



September 26, 2012

Brad Larrimore, Operations Manager  
Arkansas Reclamation Company, LLC  
1155 Hwy 64 West  
Beebe, AR 72012

RE:                   AFIN: 73-00785  
                      SITE NAME: Arkansas Reclamation Co

PERMIT: 5006-WR-2  
COUNTY: White Co.

Mr. Larrimore:

On September 12, 2012 I performed a routine compliance inspection of the Oil & Gas waste storage and disposal facility associated with the storage & disposal of drilling cuttings for disposal &/or recycling in accordance with the provisions of the Arkansas Water and Air Pollution Control Act, and the regulations promulgated thereunder. At the time of the inspection, the site was in compliance with the provisions of the Arkansas Water & Air Pollution Control Act and the associated regulations.

***Please refer to the "comments" section of the inspection form for any notes regarding any "areas of concern" that may have been observed at the above referenced site. Furthermore, I have met with Mr. Mike Fowler, Tom Jones and Brad Larrimore while onsite in regards to any potential issues concerning this site.***

If I can be of any further assistance, please contact me at 501-682-0642 or via email at [mccabe@adeq.state.ar.us](mailto:mccabe@adeq.state.ar.us)

Thank you for your time,

A handwritten signature in black ink that reads "Kerri McCabe".

Kerri McCabe  
Oil & Gas Field Inspector Supervisor  
Water Division  
501-682-0642  
[mccabe@adeq.state.ar.us](mailto:mccabe@adeq.state.ar.us)

cc:       Water Division Permits Branch  
          Tom Jones, ARC President, [TJones@shalegasservices.com](mailto:TJones@shalegasservices.com)

## ARKANSAS DEPARTMENT OF ENVIRONMENTAL QUALITY

### NO DISCHARGE INDUSTRIAL PERMIT INSPECTION FORM

AFIN: **73-00785** Log No.: **N/A**

Permit No.: **5006-WR-2** Inspection Date: **September 12, 2012**

Media: **WATER** Inspector: **Kerri McCabe**

Compliance Status: ☒ IN / ☐ OUT

1A. Name of Facility: **Arkansas Reclamation Company (Lat: 35.093984; Long: -92.01532)**

**1155 Hwy 64 West**

Address: **Beebe, AR 72012**

County: **White Co.**

2A. Name of On-Site Representative: **Brad Larrimore; (501) 882-2044**

3A. Name of Responsible Official: **Tom Jones**

**3512 South Shackleford Rd**

Address: **Little Rock, AR 72205** Telephone: **(501) 221-7122**

4A. Parent Company: **N/A**

Address: \_\_\_\_\_ Telephone: \_\_\_\_\_

5A. Description of Process (including type of industry, materials produced, and major by-products): **The facility is permitted to receive cuttings and to separate the liquids & solids (by thermo-desorption). The separated liquids & solids are disposed of &/or recycled & reused.**

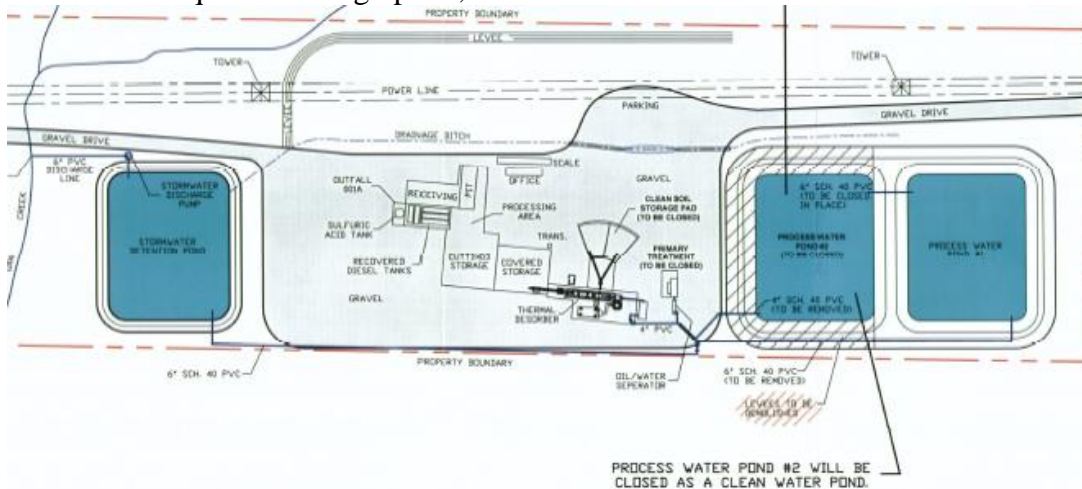
6A. Any complaints registered against this permitted facility? ☒ Yes ☐ No  
If yes, give date and description of complaint: **Last complaints were from 2009.**

7A. Are there any additions, modifications, or corrections to the facility since the last inspection? ☐ Yes ☒ No

**Since the April 2012 inspection, the Operator has closed out the two holding ponds (i.e., disposed of the fluids by approved methods, removed the synthetic liners & contoured/graded the levees).**

If yes, explain: \_\_\_\_\_

- 1B. Furnish a simplified flow diagram of the treatment system and include main components, flow sequence through plant, and calculated or estimated flows.



**1,200 feet from White Oak Creek in Stream Segment 4D of the**

- 2B. Nearest Stream: **White River basin.**

- 3B. Does wastewater from this facility cause adverse effect on the waters of the State:

☐ Yes ☒ No

If yes, describe: **There is no discharge of fluids or solids from this facility.**

- 4B. Are operating records kept as required by permit? ☐ Yes ☐ No ☒ N/A

If no, explain: **Not evaluated under permit# 5006-WR-2.**

- 5B. Are maintenance records kept as required by permit? ☐ Yes ☐ No ☒ N/A

If no, explain: **Not evaluated under permit# 5006-WR-2.**

- 6B. Are Samples routinely taken? ☒ Yes ☐ No ☐ N/A

- 7B. Does the sampling program meet the requirements of the permit?

☒ Yes ☐ No ☐ N/A

If no, explain: **Samples are sent to Arkansas Analytical, Inc.**

- 8B. What laboratory does the facility use? **Arkansas Analytical, Inc.**

**11701 Interstate 30 #115**

Address: **Little Rock, AR 72209-7076**

Telephone: **(501) 455-3233**

- 1C. Do laboratory procedures and records meet the requirements of the permit?

☐ Yes ☐ No ☒ N/A

If no, explain: **Not evaluated for permit# 5006-WR-2.**

- 2C. Is contaminated runoff a problem? ☐ Yes ☒ No ☐ N/A

If yes, explain: **The facility has a large stormwater retention pond located behind**

**the facility & the entire facility is within an earthen berm.**

3C. Is sludge disposal required?

☐ Yes ☒ No ☐ N/A

**The process produces two phases (solid & liquid) that are dried to completeness.**

**The separated components are then**

If yes, describe (including final destination):

**disposed of or recycled/reused.**

4C. Is the treatment system being properly operated and maintained as required by permit?

☒ Yes ☐ No ☐ N/A

**The system contains three receiving basins (East, West & South) for the oil-based mud (OBM) & cuttings and two bays (processed &**

If no, explain

**unprocessed) for the storage of solids.**

### SUMMARY OF FINDINGS/COMMENTS

I inspected the facility's three receiving bays (contained OBM & cuttings to be processed) & two bays for processing solid material after separation. All "wet" bays were below the required freeboard requirements of 12 inches. Also, the facility has two bays for holding & processing solid materials (processed bay & unprocessed bay). The facility was in the process of closing the two holding ponds located at the entrance. The water-based drilling fluids in Holding Pond #2 had been transported to Arkansas Resources Management (ARM) in Searcy, AR. The two synthetic liners had been rolled by Delta Plastics & would be recycled at their facility in Hazen, AR. The levees of the two holding ponds were being contoured during the inspection (silt fence installed to protect adjacent drainage ditch & property). I inspected the facility under Permit# 5006-WR-2 only, and I did not evaluate conditions of any other active permit(s). Paperwork of materials received onsite & shipped offsite were being maintained accurately. I noted no excessive erosion or discharges while onsite. The Operator has installed a concrete slap around the facility's perimeter.

PDS #067947

Inspector Signature:

Kevin McCalister

Date of Report:

September 24, 2012

Signature of Reviewer:

[Signature]

Date of Review:

September 24, 2012

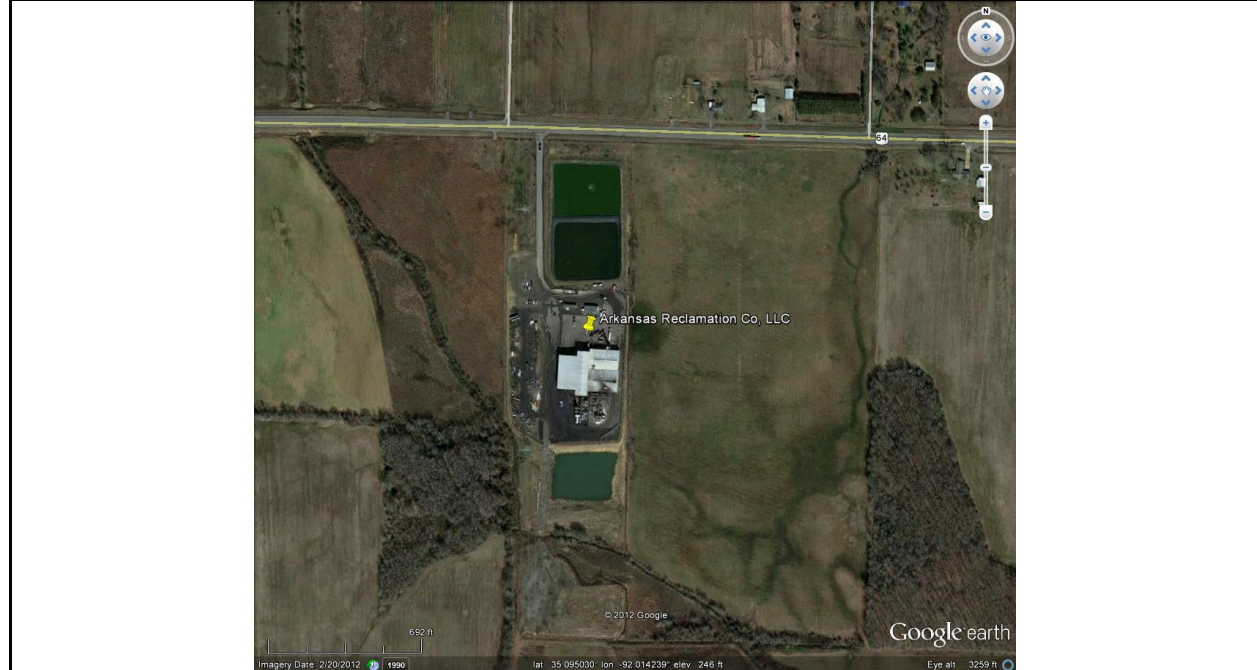
Water Division No Discharge Industrial Photographic Evidence Sheet									
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<b>Location:</b>	Arkansas Reclamation Co (ARC) from Hwy 64 about 5.0 miles ExSE of El Paso, AR								
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<b>Photographer:</b>	Kerri McCabe				<b>Witness:</b>	none			
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<b>Photo #</b>	1	<b>Of</b>	8	<b>Date:</b>	05-7-12	<b>Time:</b>	1157		
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<b>Description:</b>	Overview of ARC & surrounding area								
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<b>Photographer:</b>	Kerri McCabe				<b>Witness:</b>	M Fowler, B Larrimore & T Jones			
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<b>Photo #</b>	2	<b>Of</b>	8	<b>Date:</b>	09-12-12	<b>Time:</b>	1009		
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<b>Description:</b>	Site identification								
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Water Division No Discharge Industrial Photographic Evidence Sheet									
<b>Location:</b>		Arkansas Reclamation Co (ARC) from Hwy 64 about 5.0 miles ExSE of El Paso, AR							
<b>Photographer:</b>		Kerri McCabe				<b>Witness:</b>		M Fowler, B Larrimore & T Jones	
<b>Photo #</b>	3	<b>Of</b>	8		<b>Date:</b>	09-12-12	<b>Time:</b>	0911	
<b>Description:</b>		Overview of East-West-South bays; below freeboard							
									
<b>Photographer:</b>		Kerri McCabe				<b>Witness:</b>		M Fowler, B Larrimore & T Jones	
<b>Photo #</b>	4	<b>Of</b>	8		<b>Date:</b>	09-12-12	<b>Time:</b>	0914	
<b>Description:</b>		South bay with OBM							
									



ADEQ Water Industrial No Discharge	AFIN: <b>73-00785</b>	Permit #: 5006-WR-2
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Water Division No Discharge Industrial Photographic Evidence Sheet									
<b>Location:</b>		Arkansas Reclamation Co (ARC) from Hwy 64 about 5.0 miles ExSE of El Paso, AR							
<b>Photographer:</b>		Kerri McCabe				<b>Witness:</b>		M Fowler, B Larrimore & T Jones	
<b>Photo #</b>	5	<b>Of</b>	8		<b>Date:</b>	09-12-12	<b>Time:</b>	0918	
<b>Description:</b>		Solids bay for processed/unprocessed product							
									
<b>Photographer:</b>		Kerri McCabe				<b>Witness:</b>		M Fowler, B Larrimore & T Jones	
<b>Photo #</b>	6	<b>Of</b>	8		<b>Date:</b>	09-12-12	<b>Time:</b>	0922	
<b>Description:</b>		Stormwater from Holding Pond #1; Holding Pond #2 being contoured during inspection							
									

Water Division No Discharge Industrial Photographic Evidence Sheet									
<b>Location:</b>		Arkansas Reclamation Co (ARC) from Hwy 64 about 5.0 miles ExSE of El Paso, AR							
<b>Photographer:</b>		Kerri McCabe				<b>Witness:</b>		M Fowler, B Larrimore & T Jones	
<b>Photo #</b>	7	<b>Of</b>	8		<b>Date:</b>	09-12-12	<b>Time:</b>	0922	
<b>Description:</b>		Contoured levees of Holding Pond #1; silt fence installed along perimeter							
									
<b>Photographer:</b>		Kerri McCabe				<b>Witness:</b>		M Fowler, B Larrimore & T Jones	
<b>Photo #</b>	8	<b>Of</b>	8		<b>Date:</b>	09-12-12	<b>Time:</b>	1010	
<b>Description:</b>		Synthetic liner rolled to be shipped to Delta Plastics (recycled)							
									



## Oil & Gas Violation Summary Sheet

- ☒ No Violations Noted
- ☐ Placing Waste
- ☐ Permitting Issues
- ☐ Spills & Leaks
- ☐ Turbidity (Regulation #2 Violations)
- ☐ Stormwater &/or Erosion Issues
- ☐ Notification &/or Reporting Violations
- ☐ Unpermitted Discharges
- ☐ Record Keeping/Paperwork Violations
- ☐ Trash &/or Unauthorized Fluids in Pits
- ☐ Improper Closure of Pit
- ☐ Insufficient Freeboard
- ☐ Poor Pit Construction
- ☐ Other (Describe):