

Middle Pecos Groundwater Conservation District
Minutes of December 2, 2014

On this the 2nd day of December, 2014, a Special Called Meeting and Permit Hearing was held by the Middle Pecos Groundwater Conservation District in the Pecos County Courthouse located at 103 West Callaghan, Fort Stockton, Texas, with the following members present, to-wit:

Jerry McGuairt	President, Precinct 1
M. R. Gonzalez	Secretary/Treasurer, Precinct 2
John Dorris	Vice President, Precinct 3
Vanessa Cardwell	City of Fort Stockton
Jeffery McMahan	City of Iraan (Newly elected)
Terry Whigham	At Large

Quorum Present.

Board Members absent: Janet Groth, Ruben Falcon, Weldon Blackwelder, Alvaro Mandujano, Jr., and Ronald Cooper.

Others present: Paul Weatherby, Mike Gershon, Hannah Ging, Allan Standen, Gail Reeves, Ty Edwards, Harvey Gray, Steve and Bertha Chapman, Gary Harrell, Andrew "Drew" Miller, Mark Osborn, Gerry Grisak, Wade Oliver, Tim Dale, Daniel Arrant, J. D. Head, Ed McCarthy, Jr., Brock Thompson, Ernest Woodward, Loyd "Snap" Woodward, Clay Gaston, and Linda Lester.

*Continuation of Contested hearing on Pecos SS, LLC's application
for consolidated drilling and production permits and authorization to export*

NOTE: This hearing was transcribed by Linder Lester. For a copy of the transcription please contact her directly at P. O. Box 2001 Pecos, TX 79772 or linda.courtreporter@gmail.com

- I Call to order. Hearing on the merits called to order at 10:02 a.m. by President and Presiding Officer Jerry McGuairt.
- II Comments from Public and Media
Board consensus was there would not be any public comment taken.
- III Hearing conducted in accordance with Presiding Officer's order issued October 1, 2014, District's rules, applicable law and other rulings of the Presiding Officer or Board. This hearing will be recessed each day until formally adjourned by the Presiding Officer of Board, or continued to a subsequent date.

Permit Request: Gary Harrell, DBA, Pecos SS LLC, has made application for a Drilling/Production Permit with Authorization to Export with the Middle Pecos Groundwater Conservation District for a 6 well system located approximately 2 miles north of highway 67 on Owego Rd, in Pecos County, Texas. The purpose of this well system is for Industrial Use and requests 10,000 acre feet/year from the Edwards/Trinity Aquifer for a term 10 years plus, or perpetual.

For the applicant – Pecos SS, LLC.

- Kemp Smith: Attorneys – Mark N. Osborn and Andrew “Drew” Miller
- Gary Harrell – Treasurer for Pecos SS, LLC
- Daniel Arrant – Vice President for Kingsley Constructors
- Gerald Grisak – Principal hydrogeologist for Intera
- Wade Oliver – Senior hydrogeologist for Intera

For the protestant – Fort Stockton Holdings, LP:

- Edmond R. McCarthy, Jr. – Attorney with Jackson, Sjoberg, McCarthy and Townsend

For the protestant – Woodward Family:

- W. Clay Gaston – Attorney with Gaston & Strain
- Ernest Woodward

For the General Manager of Middle Pecos GCD:

- Michael A. Gershon – Attorney with Lloyd Gosselink Rochelle and Townsend
- Paul Weatherby – General Manager for Middle Pecos GCD
- Allan Standen – Hydrogeologist for Middle Pecos GCD

For the Board of Directors:

- J. D. Head – Attorney with Fritz Byrne Head & Harrison

Refer to the transcripts for testimony.

Mr. Osborn stated the purpose for the permit is to produce brackish water from the Trinity-Edwards Aquifer to be used by oil and gas operators in Upton, Reagan, Glasscock, Midland, Crane, and Crockett Counties.

Near the end of the daily proceeding, Mr. Gershon on behalf of the General Manager re-urged the motion to strike Fort Stockton Holdings as a party.

The Presiding Officer Jerry McGuairt recessed the proceedings at the end of the day, and announced the proceedings would resume at 8:00 a.m. on December 3rd.

(Note: The transcripts dated 12-03-2014 on page 225-line 21 reflects Mr. McGuairt as stating that the proceeding on 12-02-2014 ended around 4:40 p.m.).

M. R. Gonzalez, Secretary/Treasurer

Jerry McGuairt, President

Date Approved _____