

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL AND GAS DOCKET  
NO. 09-0275570**

**PERMIT NO. STF-039**

**FINAL ORDER  
APPROVING THE APPLICATION OF EOG RESOURCES, INC. FOR A PERMIT  
PURSUANT TO STATEWIDE RULE 8 TO OPERATE A CENTRALIZED  
OIL AND GAS WASTE RECYCLING FACILITY AND ASSOCIATED PIT  
EOG-COOKE COUNTY FACILITY  
COOKE COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on June 6, 2012, the presiding examiners have made and filed a report and proposal for decision containing findings of fact and conclusions of law, which was served on all parties of record; that the proposed application is in compliance with all statutory requirements; and that this proceeding was duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas.

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

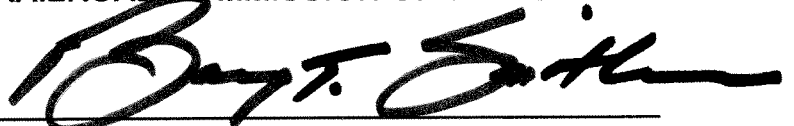
Therefore, it is **ORDERED** by the Railroad Commission of Texas that the application of EOG Resources, Inc. for a permit pursuant to Statewide Rule 8 to operate the EOG-Cooke County Facility, a centralized oil and gas waste recycling facility and associated pit, Cooke County, Texas, is hereby **GRANTED** in accordance with the attached permit.

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

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

Done this 13<sup>th</sup> day of June, 2013.

RAILROAD COMMISSION OF TEXAS



CHAIRMAN BARRY T. SMITHERMAN

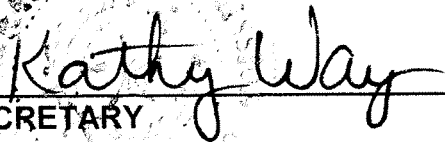


COMMISSIONER DAVID PORTER



COMMISSIONER CHRISTI CRADDICK

ATTEST.



SECRETARY

ATTN: TERRY KARKA  
EOG RESOURCES, INC.  
PO BOX 4362  
HOUSTON, TX 77210-4362

Re: Authorization to Maintain and Use a Centralized  
Recycling Facility  
Permit No. STF-039  
Cooke County Facility  
Cooke County, Texas

Based on information contained in your original application received May 24, 2011, and subsequent information received to date, you are hereby authorized to operate a centralized stationary treatment facility to produce roadbase for reuse for the following load-bearing structures on EOG leases and easements: lease roads, drilling pads, tank batteries, and compressor station pads. This authority is subject to the following minimum conditions:

**I. GENERAL PERMIT CONDITIONS**

- A. The effective date of this permit is June 13, 2013.
- B. The authority granted by this permit expires on June 12, 2018.
- C. The Commission may consider this permit for administrative renewal upon review.
- D. Any request for renewal should be received at least 60 days prior to the permit expiration date. The Commission may consider administrative renewal of the permit upon review.
- E. This permit is not transferable without the consent of the Commission. Any request for transfer of this permit should be filed with Technical Permitting in Austin at least 60 days before the permittee wishes the transfer to take place.
- F. This permit does not authorize the discharge from the treatment site of any oil and gas waste, including contaminated stormwater.
- G. The unprocessed oil and gas waste, partially treated waste, and recyclable product must be mixed, stored, handled and applied in such a manner that they will not migrate off the site or enter any drainage ditch, dry creek, flowing creek, river or any other body of surface water.
- H. Material Safety Data Sheets must be submitted to the Austin Office and the appropriate District Office for any chemical proposed to be used in the processing of waste. Use of the chemical is contingent upon Commission approval.
- I. Any soil, media, or other debris contaminated by a spill of waste or any other materials at the treatment site shall be promptly cleaned up and run through the processing cycle or disposed of in an authorized manner.
- J. The permittee shall make all records required by this permit available for review and/or copying during normal business hours upon request of Commission personnel.
- K. A sign shall be posted at the facility entrance which shall show the permit number in numerals at least one inch in height.
- L. Failure to comply with any provision of this permit shall be cause for modification, suspension or termination of this permit. This permit may be canceled if Technical Permitting determines

that the permittee is in violation of the conditions of this permit or if permittee's operations pursuant to the permit are causing or allowing pollution of surface or subsurface water.

- M. An independent laboratory neither owned nor operated by the permittee must conduct any analysis of sampling required by this permit.

## II. TRIAL RUN

The permittee must demonstrate the ability to successfully process a one thousand cubic yard batch of oil base drilling mud and cuttings.

- A. Technical Permitting in Austin and the appropriate District Office must be notified in writing at least 48 hours before waste processing begins.
- B. Samples of the processed waste must be collected and analyzed as required by Condition IV.C.2.
- C. Samples shall be collected from every 200 cubic yards of a 1000 cubic yard batch and analyzed for wetting and drying durability by ASTM D 559-96, modified to provide that samples are compacted and molded from finished processed material. Total weight loss after 12 cycles may not exceed 15%.
- D. A written report of the Trial Run must be submitted to Technical Permitting in Austin and the appropriate District Office within 60 days of receipt of the analyses required in Condition IV.C.2. The following information must be included:
1. The actual volume of waste material processed.
  2. The volume of stabilization material used.
  3. Copies of all lab analyses required by Conditions IV.C.2.
- E. The final processed material must meet the limitations of Conditions IV.C.2.
- F. Until Technical Permitting in Austin has verified the Trial Run results and determined that the waste was successfully processed, the recyclable product from the Trial Run may not be applied to roads and no additional waste may be received or processed.

## III. INCOMING WASTES

### A. AUTHORIZED WASTES:

The permittee may receive, store, handle, treat, and recycle only the following non-hazardous, non-injectable, non-reclaimable oil and gas wastes: water-based and oil-based drilling fluids and the associated cuttings, crude oil contaminated soil, production tank bottoms, and flow back sands.

No waste may be received, stored, handled, treated or recycled at the facility if it is not a waste under the jurisdiction of the Railroad Commission of Texas or it is a listed hazardous waste or it exhibits one or more hazardous waste characteristics and does not fall within the oil and gas exemption of §3001(b)(2)(A) of RCRA.

No asbestos-containing material regulated under the Clean Air Act or PCB (polychlorinated biphenyls) material regulated under the Toxic Substances Control Act may be accepted for disposal at the facility.

No oil and gas NORM (naturally occurring radioactive material) 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 Health to process or treat oil and gas NORM waste may be received at this facility.

#### **IV. CONSTRUCTION, OPERATION AND PROCESS CONTROL**

##### **A. CONSTRUCTION**

1. The waste receiving/premixing area shall have the dimensions of 135 feet by 125 feet and be surrounded on four (4) sides by dikes to a height of three (3) feet high and width at base of nine (9) feet. The receiving/premixing area shall be arranged as shown on the facility diagram, **Permit Appendix A**.
2. The receiving/premixing area shall be lined with a concrete liner.
3. The waste receiving/premixing area must be cleared and the liner inspected annually for deterioration and/or leaks. The Wichita Falls District Office must be notified at least 48 hours before each inspection. The liner must also be inspected whenever evidence of liner leakage arises. If the inspection of the liner reveals a leak or other loss of liner integrity, the liner must be repaired before resuming use of the receiving/premixing area.
4. No more than 3,000 tons of waste may be stored at the facility at any one time.
5. Incoming waste may be stored at the site for no more than six months. After six months, the incoming waste must either have been processed into a recyclable product or disposed of offsite in an authorized manner.
6. The maximum volume of recyclable product to be stored at the facility is 12,000 tons.
7. The recyclable product may be stored at the facility no more than 1 year after its creation. If recyclable product remains at the site after one year, it must be used for the intended purpose for which it was created or disposed of offsite in an authorized manner.
8. Any rainwater must be collected and stored in the storm water collection pit.
9. The processed material shall be stored in an area as shown on the facility diagram **Permit Appendix A**.
10. Any chemical used in the treatment process shall be stored in vessels designed for the safe storage of the particular chemical and these vessels shall be maintained in a leak free condition.

##### **B. OPERATION**

1. Incoming waste must be unloaded directly from the transport truck or trailer into the waste receiving/premixing area.
2. All tanks must be maintained in a leak-free condition. If inspection of a tank reveals deterioration and/or leaks, the tank must be emptied and repaired before resuming use.
3. The permittee must maintain a record of when the tanks are inspected and the results of each inspection. A copy of the records shall be submitted to Technical Permitting in Austin as part of the Semiannual Report.
4. Excess rainwater collected within the diked areas shall be removed and placed in the storm water collecting pit (Pit Permit No. P011706) or disposed of in an authorized manner.
5. Waste shall be mixed and stabilized with appropriate amounts of caliche or other inert aggregate, lime or Portland cement. Mixing shall only be done through use of a pug mill.

6. The waste shall be processed through a pug mill with appropriate amounts of inert aggregate and asphalt additive, so that the final partially treated waste meets the limitations in Permit Conditions IV.C.1. and IV.C.2.
7. The partially treated waste and recyclable product shall be stockpiled in the area as shown on **Permit Appendix A**.
8. Appropriate measures shall be taken to control dust at all times.

**C. PROCESS CONTROL**

1. Bench scale tests shall be performed as needed to determine optimum mixing design.
2. A sample of the partially treated waste shall be tested for the parameters listed below for every 800 tons of material produced. Each 800 ton sample shall be tested for compressive strength. For the SPLP and 7 Day Leachate Test, each 800 ton lot sample shall be composed of four (4) sub-samples obtained at 200 ton intervals. The samples shall be analyzed for the following parameters:

<u>PARAMETER</u>	<u>LIMITATION</u>
Compressive Strength by Method Tex-113-E, Tex-241-F, Tex-226-F, or Tex-117-E, or Equivalent TxDOT Approved Method	35 psi minimum
SPLP by EPA Method 1312	
Metals	
Arsenic	<5.00 mg/l
Barium	<100.00
Cadmium	<1.00
Chromium	<5.00
Lead	<5.00
Mercury	<0.20
Selenium	<1.00
Silver	<5.00
Benzene	<0.50

<u>PARAMETER (cont.)</u>	<u>LIMITATION (cont.)</u>
1:4 Solid: Solution 7 Day Leachate Test (LAC 43:XIX.Subpart 1)	
Chlorides	<700.00
TPH	<100.00
pH (Standard Units)	6 – 12.49

3. Any material not meeting the limitations in Condition IV.C.2. shall be returned to the mixing cycle and reprocessed.
4. Processed material meeting or exceeding process control parameters listed in Condition IV.C.2. is suitable for use on lease roads, drilling pads, tank batteries, compressor station pads, and county roads.

**V. ROADBASE MATERIAL FINAL DISPOSITION**

- A. Processed material meeting or exceeding process control parameters listed in Condition IV.C.2. is suitable for use on lease roads, drilling pads, tank batteries, compressor station pads, and county roads.
- B. The following records shall be kept at the facility for a period of three (3) years from the date of removal for each load of processed material:
  1. the date the processed material is removed from the facility;
  2. the volume of processed material removed from the facility;
  3. the identification of the recipient;
  4. documentation that the processed material has met the specifications required by Permit Condition IV.C.2; and
  5. documentation indicating the approximate location where processed material is used.
- C. Copies of analyses demonstrating that processed material has met the limitations in Permit Condition IV.C.2. shall be submitted to Technical Permitting in Austin as part of the Semiannual Report required in Condition No. V.B.1.
- D. The oil based drilling fluid and associated cuttings may not be accumulated speculatively. Beginning with the effective date of the permit, and annually thereafter, the amount of waste that is recycled must equal at least 75% by volume of the amount of waste accumulated on the anniversary of the effective date of the permit. EOG Resources, Inc. must keep records showing the volume of waste on hand as of the effective date of the permit, the amount of waste received during each year from the effective date of the permit, and the amount of waste remaining on each anniversary of the effective date of the permit. A copy of the records shall be submitted to Technical Permitting in Austin as part of the Semiannual Report required in Condition V.B.1. and submitted on the anniversary date of the permit.

## **VI. RECORDKEEPING AND REPORTING REQUIREMENTS**

### **A. RECORDKEEPING**

1. Records must be kept of all waste treated for a period of three (3) years from the date of treatment. These records must include the following:
  - a. Name of the generator.
  - b. Source of the waste (Lease Number or Gas I.D. Number and Well Number, or API Number).
  - c. Date the waste is received at the treatment site.
  - d. Volume of the waste received at the treatment site.
  - e. Monthly measurements of the salinity and TPH of the treated waste and free standing wastewater in the storage cells at the treatment site.
  - f. Date recyclable product is removed to the receiving site.
  - g. Volume recyclable product removed to the receiving site.
  - h. Date each load of free standing wastewater is removed from the treatment site.
  - i. Volume of free standing wastewater removed from the treatment site.
  - j. Name of the carrier moving the free standing wastewater.
  - k. Identification of the receiving site of the recyclable product. If used on an EOG lease, the lease shall be identified by the Lease Number, Gas I.D. Number and Well Number, or API Number. If used on a county road, the road should be identified by the county and County Road Number.

- l. Documentation that the county commissioners have approved the use of the recyclable product on the county roads if used on county roads.
- m. Copies of analyses demonstrating that the final recyclable product has met the limitations in Condition No. IV.C.2.

**B. REPORTING**

- 1. A copy of the records required in Permit Condition No. V.A. must be submitted to Technical Permitting in Austin as part of the Semiannual Report required in Condition No. V.C. of this permit. If no waste was received, treated, or recycled within a reporting period, a written statement indicating that no waste was received, treated, or recycled must be submitted to Technical Permitting in Austin as part of the Semiannual Report required in Condition No. V.C. of this permit. For compressive strength analyses, each test report shall contain an explanation of why a specific test method was selected for each sample of final treated material.

- C. Beginning six (6) months from the date of the permit and every six (6) months thereafter, permittee shall submit a Semiannual Report containing applicable information as required in Conditions IV.C.1., IV.C.2. and V.B. of this permit for the previous six (6) month period.

**VII. CLOSURE**

- A. All processed material must be applied and re-used for county roads, lease roads, drilling pads, tank batteries, or compressor station pads or shall be disposed of in compliance with Commission rules.
- B. The contents of all vessels, tanks, receiving/premixing area, or other containers shall be disposed of in an authorized manner.
- C. All equipment must be removed from the facility and any dikes leveled or removed.
- D. Representative soil samples shall be taken from the location of the receiving/premixing and stockpile area. These composite samples shall be analyzed and the following constituent levels shall not be exceeded:

PARAMETER	PRE-CLOSURE LIMIT
-----	
pH (Standard Units)	6 to 10
Electrical Conductivity (EC) (mmhos/cm)	4
TPH (weight %)	< 1
PARAMETER (cont.)	PRE-CLOSURE LIMIT (cont.)
-----	
Metals (mg/kg):	
Arsenic	10.00
Barium	20000.00
Cadmium	3.00
Chromium	100.00
Lead	200.00
Mercury	10.00



Selenium	5.00
Silver	200.00
BTEX (mg/kg)	30.00

- E. A map showing the sampling locations and copies of the analyses required by Permit Condition VIII.D. shall be submitted to the Austin Office. When the Austin Office has verified acceptable soil constituent levels, the facility dikes shall be leveled to grade.
- F. Technical Permitting in Austin and the Wichita Falls District Office must be notified in writing 45 days prior to commencement of closure activities.

Should it be determined that operations of this facility are not being conducted in a manner consistent with representations in the permit application, the conditions prescribed in this permit, or all applicable Commission rules, then the permission given herein may be suspended until the aforementioned consistency is achieved. Continued failure to comply with all of the conditions of this permit may result in the operator being referred to the Commission's Office of General Counsel, Enforcement Section to consider assessment of administrative penalties, and/or suspension or cancellation of this permit.

cc: RRC - Wichita Falls / 09

PERMIT TO MAINTAIN AND USE A PIT

Pit Permit No. P011706

ATTN: TERRY KARKA  
EOG RESOURCES, INC.  
PO BOX 4362  
HOUSTON, TX 77210-4362

Based on information contained in the original application (Form H-11) received September 2, 2011, and subsequent information received to date, you are hereby authorized to maintain and use the pit designated herein:

Type of Pit: Stormwater Collecting Pit  
EOG – Cooke County Facility  
3164 feet FNWL and 3709 feet FSEL of the S. Dillingham Survey, A-324  
Cooke, County, RRC District 9

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

1. Use of the pit is limited to the collection of rainwater that has come in contact with oil and gas waste. No other oil field fluids or oil and gas wastes may be stored in or disposed of in the pit.
2. The capacity of the pit may not exceed 20,447 barrels.
3. At least 2 feet of freeboard must be maintained between the fluid level in the pit and the top of the pit.
4. The pit must be lined with an HDPE liner 30 mils thick.
5. The liner must be installed in accordance with the liner manufacturer's specifications and sound engineering practices.
6. The pit must be emptied and the liner inspected annually for deterioration and/or leaks. The Wichita Falls District Office must be notified at least 48 hours before each inspection. The liner must also be inspected whenever evidence of liner leakage arises. If inspection of the liner reveals a leak or other loss of liner integrity, the liner must be replaced or repaired before resuming use of the pit.

7. The permittee must maintain a record of when the liner is inspected and the results of each inspection. This record must be maintained by the permittee for the life of the liner, and, upon request of the Commission, the record shall be filed with the Commission.
8. No oil may be allowed to accumulate on top of the waste stored in the pit. Any oil on top of the water must be skimmed off.
9. Unless otherwise required by conditions of this permit, construction, use, and maintenance of the pit shall be in accordance with the information represented on the application (Form H-11) and attachments thereto.
10. A sign shall be posted at the pit which shall show the pit permit number in numerals at least one inch in height.
11. The pit must be dewatered and emptied within 120 days of final cessation of use of the pit. Final closure of the pit must be accomplished in such a manner that rainfall will not collect at the pit location after pit closure. Upon final closure, the District Office shall be notified in writing.
12. This permit is nontransferable without consent of the Commission. Any request for permit transfer should be filed with Technical Permitting in Austin.
13. This permit does not authorize the discharge of any oil and gas wastes from the pit.
14. The authority granted by this permit expires on June 12, 2018.

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

APPROVED AND ISSUED ON JUNE 13, 2013.