SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 10-Q

Quarterly Report Pursuant to Section 13 or 15(d)
of The Securities Exchange Act of 1934
for the Quarterly Period Ended
June 30, 1998

Commission File Number 0-16379

Clean Harbors, Inc.
(Exact name of registrant as specified in its charter)

Massachusetts	04-2997780
(State of Incorporation)	(IRS Employer Identification No.)
1501 Washington Street, Braintree, MA	02185-0327
(Address of Principal Executive Offices)	(Zip Code)

(781) 849-1800 ext. 4454
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, $.01 par value	10,353,644
(Class)	(Outstanding at August 7, 1998)

CLEAN HARBORS, INC. AND SUBSIDIARIES

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PART I: FINANCIAL INFORMATION

CLEAN HARBORS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
Unaudited
(in thousands except for earnings per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1998	1997	1998	1997
Revenues	$53,591	$47,363	$93,967	$87,737
Cost of revenues	38,975	34,885	70,319	66,373
Selling, general and administrative expenses	9,180	8,631	17,077	16,830
Depreciation and amortization	2,252	2,346	4,536	4,709
Income (loss) from operations	3,184	1,501	2,035	(175)
Other income, net	--	--	--	800
Interest expense, net	2,318	2,314	4,658	4,573
Income (loss) before provision for income taxes	866	(813)	(2,623)	(3,948)
Provision for (benefit from) income taxes	90	70	180	(1,082)
Net income (loss)	$ 776	$ (883)	$(2,803)	$(2,866)

Basic and fully diluted income (loss) per share	$ .06	$ (.10)	$ (.30)	$ (.31)
Weighted average common shares outstanding	10,274	9,911	10,229	9,866
Weighted average common shares plus potentially dilutive common shares	10,385	9,911	10,229	9,866

The accompanying notes are an integral part of these consolidated financial statements.

CLEAN HARBORS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
Unaudited
(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1998	1997	1998	1997
Net income (loss)	$ 776	$ (883)	$(2,803)	$(2,866)
Other comprehensive income, net of tax:				
Unrealized gains (losses) on securities:				
Unrealized holding gains (losses) arising during period	(19)	31	2	(11)
Reclassification adjustment for gains included in net loss	23	14	4	16
Comprehensive income (loss)	$ 780	$ (838)	$(2,797)	$(2,861)

The accompanying notes are an integral part of these consolidated financial statements.

CLEAN HARBORS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(in thousands)

	June 30, 1998 (Unaudited)	December 31, 1997
ASSETS		
Current assets:		
Cash and cash equivalents	$ 5,115	$ 3,935
Restricted investments	1,747	1,088
Accounts receivable, net of allowance for doubtful accounts	46,273	37,836
Prepaid expenses	1,756	1,518
Supplies inventories	3,135	2,811
Income tax receivable	1,237	1,669
Deferred tax asset	1,581	1,581
Total current assets	60,844	50,438
Property, plant and equipment:		
Land	8,182	8,182
Buildings and improvements	38,040	37,890
Vehicles and equipment	78,145	77,281
Furniture and fixtures	2,190	2,190
Construction in progress	4,543	2,756
	131,100	128,299
Less - Accumulated depreciation and amortization	70,111	66,392
Net property, plant and equipment	60,989	61,907
Other assets:		
Goodwill, net	20,393	20,755
Permits, net	11,240	11,695
Deferred taxes non-current	5,627	5,627
Other	4,491	4,523
Total other assets	41,751	42,600
Total assets	$163,584	$154,945

The accompanying notes are an integral part of these consolidated financial statements.

	June 30, 1998	December 31, 1997
	(Unaudited)	
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term obligations	$ 4,034	$ 4,037
Accounts payable	19,110	13,760
Accrued disposal costs	6,508	7,100
Other accrued expenses	14,549	13,548
Income tax payable	46	10
Deferred tax liability	224	224
Total current liabilities	44,471	38,679
Long-term obligations, less current maturities	73,828	68,020
Deferred taxes, long-term	6,871	6,871
Other	1,122	1,351
Total other liabilities	81,821	76,242
Commitments and contingencies (Note 4)		
Stockholders' equity:		
Preferred Stock, $.01 par value:		
Series A Convertible; Authorized-2,000,000 shares; Issued and outstanding - none	--	--
Series B Convertible; Authorized-156,416 shares; Issued and outstanding 112,000 (liquidation preference of $5,600,000)	1	1
Common Stock, $.01 par value Authorized-20,000,000 shares; Issued and outstanding-10,277,487 and 10,101,490 shares, respectively	102	101
Additional paid-in capital	60,375	60,087
Accumulated other comprehensive loss	(6)	(12)
Accumulated deficit	(23,180)	(20,153)
Total stockholders' equity	37,292	40,024
Total liabilities and stockholders' equity	$ 163,584	$ 154,945

The accompanying notes are an integral part of these consolidated financial statements.

CLEAN HARBORS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
Unaudited
(in thousands)

SIX MONTHS ENDED
JUNE 30,

	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$(2,803)	$(2,866)
Adjustments to reconcile net loss to net cash provided by (used) in operating activities:		
Depreciation and amortization	4,536	4,709
Deferred income taxes	--	(1,808)
Allowance for doubtful accounts	342	330
Amortization of deferred financing costs	317	357
Gain on sale of fixed assets	--	79
Changes in assets and liabilities:		
Accounts receivable	(8,779)	2,268
Refundable income taxes	432	(102)
Prepaid expenses	(238)	(20)
Supplies inventories	(324)	(33)
Deferred tax asset	--	640
Other assets	32	(213)
Accounts payable	5,350	(5,594)
Accrued disposal costs	(592)	(514)
Other accrued expenses	1,001	(1,752)
Taxes payable	36	(162)
Other liabilities	(229)	286
Net cash used in operating activities	(919)	(4,395)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(2,801)	(1,735)
Proceeds from sale and maturities of restricted investments	64	7,307
Purchase of restricted investments	(717)	--
Proceeds from sale of fixed assets	--	1,482
Net cash provided by (used) in investing activities	($3,454)	$7,054

The accompanying notes are an integral part of these consolidated financial statements.

CLEAN HARBORS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
Unaudited
(in thousands)

	SIX MONTHS ENDED JUNE 30,	
	1998	1997
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net borrowings (payments) under long-term revolver	$ 7,005	$ (594)
Payments on long-term obligations	(1,503)	(2,801)
Additions to deferred financing cost	(14)	(9)
Proceeds from employee stock purchase plan	65	80
Net cash provided by (used) in financing activities	5,553	(3,324)

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,180	(665)
Cash and cash equivalents, beginning of year	3,935	1,366
Cash and cash equivalents, end of period	$ 5,115	$ 701
Supplemental information:		
Non cash investing and financing activities:		
Stock dividend on preferred stock	$ 224	$ 224

The accompanying notes are an integral part of these consolidated financial statements.

CLEAN HARBORS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
Unaudited
(in thousands)

	SERIES B PREFERRED STOCK		COMMON STOCK			
	NUMBER OF SHARES	$0.01 PAR VALUE	NUMBER OF SHARES	$0.01 PAR VALUE	ADDITIONAL PAID-IN CAPITAL	COMPREHENSIVE INCOME (LOSS)
Balance at December 31, 1997	112	$ 1	10,101	$ 101	$60,087	--
Comprehensive loss						
Net loss	--	--	--	--	--	$(2,803)
Other comprehensive income, net of tax						
Unrealized gains on securities, net of reclassification adjustment (see disclosure)	--	--	--	--	--	6
Comprehensive income	--	--	--	--	--	$(2,797)
Preferred stock dividends:						
Series B	--	--	129	1	223	--
Employee stock purchase plan	--	--	47	--	65	--
Balance at June 30, 1998	112	$ 1	10,277	$ 102	$60,375	--
Disclosure of reclassification amount:						
Unrealized holding gains arising in the period						$ 2
Reclassification adjustment for gains included in net loss						4
Net unrealized gains on securities						$ 6

	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	ACCUMULATED DEFICIT	TOTAL STOCKHOLDERS' EQUITY
Balance at December 31, 1997	$(12)	$(20,153)	$ 40,024
Comprehensive loss			
Net loss	--	(2,803)	(2,803)
Other comprehensive income, net of tax			
Unrealized gains on securities, net of reclassification adjustment (see disclosure)	6	--	6
Comprehensive income	--	--	--
Preferred stock dividends:			
Series B	--	(224)	--
Employee stock purchase plan	--	--	65
Balance at June 30, 1998	$ (6)	$(23,180)	$ 37,292
Disclosure of reclassification amount:			
Unrealized holding gains arising in the period			
Reclassification adjustment for gains included in net loss			
Net unrealized gains on securities			

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 Basis of Presentation

The consolidated interim financial statements included herein have been prepared by the Company, pursuant to the rules and regulations of the Securities and Exchange Commission, and include, in the opinion of management, all adjustments (consisting of only normal recurring accruals) necessary for the fair presentation of interim period results. The operating results for the three months and six months ended June 30, 1998 are not necessarily indicative of those to be expected for the full fiscal year. Reference is made to the audited consolidated financial statements and notes thereto included in the Company's Report on Form 10-K for the year ended December 31, 1997 as filed with the Securities and Exchange Commission.

NOTE 2 Significant Accounting Policies

Earnings Per Share

In 1997 the Company implemented Statement of Financial Accounting Standards No. 128, "Earnings per Share" ("SFAS 128"). Under SFAS 128, basic EPS is calculated by dividing income available to common shareholders by the weighted-average number of common shares outstanding during the period. Diluted EPS gives effect to all potential dilutive common shares that were outstanding during the period. The earnings per share for the Company under SFAS 128 were the same as under the prior accounting standard for the periods presented in the financial statements.

Comprehensive Income

In June 1997, the FASB issued SFAS No. 130, "Reporting Comprehensive Income." This statement requires that changes in comprehensive income be shown in a financial statement that is displayed with the same prominence as other financial statements. The statement is effective for fiscal periods beginning after December 15, 1997, and the Company adopted its provisions for the quarter ended March 31, 1998. Reclassification of earlier periods is required for comparative purposes. Management determined that the statement had no material impact on its financial position or results of operations.

NOTE 3 Financing Arrangements

As amended, the Company has a $35,000,000 Loan Agreement with a financial institution. The Loan Agreement provided for a $24,500,00 revolving credit portion (the "Revolver") and a $10,500,000 term promissory note. The Revolver allows the Company to borrow cash and letters of credit based on a formula of eligible accounts receivable. At June 30, 1998, the Revolver balance was $12,563,000, letters of credit outstanding were $5,852,000 and funds available to borrow were approximately $4,765,000. In June 1998, the term of the Revolver was extended from May 8, 1999 to May 8, 2000 under substantially the same terms and conditions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 4 Income Taxes

SFAS 109, "Accounting for Income Taxes," requires that a valuation allowance be established when, based on an evaluation of objective verifiable evidence, there is a likelihood that some portion or all of the deferred tax assets will not be realized. The Company continually reviews the adequacy of the valuation allowance for deferred tax assets, and, in 1997, based upon this review, the valuation allowance was increased to reduce the carrying value of deferred tax assets to the amount that is likely to be realized. Accordingly, no tax benefit has been recorded in the quarter and six months ended June 30, 1998, while a tax benefit for the loss in the six months ended June 30, 1997 was recorded. The actual realization of the net operating loss carryforwards and other tax assets depend on having future taxable income of the appropriate character prior to their expiration.

During the ordinary course of its business, the Company is audited by federal and state tax authorities which may result in proposed assessments. The Company has received a notice of intent to assess state income taxes from one of the states in which it operates. The case is currently undergoing administrative appeal. If the Company loses the administrative appeal, the Company may be required to make a payment of approximately $3,000,000 to the state. The Company believes that it has properly reported its state income and intends to contest the assessment vigorously. While the Company believes that the final outcome of the dispute will not have a material adverse effect on the Company's financial condition or results of operations, no assurance can be given as to the final outcome of the dispute, the amount of any final adjustments or the potential impact of such adjustments on the Company's financial condition or results of operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 5 Earnings Per Share

The following is a reconciliation of basic and diluted loss per share computations (in thousands except for per share amounts):

	THREE MONTHS ENDED JUNE 30, 1998		
	INCOME (NUMERATOR)	SHARES (DENOMINATOR)	PER-SHARE LOSS
Net income	$766		
Less preferred dividend	112		
Basic and diluted EPS (income available to shareholders)	654	10,274	.06
Effect of dilutive securities			
Options	--	111	--
Diluted EPS			
Income available to common stockholders plus assumed conversions	$654	10,385	$.06

	THREE MONTHS ENDED JUNE 30, 1997		
	INCOME (NUMERATOR)	SHARES (DENOMINATOR)	PER-SHARE LOSS

Net loss	$(883)		
Less preferred dividends	112		
Basic and diluted EPS (loss available to shareholders)	$(995)	9,911	$(.10)

NOTE 5 Earnings Per Share (continued)

	SIX MONTHS ENDED JUNE 30, 1998		
	INCOME (NUMERATOR)	SHARES (DENOMINATOR)	PER-SHARE LOSS
Net loss	($2,803)		
Less preferred dividends	224		
Basic and diluted EPS (loss available to shareholders)	($3,027)	10,229	$(.30)

	THREE MONTHS ENDED JUNE 30, 1998		
	INCOME (NUMERATOR)	SHARES (DENOMINATOR)	PER-SHARE LOSS
Net loss	($2,866)		
Less preferred dividends	224		
Basic and diluted EPS (loss available to shareholders)	($3,090)	9,866	$(.31)

The Company has issued options, warrants and convertible preferred stock which are potentially dilutive to earnings. For the three months ended June 30, 1998, some of the options outstanding but none of the warrants or convertible preferred stock are dilutive to earnings. Only those options where the options' exercise price was less than the average market price of the common shares are included in the above calculation for this period. For the other periods presented, the options, warrants and convertible stock outstanding have not been included in the above calculations, since their inclusion would have been antidilutive for the periods.

NOTE 6 Other Income

During the first quarter of 1997, the Company recorded a $950,000 receivable in connection with the settlement of a lawsuit and incurred approximately $150,000 in costs related to the litigation during the first quarter. The Company recognized a pre-tax gain, net of related legal fees, of $800,000 resulting from the settlement, which is included in other income, net, in the consolidated statement of income. The $950,000 was received April, 1997.

CLEAN HARBORS, INC. AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

The following table sets forth for the periods indicated certain operating data associated with the Company's results of operations.

	PERCENTAGE OF TOTAL REVENUES			
	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	1998	1997	1998	1997
Revenues	100.0%	100.0%	100.0%	100.0%
Cost of revenues:				
Disposal costs paid to third parties	14.8	13.3	14.0	13.1
Other costs	57.9	60.4	60.8	62.5
Total cost of revenues	72.7	73.7	74.8	75.6
Selling, general and administrative expenses	17.2	18.2	18.2	19.2
Depreciation and amortization of intangible assets	4.2	5.0	4.8	5.4
Income (loss) from operations	5.9%	3.1%	2.2%	(0.2)%
Other Data:				
Earnings before interest, taxes, depreciation and amortization (EBITDA) (in thousands)	$5,436	$3,847	$6,571	5,334

REVENUES

Revenues for the quarter ended June 30, 1998 were $53,591,000 compared to revenues of $47,363,000 for the quarter ended June 30, 1997, an increase of $6,228,000 or 13.1%. Revenues increased by 14.0% due to higher volumes of waste processed and field service hours worked in the quarter ended June 30, 1998 as compared to the same quarter of the prior year. This increase in revenues due to volume was partially offset by a 6.5% decrease in revenues due to pricing.

REVENUES (continued)

Revenues for the six months ended June 30, 1998 were $93,967,000 compared to revenues of $87,737,000 for the six months ended June 30, 1997, an increase of $6,230,000 or 7.1%. Revenues increased by 15.0% due to higher volumes of waste processed, field service hours worked and remediation projects performed in the six months ended June 30, 1998 as compared to the same period of the prior year. These increases in revenues were partially offset by a 7.7% decrease in revenues due to pricing.

Revenues for the quarter and six months ended June 30, 1998 when compared to the same periods of the prior year continued to be adversely impacted by declining sales prices due to industry-wide pricing pressures. However, sales prices have remained steady for the Company since the quarter ended December 31, 1997. Management can not predict if this recent stability in pricing will continue.

There were no major spills or other events that significantly impacted revenues for the periods presented.

There are many factors which have impacted, and continue to impact, the Company's revenues. These factors include: competitive industry pricing; continued efforts by generators of hazardous waste to reduce the amount of hazardous waste they produce; significant consolidation among treatment and disposal companies; industry-wide over capacity; and direct shipment by generators of waste to the ultimate treatment or disposal location.

COST OF REVENUES

Cost of revenues were $38,975,000 for the quarter ended June 30, 1998 compared to $34,885,000 for the quarter ended June 30, 1997, an increase of $4,090,000. One of the largest components of cost of revenues is the cost of sending waste to other companies for disposal. As a percentage of revenues, disposal costs paid to third parties increased from 13.3% for the quarter ended June 30, 1997 to 14.8% for the quarter ended June 30, 1998. This increase in disposal expense is due to a 20.0% increase in the volume of wastes processed through the Company's plants and an increase in wastes sent directly to outside disposal vendors from customer sites, which were partly offset by reductions achieved in the unit cost of disposing of waste.

COST OF REVENUES (continued)

Cost of revenues were $70,319,000 for the six months ended June 30, 1998 compared to $66,373,000 for the six months ended June 30, 1997, an increase of $3,946,000. As a percentage of revenues, disposal costs paid to third parties increased from 13.1% for the six months ended June 30, 1997 to 14.0% for the six months ended June 30, 1998. This increase in disposal expense is similarly due to a 20.7% increase in the volume of wastes processed through the Company's plants and an increase in wastes sent directly to outside disposal vendors from customers' sites, which were partly offset by reductions achieved in the unit cost of disposing of waste and the internalization of waste.

Other costs decreased to 57.9% of revenue for the quarter ended June 30 1998, as compared to 60.4% for the same period of the prior year, and they decreased to 60.8% for the six months ended June 30, 1998, as compared to 62.5% for the same period of the prior year. These decreases were achieved even while the volume of waste processed through the Company's plants increased due to improvements in efficiencies in the plants and cost reductions.

The Company believes that its ability to manage operating costs is an important factor in its ability to remain price competitive. During the first half of 1998, the Company continued its process of consolidating common functions to reduce redundant costs and improve the Company's ability to deliver its services. No assurance can be given that the Company's efforts to manage future operating expenses will be successful.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses increased 6.4% to $9,180,000 for the three months ended June 30, 1998 as compared to $8,631,000 for the same period of 1997. Selling, general and administrative expenses increased 1.5% to $17,077,000 for the six months ended June 30, 1998 as compared to $16,830,000 for the same period of 1997. Compensation expense for the periods was flat. Savings realized from reductions in administrative staff were offset by increased headcount in the sales staff and merit increases. The Company does not anticipate any significant increases in selling, general and administrative expenses for the last half of 1998 as compared to the first half.

INTEREST EXPENSE, NET

Interest expense, net of $2,318,000 for the quarter ended June 30, 1998 was flat as compared to $2,314,000 for same quarter of the prior year. Interest expense, net was $4,658,000 for the first six months of 1998 as compared to $4,573,000 for the same period of the prior year. The increase in interest expense, net for the first six months of 1998 when compared to the same period of 1997 is primarily due to a decrease in interest income associated with a reduction in the average balance of restricted cash.

INCOME TAXES

For the quarter ended June 30, 1998, income tax expense of $90,000 was recorded on a pre-tax profit of $866,000 for an effective tax rate of 10.4%, as compared to income tax expense of $70,000 that was recorded on a pre-tax loss of $813,000 for an effective tax rate of (8.6)%. For the quarter ended June 30, 1997, the rate fluctuated significantly due to the amount of income before taxes, as compared to the fixed amount of goodwill amortization, other non-deductible items and changes in estimates.

For the six months ended June 30, 1998, income tax expense of $180,000 was recorded on a pre-tax loss of $2,623,000 for an effective tax rate of (6.9%), as compared to a tax benefit of $1,082,000 that was recorded on a pre-tax loss of $3,948,000 for an effective tax rate of 27.4%. SFAS 109, "Accounting for Income Taxes," requires that a valuation allowance be established when, based on an evaluation of objective verifiable evidence, there is a likelihood that some portion or all of the deferred tax assets will not be realized. The Company continually reviews the adequacy of its valuation allowance for deferred tax assets, and, in the fourth quarter of 1997, based on this review, the valuation allowance was increased to cover almost all of the net deferred tax assets. Accordingly, the Company recorded no benefit on its books for the future potential value of net operating loss carryforwards generated during the six months ended June 30, 1998, while these tax benefits were recorded for the net operating loss carryforwards generated during the same period of the prior year.

The actual realization of the net operating loss carryforwards and other tax assets depend on having future taxable income of the appropriate character prior to their expiration under the tax laws. If the Company reports taxable earnings in the future, and depending on the level of these earnings, some portion or all of the valuation allowance would be reversed, which would increase net income reported in future periods.

INCOME TAXES (continued)

During the ordinary course of its business, the Company is audited by federal and state tax authorities which may result in proposed assessments. The Company has received a notice of intent to assess state income taxes from one of the states in which it operates. The case is currently undergoing administrative appeal. If the Company loses the administrative appeal, the Company may be required to make a payment of approximately $3,000,000 to the state. The Company believes that it has properly reported its state income and intends to contest the assessment vigorously. While the Company believes that the final outcome of the dispute will not have a material adverse effect on the Company's financial condition or results of operations, no assurance can be given as to the final outcome of the dispute, the amount of any final adjustments or the potential impact of such adjustments on the Company's financial condition or results of operations.

FACTORS THAT MAY AFFECT FUTURE RESULTS

From time to time, the Company and employees acting on behalf of the Company make forward-looking statements concerning the expected revenues, results of operations, capital expenditures, capital structure, plans and objectives of management for future operations, and future economic performance. This report contains forward-looking statements. There are many factors which could cause actual results to differ materially from those projected in a forward-looking statement, and there can be no assurance that such expectations will be realized.

The Company's future operating results may be affected by a number of factors, including the Company's ability to: continue to implement the treatment and disposal reengineering program; utilize its facilities and workforce profitably in the face of intense price competition; increase market share in an industry which appears to be downsizing and consolidating; realize benefits from cost reduction programs; generate incremental volumes of waste to be handled through its facilities from existing sales offices and service centers; obtain sufficient volumes of waste at prices which produce revenue sufficient to offset the operating costs of the facilities; minimize downtime and disruptions of operations; and compete successfully against other incinerators which have an established share of the incineration market.

FACTORS THAT MAY AFFECT FUTURE RESULTS (continued)

The Company's operations may be affected by the commencement and completion of major site remediation projects; cleanup of major spills or other events; seasonal fluctuations due to weather and budgetary cycles influencing the timing of customers' spending for remedial activities; the timing of regulatory decisions relating to hazardous waste management projects; changes in regulations governing the management of hazardous waste; secular changes in the waste processing industry towards waste minimization and the propensity for delays in the remedial market; suspension of governmental permits; and fines and penalties for noncompliance with the myriad of regulations governing the Company's diverse operations. As a result of these factors, the Company's revenue and income could vary significantly from quarter to quarter, and past financial performance should not be considered a reliable indicator of future performance.

Typically during the first quarter of each calendar year there is less demand for environmental remediation due to the cold weather, particularly in the Northeast and Midwest regions, and increased possibility of unplanned weather related plant shutdowns.

FINANCIAL CONDITION AND LIQUIDITY

For the six months ended June 30, 1998, the Company's operations consumed $919,000 of cash primarily to finance higher levels of accounts receivable of $8,779,000 due to increased sales and to cover the net loss of $2,803,000 for the period. Partially offsetting these uses of cash were cash provided by increases in accounts payable $5,350,000 and other accrued expenses of $1,001,000, both of which were caused by higher volumes of activity, and the non-cash depreciation and amortization expenses of $4,536,000. The Company obtained $5,553,000 from financing activities, which consisted primarily of additional net borrowings, and the Company used these funds primarily to purchase property, plant and equipment of $2,801,000, to make payments into a debt service reserve fund of $717,000 and to increase the amount of cash on hand by $1,180,000.

Federal and state regulations require liability insurance coverage for all facilities that treat, store, or dispose of hazardous waste, and financial assurance that funds will be available for closure of these facilities, should a facility cease operation, and post closure coverage where required by law. In 1989, the Company established a wholly-owned captive insurance company pursuant to the Federal Risk Retention Act of 1986. This company qualifies as a licensed insurance company and is authorized to write closure, professional liability, and pollution liability insurance for the Company and its operating subsidiaries. Investments are held by the captive insurance company as assets against its insured liabilities and restricted for future payment of insurance claims. In the six months of 1997, the Company replaced a portion of the closure insurance issued by its captive insurance company with bonds issued by a bonding company. This allowed the captive insurance company to remit funds previously classified as

FINANCIAL CONDITION AND LIQUIDITY (continued)

restricted cash to the Company. In addition, on December 31, 1996, the Company had on deposit collateral of $5,650,000 with a commercial insurance company to provide for closure and post-closure of its incinerator and landfill. During 1996, the Company renegotiated its agreement with the insurance company to replace collateral with a letter of credit. The cash from this transaction was released to the Company in 1997. As a result of these two transactions, the Company obtained $7,307,000 in the six months ending June 30, 1997. The Company used these funds, as well as proceeds from the sale of fixed assets of $1,482,000 and $665,000 in cash on hand, primarily to reduce debt by $3,395,000 to purchase equipment and improve properties in the amount of $1,735,000 and to cover cash consumed in operations of $4,395,000. The deficit from operations was largely the result of a decrease in accounts payable of $5,594,000 and other accrued expenses of $1,752,000 offset by decreases in accounts receivable of $2,268,000. Accounts payable decreased due to the Company paying vendors in a more timely basis, which allowed for smoother operations. Accounts receivable decreased in proportion to the decrease in selling prices.

The Company expects 1998 capital additions to be in the range of $4,300,000. The 1998 capital spending budget has been revised upward from $3,000,000, due to the improved results of operations.

The Company's $35,000,000 Loan Agreement with a financial institution provides for certain covenants the most restrictive of which require the maintenance of a minimum level of working capital of $6,000,000 and adjusted net worth of not less than $33,000,000. At June 30, 1998, working capital was $16,373,000 and adjusted net worth was $39,272,000. In addition, the Indenture under which the Company has outstanding $10,000,000 of industrial revenue bonds the ("Bonds") contain certain covenants the most restrictive of which require that the Company maintain a rolling four quarter ratio of earnings before interest, income taxes, depreciation and amortization (EBITDA) to total debt service of 1.25 to 1. On December 31, 1997 and June 30, 1998 the Company was in violation of this covenant. On June 30, 1998, the debt service coverage ratio was 1.16 to 1. Under the terms of the Indenture, the deficiency in the debt coverage ratio will not result in a default, but the Company is required to pay in six equal monthly installments into a debt service reserve fund held by the Trustee for the Bonds a total amount equal to one year's interest on the Bonds. Through June 30, 1998, the Company had paid $717,000 into this fund, as required.

FINANCIAL CONDITION AND LIQUIDITY (continued)

On June 30, 1998, funds available to borrow under the Revolver were $4,765,000. Management believes that sufficient resources will be available to meet the Company's cash requirements for the foreseeable future. The Company has $50,000,000 of Senior Notes which mature in 2001. Some portion or all of the borrowings under the Senior Notes will need to be refinanced by the maturity date. The ability of the Company to refinance the Senior Notes at reasonable interest rates is dependent upon improving results from operations and is contingent on a favorable interest rate environment when the Company attempts to refinance the borrowings.

Dividends on the Company's Series B Convertible Preferred Stock are payable on the 15th day of January, April, July and October, at the rate of $1.00 per share, per quarter; 112,000 shares are outstanding. Under the terms of the preferred stock, the Company can elect to pay dividends in cash or in common stock with a market value equal to the amount of the dividend payable. The Company elected to pay the January 15 and April 15, 1998 dividends in common stock. Accordingly, the Company issued 58,642 and 128,644 shares of common stock to the holders of the preferred stock in the three month and six month periods ended June 30, 1998, respectively. The Company anticipates that the preferred stock dividends payable through 1998 will be paid in common stock.

The Company is in the process of reviewing computer systems and hardware control devices for compliance with the year 2000. The work required to make the systems and control devices year 2000 compliant is ongoing. The Company is using its best efforts to make all systems and control devices year 2000 compliant prior to the end of 1998; however, no assurance can be given that this effort will be successful. The Company does not believe that the costs to be incurred to make the systems and control devices year 2000 compliant will be material to results of operations.

In March 1998, the American Institute of Certified Public Accountants issued Statement of Position (SOP) 98-1, "Internal Use Software," which provides guidance on the accounting for the costs of software developed or obtained for internal use. SOP 98-1 is effective for fiscal years beginning after December 15, 1998. Management does not expect the statement to have a material impact on its financial position or results of operations.

PART II - OTHER INFORMATION

Item 1 - Legal Proceedings

As disclosed in the Form 10-K for the year ended December 31, 1997, the Company joined an ongoing lawsuit against the City of Chicago challenging the imposition of a waste charge by the City of Chicago on every gallon of waste received at the Company's Chicago facility. Since 1990, the Company has paid approximately $3,000,000 to the City pursuant to this charge.

The lawsuit challenges the legal authority of the City of Chicago to impose the charge. The Company contends the charge is, among other things, an unlawful tax on service occupations in violation of the Illinois Constitution. The Company was seeking: (1) a declaration by the Circuit Court of Cook County that the challenged charge is unconstitutional or otherwise unlawful; (2) an injunction against the City's continued assessment and collection of the charge and; (3) a refund of all charges paid plus interest.

On July 21, 1998, the Judge in the case issued a Final Order declaring the City of Chicago waste fee to be unconstitutional under Illinois law. The City has the right to appeal this decision and on August 7, 1998 the City filed a motion with the Court to reconsider its Final Order. The Court has taken the motion under advisement and will rule on it by September 11, 1998. The Company cannot predict the outcome of these proceedings, accordingly, no account receivable has been recorded on the books of the Company relating to this lawsuit.

Item 2 - Changes in Securities

None

Item 3 - Defaults Upon Senior Debt

None

Item 4 - Submission of Matters to a Vote of Security Holders

The Company's 1998 Annual Meeting of the Stockholders was held on June 17, 1998. At the meeting, the Stockholders elected Christy W. Bell and Daniel J. McCarthy to serve as directors of the Company for a three-year term, until the 2001 Annual Meeting of Stockholders. Other directors whose term of office as director continued after the meeting were: Alan S. McKim, John F. Kaslow, John T. Preston and Lorne R. Waxlax.

PART II - OTHER INFORMATION

Item 5 - Other Information

None

Item 6 - Exhibits and Reports on Form 8-K

ITEM NO.	DESCRIPTION	LOCATION
4.12	Sixth Amendment to Financing Agreements dated June 23, 1998 by and between Congress Financial Corporation (New England), the Company's Subsidiaries as Borrowers, and Clean Harbors, Inc. as Guarantor................................	Filed herewith

Exhibit 27 - Financial Data Schedule.

Reports on Form 8-K

None

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Clean Harbors, Inc.

Registrant

ated: August 13, 1998   By: /s/ Alan S. McKim

Alan S. McKim
President and
Chief Executive Officer

Dated: August 13, 1998   By: /s/ Roger A. Koenecke

Roger A. Koenecke
Senior Vice President and
Chief Financial Officer

Exhibit 4.12

June 23, 1998

CLEAN HARBORS ENVIRONMENTAL
SERVICES, INC.
CLEAN HARBORS TECHNOLOGY
CORPORATION
CLEAN HARBORS KINGSTON FACILITY
CORPORATION
CLEAN HARBORS OF BRAINTREE, INC.
CLEAN HARBORS SERVICES, INC.
CLEAN HARBORS OF NATICK, INC.
CLEAN HARBORS OF CONNECTICUT, INC.
MURPHY'S WASTE OIL SERVICE, INC.
CLEAN HARBORS OF CLEVELAND, INC.
MR. FRANK, INC.
SPRING GROVE RESOURCE RECOVERY, INC.

Re: Sixth Amendment to Financing Agreements ("Sixth Amendment")

Gentlemen:

Reference is made to the Loan and Security Agreement dated May 8, 1995, as amended, between you and the undersigned (the "Loan Agreement"). All capitalized terms not otherwise defined herein shall have the meanings given such terms in the Loan Agreement.

Borrowers have requested an extension of the term of the Financing Agreements to May 8, 2000. Subject to the terms and conditions hereof, the Lender agrees with the Borrowers as follows:

(1) The first sentence of Section 12.1(a) of the Loan Agreement is deleted and replaced with the following sentence:

"This Agreement and the other Financing Agreements shall become effective as of the date set forth on the first page hereof and shall continue in full force and effect for a term ending on the

date five (5) years from the date hereof (the "Renewal Date"), and from year to year thereafter, unless sooner terminated pursuant to the terms hereof; provided, that, Lender may, at its option, extend the Renewal Date to the date six (6) years from the date hereof by giving Borrower notice at least one hundred twenty (120) days prior to the fifth anniversary of this Agreement."

(2) Section 12.1(c) of the Loan Agreement is deleted in its entirety and replaced with the following:

"If for any reason this Agreement is terminated prior to the end of the then current term or renewal term of this Agreement, in view of the impracticality and extreme difficulty of ascertaining actual damages and by mutual agreement of the parties as to a reasonable calculation of Lender's lost profits as a result thereof, Borrower agrees to pay to Lender, upon the effective date of such termination, an early termination fee in the amount of 1/2% of the Revolving Credit Limit if such termination is effective in the period May 9, 1998 to and including May 8, 2000. Such early termination fee shall be presumed to be the amount of damages sustained by Lender as a result of such early termination and Borrower agrees that it is reasonable under the circumstances currently existing. The refinancing and repayment of the Term Loan through the issuance of pollution control authority industrial revenue bonds shall not trigger the payment of the early termination fee. The early termination fee provided for in this Section 12.1 shall be deemed included in the Obligations."

(3) This Sixth Amendment and the Lender's obligations hereunder shall not be effective until each of the following conditions are satisfied:

(a) all requisite corporate action and proceedings of the Borrowers in connection with this Sixth Amendment shall be satisfactory in form and substance to Lender and Lender shall receive certified copies of such corporate action and proceedings as Lender may request;

(b) no material adverse change shall have occurred in the assets, business or prospects of any Borrower since the date of the most recent financial statements furnished to Lender pursuant to the Loan Agreement and no change or event shall have occurred which would impair the ability of any Borrower or any Obligor to perform its obligations under the Loan Agreement or any of the other Financing Agreements or of Lender to enforce the Obligations or to realize upon the Collateral; and

(c) Borrowers shall pay to Lender, and directs Lender to debit its loan account for, an additional facility fee equal to $50,000.00, which fee shall be fully earned and non-refundable on the date hereof.

(4) Each Borrower confirms and agrees that (a) all representations and warranties contained in the Loan Agreement and in the other Financing Agreements are on the date hereof true and correct in all material respects (except for changes that have occurred as permitted by the covenants in Section 9 of the Loan Agreement), and (b) it is unconditionally and jointly and severally liable for the punctual and full payment of all Obligations, including, without limitation, all charges, fees, expenses and costs (including attorneys' fees and expenses) under the Financing Agreements, and that no Borrower has any defenses, counterclaims or setoffs with respect to full, complete and timely payment of all Obligations.

(5) Each Guarantor, for value received, hereby assents to the Borrowers' execution and delivery of this Amendment, and to the performance by the Borrowers of their respective agreements and obligations hereunder. This Amendment and the performance or consummation of any transaction or matter contemplated under this Amendment, shall not limit, restrict, extinguish or otherwise impair any of the Guarantor's liability to Lender with respect to the payment and other performance obligations of the Guarantors pursuant to the Guarantees, dated May 8, 1995 executed for the benefit of Lender. Each Guarantor acknowledges that it is unconditionally liable to Lender for the full and complete payment of all Obligations including, without limitation, all charges, fees, expenses and costs (including attorney's fees and expenses) under the Financing Agreements and that such Guarantor has no defenses, counterclaims or setoffs with respect to full, complete and timely payment of any and all Obligations.

(6) Borrowers hereby agree to pay to Lender all reasonable attorney's fees and costs which have been incurred or may in the future be incurred by Lender in connection with the negotiation and preparation of this Amendment and any other documents and agreements prepared in connection with this Amendment. The undersigned confirm that the Financing Agreements remain in full force and effect without amendment or modification of any kind, except for the amendments explicitly set forth herein. The undersigned further confirm that no Event of Default or events which with notice or the passage of time or both would constitute an Event of Default have occurred and are continuing. The execution and delivery of this Amendment by Lender shall not be construed as a waiver by Lender of any Event of Default under the Financing Agreements. This Amendment shall be deemed to be a Financing Agreement and, together with the other Financing Agreements, constitute the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior dealings, correspondence, conversations or communications between the parties with respect to the subject matter hereof.

If you accept and agree to the foregoing please sign and return the enclosed copy of this letter. Thank you.

Very truly yours,

CONGRESS FINANCIAL CORPORATION
(NEW ENGLAND)

By: /s/ KATHLEEN J. MERRITT

Name: Kathleen J. Merritt
Title: Vice President

AGREED:
- -------

CLEAN HARBORS ENVIRONMENTAL SERVICES, INC.
CLEAN HARBORS TECHNOLOGY CORPORATION
CLEAN HARBORS KINGSTON FACILITY CORPORATION
CLEAN HARBORS OF BRAINTREE, INC.
CLEAN HARBORS SERVICES, INC.
CLEAN HARBORS OF NATICK, INC.
CLEAN HARBORS OF CONNECTICUT, INC.
MURPHY'S WASTE OIL SERVICE, INC.
CLEAN HARBORS OF CLEVELAND, INC.
MR. FRANK, INC.
SPRING GROVE RESOURCE RECOVERY, INC.

By: /s/ STEPHEN MOYNIHAN

Name: Stephen Moynihan
Title: Senior Vice President

GUARANTORS:

CLEAN HARBORS, INC.

By: /s/ STEPHEN MOYNIHAN

Name: Stephen Moynihan
Title: Senior Vice President

CLEAN HARBORS OF BALTIMORE, INC.

By: /s/ STEPHEN MOYNIHAN

Name: Stephen Moynihan
Title: Senior Vice President

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