

Quattlebaum, Grooms, Tull & Burrow

A PROFESSIONAL LIMITED LIABILITY COMPANY

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October 11, 2011

Al Eckert
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AFIN: 36-00076

Pmt #: 0318-536

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Jamie Ewing, Esq.
Arkansas Department of Environmental Quality
5301 Northshore Drive
North Little Rock, AR 72118-5317

via hand delivery

RE: Capstone Oilfield Disposal of Arkansas
Hartman Disposal Facility SWD #1

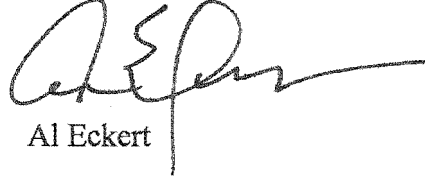
Dear Jamie:

Enclosed is the Closure Plan for the Class 3C landfill prepared by Terracon Consultants, Inc. Please forward to the ADEQ Solid Waste Division for review. Also, Bill Parker is working with the bonding company submittal of the financial assurance, and upon receipt of a copy of the financial assurance I will forward an additional copy to you to be included with this Closure Plan as Appendix "D".

Please contact me if you have any questions.

Sincerely,

QUATTLEBAUM, GROOMS,
TULL & BURROW PLLC



Al Eckert

*Attorneys for Capstone Oilfield Disposal of
Arkansas, Inc.*

cc: William Parker
Quin Baber, Terracon

OCT 11 2011

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CLOSURE PLAN FOR THE CLASS 3C LANDFILL

Capstone Oilfield Disposal of Arkansas, Class 3C Landfill

Permit No. 2919-WR-2

AFIN: 36-00076

October, 2011

Project No. 35107176

Prepared for:

Capstone Oilfield Disposal of Arkansas, LLC

P.O. Box 698

400 W Jack Choate Highway

Hennessey, OK 73742

Prepared by:

Terracon Consultants, Inc.

25809 Interstate 30 South

Bryant, Arkansas 72022

(501) 847-9292

Offices Nationwide
Employee-Owned

Established in 1965
terracon.com

Terracon

Geotechnical

Environmental

Construction Materials

Facilities

Closure Plan

Capstone Oilfield Disposal of Arkansas, LLC ■ Class 3C Landfill
Johnson County, Arkansas, October 2011 ■ Terracon Project No. 35107176



Engineer's Certification

"I certify to the best of my professional judgment that this document and all attachments properly adhere to established, sound engineering practices. This certification is contingent on the fact that all information supplied to the signatory authority, up to the date of this certification, is unquestionably accurate and was provided in good faith."



David McCormick, Arkansas Professional Engineer No. 9199

10/6/11

Date of Certification

TABLE OF CONTENTS

| | |
|---|----------|
| ENGINEER'S CERTIFICATION | 1 |
| 1.0 INTRODUCTION | 1 |
| 1.1 Purpose, Scope, and Applicability..... | 1 |
| 1.2 Facility Description and Design..... | 1 |
| 1.3 Facility Background..... | 1 |
| 2.0 CLOSURE PLAN..... | 1 |
| 2.1 General Site Layout | 1 |
| 2.2 Class 3C Landfill Disposal Area..... | 2 |
| 2.3 Closure Requirements..... | 2 |
| 2.3.1 Description of Final Cover System (Reg.22.1301(c)(1)) | 2 |
| 2.3.2 Estimate of Largest Area (Reg.22.1301(c)(2))..... | 2 |
| 2.3.3 Maximum Inventory (Reg.22.1301(c)(3))..... | 2 |
| 2.3.4 Schedule for Closure (Reg.22.1301(c)(4))..... | 3 |
| 2.3.5 Closure Plan Approval (Reg.22.1301(d))..... | 3 |
| 2.3.5 Notification Requirements (Reg.22.1301(e)) | 3 |
| 2.3.6 Estimated Closure Costs (Reg.22.1402) | 3 |
| 2.3.7 Facility Recordkeeping and Report Requirements (Reg.22.520(a)(6)) | 3 |
| 2.3.8 Financial Assurance..... | 3 |
| 2.3.9 Site Survey (Reg.22.1301(i))..... | 3 |
| 2.4 Closure Documentation..... | 4 |
| 2.4.1 Land Use Restrictions (Reg.22.1301(j) and (k))..... | 4 |
| 2.4.2 Closure Certification (Reg.22.1301(l))..... | 4 |
| 3.0 POST-CLOSURE PLAN..... | 5 |
| 3.1 Post Closure Monitoring and Maintenance (Reg.22.1302)(b))..... | 5 |
| 3.2 Contact Persons (Reg.22.1402(d)) | 5 |
| 3.3 Post Closure Cost Estimate (Reg.22.1402) | 6 |
| 3.4 Certification of Completion (Reg.22.1302(f))..... | 6 |
| 3.5 Site Management and Use (Reg.22.1302(h)) | 6 |

ATTACHMENTS

- Attachment A – CAO (LIS NO. 11-144)
- Attachment B – Closure Schedule
- Attachment C – Closure and Post Closure Cost Estimate
- Attachment D – Financial Assurance

Closure Plan

Capstone Oilfield Disposal of Arkansas, LLC ■ Class 3C Landfill
Johnson County, Arkansas, October 2011 ■ Terracon Project No. 35107176



1.0 INTRODUCTION

1.1 Purpose, Scope, and Applicability

This Closure and Post Closure Care Plan addresses Chapters 13 and 14 of the ADEQ Regulation 22 (Solid Waste Management Rules) for the Capstone Facility Class 3C Landfill. This facility is currently closed. This plan includes a description of the steps that will be taken to address the sludge at the facility, a general schedule for permitting, construction, and closure of the Class 3C Landfill, a description of the final cover system, and the methods used to install the cover. A copy of the Closure Plan will be placed in the facility permanent operating record (POR) and notification provided to the ADEQ (Reg.22.1301(d)).

1.2 Facility Description and Design

This document constitutes the Closure Plan for a proposed Class 3C Landfill on the Capstone (Hartman Disposal) Facility that is located in Johnson County, Arkansas near the City of Clarksville. The property consists of approximately 202 acres, of which a portion of it will be utilized for a Class 3C Landfill. This document was prepared by Terracon Consultants, Inc. (Terracon) in accordance with Arkansas Regulation 22 which is approved by the Pollution Control and Ecology Commission on March 28, 2007.

1.3 Facility Background

The facility previously operated as a drilling fluid disposal site under permit No. 2919-WR-2, issued on November 9, 1994 by the Arkansas Department of Environmental Quality (ADEQ). By a previous agreement, under a Consent Administrative Order (CAO) issued by the ADEQ, the facility is to be permanently closed. The facility is currently working with the ADEQ on a CAO (LIS NO. 11-144) (See **ATTACHMENT A**) that allows the current ponds to be closed and the sludge wastes currently on site to be solidified and disposed in a one to two acre Class 3C landfill to be located on the current property. **FIGURE 1** illustrates the general location of the facility. Currently the ponds have been consolidated and solidified into ponds 4 and 5 and the other ponds were closed.

2.0 CLOSURE PLAN

This Closure Plan has been developed for the proposed Class 3C Landfill and addresses all waste management and disposal areas at the landfill.

2.1 General Site Layout

The property consists of approximately 202 acres, of which a portion of it will be utilized for a Class 3C Landfill. The facility is currently in the permit application process for permission to utilize a Class 3C Landfill on the facility. The specific details for this facility will be addressed in

Closure Plan

Capstone Oilfield Disposal of Arkansas, LLC ■ Class 3C Landfill
Johnson County, Arkansas, October 2011 ■ Terracon Project No. 35107176



the permitting process. See **FIGURE 2** for the approximate location of the proposed Class 3C cell on the property. See **ATTACHMENT B** for an updated closure schedule

2.2 Class 3C Landfill Disposal Area

The Capstone Facility Class 3C Landfill is located on property that was previously disturbed by surface coal mining operations. The waste management areas will consist of a one to two acres composite lined cell and cover designed specifically to hold the sludge waste currently on the property. In general, the landfill will be a composite lined landfill with a composite lined cover. The landfill will be slightly above the natural grade to assist with storm water drainage.

2.3 Closure Requirements

This closure plan for the facility includes all of the information required by Reg.22.1301 as presented in the sections that follow. The steps which are necessary to close the proposed landfill unit are discussed in further detail later in this document. The site is currently closed and will remain closed. The facility is currently in the permitting process for a Class 3C Landfill and an updated schedule is in **ATTACHMENT B**.

2.3.1 Description of Final Cover System (Reg.22.1301(c)(1))

The Class 3C Landfill is in the permitting process and the details of the final cover system will be addressed in the Solid Waste Application submitted to the ADEQ. The Landfill will be constructed as a composite liner system. The waste will be removed from the ponds and moved to the lined landfill area. The landfill is expected to be one to two acres in size. After disposal of the waste in the Class 3C Landfill, a composite cover will be constructed over the landfill. An estimated closure and post closure cost is presented in **ATTACHMENT C**.

Construction drawings and specifications will be prepared for closure in accordance with the approved final closure design as approved by the ADEQ. The closure cost estimates for the Facility will be adjusted yearly to account for any partial closures or modified permit conditions. Closure construction will be monitored and documented in accordance with the facility Construction Quality Assurance Plan. Documents related to final cover system construction activities will be placed in the POR and the ADEQ will be notified of such activities.

2.3.2 Estimate of Largest Area (Reg.22.1301(c)(2))

The estimated largest area of a landfill unit ever requiring closure at any time during the active life of the Landfill is noted on the financial assurance cost estimates in **ATTACHMENT C**.

2.3.3 Maximum Inventory (Reg.22.1301(c)(3))

The estimated maximum inventory of wastes on-site is estimated to be approximately 24,000 yd³.

Closure Plan

Capstone Oilfield Disposal of Arkansas, LLC ■ Class 3C Landfill
Johnson County, Arkansas, October 2011 ■ Terracon Project No. 35107176



2.3.4 Schedule for Closure (Reg.22.1301(c)(4))

The Capstone Facility is currently closed. An estimated schedule for the permitting, construction, and closure of the facility is in **ATTACHMENT B**.

2.3.5 Closure Plan Approval (Reg.22.1301(d))

The facility will submit the prepared closure plan, including any revisions that may be necessary to the ADEQ for approval, prior to beginning any closure activities.

2.3.6 Notification Requirements (Reg.22.1301(e))

The ADEQ will be notified when all the waste has been removed from the site ponds and placed in the Class 3C Landfill. The Director of the ADEQ will be notified, prior to the beginning of closure of the unit, that the intent to close the unit has been placed in the POR.

2.3.7 Estimated Closure Costs (Reg.22.1402)

In accordance with Reg.22.1402, estimated costs for closing the facility will be developed based on hiring a third party to close the largest area requiring final cover at any given time during the operation of the Class 3 facility. **ATTACHMENT C** presents the estimated closure cost for the facility.

2.3.8 Facility Recordkeeping and Report Requirements (Reg.22.520(a)(6))

The facility is currently in the permitting process. Upon approval, a copy of the approved closure and post-closure plan will be kept in the POR (Reg.22.520(a)(6)). The Director of the ADEQ will be notified that closure and post-closure plans have been prepared and placed in the POR (Reg.22.1302(e)). The records will be permanently maintained in the facility permanent operating record unless destruction of the records is authorized by the Director of the ADEQ following the completion of the post closure monitoring period (Reg.22.1301(d)). The Director of the ADEQ will be provided with updated closure and post closure cost estimates for the landfill each year with the Annual Engineering Inspection Report. These estimates will also be placed within the POR (Reg.22.1301(d)).

2.3.9 Financial Assurance

Evidence of a financial assurance mechanism for closure and post-closure care will be placed in the POR and provided to the ADEQ annually. **ATTACHMENT D** presents the financial assurance instrument for the closure and post closure care of the facility.

2.3.10 Site Survey (Reg.22.1301(i))

Before Installation of the final cover, the entire site will be graded to prevent stormwater from running onto the landfill (Reg.22.1301(h)). Upon completion of the installation of the final cover system over the entire Facility, the site will be surveyed by a registered professional engineer or surveyor to document the final elevations of the Class 3C facility, the location of the surface

Closure Plan

Capstone Oilfield Disposal of Arkansas, LLC ■ Class 3C Landfill
Johnson County, Arkansas, October 2011 ■ Terracon Project No. 35107176



improvements, site boundaries, and areas that received waste. Final closure of the site will be achieved when all permitted cells have been filled and have the final cover system installed. Closure will be considered complete after the final cover has been inspected and approved by the ADEQ. The final cover plan and typical final cover details for the facility will be included in the Facility's Permit Application.

Reg.22.1301(g) requires that the facility complete the closure activities in a timely manner. The facility is currently in the permitting process and the estimated schedule for closure is in Attachment C. If necessary, due to inclement weather or other circumstances (Reg.22.1301(g)), a request to extend this schedule may be made to the Director of the ADEQ.

2.4 Closure Documentation

2.4.1 Land Use Restrictions (Reg.22.1301(j) and (k)).

Following placement of final cover over the entire facility, a notation will be recorded on the deed to the property. The Director of the ADEQ will be notified that the notation has been recorded and a copy has been placed in the POR. The notation on the deed must inform any potential purchaser of the property of the following:

1. The past use of the land was as a solid waste disposal facility;
2. Future use shall comply with the ADEQ regulations and shall not disturb the integrity of the final cover system or any other components of the containment of monitoring system; and,
3. It shall be unlawful for any person, partnership, company, corporation or other entity to build, erect, or construct any house, home, or building to be used for residential purposes.

The restriction of residential construction applies only to the areas actually used for solid waste disposal. The owner may request permission from the Director of the ADEQ to remove the notation from the deed if all wastes are removed from the facility.

2.4.2 Closure Certification (Reg.22.1301(l)).

Following closure of the facility, the Director of the ADEQ will be provided a certification, signed by a registered professional engineer, verifying that closure has been completed in accordance with the closure plan, and that this certification has been placed in the POR. A final closure report shall accompany the certification that includes:

1. The final survey, in accordance with Reg.22.1301(i);
2. Quality control and quality assurance data documenting proper construction and installation of the cover system;
3. A copy of the deed notation required under Reg.22.1301(j); and,
4. Other information that the ADEQ may deem necessary to making the certification described in Reg.22.1302(m).

Closure Plan

Capstone Oilfield Disposal of Arkansas, LLC ■ Class 3C Landfill
Johnson County, Arkansas, October 2011 ■ Terracon Project No. 35107176



3.0 POST-CLOSURE PLAN

The post closure period shall be two years following the date of written confirmation by the ADEQ that the facility has been closed in accordance with the approved closure plan, unless the period is decreased or increased by the Director of the ADEQ (Reg.22.1302(c)(4)). The period may be decreased if the facility demonstrates that the reduced period is sufficient to protect human health and the environment and this demonstration is approved by the Director of the ADEQ (ADEQ Reg.22.1302(c)(4)(i)). The period may be increased if the Director determines that the lengthened period is necessary to protect human health and the environment (ADEQ Reg.22.1302(c)(4)(ii)). During the post-closure care period, the closure cover shall be maintained and monitoring activities will be performed as described in the following subsections.

3.1 Post Closure Monitoring and Maintenance (Reg.22.1302)(b))

Access to the site after closure will be controlled through maintenance of existing fencing and signs, and all access gates will be locked to discourage unauthorized entry.

The integrity of the final cover shall be maintained, including the repair of the cover, as necessary to correct the effects of settlement, subsidence, and erosion, and prevent runoff and run-on from damaging the cover. Vegetation shall be mowed at least annually to control the growth of unwanted vegetation that may interfere with integrity of the final cover. All cracked, eroded and uneven areas must be filled and reseeded and ditches maintained (Reg.22.1302(b)(1)).

The leachate collection system will be maintained and properly operated during the post-closure period in accordance with the requirements of Reg.22.429 (Reg.22.1302(b)(2)). However, the landfill may demonstrate to the Director of the ADEQ that leachate no longer poses a threat to human health and the environment in order to stop managing leachate.

During the post-closure period, the facility will continue to monitor the ground water in accordance with the requirements of Chapter 12 and maintain the groundwater monitoring system (Reg.22.1302(b)(3)).

The surface water control systems will be operated and maintained in accordance with Reg.22.419 and Reg.22.1302(b)(1) or until such time as a permanent erosion control measures have been established at the site.

3.2 Contact Persons (Reg.22.1402(d))

The name, address, and telephone number of the person to contact about the facility during the post-closure period will be provided upon notice of closure.

Closure Plan

Capstone Oilfield Disposal of Arkansas, LLC ■ Class 3C Landfill
Johnson County, Arkansas, October 2011 ■ Terracon Project No. 35107176



3.3 Post Closure Cost Estimate (Reg.22.1402)

An estimate of the cost of performing post-closure activities is based on the estimated cost of hiring a third party to conduct the activities. The cost estimate is based on the most expensive costs of post closure care during the post-closure care period. **ATTACHMENT C** presents the most recent estimated post-closure cost for the facility. The post-closure cost estimate will be revised annually during the life of the facility to account for inflation.

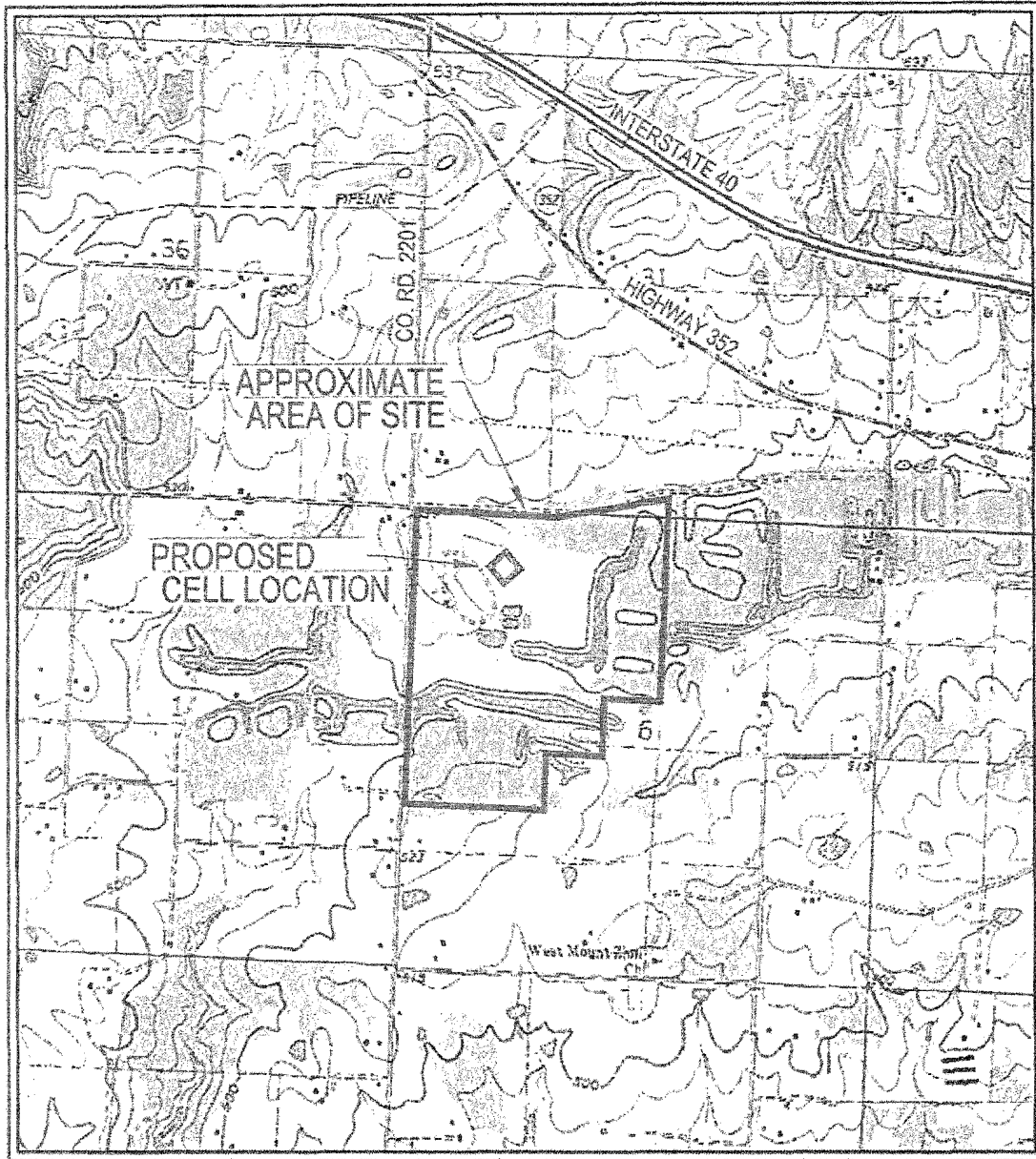
3.4 Certification of Completion (Reg.22.1302(f))

Following the completion of the post-closure care period for the facility, the Director of the ADEQ will be notified that a certification has been placed in the POR. The certification, signed by an independent registered engineer and approved by the Director of the ADEQ, will verify that post-closure care has been completed in accordance with the post-closure plan.

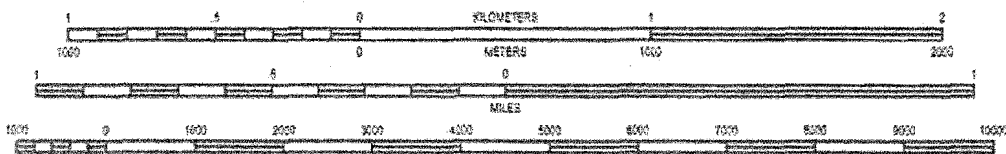
3.5 Site Management and Use (Reg.22.1302(h))

It is anticipated that upon completion of post-closure care, that the site of the facility will become open grassland. The actual long-term use of the land will be determined upon notice of closure. The final facility cover will not be disturbed without prior approval from the Director of the ADEQ.

UNITED STATES - DEPARTMENT OF THE INTERIOR - GEOLOGICAL SURVEY



SCALE 1:24 000



CONTOUR INTERVAL 20 FEET
NATIONAL GEODETIC VERTICAL DATUM OF 1989

HARTMAN
QUADRANGLE
1993
7.5 MINUTE SERIES (TOPOGRAPHIC)



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| Project Mgr: DCM | Project No. 350-001-35107175 | | SITE LOCATION MAP | FIG. No. |
| Drawn By: PTG | Scale: AS SHOWN | | HARTMAN DISPOSAL SITE | 2 |
| Checked By: JKH | File No. 003 | CAPSTONE OILFIELD DISPOSAL OF ARKANSAS, LLC | | |
| Approved By: DCM | Date: 8/1/2011 | JOHNSON COUNTY ARKANSAS | | |

Closure Plan

Capstone Oilfield Disposal of Arkansas, LLC » Class 3C Landfill
Johnson County, Arkansas, October 2011 » Terracon Project No. 35107176



ATTACHMENT A
CAO (LIS NO. 11-144)

ARKANSAS DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:
CAPSTONE OILFIELD DISPOSAL OF ARKANSAS, INC.
HARTMAN DISPOSAL FACILITY SWD #1
JOHNSON COUNTY, ARKANSAS

LIS NO. 11-144
AFIN 36-00076

CONSENT ADMINISTRATIVE ORDER

This Consent Administrative Order (hereinafter "Order") is issued pursuant to Ark. Code Ann. § 8-1-202(b)(2)(B), which authorizes the Director of the Arkansas Department of Environmental Quality (hereinafter "ADEQ" or "Department") to initiate and settle administrative enforcement actions to compel compliance with laws, orders, and regulations charged to the responsibility of the Department, including, but not limited to, the Federal Water Pollution Control Act, 33 U.S.C. § 1311 et seq., and the Arkansas Water and Air Pollution Control Act, § 8-4-101 et seq., and all regulations issued thereunder. The Director may also propose the assessment of civil penalties as provided by Ark. Code Ann. § 8-4-103(c) and the Arkansas Pollution Control and Ecology Commission (hereinafter "APCEC" or "Commission") Regulation No. 7, Civil Penalties, and take all actions necessary to collect such penalties.

The issues herein having been settled by the agreement of Capstone Oilfield Disposal of Arkansas Hartman Disposal Facility SWD #1 (hereinafter the "Permittee") and ADEQ, it is hereby agreed and stipulated that the following FINDINGS OF FACT and ORDER AND AGREEMENT be entered herein.

FINDINGS OF FACT

1. The Permittee is a Foreign For Profit Corporation duly registered under the laws of the State of Arkansas. The Permittee operates a commercial drilling and produced fluid collection and disposal facility known as the Hartman Disposal Facility SWD #1 located in

Johnson County, Arkansas (hereinafter "Facility"). The Facility is permitted under a non-discharge water permit, Permit No. 2919-WR-2 (hereinafter "the Permit"). The Permit was originally effective November 8, 1994.

2 On July 6, 2009, ADEQ and the Permittee entered into a Consent Administrative Order (hereinafter "CAO") (LIS 09-095) to address alleged violations as noted in inspections conducted by ADEQ's Water Division. The Finding of Fact section of the CAO is incorporated herein by reference. As part of the settlement of the alleged violation, Permittee paid administrative penalties to ADEQ.

3. Pursuant to the requirements of the CAO, the Permittee submitted to ADEQ a comprehensive Site Closure Plan that involved the "washing" of the drilling waste materials with water to reduce the chlorides in the waste materials to a level acceptable for land application on lands adjacent to the Facility. Although the "washing" process was diligently attempted by Permittee, in early 2010 the Permittee determined the process would not achieve the desired result of reducing the chlorides in the drilling muds to a level acceptable for land application. Permittee now proposes an Amended Site Closure Plan which includes the on-site construction and permitting of a Class 3C solid waste landfill for the specific purpose of landfill disposal of the remaining drilling fluids and drilling muds previously disposed of at the Facility.

4. The Permittee has completed the process of implementing interim measures at the Facility by providing temporary containment of the existing drilling fluids and drilling muds located at the Facility and the permanent closure of the existing drilling ponds prior to the permitting and construction of the proposed Class 3C solid waste landfill.

ORDER AND AGREEMENT

Therefore, in order to facilitate the remediation and closure of the Facility, ADEQ and the Permittee do hereby stipulate and agree to the following:

1. Within fourteen (14) days of the effective date of this Order, Permittee shall submit to ADEQ for review and approval an Amended Site Closure Plan, which shall include a milestone schedule for the permitting and construction of a Class 3C Landfill for the permanent placement of the remaining drilling fluids and drilling muds previously disposed of at the Facility.

2. Upon approval by ADEQ, the Amended Site Closure Plan and milestone schedule shall be incorporated by reference in this Order. Failure to comply with the milestone schedule as approved by ADEQ shall subject the Permittee to the stipulated penalties contained in Paragraph 5 below.

3. Permittee shall, on or before the effective date of this Order, submit to ADEQ, in an approved form, sufficient financial assurance in the amount of Two Million Two Hundred Eighty-four Thousand Thirty-two Dollars (\$2,284,032.00), in the event it is necessary for ADEQ to remove the remaining drilling muds and drilling fluids previously disposed of in open pits at the Facility. ADEQ may exercise its rights for the use of the financial assurance as necessary for the above-described remediation of the Facility in the event: (i) the Permittee is unable to complete the requirements of this Order, the Amended Site Closure Plan or fails to meet the deadlines set forth in the milestone schedule; and (ii) upon receipt of written notice from ADEQ of the non-compliance with the terms and conditions of the Amended Site Closure Plan or milestone schedule as set forth herein, Permittee is unable to come into compliance with the terms and conditions of the Amended Site Closure Plan.

As a condition precedent to the exercise of its rights for the use of the financial assurance as stated herein, ADEQ shall give the Permittee written notice of the alleged non-compliance with this Order, the Amended Site Closure Plan, or the milestone schedule, and the Permittee shall have thirty (30) days from receipt of such notice to cure the non-compliance. If the non-compliance is timely cured, this CAO shall continue in full force and effect as if the non-compliance did not occur.

The Permittee shall ensure that the financial assurance mechanism is renewed or otherwise remains in effect throughout the closure of the Hartman Disposal Facility SWD #1. The Permittee shall provide a renewed financial assurance document evidencing continuous coverage within sixty (60) days of the expiration of the existing financial assurance mechanism. Failure to maintain adequate financial assurance or to provide notice of continued coverage within sixty (60) days of expiration of coverage, until released by ADEQ, will be considered noncompliance with the terms of this Order. In the event ADEQ exercises its rights for the sole use of the financial assurance to complete the requirements of the Amended Site Closure Plan, the Permittee shall not be released from its financial obligations for the completion of the Amended Site Closure Plan with regard to any deficiency incurred by ADEQ in the funds necessary for the completion of the remediation.

Pursuant to the Amended Site Closure Plan, upon the permanent closure of the Hartman Disposal Facility SWD #1, including the temporary containment enclosure, and the completed transfer of the existing drilling fluids and drilling muds to the permitted Class 3C Landfill described herein, ADEQ shall release to Permittee the financial assurance established for removal of the drilling fluids and drilling muds from the temporary containment enclosure.

Permittee shall maintain the financial assurance as required for the Class 3C Landfill pursuant to Regulation No. 22.

4. Permittee, without admitting or denying liability but in compromise and full settlement for failure to timely comply with the requirements of Consent Administrative Order 09-095, agrees to pay to ADEQ the amount of Ten Thousand Dollars (\$10,000) as a stipulated civil penalty. Payment of the stipulated penalty shall be made within thirty (30) days of the effective date of this Order, made payable to the Arkansas Department of Environmental Quality and mailed to the attention of:

The Fiscal Division
Arkansas Department of Environmental Quality
5301 Northshore Drive
North Little Rock, AR 72118

5. All submittals required by this Order are subject to approval by ADEQ. In the event of any deficiency, the Permittee shall within fifteen (15) calendar days of notification by ADEQ submit any additional information requested. Failure to adequately respond to the notice of deficiency within fifteen (15) calendar days constitutes a failure to meet a deadline and is subject to the civil penalties established in paragraph 5 below. All written submittals required by this Order shall be signed in accordance with Part II, Section D, Paragraph 11 of the Permit and mailed to the attention of:

Arkansas Department of Environmental Quality
Water Division
Enforcement Section
5301 Northshore Drive
North Little Rock, AR 72118-5317

5. Failure to meet the requirements of this Order provided for herein constitutes a violation of said Order. If the Permittee should fail to meet any such requirements, or deadlines,

the Permittee consents and agrees to pay, on demand, to ADEQ civil penalties according to the following schedule:

- | | | |
|-----|---|------------------|
| (a) | First day through the tenth day: | \$100.00 per day |
| (b) | Eleventh day through the twentieth day: | \$200.00 per day |
| (c) | Twenty-first day through thirtieth day: | \$300.00 per day |
| (d) | Each day beyond the thirtieth day: | \$500.00 per day |

These stipulated penalties for delays in performance shall be in addition to any other remedies or sanctions which may be available to ADEQ by reason of the Permittee's failure to comply with the requirements of this Order.

6. If any event, including but not limited to an act of nature, occurs which causes or may cause a delay in the achievement of compliance by the Permittee with the requirements or deadlines of this Order or to cure an event of non-compliance as set forth in paragraph 2 herein, the Permittee shall so notify ADEQ, in writing, as soon as reasonably possible after it is apparent that a delay will result, but in no case after the due dates specified in the Permittee's milestone schedule. The notification shall describe in detail the anticipated length of the delay, the precise cause of the delay, the measures being taken and to be taken to minimize the delay, and the timetable by which those measures will be implemented.

7. ADEQ may grant an extension of any provision of this Order, which shall not be unreasonably withheld, provided that the Permittee requests such an extension in writing and provided that the delay or anticipated delay has or will be caused by circumstances beyond the control of and without the fault of the Permittee. The time for performance may be extended for a reasonable period but in no event longer than the period of delay resulting from such circumstances. The burden of proving that any delay is caused by circumstances beyond the control of and without the fault of the Permittee and the length of the delay attributable to such

circumstances shall rest with the Permittee. Failure to notify the ADEQ promptly, as provided in paragraph 6 of this Section, shall be grounds for a denial of an extension.

8. This Order is subject to public review and comment in accordance with Ark. Code Ann. § 8-4-103(d) and APCEC Regulation No. 8 and shall not be final until thirty (30) days after public notice is given. ADEQ retains the right to rescind this Order based upon the comments received within the thirty-day comment period. Notwithstanding the public notice requirements, the corrective actions to be taken by the Permittee shall commence pursuant to the terms of this Order.

9. As provided by APCEC No. 8, this matter is subject to being reopened upon Commission initiative or in the event a petition to set aside this Order is granted by the Commission.

10. Nothing in this Order shall be construed as a waiver by ADEQ of its enforcement authority over alleged violations not specifically addressed herein. This Order does not exonerate the Permittee from any future conduct, or past or present conduct which was unknown to ADEQ and could not have been discovered through its investigations. This Order does not relieve the Permittee of its responsibilities for obtaining any necessary permits.

11. By virtue of the signature appearing below, the individual represents that he or she is an Officer of Capstone Oilfield Disposal of Arkansas, Inc., being duly authorized to execute and bind Capstone and the Hartman Disposal Facility SWD#1 to the terms contained herein as attested by the secretary of said entity. Execution of this Order by an individual other than an Officer of Capstone Oilfield Disposal of Arkansas, Inc., shall be accompanied by a resolution granting signature authority to said individual as duly ratified by the governing body of the entity.

SO ORDERED THIS 17th DAY OF August, 2011.

Teresa Marks
Teresa Marks, Director

APPROVED AS TO FORM AND CONTENT:

By: [Signature]
(Signature)

Randy Holder
(Typed or printed name)

Title: Managing member/owner

Date: 8-5-11

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Closure Plan

Capstone Oilfield Disposal of Arkansas, LLC » Class 3C Landfill

Johnson County, Arkansas, October 2011 » Terracon Project No. 35107176



APPENDIX B
Closure Schedule

Closure Plan

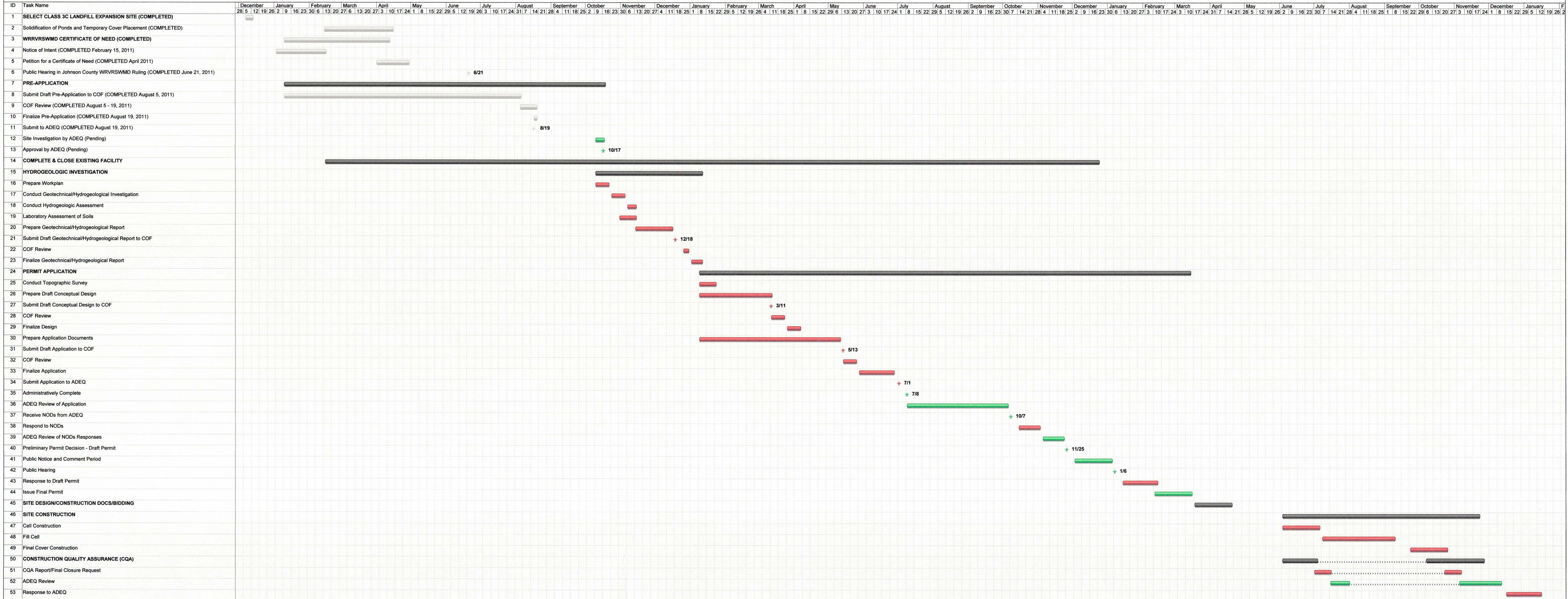
Capstone Oilfield Disposal of Arkansas, LLC * Class 3C Landfill

Johnson County, Arkansas, October 2011 * Terracon Project No. 35107176



APPENDIX C
Closure and Post Closure Cost Estimate

CAPSTONE OILFIELD FACILITY (COF)
JOHNSON COUNTY
CLASS 3C LANDFILL PERMIT APPLICATION
ESTIMATED PROJECT TIMELINE
OCTOBER 7, 2011 REVISION



CLOSURE COST ESTIMATE CAPSTONE LANDFILL, JOHNSON COUNTY

Total Landfill Footprint (new Landfill Area): 2 Acres

| | QUANTITY | UNITS | UNIT PRICE | AMOUNT |
|---|----------|-------|------------|----------------------|
| On-site Landfill | | | | |
| Cell Construction 2 acres | | | | |
| Bid Documents (Specifications and Drawings) | 1 | EA | 25,000.00 | 25,000.00 |
| Surveying | 1 | EA | 10,000.00 | 10,000.00 |
| Mobilization/Demobilization | 1 | EA | 50,000.00 | 50,000.00 |
| Stormwater Control | 1 | LS | 5,000.00 | 5,000.00 |
| Subgrade (Cut) | 20000 | CY | 2.00 | 40,000.00 |
| Subgrade (Fill) | 10000 | CY | 1.50 | 15,000.00 |
| Prepare subgrade for geosynthetics | 100000 | SF | 0.10 | 10,000.00 |
| Anchor trench construction and backfill | 2000 | LF | 13.00 | 26,000.00 |
| GCL | 100000 | SF | 0.60 | 60,000.00 |
| Geomembrane | 100000 | SF | 0.70 | 70,000.00 |
| Geocomposite | 100000 | SF | 0.63 | 63,000.00 |
| Protective Cover (2 foot thick) | 10000 | CY | 3.00 | 30,000.00 |
| Install leachate collection line | 400 | LF | 45.00 | 18,000.00 |
| Leachate sump and riser pipes | 1 | EA | 30,000.00 | 30,000.00 |
| Leachate pump riser concrete wall | 1 | EA | 6,000.00 | 6,000.00 |
| Install leachate pump and electrical | 1 | EA | 24,000.00 | 24,000.00 |
| CQA and Certification Report | 1 | EA | 60,000.00 | 60,000.00 |
| | | | | 542,000.00 |
| Final Cover | | | | |
| Bid Documents (Specifications and Drawings) | 1 | EA | 25,000.00 | 25,000.00 |
| Surveying | 1 | EA | 10,000.00 | 10,000.00 |
| Mobilization/Demobilization | 1 | EA | 50,000.00 | 50,000.00 |
| Stormwater Control | 1 | LS | 5,000.00 | 5,000.00 |
| Subgrade (Cut) | 10000 | CY | 2.00 | 20,000.00 |
| Subgrade (Fill) | 5000 | CY | 1.50 | 7,500.00 |
| Prepare subgrade for geosynthetics | 100000 | SF | 0.10 | 10,000.00 |
| Anchor trench construction and backfill | 2000 | LF | 13.00 | 26,000.00 |
| GCL | 100000 | SF | 0.60 | 60,000.00 |
| Geomembrane | 100000 | SF | 0.70 | 70,000.00 |
| Geocomposite | 100000 | SF | 0.63 | 63,000.00 |
| Protective Cover (2 foot thick) | 10000 | CY | 3.00 | 30,000.00 |
| CQA and Certification Report | 1 | EA | 60,000.00 | 60,000.00 |
| | | | | \$ 436,500.00 |
| TOTAL ESTIMATED FACILITY CONSTRUCTION COSTS: | | | | 978,500.00 |

Notes:

1. All costs are based on current 2011 dollars and assume 3rd party equipment and labor.
2. The Permit Application is in process with the ADEQ. The construction and closure costs are based on acceptable practices for Class 3C disposal cells.

| | |
|--|------------------|
| Estimated Construction and Closure Cost | \$978,500 |
| 20% of Post Closure Cost | \$4,664 |
| Total Financial Assurance Cost Required | \$983,164 |

10/5/2011

**POST CLOSURE CARE COST ESTIMATE
CAPSTONE LANDFILL, JOHNSON COUNTY**

MAINTAIN/OPERATE GROUNDWATER MONITORING SYSTEM

| ITEM | # of Wells | UNIT | Cost/Well | AMOUNT |
|--|------------|-------|-----------|-----------------|
| 5 Monitoring Wells Currently Installed | | | | |
| Annual Maintenance and Repair | | | | \$1,000 |
| Annual Sampling Costs and Laboratory Analysis (2/year) | 5 | Wells | \$1,405 | \$7,025 |
| Statistical Analysis and Reporting(2/year) | 5 | Wells | \$727 | \$3,635 |
| TOTAL ANNUAL GW MONITORING SYSTEM COSTS | | | | \$11,660 |

| | |
|--|-----------------|
| TOTAL ANNUAL POST-CLOSURE CARE COSTS: | \$11,660 |
| TOTAL POST-CLOSURE CARE COSTS (2 YEAR PERIOD) | \$23,320 |

Note:

Assume installation of gas system not required.

Assume that waste will be solidified and covered, therefore no leachate production or disposal.

Closure Plan

Capstone Oilfield Disposal of Arkansas, LLC ■ Class 3C Landfill

Johnson County, Arkansas, October 2011 ■ Terracon Project No. 35107176



APPENDIX D
Financial Assurance

The Capstone Facility is currently working with the ADEQ on Financial Assurance and it will be submitted at a later date.