



# RAILROAD COMMISSION OF TEXAS

## OIL AND GAS DIVISION

### PERMIT TO RECLAIM OILFIELD RELATED HYDROCARBONS

**Permit No. R9 7B-0798A**  
Effective Date **September 19, 2017**

CP REFINING AND TRUCKING LLC  
300 S WALNUT  
LULING, TX. 78648

Based on information contained in the application received March 1, 2016, from CP Refining and Trucking LLC., and subsequent information received to date, you are hereby authorized to reclaim oilfield related hydrocarbons designated herein:

Callahan County Reclamation Facility  
16498 S. Highway 206, Cross Plains  
Callahan County, Texas  
Latitude, Longitude: 32.15815°, -99.14270°  
RRC District 7B, Abilene

#### NARRATIVE DESCRIPTION OF PROCESS

Incoming oil and gas wastes are off-loaded into one of two 270-barrel heater/boiler tanks for enhanced phase separation. The separated oil fraction is transferred into oil tanks to be stored and sold. Other aqueous phase liquids are sent to a water storage tank to be disposed of at a commercial Class II disposal well. Residual solids are collected on an as needed basis and transferred to an authorized disposal facility.

Authority is granted by the Railroad Commission of Texas (RRC) to reclaim oilfield related hydrocarbons in accordance with 16 Texas Administrative Code (TAC) §3.57 (Statewide Rule 57) and TAC §3.8 (Statewide Rule 8) and is subject to the following terms and conditions:

#### I. GENERAL PERMIT CONDITIONS

- A. The authority granted by this permit (R9 7B-0798) is effective **September 19, 2017**.
- B. The permittee shall maintain financial security in the amount of \$105,287.00 until this facility has been closed in accordance with this permit. Technical Permitting reserves the right to revise this amount, as necessary. Prior to any modification of this facility

that would require increased financial security, an updated closure cost estimate must be submitted to Technical Permitting in Austin, and any additional financial security must be filed with and approved by the RRC prior to making that modification.

- C. The permittee may not receive, store, handle, or treat oil and gas waste at the facility until all necessary air permits (if any) are obtained from the Texas Commission on Environmental Quality (TCEQ).
- D. Use of the facility is limited to the treatment, processing, or reclamation of tank bottoms and other hydrocarbon wastes generated through activities associated with exploration, development, and production of crude oil and other wastes containing crude oil.
- E. The permittee shall not accept or release waste to a waste hauler unless the waste hauler has an RRC issued waste hauler permit and is authorized to transport waste to or from this facility.
- F. This permit does not authorize the use of any pits, buried or partially buried tanks must be permitted in accordance with Statewide Rule 8.
- G. This permit does not authorize the discharge from the facility of any oil and gas waste, including contaminated or contact storm water.
- H. Any soil, media, or other debris contaminated by a spill of waste or any other waste related materials at the facility must be containerized immediately and processed through the facility or disposed of in an authorized manner.
- I. Any soil additives, bio-accelerators, or treatment chemicals must be approved by Technical Permitting prior to use at the facility. They must be stored in vessels designed for the safe storage of the particular compound, and these vessels shall be maintained in a leak free condition.
- J. Safety Data Sheets (SDS) must be submitted to Technical Permitting in Austin for any chemical or bio-accelerator proposed to be used in the treatment of waste at the facility. Use of the compound is contingent upon RRC approval. All chemicals must be stored according to the manufacturer's specifications.
- K. 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 International) and certified by a Texas registered Professional Engineer.
- L. An On-Site Sewage Facility (OSSF) may be constructed, operated, and maintained within the boundaries of the subject facility without an additional permit from the RRC if: the OSSF waste is not comingled with any other oil and gas waste; the system is designed by a Professional Engineer registered in the state of Texas or a sewage system installer

licensed in the state of Texas; and the construction, operation, and maintenance of the OSSF complies with all applicable local, county, and state requirements.

- M. A copy of a site-specific Spill Control Plan 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.
- N. A Stormwater Management Plan for the facility must be maintained on site and made available to RRC Staff for review and inspection upon request.
- O. The permittee must post a sign at the facility entrance, which must show the facility name and permit number in letters and numerals at least three inches in height.
- P. Unless otherwise required by conditions of this permit, construction, use, and maintenance of the Reclamation Plant must be in accordance with the information represented on the "*Application For Permit To Operate A Reclamation Plant*" (Form R-9) provided and incorporated into this permit as **Permit Appendix A** and attachments thereto.
- Q. The permittee must make all records required by this permit available for review and copying during normal business hours upon request of RRC personnel.
- R. Any deviation from this permit must be approved by amendment from Technical Permitting in Austin before implementation.
- S. This permit is nontransferable. A request for a new permit must be filed with Technical Permitting in Austin from the new operator.
- T. Failure to comply with any provision of this permit may result in modification, suspension, termination or cancellation of this permit if Technical Permitting determines that the permittee is in violation of RRC rules.

## II. INCOMING AND OUTGOING WASTES

### A. AUTHORIZED WASTES

1. Only oil and gas wastes that are non-hazardous or exempt from Resource Conservation and Recovery Act (RCRA), subchapter C and subject to the jurisdiction of the RRC may be received or processed at this facility. This permit authorizes the receipt and reclamation of only the following oil and gas wastes:
  - a. Tank bottoms.
  - b. Other hydrocarbon wastes, as defined by Statewide Rule 57 (b) (2).
2. No asbestos-containing material regulated under the Clean Air Act or polychlorinated biphenyls (PCB) containing material regulated under the Toxic Substances Control Act may be accepted for processing at the facility.
3. 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 process or treat oil and gas NORM waste may be received at this facility.

## B. TESTING REQUIREMENTS FOR INCOMING WASTES

1. The operator of the Reclamation Plant 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 production facility, to determine crude oil content.
2. The shakeout test shall be conducted in accordance with the most current American Petroleum Institute (API) or ASTM method.
3. Each load of incoming waste, other than water-based drilling fluid and the associated cuttings, or oil-based drilling fluid and the associated cuttings, must be scanned for the presence of NORM using a scintillation meter with a sodium iodide detector or equivalent device. Any load with a maximum reading of 50 microrentgens per hour or more may not be unloaded or processed at the facility unless further analysis of the waste demonstrates that the waste does not exceed 30 picocuries per gram of radium-226 combined with radium-228 or 150 picocuries per gram of any other radionuclide.

## C. RECORDKEEPING REQUIREMENTS

1. Details of receipts, deliveries and stock on hand must be reported monthly on the Form R-2, Monthly Report for Reclaiming and Treating Plants. Submit the original of the Form R-2 report directly to Technical Permitting in Austin and a copy of the report to the appropriate RRC District Office by the 15<sup>th</sup> day of the calendar month following the month by the report. Form R-2 shall be completed in accordance with Statewide Rule 57.
2. The permittee shall maintain the following records on each load of waste received at the facility for a period of three years from the date of receipt:
  - a. Description of the site where the waste was generated, including:
    - (1) Generator name.
    - (2) Lease Name and Lease Number, Well Number or Gas I.D. Number or API Well Number.
    - (3) County.
  - b. Name and RRC permit number of the transporter.
  - c. Date the waste is received.
  - d. Volume of the waste material (specify units).
3. The permittee shall maintain the following records on each load of waste removed from the facility for a period of three years from the date of receipt:
  - a. Date waste is removed and hauled to a disposal facility.
  - b. Name and RRC permit number of the transporter.
  - c. Volume of each shipment of waste hauled to a disposal facility.
  - d. Type of waste (basic sediment, water, water-based mud, etc.).

- e. Name and permit number of the facility to which the waste was hauled to for disposal.

### III. RECLAMATION PROCESS

- A. The reclamation process is limited to the treatment, processing, or reclamation of tank bottoms and other hydrocarbon wastes generated through activities associated with exploration, development, and production of crude oil and other wastes containing crude oil.
- B. The “*Application For Permit To Operate A Reclamation Plant*” (Form R-9), which is attached as **Permit Appendix A**, grants authority for the reclaiming of oil field related hydrocarbons and does not cover reclamation of any refined products. Commingling or blending of refined products with crude is not permitted unless written authority is granted by the RRC’s Director of Field Operations following a formal written request for such blending by the Reclamation Plant operator. Any deliveries made containing products or crude blended with products must be clearly identified on the RRC Form R-2 as “*Products*” or “*Crude Blended with Products.*”
- C. The removal of tank bottoms or other hydrocarbon wastes from the facility for which a monthly report (Form R-2) is not filed with the RRC must be authorized in writing by the RRC prior to such removal. A written request for such authorization must be sent to Technical Permitting in Austin, and must detail the location, description, estimated volume, and specific origin of the material removed, as well as the name of the reclaimer and intended destination of the material.
- D. The receipt of any tank bottoms or other hydrocarbon wastes from outside the State of Texas must be authorized in writing by the RRC prior to such receipt. Written approval from the RRC is not required if another regulatory agency indicates, in the appropriate monthly report, a corresponding delivery of the same material.
- E. The Reclamation Plant must be clearly identified with signs showing the name of the plant operator and permit number in letters and numerals at least three inches in height.

### IV. CONSTRUCTION AND GENERAL OPERATIONS

- A. The general layout and arrangement of the facility shall be consistent with the “*Callahan County Reclamation Plant*” diagram received May 22, 2017, which is attached to and incorporated into this permit as **Permit Appendix B**.
- B. The facility is limited to having no more than 3,314 barrels (bbls) of unprocessed and processed oil and gas waste and 20 cubic yards (cy) of residual solids resulting from the reclamation process onsite at any given time.
- C. The facility shall consist of the following storage vessels:
  - 1. Two 500-bbl Oil Storage Tank;
  - 2. Three 210-bbl Oil Storage Tanks;

3. Two 437-bbl Saltwater Storage Tanks; and
  4. Three 270-bbl Heater / Boiler Tanks;
- D. No additional equipment may be added without prior written approval by Technical Permitting. A request for any additional equipment must be submitted in writing to Technical Permitting for review and approval.
  - E. No waste, treated or untreated, may be placed directly on the ground. All untreated and treated waste must be stored in steel tanks.
  - F. All equipment at the facility shall be kept on a properly compacted caliche pad at least six inches thick with a perimeter dike at least 2 feet high.
  - G. Berms or containment structures must be constructed around all waste management units and must be compacted or constructed of material that meets or exceeds 95% Standard Proctor (ASTM D698) or 90-92% Modified Proctor (ASTM D1557) density. Each berm shall maintain a slope no steeper than a three to one (horizontal to vertical) ratio, unless constructed of concrete or equivalent material (firewalls). These structures must be used to divert non-contact stormwater around the waste management areas and contain and isolate contact stormwater within the waste management units.
  - H. All the storage tanks containing fluid waste shall be contained within dikes. Secondary containment consisting of 120% total capacity is recommended, however a minimum capacity, that will capture 100% capacity of the largest tank plus the 25-year / 24-hour rainfall event volume for Callahan County is acceptable. 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.
  - I. A perimeter berm must be constructed to surround the entire facility and must be designed to prevent stormwater run-on and prevent contact stormwater run-off from the site. The perimeter berm must be constructed to a minimum height of two feet above the land surface with a slope no steeper than a three to one (horizontal to vertical) ratio.
  - J. All wastes generated by reclaiming operations shall be disposed of in an authorized manner.
  - K. All storage tanks, equipment and roll-off boxes must be maintained in a leak-free condition. If inspection of a tank reveals deterioration or leaks, the tank must be repaired before resuming use of the tank.
  - L. The facility shall maintain security to prevent unauthorized access. Access shall be maintained 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.
  - M. Each month an integrity inspection of the entire facility must be performed on all concrete slabs, processing equipment, berms, roll-off boxes and aboveground storage tanks for deterioration, leaks and spills. Records of each inspection must be kept on-site and maintained by the permittee, and made available upon request of the RRC. The permittee must maintain the following records for a period of three years from the date of the inspections:

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.
- N. The permittee must submit a Quarterly Report containing the specified information required in **Permit Conditions II.A., II.B. and II.C.** to Technical Permitting in Austin no later than the 30<sup>th</sup> day of the month following each reporting period (January 1 through March 31, April 1 through June 30, July 1 through September 30, and October 1 through December 31), or each January 30, April 30, July 30, and October 30 respectively.

## V. STORMWATER CONTROL

- A. The facility must be designed and constructed to contain contact storm water and prevent run-on of non-contact storm water.
- B. 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.
- C. Contact stormwater shall be prevented from migrating outside of the waste processing and storage areas. The facility shall be sloped to facilitate the separation of contact and non-contact stormwater.
- D. Surface flow non-contact stormwater shall be prevented from entering the waste processing and storage areas. Areas outside of the bermed waste processing and storage areas shall be sloped to prevent non-contact stormwater from contacting waste.
- E. Contact stormwater must be collected within 24 hours and disposed of in an authorized manner.
- F. This permit does not authorize the discharge of any oil and gas waste or any stormwater that has come into contact with oil and gas waste.

## VI. FACILITY CLOSURE

- A. Technical Permitting in Austin and the appropriate RRC District Office must be notified in writing 60 days prior to commencement of closure activities.
- B. All waste, chemicals, or associated waste materials must be processed and removed from the facility for authorized reuse, or disposed of in an authorized manner.
- C. All processing equipment, aboveground storage tanks, piping, and any other associated equipment must be removed from the facility.

- D. Provisions must be taken to prevent erosion both during and following closure activities.
- E. After waste removal and site excavations are completed, a minimum of two representative soil samples per acre must be taken to characterize the scope of any contamination at the facility. Samples must also be taken from around berms, storage areas, tanks, and processing equipment and from underneath the concrete pads if demolished. Those samples must be analyzed for the following Parameters and not exceed the corresponding Limitations:

<u>PARAMETER</u>	<u>LIMITATION</u>
pH <i>EPA Method 9045C or equivalent</i>	6 to 10 standard units
Electrical Conductivity (EC) <i>Louisiana Department of Natural Resources Laboratory Procedures for Analysis of Exploration &amp; Production Waste or equivalent</i>	≤ 4.0 mmhos/cm
Total Petroleum Hydrocarbons (TPH) <i>EPA Method 5035A/TX1005</i>	≤ 10,000 mg/kg or 1% by weight
Total Benzene, Toluene, Ethylbenzene, Xylenes (BTEX) <i>EPA Method 5035A/8021/8260B</i>	≤ 30 mg/kg
Metals (Total) <i>EPA Method 6010/6020/7471A</i>	
Arsenic	≤ 10 mg/kg
Barium	≤ 10,000 mg/kg
Cadmium	≤ 10 mg/kg
Chromium	≤ 100 mg/kg
Lead	≤ 200 mg/kg
Mercury	≤ 10 mg/kg
Selenium	≤ 10 mg/kg
Silver	≤ 200 mg/kg

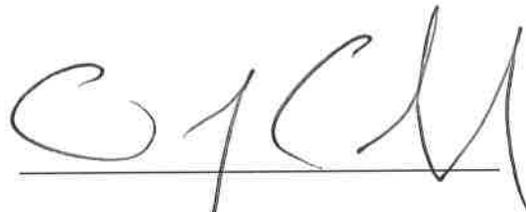
- F. A summary of the soil sampling required by **Permit Condition VI.E.** must be submitted to Technical Permitting upon closure and shall include:
  1. A map drawn to scale with coordinates of the sampling locations.
  2. A table indicating the results of the parameters sampled.
  3. The date of sampling.
  4. The approximate depth of the sample below land surface.

5. Copies of the laboratory analytical reports and Chain of Custody.

- G. Any soil sample that exceeds the Parameter Limitations specified in **Permit Condition VI.E.** is considered waste and must be disposed of at an authorized disposal facility.
- H. When acceptable constituent levels have been verified in writing by Technical Permitting, all berms and tank pads must be leveled, and the site must be restored to natural grade. Topsoil must be contoured and seeded with appropriate vegetation for the geographic region.
- I. Final grading of the storage and processing areas must be accomplished in such a manner that rainfall will not collect in the former waste processing and storage area locations after closure.
- J. Upon final closure, the appropriate RRC District Office and Technical Permitting in Austin shall be notified in writing.

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

APPROVED AND ISSUED ON September 19, 2017.



Grant Chambless, P.G., Manager  
Environmental Permits and Support  
Technical Permitting

**Note:** Added Permit Appendices A and B

cc: RRC – Abilene / 7B  
RRC – Production Audit, Austin  
RRC – EPS Reporting Log, Austin

# **Appendix A**

Application for Permit to Operate A  
Reclamation Plant  
(Form R-9)

MAR 01 2016

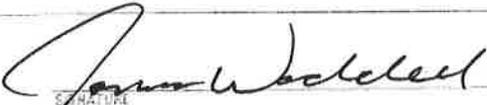
RAILROAD COMMISSION OF TEXAS  
Oil and Gas Division

APPLICATION FOR PERMIT TO OPERATE  
A RECLAMATION PLANT

O&G  
AUSTIN, TX  
DRAFT

R-9  
2/7/90

READ INSTRUCTIONS ON BACK

1. OPERATOR NAME, exactly as shown on P-5, Organization Report <b>CP Refining and Trucking LLC</b>	2. OPERATOR P-5 NO <b>186312</b>	3. RRC DISTRICT NO. <b>7B</b>	4. COUNTY OF PLANT LOCATION <b>Callahan</b>								
5. OPERATOR ADDRESS, including city, state, and zip code <b>300 S. Walnut Luling, Texas 78648</b>	6. PURPOSE OF FILING <input type="checkbox"/> New permit for new facility. Estimated completion date: _____ <input checked="" type="checkbox"/> New permit for existing facility. Name of previous operator, <b>O.G.O. Refining, LLC</b> <input type="checkbox"/> One-time renewal of existing permit serial/registration (P-2) no. <b>7B-0798</b>										
7. TYPE OF FACILITY <input checked="" type="checkbox"/> Permanent <input type="checkbox"/> Portable	8. Driving directions from the nearest town (identify town):  <b>5 miles north of Cross Plains Texas on Highway 206</b>										
9. Brief description of treating process: <b>Tank bottom treatment to recover sellable oil, remaining salt water is hauled to approved disposal system.</b>											
10. Material transported to plant in: (see list, No. 5) <input checked="" type="checkbox"/> vehicles owned by applicant, <input type="checkbox"/> for-hire vehicles, <input type="checkbox"/> 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.)											
<table border="1"> <thead> <tr> <th>TYPE OF FACILITY</th> <th>OPERATOR</th> <th>TYPE OF FACILITY</th> <th>OPERATOR</th> </tr> </thead> <tbody> <tr> <td colspan="4">None</td> </tr> </tbody> </table>				TYPE OF FACILITY	OPERATOR	TYPE OF FACILITY	OPERATOR	None			
TYPE OF FACILITY	OPERATOR	TYPE OF FACILITY	OPERATOR								
None											
<p>CERTIFICATION: I certify under penalties prescribed in Sec. 51.140, Texas Natural Resources Code, that I am authorized to make this report, that it was prepared by me or under my supervision and direction, and that the data and facts stated herein are true, correct, and complete to the best of my knowledge.</p> <p style="text-align: center;">                   _____                  TITLE: <b>Managing Member</b>                  NAME (print or type): <b>James Clifford Waddell</b>      PHONE: <b>512 618-8021</b>      DATE: <b>2/11/16</b> </p>											

TO BE COMPLETED BY RAILROAD COMMISSION PERSONNEL

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

- The above named operator requests cancellation in writing.
- The commission cancels the permit after notice and opportunity for hearing because:
  - the permit facility has been inactive for 12 months, or
  - 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 nontransferable. 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. **79 7B-0798A** issued/renewed effective **SEPTEMBER 19, 2017** (date)

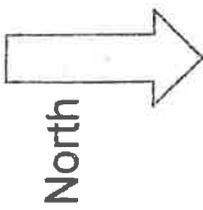
by  **Great Chambers** Phone No. **512 463-4354**  
 Name (type or print)

ALL WASTES GENERATED BY RECLAIMING OPERATIONS SHALL BE DISPOSED OF IN ACCORDANCE WITH STATEWIDE RULES, 8, 9, AND 46 (RELATING TO WATER PROTECTION, DISPOSAL WELLS, AND FLUID INJECTION)

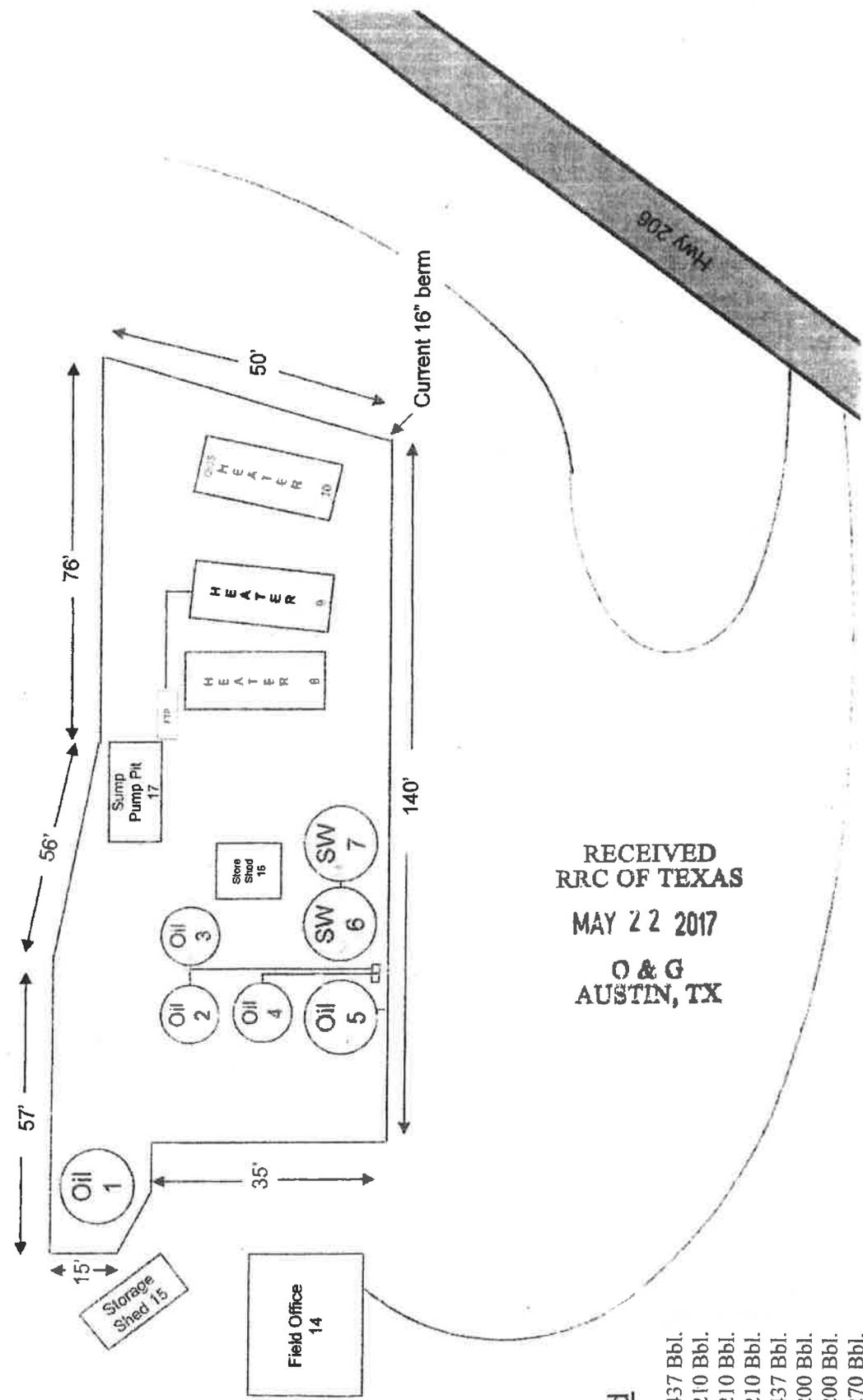
RECEIVED  
RRC OF TEXAS  
MAR 01 2016  
O&G  
AUSTIN, TX

# **Appendix B**

## **Callahan County Reclamation Plant**



Name Callahan County Reclamation Plant  
 Longitude: 29:09'29.37"N Latitude: 99:08'33.73"W  
 County Callahan County, TX



RECEIVED  
 RRC OF TEXAS  
 MAY 22 2017  
 O & G  
 AUSTIN, TX

Legend

- Tank # 1 437 Bbl.
- Tank # 2 210 Bbl.
- Tank # 3 210 Bbl.
- Tank # 4 210 Bbl.
- Tank # 5 437 Bbl.
- Tank # 6 200 Bbl.
- Tank # 7 200 Bbl.
- Tank # 8 270 Bbl.
- Tank # 9 270 Bbl.
- Tank # 10 270 Bbl.