State of Kansas

Department of Health and Environment

Bureau of Waste Management
1000 SW Jackson, Suite 320, Topeka, Kansas 66612-1366 (785) 296-1600

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PERMIT

No. 923

For operating a processing facility or a solid waste disposal area
in accordance with the provisions of Kansas Statutes Annotated 65-3407

Permission is hereby granted

to BLIZZARD ENERGY, INC.
(name of governmental entity, corporation or person)

to operate a SOLID WASTE PROCESSING FACILITY
(PROCESSED WASTE TIRE PYROLYSIS FACILITY)
location 9015 – H 8th STREET, WESTPORT ADDITION
GREAT BEND, BARTON COUNTY
in conformity with the attached general conditions and with all documents submitted by the permittee and approved by the Department of Health and Environment, including design plans as noted below:

Original Permit: Solid waste processing facility for pyrolysis of processed waste tires.

Reference "Solid Waste Processing Facility Permit Application Package" received October 23, 2013.

Done at Topeka, this _____ day of _____ 20 14

_____
Department of Health and Environment

Blizzard Energy, Inc.

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Solid Waste Processing Facility

(Processed Waste Tire Pyrolysis Facility)

PERMIT NO. 923

SPECIAL CONDITIONS

1. Within the first three months of operation, the Permittee shall provide documentation that the raw pyrolysis oil has value. Include laboratory analysis as required by the potential purchaser.

2. Provide the above documentation requirement in the annual submittal renewal.

Blizzard Energy, Inc.
Solid Waste Processing Facility
(Processed Waste Tire Pyrolysis Facility)
Permit Number 923

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GENERAL CONDITIONS

As used in this permit the following definitions apply, unless the context indicates otherwise.

"Department" means the Kansas Department of Health and Environment and its officers, authorized agents and employees.

"Secretary" means the secretary of the Kansas Department of Health and Environment.

"Permit" means a limited authorization issued by the secretary under the authority of Kansas Statutes Annotated 65-3406 and 65-3407 to own, construct, alter or operate a Solid Waste Processing Facility (Processed Waste Tire Pyrolysis Facility) at the location described and pursuant to the conditions described in the application as approved by the department.

"Permittee" means any person(s) to whom this permit is issued (a) who owns, in whole or in part, constructs, alters, or operates any facility described in the permit; and/or (b) owns the land on which the facility is located. Unless the context indicates otherwise, words and phrases used in this permit shall have the meanings defined by K.S.A. 65-3402 as amended or K.A.R. 28-29-3 as amended.

1. This permit, along with its general conditions and special conditions, does not release permittee from any liability, penalty, obligation or duty imposed by Kansas or federal statutes or regulations, county resolution or city ordinance except the obligation to obtain this permit.

2. This permit does not convey any property right of any sort or any exclusive privilege.

3. This permit shall not be construed as estopping or limiting any claims against the permittee for damage or injury to person(s) or property or to any waters of the state resulting from any acts, operations, or omissions of the permittee, its agents, contractors, or assignees, nor as estopping or limiting any legal claim of the state against the permittee, its agents, contractors, or assignees, for damage to state property, or for any violation of the terms or conditions of this permit.

4. This permit is subject to modification by the department at the time of any scheduled renewal or: (a) whenever the modification is needed to reflect changed state or federal rules, (b) to incorporate changes in the facility operations or closure plan, (c) to make other modifications proposed by the permittee and approved by the department, (d) whenever the department determines that modification is necessary to prevent or reduce actual or potential hazard(s) to the public health or safety, or pollution or contamination of the environment or, (e) because of changed or unforeseen circumstances. The filing of a request by permittee for a permit modification, or the filing of a notice of anticipated

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non compliance does not stay any permit condition. Any minor modifications approved by KDHE are incorporated by reference.

5. Permittee or their assignees shall defend, indemnify, and hold harmless the State of Kansas, its officers, agents, and employees officially and personally against all actions, claims and demands whatsoever which may arise from or on account of the issuance of this permit or the construction, operation or maintenance of any facilities hereunder. To the extent that the State of Kansas or the Department of Health and Environment may be liable for the activities of its employees or authorized agents that liability is explicitly limited to that provided for in the Kansas Tort Claims Act (Kansas Statues Annotated 75-6101 et seq.).

6. This permit is transferrable in accordance with K.S.A. 65-3407(i).

   When a transfer of the permit is requested, the current permittee shall maintain financial assurance as required by K.S.A. 65-3407 until the new permittee has demonstrated that it is complying with the legal requirements for financial assurance.

7. When permittee submits a complete and timely application for renewal of this permit it may continue to conduct the permitted activity at the permitted location until the department takes final action on the permit renewal application if:

   (a) Permittee is in compliance with the terms and conditions of the permit; and
   (b) The department, through no fault of permittee, has not taken final action on the application on or before the renewal date of the permit.

   Permits continued under this paragraph remain fully effective and enforceable.

8. The provisions of the Kansas Administrative Procedures Act, Kansas Statutes Annotated 77-501 et seq., shall apply in any proceeding to revoke this permit. Whenever any appeal is filed under a proceeding to revoke this permit, venue shall lie in Shawnee County, Kansas.

9. Permittee shall satisfy all of the following:

   (a) Duty to Comply. Permittee shall comply at all times with the terms and conditions of the permit, and all applicable State and Federal statutes and regulations.

   (b) Duty to Maintain. Permittee shall always properly operate and maintain all facilities, equipment, control systems, and vehicles which the permittee installs or uses to conduct the permitted activity.

   (c) Duty to Mitigate. Permittee shall remedy, and shall act with due diligence to prevent, all potential and actual adverse impacts to persons, property and the environment resulting from non-compliance with the terms and conditions of this

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permit. The permittee shall repair at his own expense all damages caused by such non-compliance.

(d) Duty to Provide Information. Permittee shall provide the department, within five (5) working days or other period specified in the request, any information relevant to this permit which the department may request.

(e) Continuing Duty to Inform. The permittee shall have a continuing duty to immediately report to the Department any omitted or incorrect facts in the permit application. In addition, the permittee shall report in writing at least 30 days in advance any planned change in the facility or facility operations which could result in non-compliance with the permit or which could require a change in the permit.

(f) Entries and Inspections. For the purposes of inspections and protecting the public health, safety or welfare, or the environment, the permittee shall allow personnel or authorized agents of the Department to enter the premises and have access to records as described in K.A.R. 28-29-16.

10. Records. All records and copies of all applications, reports, and other documents required in K.A.R. 28-29-23(f) shall be kept for a period of three years after permit termination. This period shall be automatically extended for the duration of any enforcement action taken on the permit, or may be extended by order of the department.

11. All unintentional, inadvertent, or accidental off site releases of solid waste, or substances derived therefrom, except wind blown litter, shall be verbally reported to KDHE within 24 hours and in writing within three (3) working days, and to all other persons to whom such releases must be reported pursuant to State and Federal laws or regulations.

12. Force Majeure. (a) An obligation for the permittee to perform according to this permit may be suspended with the written approval of the department, in the event unforeseen and uncontrollable circumstances occur which necessarily and unavoidably prevent performance of the terms of the permit. No events other than unforeseen, uncontrollable circumstances, however catastrophic, shall excuse nonperformance of the permit conditions by permittee.

(b) In the event permittee is rendered unable, wholly or in part, by the occurrence of unforeseen, uncontrollable circumstances to carry out any of its obligations under this permit, then that obligation of the permittee, to the extent affected by the occurrence of the uncontrollable circumstances, and also to the extent that due diligence is being used to resume performance at the earliest practical time, may be suspended during the continuance of the inability so caused, but for no longer than one year. At any time the permittee intends to assert force majeure as a basis for failure to comply with the permit

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conditions, the permittee shall notify the department immediately and provide documentation to justify invoking the force majeure closure.

(c) In the event the facility is damaged or destroyed due to an explosion, landslide, flood, fire, vandalism or other event for which the permittee carries insurance, permittee shall promptly collect insurance proceeds and apply such proceeds to the correction or reconstruction of the facility, or proceed to close the facility in accordance with an approved closure plan. Upon the occurrence of such an event, the permittee shall submit to the department for approval, a plan for the correction, reconstruction or closure of the facility, including the schedule, cost and proposed financing method as soon as practical after the occurrence of the event.

(d) In the event permittee is unable to properly process, transfer, or dispose of any solid waste generated within the area served by the facility because of the occurrence of unforeseen, uncontrollable circumstances, the permittee shall designate and arrange for an alternate disposal facility to which solid wastes may be diverted for disposal until the facility is able to resume management of the solid wastes at the facility.

(e) In the event that any damage to the environment occurs due to the unforeseeable, uncontrollable circumstances, the permittee shall take all action determined necessary by the department to mitigate and remediate such damage.

13. Tonnage Reports. Permittee shall submit to the department reports listing the quantities and types of all solid waste material that was handled during the reporting period. Each tonnage report shall be submitted to the department on forms provided by the department on a monthly, quarterly, or other frequency as determined by the department.

14. Personnel Training. Permittee shall instruct, or give on-the-job training to personnel involved in any activity authorized by the permit, so that such instruction or on-the-job training teaches such personnel how to comply with the conditions of the permit and to carry out the authorized activity in a manner that is not hazardous to the health and safety of the personnel or to the public health, safety, or welfare, or to the environment. A written report summarizing the type of training provided, the dates the training was presented and the names and addresses of personnel receiving the instruction shall be retained in the facility operating record.

15. **This permit will become effective when the permittee signs and returns the attached certification to the Department.**

16. This permit shall be renewed annually on the date of issuance. The permittee is responsible for applying for renewal of this permit at least 30 days prior to the renewal date on the face of this permit. The department has no duty to notify the permittee in

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advance of the renewal date. The permittee shall submit the following materials to the department to renew the permit.

(a) Proof of insurance. (K.A.R. 28-29-2201)

(b) Updated closure and post-closure cost estimates. (K.A.R. 28-29-2101)

(c) Proof of financial assurance, unless the facility is exempt. (K.A.R. 28-29-2101 through 28-29-2113)

(d) Renewal fee, unless the facility is exempt. (K.A.R. 28-29-84)

17. Failure to provide the materials required by paragraph 16 above or to complete other renewal requirements made necessary by law or rule and regulation on or before the anniversary date of the permit issuance shall result in immediate suspension of the permit. All receipt of waste shall cease at that time and may resume only when the permittee is informed by KDHE that the renewal requirements have been properly completed. If the material is not submitted at least thirty days before the anniversary date of the permit, the submission will not be considered timely, and the facility may be required to temporarily cease operations until the permit renewal is received.

18. The operations phase of this permit shall expire upon the occurrence of:

(a) The receipt of written KDHE approval of site closure in accordance with the site closure plan; or

(b) The end of the active life of the permit whether caused by an order from KDHE, or the district court, or a permanent, voluntary cessation of the receipt of waste.

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CERTIFICATION

Blizzard Energy, Inc. hereby certifies that (1) they have read all of permit number 923 general conditions, paragraphs 1 through 18; (2) that they understand everything in these documents; (3) that they agree to comply with all the requirements contained in the permit; (4) the individual whose signature appears below has full authority to sign this certification on behalf of Blizzard Energy, Inc. and that by doing so they are legally binding Blizzard Energy, Inc. to comply with all the requirements set forth in permit number 923.

_____ by _____

Date

_____

Title

_____ _____

Date Notary