in height and constructed with reinforced concrete that is at least eight (8) inches thick.

8. At least a 47-foot buffer must be maintained between the toe of the staged waste and the concrete containment wall on the east side of the pit. At least a 10-foot buffer must be maintained between the tow of the staged waste and the other concrete containment walls of the pit. The waste staged in pit shall not exceed six (6) feet in height at any time.

9. Liquid waste accumulated within the fluid collection sump shall be removed, as needed, to maintain freeboard. Liquid waste shall be transferred to the tanks for further processing or transported offsite for disposal to an authorized Class II injection well.

10. The pit must be emptied and visually inspected annually for deterioration and leaks. A record of each inspection and photographs of the interior of each pit must be maintained for the life of the pit and shall be submitted to Technical Permitting in Austin as part of the Quarterly Report required in Permit Condition I.X. The District Office must be notified by phone or email at least 48 hours before emptying the pit for inspection.
11. 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 pit must have all the waste immediately removed. No waste shall be added to the affected pit until the liner has been replaced or repaired and re-inspected by RRC personnel before resuming use of the pit.

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

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

VI. CONSTRUCTION OF THE DISPOSAL PIT (P012596)

A. The Disposal Pit (P012596) must be constructed and arranged as shown on the diagrams "DISPOSAL PIT PLAN" (Drawing C.7) and "DISPOSAL PIT SECTIONS" (Drawing C.18 and Drawing C.19), received on December 11, 2017, which are attached and incorporated into this permit as Permit Appendix E.

B. Technical Permitting in Austin and the San Angelo District Office must be notified in accordance with Permit Condition I.J. upon final completion of construction of each Disposal Pit Phase. The permittee may not begin using the pit until the San Angelo District Office has completed an inspection of the pit and provided verification that the pit is constructed in accordance with the application and this permit.

C. A sign must be posted identifying the Disposal Pit and the Phase Number by name and permit number using letters and numerals at least three inches in height.

D. The dimensions and the total capacities for each Disposal Pit Phase must not exceed the following:

<table>
<thead>
<tr>
<th>Phase No.</th>
<th>Total Volume (bbl)</th>
<th>Total Volume (cu yd)</th>
<th>Length (ft)</th>
<th>Width (ft)</th>
<th>Height Above Grade (ft)</th>
<th>Depth Below Grade (ft)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1</td>
<td>3,820,819</td>
<td>794,530</td>
<td>1,410</td>
<td>457</td>
<td>43</td>
<td>31</td>
</tr>
<tr>
<td>Phase 2</td>
<td>6,348,990</td>
<td>1,320,257</td>
<td>1,410</td>
<td>453</td>
<td>62</td>
<td>38</td>
</tr>
<tr>
<td>Phase 3</td>
<td>6,373,839</td>
<td>1,325,424</td>
<td>1,301</td>
<td>579</td>
<td>61</td>
<td>38</td>
</tr>
<tr>
<td>Phase 4</td>
<td>10,333,520</td>
<td>2,148,830</td>
<td>1,301</td>
<td>509</td>
<td>79</td>
<td>38</td>
</tr>
<tr>
<td>Phase 5</td>
<td>10,091,036</td>
<td>2,098,406</td>
<td>1,301</td>
<td>477</td>
<td>80</td>
<td>38</td>
</tr>
<tr>
<td>Phase 6</td>
<td>8,450,872</td>
<td>1,757,338</td>
<td>1,301</td>
<td>475</td>
<td>74</td>
<td>38</td>
</tr>
<tr>
<td>Phase 7</td>
<td>7,127,721</td>
<td>1,482,192</td>
<td>901</td>
<td>474</td>
<td>66</td>
<td>38</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>52,546,797</strong></td>
<td><strong>10,926,977</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
E. The general layout and phased construction of the Disposal Pit shall be consistent with the "DISPOSAL PIT DEVELOPMENT PHASE 1" (Drawing C.8), the "DISPOSAL PIT DEVELOPMENT PHASE 1 CROSS-SECTIONS" (Drawing C.24), the "DISPOSAL PIT DEVELOPMENT PHASE 2" (Drawing C.9), the "DISPOSAL PIT DEVELOPMENT PHASE 2 CROSS-SECTIONS" (Drawing C.25), the "DISPOSAL PIT DEVELOPMENT PHASE 3" (Drawing C.10), the "DISPOSAL PIT DEVELOPMENT PHASE 3 CROSS-SECTIONS" (Drawing C.26), the "DISPOSAL PIT DEVELOPMENT PHASE 4" (Drawing C.11), the "DISPOSAL PIT DEVELOPMENT PHASE 4 CROSS-SECTIONS" (Drawing C.27), the "DISPOSAL PIT DEVELOPMENT PHASE 5" (Drawing C.12), the "DISPOSAL PIT DEVELOPMENT PHASE 5 CROSS-SECTIONS" (Drawing C.28), the "DISPOSAL PIT DEVELOPMENT PHASE 6" (Drawing C.13), the "DISPOSAL PIT DEVELOPMENT PHASE 6 CROSS-SECTIONS" (Drawing C.29), the "DISPOSAL PIT DEVELOPMENT PHASE 7" (Drawing C.14), and the "DISPOSAL PIT DEVELOPMENT PHASE 7 CROSS-SECTIONS" (Drawing C.30) schematic diagrams, received on December 11, 2017, which are attached and incorporated into this permit as Permit Appendix F.

F. Berms must be constructed and maintained on all sides of the Disposal Pits with a slope no steeper than a one to three (vertical to horizontal) ratio and meet compaction criteria specified in Permit Condition IV.H.

G. The Disposal Pit Phases must be constructed in accordance with the liner system installation methods included in the application and consist of (from bottom to top), six (6) inches of a compacted subgrade, a 60-mil high-density polyethylene (HDPE) studded secondary liner, a 60-mil HDPE primary liner, and 12 inches of a protective soil layer that is not composed of waste.

H. Each Disposal Pit Phase must be equipped with a Leachate Collection System (LCS), including a high-density polyethylene drainage net with a thickness of at least 200-mil thick that covers the entire pit area on top of the primary liner, to collect any rainwater that falls within the pit footprint and leachate that percolates through the waste contained therein.

I. Each Disposal Pit Phase must be equipped with a Leak Detection System (LDS), that consists of the air gap created by the studded secondary liner that extends the entire length of each pit and is designed to collect any leakage from the primary liner.

OR

Each Disposal Pit Phase must be equipped with a Leak Detection System (LDS), including an HDPE drainage layer with a thickness of at least 200-mil that extends over the entire pit between the primary and secondary liners, to collect any leakage from the primary liner.

J. The liner system, LCS and the LDS shall be consistent with the "LINER AND COVER DETAILS" (Drawing C.20) and the "SUMP DETAILS" (Drawing C.21) diagrams, received on December 11, 2017, which are attached and incorporated into this permit as Permit Appendix G.
K. The floor of Disposal Pit Phase 1 and Phase 2 must have at least a 2% slope to allow fluids to drain to the Leachate Collection System and the Leak Detection System sump at the low end of each pit. The floor of Disposal Pit Phases 3, 4, 5, 6 and 7 must have at least a 2.5% slope to allow fluids to drain to the Leachate Collection System and the Leak Detection System sump at the low end of each pit.

L. The liners, the LCS and the LDS must be installed in accordance with the application, the material manufacturer’s specifications and sound engineering practices.

M. A liner anchor trench must be used to key the synthetic liners for each phase to their respective berms. The liners must be welded together to create a continuous liner system when the next disposal pit is constructed.

N. A permanent liner boundary marker must be installed and maintained on all four sides of the pit that clearly identifies the subsurface liner system weld locations at the land surface.

O. The area surrounding the Disposal Pit Phases must be graded such that all surfaces slope away from the pit areas, to prevent surface flow storm water from entering the pit.

VII. OPERATION OF THE DISPOSAL PIT (P012596)

A. Only one Disposal Pit Phase may be considered active and accept oil and gas waste at any time.

B. The permittee must not construct or use any Disposal Pit in a manner that could exceed the financial security required by Permit Condition I.B.

C. All waste shall pass a Paint Filter Test (EPA Method 9095) prior to placement in any disposal pit.

D. Before the Permittee may begin excavation of the next Disposal Pit Phase in the sequence, the previous Disposal Pit Phase must be filled with waste to almost final grade height, and the exposed side abutting the next pit in the construction sequence must be properly graded and prepared to receive waste. The waste in the previous pit must be properly graded and prepared for the temporary cap, which will consist of six (6) inches of soil (not waste) that meets a hydraulic conductivity of $1 \times 10^{-7}$ centimeters per second or less and has been compacted to 95% Standard Proctor (ASTM D698) or 90-92% Modified Proctor (ASTM D1557) density. The temporary cap must be graded to prevent ponding on top of the cover and inhibit infiltration of liquids into the wastes below.

E. The temporary cap must be inspected after each storm event and re-compacted as needed to meet the requirements specified in Permit Condition VII.C.

F. After the intermediate cover has been constructed it must be inspected every quarter for erosion, slope stability, and thickness of the cover. The results of each inspection must be submitted as part of the Quarterly Report required in Permit Condition I.X. The physical record must be maintained by the permittee for the life of the pit.
G. The Permittee must contact the San Angelo District Office to proceed with construction of each disposal pit in the sequence and may not begin accepting waste until;
   1. The Permittee has received approval from the District Office to begin accepting waste in next Disposal Pit in the sequence.
   2. Waste is no longer being accepted in the previous Disposal Pit Phase and the temporary cap is almost completed.

H. At least two (2) feet of horizontal freeboard must be maintained at all times between the edge of waste in the active disposal pit and the top of the pit dikes.

I. Prior to the Disposal Pit Phase accepting waste above grade, the waste collected below grade must be stabilized, compacted and maintained to prevent collapse of the structure, and must not have side slopes steeper than a one-to-three (vertical to horizontal) ratio.

J. Once the Disposal Pit Phase begins to accept waste above grade, the pit freeboard (buffer) shall be constructed and maintained to contain all contact stormwater that may be generated during a 25-year, 24-hour storm event for Reagan County.

K. No freestanding fluids may accumulate in any Disposal Pit Phase. Any fluids must be removed within 72 hours of discovery and disposed of in an authorized manner.

L. The leak detection system must be monitored at least weekly. 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.

M. Records of leak detection system monitoring required by Condition VII.L. must be submitted in table form within the Quarterly Report required in Permit Condition I.X. of this permit. 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.

N. 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 detection of the failure. The RRC District Office must be notified by phone or email within 24 hours of detection of the failure. No additional waste shall be added to the Disposal Pit Phase 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 is defined as any of the following:

<table>
<thead>
<tr>
<th>Phase No.</th>
<th>Total Acres</th>
<th>ALR(GPD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1</td>
<td>14.72</td>
<td>1,741</td>
</tr>
<tr>
<td>Phase 2</td>
<td>14.63</td>
<td>1,730</td>
</tr>
<tr>
<td>Phase 3</td>
<td>14.33</td>
<td>1,695</td>
</tr>
<tr>
<td>Phase 4</td>
<td>15.37</td>
<td>1,798</td>
</tr>
<tr>
<td>Phase No.</td>
<td>Total Acres</td>
<td>ALR(GPD)</td>
</tr>
<tr>
<td>----------</td>
<td>-------------</td>
<td>----------</td>
</tr>
<tr>
<td>Phase 5</td>
<td>14.25</td>
<td>1,686</td>
</tr>
<tr>
<td>Phase 6</td>
<td>14.19</td>
<td>1,678</td>
</tr>
<tr>
<td>Phase 7</td>
<td>9.82</td>
<td>1,162</td>
</tr>
<tr>
<td>Total</td>
<td>97.31</td>
<td></td>
</tr>
</tbody>
</table>

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

P. The RRC reserves the right to require necessary design modifications prior to capping and closure to ensure that the waste is stabilized above grade. Prior to receiving waste at 50-foot intervals above grade, a stabilization geotextile may be required to provide increased tensile strength to stabilize the compacted waste.

VIII. CLOSURE AND CAPPING OF THE DISPOSAL PIT (P012596)

A. Final closure and capping for the Disposal Pit Phases at the facility shall be consistent with the schematic diagrams “FINAL COMPLETION PLAN” (Drawing C.15) and the “CONSTRUCTION DETAILS” (Drawing C.22) received on December 11, 2017, which are attached and incorporated into this permit as Permit Appendix H.

B. Once all the Disposal Pit Phases have reached the permitted capacity:

1. Waste material in the Disposal Pit must be stabilized, so that the structure will not fail, slump or erode. The RRC reserves the right to require necessary design modifications to increase tensile strength prior to capping and closure to ensure that the waste is stabilized above grade.

2. Waste material in the Disposal Pit must be graded, stabilized and compacted so that waste will support the pit cover and rainwater will not collect on top of the pits.

3. A final cap that consists of a 40-mil linear low-density polyethylene (LLPE) studded liner overlain by a geotextile layer or a 40-mil textured (LLDPE), overlain by a 200-mil double sided geocomposite layer, 12 inches of on-site fill material that is compacted to at least 95% Standard Proctor (ASTM D698) or 90-92% Modified Proctor (ASTM D1557) density, overlain by 6 inches of top soil seeded with appropriate vegetation for the geologic region.

4. Unless otherwise required by conditions of this permit, final closure of the Disposal Pit Phases must be consistent with the details as presented in the application. Any modification to the closure or final capping for the Disposal Pit must be submitted and approved by Technical Permitting prior to the modification occurring.
IX. STORMWATER MANAGEMENT

A. The general layout and arrangement of the stormwater management structures during active operations, which includes secondary containment structures and one non-contact Stormwater Retention Pond, shall be consistent with the diagram "TREATMENT, RECOVERY, AND PROCESSING AREA" (Drawing C.5), received on December 11, 2017, which is attached and incorporated into this permit as Permit Appendix I.

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. Contact stormwater must be contained within each active waste management unit. All contact stormwater must be removed and disposed of in an authorized manner.

D. All aboveground 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 Reagan County as specified in Permit Condition V.C.

E. In the event that contact stormwater enters the Storm Water Retention Pond the permittee must submit a written report detailing the event to Technical Permitting in Austin before disposing of the contents of the pond. Contact stormwater must be removed and disposed of in an authorized manner.

F. 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.

X. FACILITY CLOSURE

A. Technical Permitting and the San Angelo 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 for authorized reuse or disposed of in an authorized manner.

C. Waste processing equipment, aboveground 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 closure.

E. Excluding the Disposal Pit and the Stormwater Management Areas, the entire facility must be backfilled as necessary, contoured to original grade and re-vegetated as appropriate for the geographic region.
F. Closure of the Treatment/Reclamation Plant (R9 7C-1707) Area, the washout bays, the Collecting/Receiving Pits (P012597, P012598, P012599 and P012600), and the Collecting/Drying Pit (P012601), 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 from the washout bays, the Collecting/Receiving Pits, Collecting/Drying Pit and all concrete pads (storage tanks and equipment) 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 washout bays, Collecting/Receiving Pits, and the Collecting/Drying Pit must be dewatered, emptied, demolished, backfilled, compacted and properly closed. 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, concrete pads, 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 number of samples that is representative of acreage and number of former waste management units. Samples must be taken from around and underneath the former washout bay area, Collecting/Receiving Pits, Collecting/Drying Pit, and concrete pads (storage tank and equipment).

7. Soil samples required by Permit Condition X.F.6. must be analyzed for the parameters listed in Permit Condition X.G., and those 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 X.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 \text{ Method 9045C or equivalent}) )</td>
<td>6 to 10 standard units</td>
</tr>
<tr>
<td>Electrical Conductivity (EC) (^1)</td>
<td>(\leq 4.0 \text{ mmhos/cm} )</td>
</tr>
<tr>
<td>PARAMETER</td>
<td>LIMITATION</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>Total Petroleum Hydrocarbons (TPH)</td>
<td>( \leq 10,000 \text{ mg/kg or 1 % by weight} )</td>
</tr>
<tr>
<td>((EPA \text{ Method } 5035A/TX1005))</td>
<td></td>
</tr>
<tr>
<td>Total Benzene, Toluene, Ethylbenzene, Xylenes (BTEX)</td>
<td>( \leq 30 \text{ mg/kg} )</td>
</tr>
<tr>
<td>((EPA \text{ Method } 5035A/8021/8260B))</td>
<td></td>
</tr>
<tr>
<td>Metals (Total)</td>
<td></td>
</tr>
<tr>
<td>((EPA \text{ Method } 6010/6020/7471A))</td>
<td></td>
</tr>
<tr>
<td>Arsenic</td>
<td>( \leq 10 \text{ mg/kg} )</td>
</tr>
<tr>
<td>Barium</td>
<td>( \leq 10,000 \text{ mg/kg} )</td>
</tr>
<tr>
<td>Cadmium</td>
<td>( \leq 10 \text{ mg/kg} )</td>
</tr>
<tr>
<td>Chromium</td>
<td>( \leq 100 \text{ mg/kg} )</td>
</tr>
<tr>
<td>Lead</td>
<td>( \leq 200 \text{ mg/kg} )</td>
</tr>
<tr>
<td>Mercury</td>
<td>( \leq 10 \text{ mg/kg} )</td>
</tr>
<tr>
<td>Selenium</td>
<td>( \leq 10 \text{ mg/kg} )</td>
</tr>
<tr>
<td>Silver</td>
<td>( \leq 200 \text{ 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 Conditions X.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 X.G. is considered waste and must be disposed of at an authorized disposal facility.

J. The Disposal Pit (P012596) must be closed and capped as specified in Permit Condition VIII.

K. Once the results of the closure activities have been approved by the RRC, all pits, excluding the Disposal Pit and Non-Contact Stormwater Retention Pond, must be dewatered, emptied, demolished, backfilled and compacted within 120 days of final cessation of use of each pit. Final surface grading of the pits and the storage tank battery areas must be accomplished in such a manner that rainfall will not collect at these former locations. Upon final closure, the San Angelo District Office and Technical Permitting in Austin shall be notified in writing.

XI. POST-CLOSURE CARE AND MONITORING

A. In accordance with 16 TAC § 3.78 the permittee shall maintain financial security in the amount of $3,673,770.00 after the facility has stopped receiving waste, met all
specified closure requirements and all the disposal pits have been properly capped for the post-closure monitoring period in accordance with this permit. Technical Permitting reserves the right to revise this amount, as necessary. Prior to closure, an updated post-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 before the operating financial security referenced in Permit Condition I.B. will be released.

B. The site will be monitored for a period of no less than five years after closure of the facility.

C. Post-closure care must include quarterly inspections of the entire facility by a Texas registered Professional Engineer for signs of deterioration and erosion.

D. Any areas showing signs of erosion or instability must be repaired, contoured, backfilled, and reseeded as necessary.

E. The leak detection system and the leachate collection system for the Disposal Pits must be maintained and monitored at least quarterly. Any leachate detected must be removed and disposed of in an authorized manner, and the information as specified in Permit Condition VII.M. must be reported within the appropriate quarterly report.

F. A summary of the results of the post-closure monitoring activities must be submitted to Technical Permitting in Austin as part of a Quarterly Report required in Permit Condition I.X.

G. The permittee must request in writing permission to cease post-closure monitoring. Post-closure monitoring requirements may be extended by Technical Permitting based on the monitoring results.

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

APPROVED AND ISSUED ON **October 17, 2018**

[Tiffany Hamberson, Manager]
Environmental Permits & Support
Technical Permitting

**Attachments:** Permit Appendices A through I

**cc:** RRC District 7C, San Angelo
P-5 Department
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**

**READ INSTRUCTIONS ON BACK**

<table>
<thead>
<tr>
<th>OPERATOR NAME:</th>
<th>Sprint Reagan County Disposal LLC</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. OPERATOR ADDRESS:</td>
<td>952 Echo Lane Houston, TX 77024</td>
</tr>
<tr>
<td>TYPE OF FACILITY:</td>
<td>Permanent</td>
</tr>
<tr>
<td>6. PURPOSE OF PLANT:</td>
<td>☒ New permit for new facility. Estimated completion date:</td>
</tr>
<tr>
<td>7. Driving directions from the nearest town:</td>
<td>Take Hwy 137 North approximately 20 miles to Hartgove Road. Go west approximately 2.9 miles to the site.</td>
</tr>
<tr>
<td>8. Brief description of treating process:</td>
<td>The proposed facility will treat, process, and reclaim tank bottoms and other hydrocarbon waste as defined by Statewide Rule 57(b)(2) and generated through activities associated with exploration, development, and production of crude oil and other waste containing crude oil.</td>
</tr>
<tr>
<td>9. Material transported to plant in:</td>
<td>Both applicant's and for-hire vehicles</td>
</tr>
<tr>
<td>10. Type of facility located within 100 yards of facility:</td>
<td>Wells Pipeline</td>
</tr>
<tr>
<td>CERTIFICATION:</td>
<td>Brad Dugas</td>
</tr>
<tr>
<td>11. SIGNATURE:</td>
<td>Brad Dugas</td>
</tr>
</tbody>
</table>

**OPERATOR: Apache Oil & Gas Callon Petroleum**

**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;
   b. there has been a violation or a violation is threatened of any provision of the permit, the conservation laws of the state, or rules or orders of the Commission.

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

**Serial/registration no.:** R9 7C-1707

**RECEIVED:** SEP 26, 2011

**RRC OF TEXAS**

**Facility Name:** Sprint Reagan Co. Comm STF Fac - Reclamation
RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

APPLICATION FOR PERMIT TO OPERATE
A RECLAMATION PLANT

OPERATOR NAME: Sprint Reagan County Disposal LLC

OPERATOR ADDRESS, including city, state, and zip code:
952 Echo Lane
Houston, TX 77024

TYPE OF FACILITY: Permanent

PURPOSE OF FILING:
- New permit for new facility - Estimated completion date:

DRIVING DIRECTIONS FROM THE NEAREST TOWN (IDENTITY TOWN):
Take Hwy 137 North approximately 20 miles to Hartgove Road. Go west approximately 2.9 miles to the site.

BRIEF DESCRIPTION OF TREATING PROCESS:
The proposed facility will treat, process, and reclaim tank bottoms and other hydrocarbon waste as defined by Statewide Rule 57(b)(2) and generated through activities associated with exploration, development, and production of crude oil and other waste containing crude oil.

10. Material transported to plant in: (see List No. 6)
- Vehicles owned by applicant
- For-hire vehicles
- Both applicant's and for-hire vehicles

11. Identify all oil and/or gas-related facilities located within 100 yards of facility, (example: well, pipeline, saltwater disposal facility, tank battery, etc.)

TYPE OF FACILITY:
- Wells
- Pipeline

OPERATOR:
- Apache Oil & Gas
- Callon Petroleum

CERTIFICATION: I certify under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to sign this report, that it was prepared by me under my supervision and direction, and the data and facts stated herein are true, correct, and complete to the best of my knowledge.

Signature: Brad Dugas

Vice President of Disposal Operations

NAME (print or type)

1-830-481-4766

TO BE COMPLETED BY RAILROAD COMMISSION PERSONNEL

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

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

Serial/registration no: 7C-1707

ALL WASTES GENERATED BY RECLAMING OPERATIONS SHALL BE DISPOSED OF IN ACCORDANCE WITH STATEWIDE RULES, 8, 9, AND 48 (RELATING TO WATER PROTECTION, DISPOSAL WELLS, AND FLUID INJECTION).
PERMIT APPENDIX B

FACILITY SITE PLAN
(Drawing C.4)
PERMIT APPENDIX C

PROCESS FACILITIES PLAN
(Drawing C.6)
NOTES:

1. EQUIPMENT MAY INCLUDE:
   1. EXHAUSTORS
   2. SHAKE OFFERS
   3. AIR COMPRESSOR
   4. HOEYERS

2. STORAGE TANKS MAY INCLUDE:
   1. 500 gal STEEL VERTICAL RECLAIMED OIL TANKS
   2. 500 gal STEEL VERTICAL RECLAIMED OIL TANKS
   3. 441 gal STEEL HORIZONTAL RECLAIMED OIL TANKS
   4. 500 gal STEEL VERTICAL OIL WATER SEPARATION TANK

3. PIPING WILL BE PROVIDED TO TRANSFER LIQUID BETWEEN THE DRYING PAD, RECIPIENT PITS, EQUIPMENT PADS, AND STORAGE TANKS.

PROCESS FACILITIES PLAN
SPRINT ENERGY
SPRINT REAGAN COUNTY DISPOSAL FACILITY
PERMIT APPLICATION

ISSUED FOR PERMITTING PURPOSES ONLY

BIGGS & MATHEWS
ENVIRONMENTAL
CONSULTING ENGINEERS
817-691-1144

C.6

DESIGNER: C.6
PERMIT APPENDIX D

PROCESS AREA SECTIONS
(Drawing C.16 and Drawing C.17)
PERMIT APPENDIX E

DISPOSAL PIT PLAN
(Drawing C.7)

DISPOSAL PIT SECTIONS
(Drawing C.18 and Drawing C.19)
NOTES:
1. CONTOURS COMPILED FROM AERIAL SURVEY DATA BY BIGGS & MATHEWS ENVIRONMENTAL DATED AUGUST 2, 2017.
2. COORDINATE SYSTEM BASED ON TEXAS CENTRAL ZONE, NAD 83.
3. PROPOSED CONTOURS IN THE DISPOSAL PIT DEPICT THE TOP OF PROTECTIVE COVER.
4. SEE DRAWING C.20 FOR LINNER DETAILS AND DRAWING C.22 FOR SOAP DETAILS.
5. LINED AREA COVERS APPROXIMATELY 104 ACRES.
6. DISPOSAL PIT PROVIDES 10,922,000 CY OF WASTE DISPOSAL VOLUME.
7. THE DISPOSAL PIT WILL BE DEVELOPED IN PHASES AS SHOWN ON DRAWINGS C.9 THROUGH C.14.
8. THE FINAL COMPLETION PLAN IS SHOWN ON DRAWING C.15.
PERMIT APPENDIX F

DISPOSAL PIT DEVELOPMENT PHASE 1
(Drawing C.8)
DISPOSAL PIT DEVELOPMENT PHASE 1 CROSS-SECTIONS
(Drawing C.24)
DISPOSAL PIT DEVELOPMENT PHASE 2
(Drawing C.9)
DISPOSAL PIT DEVELOPMENT PHASE 2 CROSS-SECTIONS
(Drawing C.25)
DISPOSAL PIT DEVELOPMENT PHASE 3
(Drawing C.10)
DISPOSAL PIT DEVELOPMENT PHASE 3 CROSS-SECTIONS
(Drawing C.26)
DISPOSAL PIT DEVELOPMENT PHASE 4
(Drawing C.11)
DISPOSAL PIT DEVELOPMENT PHASE 4 CROSS-SECTIONS
(Drawing C.27)
DISPOSAL PIT DEVELOPMENT PHASE 5
(Drawing C.12)
DISPOSAL PIT DEVELOPMENT PHASE 5 CROSS-SECTIONS
(Drawing C.28)
DISPOSAL PIT DEVELOPMENT PHASE 6
(Drawing C.13)
DISPOSAL PIT DEVELOPMENT PHASE 6 CROSS-SECTIONS
(Drawing C.29)
DISPOSAL PIT DEVELOPMENT PHASE 7
(Drawing C.14)
DISPOSAL PIT DEVELOPMENT PHASE 7 CROSS-SECTIONS
(Drawing C.30)
NOTES:
1. CONTOURS COMPILED FROM AERIAL SURVEY DATA BY BIGGS & MATHEWS ENVIRONMENTAL DATED AUGUST 2, 2017.
2. COORDINATE SYSTEM BASED ON TEXAS CENTRAL ZONE, AND B3.
3. WATER THAT HAS COME IN CONTACT WITH UNCOVERED MISTE WILL BE COMPLIANT WITH THE LIMITS OF THE PERIMETER OF THE FILL TO THE CONTACT WATER STORAGE AREA. PHASE 1 CONTACT WATER STORAGE ACCUMULATES 3,384,690 GALLONS. PHASE 2 CONTACT WATER STORAGE PROVIDES 3,121,330 GALLONS.
4. PHASE 2 LINED AREA = 14.19 ACRES. PHASE 6 FILL DAPACITY = 1,767,328 CUBIC YARD.
5. FILL CONTOURS DEPICT TOP OF WASTE EXCAVATION. CONTOURS DEPICT LATER SUITABILITY.
6. FINAL COVER AREA = 70.69 ACRES. TOTAL LINED AREA = 87.29 ACRES. AREA WITHOUT COVER = 18.61 ACRES.
NOTES:
1. CONTOURS COMPILED FROM AERIAL SURVEY DATA BY BIGGS & MATHERS ENVIRONMENTAL DATED AUGUST 2, 2017.
2. COORDINATE SYSTEM BASED ON TEXAS CENTRAL ZONE, NAD 83.
3. WATER THAT HAS DRIED IN CONCENTRATED WITH UNEVENTUALLY WILL BE COMPARED OVER THE LIMITS AROUND THE PERIMETER OF THE FILL TO THE ENTRANCE STORAGE AREA. PHASE 7 CONTAIN WATER STORAGE CAPACITY = 1,186,213 GALLONS. PHASE 7 CONTAIN WATER STORAGE PROVIDE WITH 2 FEET OF FREEBOARD = 2,254,000 GALLONS.
4. PHASE 7 LINED AREA = 9.82 ACRES. PHASE 7 FILL CAPACITY = 1,942,162 CUBIC YARDS.
5. FILL CONTAINS DEPOSIT TOP OF WASTE. EXCAVATION CONTOUR DEPOSIT LINED SUBURBAN.
6. FILL COVER AREA = 87.14 ACRES. TOTAL LINED AREA = 97.14 ACRES.

PHASE 7 FILL (SEE NOTE 4)
NOTE 4: + 10.00

CONTACT WATER LIMIT (SEE NOTE 2)

LEACHATE AND LEAK DETECTION
SLUMP AND RISER

CELL 1 RISER
CELL 2 RISER
CELL 3 RISER
CELL 4 RISER
CELL 5 RISER
CELL 6 RISER

CONTACT WATER DISCHARGE

NON-CONTACT WATER DISCHARGE

AREA WITH FINAL COVER

PHASE 7 CONTACT WATER STORAGE
ELEV. 2800.00

NON-CONTACT WATER LIMIT

SCALE IN FEET
0 100 200 300 400

LEGEND
PROPERTY BOUNDARY
EXISTING CONTOUR
STATE PLANE COORDINATE
CONTACT WATER FLOW
NON-CONTACT WATER FLOW
PROPOSED CONTOUR
FINAL COVER

SPRINT ENERGY
SPRINT REAGAN COUNTY DISPOSAL FACILITY PERMIT APPLICATION

ISSUED FOR PERMITTING PURPOSES ONLY

SPRINT REAGAN COUNTY DISPOSAL FACILITY PERMIT APPLICATION

BIGGS & MATHERS ENVIRONMENTAL
CONSULTING ENGINEERS
617-363-1749

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MAR 05 2018
O & G
AUSTIN, TX

GREGORY W. ADAMS
73356
CONTROLLER
2 126 12015

DISPOSAL PIT DEVELOPMENT
PHASE 7

SPRINT REAGAN COUNTY DISPOSAL FACILITY PERMIT APPLICATION

SPRINT ENERGY

CONTRACTOR: WATSON HALLS

CONTRACTOR: WATSON HALLS
PERMIT APPENDIX G

LINER AND COVER DETAILS
(Drawing C.20)

SUMP DETAILS
(Drawing C.21)
PERMIT APPENDIX H

FINAL COMPLETION PLAN
(Drawing C.15)

CONSTRUCTION DETAILS
(Drawing C.22)
PERMIT APPENDIX I

TREATMENT, RECOVERY, AND PROCESSING AREA
(Drawing C.5)