



# RAILROAD COMMISSION OF TEXAS

## OIL AND GAS DIVISION

February 14, 2025

455-19  
MCBRIDE OPERATING LLC  
PO BOX 921  
KILGORE, TX 75663

Re: **ADMINISTRATIVELY DENIED**

Application to Amend and Renew a Permit to Receive, Store, Handle, and Treat Certain Non-Hazardous Oil and Gas Wastes  
McBride Waskom Waste Separation STF Facility  
McBride (15696) Lease  
Latitude, Longitude: 32.490833°, -94.136667°  
Harrison County, Texas  
RRC District 06, Kilgore  
**Facility ID: 00006947**  
**Organization No: 538006**  
**Permit Nos. STF-0149, P012803A, P012803B, P012803C, and P012803D**  
**Control Nos. P013393A and P013394**

On April 1, 2024, the Environmental Permits and Support (EPS) Unit of the Technical Permitting Section of the Oil and Gas Division of the Railroad Commission of Texas (RRC) received a timely-filed application for renewal of the above-referenced permit to receive, store, handle, and treat certain non-hazardous oil and gas wastes at the McBride Waskom Waste Separation STF Facility in Harrison County, Texas. The original facility permit was issued on July 30, 2019, pursuant to 16 Texas Administrative Code (TAC) §3.8 for a term of five (5) years and contained detailed conditions for facility operation. Facility operations began on February 20, 2020. A letter amendment was issued on September 22, 2022, authorizing the relocation and replacement of two damaged groundwater monitoring wells. This application is the first renewal of the original permit's five-year term and included an amendment to add two waste management units that were constructed without prior authorization from the RRC.

Since the McBride Waskom facility was permitted, the operator of this facility (McBride) has demonstrated a history of multiple unauthorized alterations to the physical facilities and waste management operations that have made it impossible for RRC staff to assess current permit compliance or to ensure the protection of freshwater resources. Staff concludes the piece-meal addition of features to the facility also complicate McBride's ability to effectively manage and control contact and non-contact stormwater runoff. Staff requested McBride include in its renewal application several waste management units on the property that had been built and were in operation without Commission authority and to address associated contact and non-contact stormwater management concerns. Commission staff has attempted to work with the operator to address these concerns. However, after several meetings and a series of request for additional data (RAD) letters, staff concludes that the amendment and renewal permit application cannot be approved.

**Therefore, the application to amend and renew Permit No. STF-0149 and its associated pits for the McBride Waskom Waste Separation STF Facility is DENIED. The original permit expired on its own terms on July 30, 2024; the operator must cease operations and begin closure immediately in accordance with Permit Conditions VIII A through I.**

Pursuant to 16 TAC §1.201(c)(6), an applicant whose application has been administratively denied may request a hearing by filing a written request for a hearing addressed to the division or section processing the application, within 30 days of the date the application is administratively denied.

Below are several persistent issues that have defied resolution, and staff finds are impediments to compliance and to the protection of surface and subsurface water at this facility.

### **Physical Alterations to the Facility**

Pit No. P012803C was not constructed as designed in the permit. The "Unloading Work Area" was added to the north and east edges of the pit and is routinely used to manage oil and gas waste. This area was not included in the permitted design. In addition, the operator constructed two "stormwater catchment" pits which were not included in the facility design diagrams submitted during the initial permitting. McBride asserts these pits were always a part of its original plan, although the pits never appeared on any documents submitted to the RRC. McBride contends the pits were intended to collect non-contact stormwater. However, during an inspection on January 9, 2024, RRC staff measured fluid salinity readings of 1,500 ppm and in other inspections observed either a layer of oil on the fluids inside the pits, an oily sheen on the fluid, oil stains on the pit walls, the pits holding fluid waste, or pump fluids draining to the pit, indicative of contact stormwater. The pits have since been backfilled.

### **Physical Expansion of the Facility**

During an inspection on October 17, 2022, RRC staff observed significant construction activity in the north portion of the facility, including extending the concrete apron north from the existing tank battery. No prior notice was given to RRC of this facility expansion work, which at the time appeared to include at least one pit. In fact, McBride asserted these waste management units did not need to be included as part of the Waskom waste facility permit because they served the recently permitted McBride Lease saltwater disposal (SWD) well no. 4 only. The SWD-related facilities included a truck driveway with a fluid receiving trench and concrete apron connected to a concrete pit containing open top and frac tanks connected in series for fluid storage (West Collecting Pit, Pit No. P013393A), and a pit for solids collection (East Collecting Pit, Pit No. P013394). The facilities serving SWD No. 4 shared with the pre-existing permitted facility a common property, common access, common drainage, and common ownership, so RRC staff concluded these waste management units should be permitted as one facility at the McBride Waskom location. RRC staff have conducted several inspections and meetings with McBride to address how this area should be permitted, and several significant challenges remain, including:

- The waste management units in this area (West and East Collecting Pits) were constructed without notice to, input or authorization from EPS staff, and this has confused several issues including stormwater management and groundwater monitoring.
- The new concrete surfaces, including surfaces that will be in direct contact with oil and gas waste, have experienced excessive and rapid deterioration. Visible evidence of

deterioration includes concrete cracks, bonded cracks that have re-cracked, concrete corrosion, visible rebar, and erosion of the subgrade.

- The recently added facilities manage both oil and gas waste and stormwater. McBride plans to accommodate the stormwater by increasing the wall height of the West Collecting Pit, in an area where stressed concrete has already been observed.

## **Stormwater Management Plan**

Commission staff conclude the facility's management plans for contact and non-contact stormwater are not protective of surface or subsurface freshwater resources. All stormwater that falls within surface receiving apron adjacent to the West Collecting Pit (P013393A) is properly designated as contact stormwater, because this fluid will flow into a process system designed to manage oil and gas waste. Meanwhile, the operator intends for non-contact stormwater to gather (impound) on the concrete surface between the south end of the receiving trench and the solids processing area. This is the area where two unpermitted stormwater collection pits were previously located, showed evidence of contact stormwater and were later backfilled. Further, any waste hauler or other vehicular traffic accessing SWD No. 4 would have to drive through the non-contact stormwater impoundment area to discharge oil and gas waste at the SWD, then drive through the impoundment again before leaving the site. McBride proposes non-contact stormwater to be discharged to surface water based on visual assessment of hydrocarbon sheens. Staff concludes these to be extremely poor stormwater management practices that are not protective and are directly the result of a piecemeal approach to facility expansion without a holistic plan for environmental protection.

Further, in the northern portion of the property, north of SWD No. 4, Pit Nos. P013393A and P013394, there is an earthen drainage area enclosed with an earthen berm. The earthen berm has taken several forms over the past two years and is not an engineered structure constructed pursuant to Permit Condition IV.H, which includes minimum lift, compaction, and slope requirements.

## **Groundwater Contamination**

Monitor wells (MW-1, MW-2, and MW-3) were installed on the McBride site on October 8, 2019, before facility operations began. These three monitoring wells observe groundwater occurring approximately 30 feet below ground level. Groundwater sampling in the monitoring wells occurred on October 9, 2019.

The groundwater analysis shows background benzene levels in MW-1 and MW-2 were above the 0.005 mg/l action level listed in the RRC Spill Cleanup guidance and chloride concentrations were less than 50 mg/l in all monitor wells. The groundwater static levels in the monitoring wells were also measured and show that the groundwater flow direction was found to generally flow from the southeast to the northwest.

The McBride facility began to operate on February 20, 2020. Groundwater sampling of MW-3 on March 20, 2020 showed an increase to 2,380 mg/l chlorides. Groundwater analysis of MW-3 for the next four quarters ranged from 5,900 mg/l to 1,160 mg/l chlorides. The groundwater static levels in the three monitor wells began to change during the September 29, 2020 sampling period and is believed to indicate the groundwater flow direction changed to a southwest to northeast flow direction; the flow direction changed after the facility entered operation. The

groundwater static levels in the three monitor wells continued to show this flow change, from a southwest to northeast flow direction, continuing up until the last sampling event on December 30, 2024.

The facility is located in an area with legacy oil and gas activity. The facility was entered into the RRC's Operator Cleanup Program (OCP) on September 8, 2021 (OCP No. 06-5237). Some of the pollution may have predated the facility operations, but contaminant constituent concentrations in groundwater have varied over time. The extent of groundwater contamination has not been determined, and the facility cannot be ruled out as an ongoing source of contamination.

However, McBride's response to the groundwater contamination has been sluggish. As the facility has expanded, its groundwater monitoring system has not kept pace sufficiently to detect or monitor groundwater under the facility. McBride has declined to install additional groundwater monitoring wells in areas where new concrete has been poured—concrete pavement that was poured without the knowledge or approval of RRC permitting or OCP staff.

### **Facility Operated Without Financial Security**

Permit Condition I.B. required McBride to file financial security in the amount of \$147,798 with the Commission before it began to manage waste at the facility. As indicated above, the facility began operations in February 2020. However, McBride did not file the financial security until December 2, 2022, after Commission staff sent a Notice of Violation. Further, the Financial Security in the amount of \$147,798 was based on the original permit issued on July 30, 2019; it does not contemplate the facility construction or expansion undertaken by McBride without Commission authorization after the issuance of the original permit.

Commission staff are prepared to testify to these and other details if the operator requests a hearing.

According to Texas Administrative Code (TAC) Title 16, Part 1, Chapter 1.201(c)(6), the applicant may request a hearing by submitting a request in writing within 30 days from the date of this letter to [enviro.permits@rrc.texas.gov](mailto:enviro.permits@rrc.texas.gov) or by mail to the following address:

Technical Permitting Section  
Oil and Gas Division  
Railroad Commission of Texas  
P.O. Box 12967  
Austin, Texas 78711-2967

You may contact me at 512-463-3840 or by email at [enviro.permits@rrc.texas.gov](mailto:enviro.permits@rrc.texas.gov) should you have any questions.

Sincerely,



Alisa Patterson, P. E.  
Environmental Permits & Support  
Technical Permitting

cc: RRC District 06, Kilgore  
Sandra Viasus, EPS Compliance Manager  
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