Middle Pecos Groundwater Conservation District Minutes of January 15, 2013

On this the 15th day of January, 2013, a public hearing and a regular board meeting was held by the Middle Pecos Groundwater Conservation District in the office located at 405 North Spring Drive, Fort Stockton, Texas, with the following members present, towit:

Glenn Honaker	President, Precinct 1
John Dorris	Vice President, Precinct 3
M. R. Gonzalez	Secretary/Treasurer, Precinct 2
Janet Groth	Precinct 1
Merrell Daggett	Precinct 2
Weldon Blackwelder	Precinct 3
Alvaro Mandujano, Jr.	Precinct 4
Alvaro Mandujano, Jr.	Precinct 4
Ronald Cooper	Precinct 4
Vanessa Cardwell	Fort Stockton, City of
Evans Turpin	Iraan, City of

Quorum Present.

Members absent: Janet Groth and Terry Whigham

Others present: Paul Weatherby, Mike Gershon, Allan Standen, Melissa Mills, Harvey Gray, Gil Van Deventer, Elizabeth Ferry, Mike Thornhill, Ed McCarthy, Jeff Williams, Brock Thompson, Darrell Peckham, Gary Drgac, , Alan Murphy, Andy Barrett, Raul Rodriguez, Mike Orr, Stefan Schuster, Frances Gomez, Doug May, Billy Jackson, Chris Alexander, Joe Shuster, and Schuyler Wight.

PUBLIC HEARINGS

- I Call to Order at 1:00 PM by President Glenn Honaker
- II Randy Braden Production Permit Application (Continued)

Party representing application: No one in attendance.

Protestant to application: Gary Drgac

Randy Braden submitted an application for a production permit on 04-12-2013. He is requesting 940 acre feet annually. Wells 1, 2 and 3 from the Edwards/Trinity aquifer at 850 acre feet; and Well 5 for 90 acre feet from comingling waters from the Edwards/Trinity and the Pecos Valley aquifer. The use is irrigation on his farm on Section 16, Block 12, H&GN RY Co. Survey in the Bakersfield area of Pecos County, Texas.

Mr. Braden was unable to attend the hearing today, but had given sworn testimony on November 27, 2012. The Board decided to proceed with the hearing.

Mr. Gary Drgac was sworn in by Glenn Honaker for his testimony. He explained to the Board his justiciable interest. He has property in the vicinity and has wells pumping from the same aquifers. He was granted standing as a qualified protestant in the hearing.

Summary of Mr. Drgac's testimony:

- Make sure there is no cross contamination between the Pecos Valley aquifer and the Edwards/Trinity aquifer.
- Monitor the Edwards/Trinity drawdown in active wells. In the event of unacceptable drawdown, Mr. Braden pumping would be curtailed.
- > Quarterly water sampling to ensure quality.

Summary from MPGCD Hydrogeologist Allan Standen:

The Edwards/Trinity aquifer which is good water and then the Pecos Valley aquifer is on top, and it looks like if you drew very heavily on the underlying Edwards/Trinity that you would get brackish water in the not too distant future.

President Glenn Honaker closed the hearing at 1:40

III Drilling/Production Permit Application for City of Ft. Stockton

The City of Fort Stockton submitted an application for a Consolidated-Drilling and Production Permit on 01/04/2013. The application requests to drill a test well on either Section 71 or Section 112 of Block 3. The proposed test well depth would range from 2,500 - 4,000 feet and drilled into the Capitan Reef Aquifer. The total amount of groundwater applied for is 4,840 acre feet annually. The purpose of the well is for public supply. The location of use for the water is City of Fort Stockton and City of Odessa.

Note: On October 23, 2012 a drilling permit was granted for a test well to be drilled on Section 112 of Block 3. The proposed test well depth would range from 2,500 - 4,000 feet and drilled into the Capitan Reef Aquifer. The purpose of the well is for public supply. The location of use for the water is City of Fort Stockton and City of Odessa. The drilling permit is subject to the following conditions:

1. To cement and to test the cement all the way down to the top of the Capitan Reef aquifer.

- 2. Prior to drilling, replace all non-functioning meters on the city's existing wells and on the test well.
- 3. Set surface casing at least 50' below the Edwards Trinity aquifer.
- Prior to drilling, require receipt of TCEQ's approval of well designs and specifications which should be submitted to the District prior to drilling the well.

General Manager Paul Weatherby explained that the City of Fort Stockton had notified him that they wanted to relocate the test well about a mile away, and Mr. Weatherby told Raul Rodriquez that an amended drilling permit application needed to be submitted for approval. The City of Fort Stockton submitted an application for a Consolidated-Drilling and Production Permit which also mentioned exporting water to Odessa. The hydrological report previously submitted for the test well is not acceptable for the consolidated drilling-production-export application. Therefore, the application is not administratively complete for this consolidated permit.

Mr. Weatherby suggested proceeding today with a hearing on the drilling permit only for the test well at the new location. The test well will be located on City of Fort Stockton property. Surrounding land owners have been notified, and no protest have been submitted.

Glenn Honaker asked if there were any protestants present at today's meeting. There were none.

Raul Rodriguez, Fort Stockton City Manager, said to proceed with the hearing as a drilling permit only for a test well.

Glenn Honaker swore in Stefan Schuster. Mr. Schuster is the hydrologist representing the City of Fort Stockton in the application process. The application today is for the drilling of a test well in order to complete a hydrological report that is required for a production permit. The intent of today's application is capture both sections, 71 and 112. The reason for the consolidated application was in response to a request from the City of Odessa for a little more certainty in moving forward with their project. The City of Fort Stockton is only expecting to drill one test well.

President Honaker asked Mr. Raul Rodriguez and Mr. Stefan Schuster if the drilling application on Section 71 is granted today, would they relinquish the permit granted for Section 112 (this includes removing reference of Section 112 from today's application).

Mr. Raul Rodriguez and Mr. Stefan Schuster answered "Yes".

President Glenn Honaker closed the hearing at 2:00 PM.

IV Production Permit Application for Schuyler Wight

Mr. Schuyler Wight submitted an application for a production permit on 10/15/2012. He is requesting 999 acre feet annually from the Edwards/Trinity aquifer. The three wells (Riley 7, 8 & 9) are located on Survey T&PRR, Block 48, TSP 10, Section 21 N/2. The use is for irrigation on his farm.

Manager Paul Weatherby stated the application is administratively complete and recommended that the application be approved.

Party representing application: Schuyler Wight.

Protestant: None

Public Comment: Mr. Ed McCarthy made public comment saying that the notice refers to the Pecos Valley aquifer, but the production application refers to the Edwards Trinity aquifer.

Mr. Glenn Honaker announced that the hearing will be renoticed and the hearing will be scheduled for the next meeting.

V Adjourn: John Dorris made a motion to adjourn the hearing. Seconded by Evans Turpin. The hearing adjourned at 2:09 PM.

The Board recessed at 2:09 PM.

Reconvened at 2:34 PM. Quorum present.

REGULAR BOARD MEETING

- Call to Order @ 2:34 by President Glenn Honaker
- II Comments from Public and Media: None

Note: Agenda Items were taken up out of numerical order

V Consider and/or act upon Randy Braden Production Permit Application

M. R. Gonzalez made a motion to approve the application as follows:

- 800 acre feet for 2013. Wells 1, 2 & 3 from the Edwards/Trinity aquifer 720 acre feet and Well 5 from the Comingling of the Edwards/Trinity and Pecos Valley aquifers 80 acre feet.
- MPGCD monitoring of Production Wells (including analysis) (MPGCD expense)
- Install Flow Meters on each producing well prior to commencing irrigation in 2013 and report monthly to MPGCD (Rule 10.7)
- Plug abandoned wells per TDLR regulations within 60 Days (Deadline March 16, 2013)

The motion was seconded by Merrell Daggett. Motion carried unanimously.

VI Consider and/or act upon City of Ft. Stockton Drilling/Production Permit Application

John Dorris made a motion to approve the City of Fort Stockton's verbally revised application for a drilling permit for a test well on Section 71 of Block 3 into the Capitan Reef Aquifer. With John Dorris' approval Glenn Honaker added to the motion that the drilling permit granted on October 23, 2012 for a test well on Section 112 of Block 3 will be relinquished. The motion was seconded by Merrell Daggett. The motion carried unanimously.

VII Consider and/or act upon Schuyler Wight Production Permit Application

The item was tabled. The production permit application will be re-noticed to reference drilling into the Edwards/Trinity aquifer.

VIII Consider and/or act upon 2010 Benchmark Aquifer Levels in accordance with Rule 10.5

MPGCD hydrogeologist Allan Standen presented his final draft of the 2010 Benchmark Aquifer Levels. One correction needed to be made on page 7 in the conclusion:

Conclusions and Recommendations

Overall, the 2012 2010 baseline water level elevation surface for Management Zones 1, 2 and 3 for the Edwards-Trinity Plateau and the Pecos Valley Alluvium aquifers has been established.

Vanessa Cardwell made a motion to approve the 2010 Benchmark Aquifer Levels with the correction on page 7. Motion seconded by Alvaro Mandujano, Jr. Motion carried unanimously.

- IX Consider and/or act upon General Manager's 2012 Annual Report The annual report was given to the directors to review, and well be considered at the February meeting. No action taken.
- III Consider and/or act upon Minutes of December 18, 2012 Item tabled.

IV Consider and/or act upon Accounts Payable and Treasurer's Report and Line Item Transfers for the Month Ending 12-31-2012

The accounts payable through 01-14-2013 was presented for approval. Vanessa Cardwell made a motion to approve the accounts payable. Motion seconded by Merrell Daggett. Motion carried without opposition.

The Treasurer's Report and line item transfers was not available, and tabled.

- X Consider and/or act upon Progress Reports: Well Registrations, Production Permits, Drilling Permits, Data Loggers, ongoing Water Quality Analysis and Legislative Update
 - Legislative Update: Bob Turner's update presented for review.
 - Well Registrations: Progress report included in their notebook.
 - Palmer Drought Map: Current map in their notebook for review.
 - Data Loggers: Continuing.
 - Water Quality Analysis: Continuing.
 - USGS update in their notebook.
 - RigData report: In their notebook.

XI General Manager's report on incoming Groundwater District-related Correspondence

• Review copy of letter from Pecos County to Occidental Petroleum Corporation dated January 7, 2013, regarding the tax abatement agreement with SandRidge which has sold to Oxy. The payments will now be paid by Oxy USA, Inc.

• Review email dated January 15, 2013 from Cary Dupuy regarding endangered species update 2013 and the task force to review the economic impact of listing species. There are currently 3 pending species for Diamond Y Springs.

XII Consider and/or act upon Agenda for next meeting Closed session on Personnel

XIII Adjourn Merrell Daggett made a motion to adjourn, seconded by Ronald Cooper. The motion carried, and the meeting adjourned at 3:29 PM.

Secretary/Treasurer

President

Date Approved _____