

## MIDDLE PECOS GROUNDWATER CONSERVATION DISTRICT

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### Directors

Jerry McGuairt, President Janet Groth, Vice President M. R. Gonzalez, Secretary/Treasurer  
Alvaro Mandujano, Jr. Vanessa Cardwell Ronald Cooper  
Weldon Blackwelder Allan Childs, Jr. Jeff Sims Puja Boinpally Larry Drgac

### Employees

Ty Edwards, General Manager  
Office: Gail Reeves & Melissa Mills Field Technician: Anthony Bodnar

## **MINUTES OF REGULAR BOARD MEETING, PERMIT HEARINGS, SHOW CAUSE HEARING AND WORKSHOP**

**September 17, 2019  
405 North Spring Drive, Fort Stockton, Texas**

On this the 17<sup>th</sup> of September, 2019, a Regular Board Meeting, Permit Hearings, Show Cause Hearing, and a Workshop were 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, to-wit:

Jerry McGuairt	President, Precinct 1
Janet Groth	Vice President, Precinct 1
M. R. Gonzalez	Prec. 2, Secretary/Treasurer
Weldon Blackwelder	Precinct 3
Larry Drgac	Precinct 3
Alvaro Mandujano, Jr.	Precinct 4
Ronnie Cooper	Precinct 4
Allan Childs	At Large

Quorum Present.

Members Absent: Puja Boinpally, Vanessa Cardwell, and Jeff Sims

Others present: Ty Edwards, Mike Gershon, Allan Standen, Vince Clause, Gail Reeves, Melissa Mills, Anthony Bodnar, Paula McGuairt, Brock Thompson, Eddie McCarthy III, Geoff Pike, Ryan Reed, Glenn Honaker, Gary Bryant, Todd Suter, Gerald (Dee) Lyda, Eduardo Wiebe, James Rodriguez, Frank Friesen, Jose Terrazas, Edgar Salazar, Mark Holly, and Aurora Sain/Fort Stockton Pioneer.

### **REGULAR BOARD MEETING**

- I Call to order regular Board meeting at 10:00 a.m. by President Jerry McGuairt.
- II Comments from **public and media**: No comments made.

III Consider and/or adopt a **Tax Rate for 2019.**

Alvaro Mandujano, Jr. made a motion that the property tax rate be increased by the adoption of a tax rate of \$0.0249 per \$100 valuation, which is effectively a 33.15% increase in the tax revenue and also to sign the supporting resolution.

Allan Childs, Jr. seconded the motion.

Motion Passed as follows: **8** FOR. **-0-** AGAINST. **3** ABSENT.

For: W. Blackwelder, A. Childs, R. Cooper, L. Drgac, M. R. Gonzalez, J. Groth, A. Mandujano, Jr., and J. McGuairt.

Absent: P. Boinpally, V. Cardwell, and J. Sims

Regular meeting recessed at 10:07 a.m.

**WORKSHOP ON RULE 11.3 PERMIT EXCLUSIONS AND EXEMPTIONS AND  
UPDATE ON PCWCID#1 WATER SYSTEM**

I Call to Order at 10:07 by President Jerry McGuairt.

II Workshop to review MPGCD Rule 11.3 (a) Permit Exclusions and Exemptions and Update on PCWCID#1 Water System.

The workshop reviewed and discussed our rule 11.3 Permit Exclusions and Exemptions:

11.3 (a) The District's permit requirements in these rules do not apply to:

- (1) drilling or operating a well used solely for domestic use or for providing water for livestock or poultry if the well is located or to be located on a tract of land larger than 10 acres and drilled, completed, or equipped so that it is incapable of producing more than 25,000 gallons of groundwater a day; provided, however, that this exemption shall also apply after the effective date of this rule to a well to be drilled, completed, or equipped on a tract of land equal to or less than 10 acres in size only if:
  - (A) the well is to be used solely for domestic use or for providing water for livestock or poultry on the tract;
  - (B) such tract was equal to or less than 10 acres in size prior to the effective date of this rule; and
  - (C) such tract is not further subdivided into smaller tracts of land after the effective date of this rule and prior to the drilling, completion, or equipping of the well.
    - i. A well qualifying for exemption under this subsection must observe a minimum distance of 50 feet from the property line and 50 feet from other wells.
    - ii. For purposes of an exemption under this subsection, the terms "livestock use" and "poultry use" do not include livestock or poultry operations that fall under the definition of "Animal Feeding Operation" or "Concentrated Animal Feeding Operation" set forth in District Rule 1.1.

Regarding The Pecos County Water Control and Improvement District #1 (PCWCID#1) has reached its system capacity and there is a moratorium on setting new water taps. A plan for an engineering study is currently in the beginning stages, with an uncertain time factor. The PCWCID#1 was sent a letter letting the public know about the infrastructure issues. In the mean time, anyone with tracts of land on 10 acres or less will need to come before our Board to get permission to drill.

III **Adjourn.** The workshop was adjourned at 10:35 a.m. by President McGuairt.

**CONSOLIDATED SHOW CAUSE HEARING ON ALLEGED VIOLATION OF DISTRICT'S RULES BY VANGUARD WELL RESOURCES, LLC (License #59336), JOSE TERRAZAS AND EDGAR SALAZAR**

- I Call to order at 10:35 a.m.
- II Show cause hearing on alleged violations of District's rules by **Vanguard Well Resources, LLC, Jose Terrazas and Edgar Salazar.**

Present for the Show Cause Hearing:

- \* Vanguard Well Resources, LLC: Frank Friesen
- \* Jose Terrazas, Land Owner
- \* Edgar Salazar, Land Owner
- \* Eduardo Wiebe, E&S Custom Drilling (Apprentice License #60201)  
Drilling under Vanguard Well Resources, LLC (License #59336)
- \* Ty Edwards, General Manager of Middle Pecos GCD

The following were sworn in: Frank Friesen, Jose Terrazas, Edgar Salazar, Eduardo Wiebe, and General Manager Ty Edwards.

Presiding Officer: Board President Jerry McGuairt

Items admitted into the Official Record: The 3 Show Cause Hearing Notices. (One notice for each: Vanguard Well Resources, LLC; Jose Terrazas, and Edgar Salazar). The 3 Return Receipt Cards on the Show Cause Hearing Notices that were mailed via certified mail. All paper documents were admitted into the record: 1) Mr. Wiebe's hand written drilling document # 191376 for Mr. Terrazas' water well. 2) Mr. Wiebe's hand written drilling document # 191377 for Mr. Salazar's water well. 3) Pecos County Appraisal District information for Mr. Salazar on property ID#43418 printed from PCAD website. 4) Pecos County Appraisal District information for Mr. Terrazas' on property ID#3203 printed from PCAD website. 5) State of Texas Well Report for Tracking#518086 for Mr. Salazar. 6) State of Texas Well Report for Tracking#518089 for Mr. Terrazas.

Mr. Edwards' testimony: Summary of Events: Eduardo Wiebe who is an apprentice driller under Vanguard Well Resources, LLC was found to have drilled 2 water wells on East Alexander Road in the 7-D area of Fort Stockton. One well for Jose Terrazas, and one well for Edgar Salazar. On July 29<sup>th</sup>, Ty Edwards talked to Mr. Wiebe – and Mr. Wiebe immediately stopped drilling. He came to the office and Mr. Edwards told him that he was in violation of not submitting a *Notice of Intent to Drill*, or any paperwork to the District. The licensed driller, Vanguard Drilling, will be held responsible for answering to the violations. Mr. Edwards reported that he had talked with Vanguard Drilling about a year or two ago, and at that time they were made aware of our permitting requirements such as if the well is to be drilled on 10 acres or more and if it is solely for domestic and livestock, that a *Notice of Intent to Drill* is the first step to have a water well approved for drilling. And told him that he (Mr. Edwards) could approve an Exempt well. The well driller (Mr. Wiebe) and the 2 land owners (Mr. Terrazas and Mr. Salazar) have been to the office to talk with me, and want to fix the issues.

Mr. Edwards assumes that Vanguard Drilling and Mr. Wiebe understood that as 'no-drilling-permit is required'. The well drillers reports for the two wells are submitted for your review. Both wells have 5" pvc pipe. One well for Mr. Terrazas is 166' deep, and the well for Mr. Salazar is 204' deep. These are basically Edwards-Trinity aquifer wells and are also in the vicinity of Comanche Springs. The water quality in the area is brackish.

Texas Water Law/Chapter 36 as well as our rules, requires a *Permit to Drill* when the well is to be drilled on less than 10 acres of land which requires Board action.

Texas Department of Licensing & Regulations (TDLR/Adam Foster) was in Fort Stockton and visited the well sites. It was discovered that the required 10' of cement at the surface sleeve was not present. TDLR will contact Vanguard Drilling to have them correct this soon, but have not contacted them as of today.

Jose Terrazas Well: Mr. Terrazas has a 5-acre tract that has been 5-acres since 1997. Mr. Terrazas bought the land in 2007. The well would have qualified as an Exempt Well per our rule 11.3 (a)(2)(B) that states: such a tract that was equal to or less than 10 acres in size prior to the effective date (2004) of this rule. Also, if the proper paperwork (Notice of Intent to Drill Form) had been submitted and approved prior to drilling the well, this well would not have come before the Board today. This well was drilled to use for a future garden and his horses and goats. The property has an existing working water well that is used for his trees. He does have a potable water tap from the Pecos County WCID#1 to use for his house. Spacing requirements have been met.

Edgar Salazar Well: Mr. Salazar has a 3-acre tract of land that was subdivided in 2015 and would not qualify as an Exempt well because of our rule 11.3 (a)(2)(C) stating that such a tract (referring to *subsection (B)* a tract of land equal to or less than 10 acres in size) is not further subdivided into smaller tracts of land after the effective date of this rule (2004) and prior to the drilling, completion,

or equipping of the well. Spacing requirements have been met. He does have a potable water tap from the Pecos County WCID#1 to use for his house.

Vanguard Well Resources, LLC - Frank Friesen testimony:

I am 21 years old and have a license for pump installation and well drillers. I am representing Vanguard Well Resources, LLC (Vanguard), but do not own the company. My Brother has a license for Master Pump Installer and well driller. We have drilled over 300 wells in the last 6 years and this is the first issue I have had. My Brother has had one issue with concrete that did not cure properly – TDLR contacted us – and we fixed the problem.

Eduardo Wiebe is an apprentice well driller under Vanguard's well drillers license. Mr. Wiebe called me (Frank Friesen) and said that 2 individuals wanted wells drilled. I called the MPGCD office, and Mr. Edwards was out of the office. I spoke with a Secretary, and there was miscommunication, because after the phone call I was under the assumption that with a house well you did not need to obtain a permit or submit a notice-of-intent-to-drill form. I never came to the job site in Pecos County. Vanguard has never drilled wells in Pecos County, only apprentice drillers have drilled wells in Pecos County under our license which makes it our responsibility.

Mr. Edwards had testified that he had talked with Vanguard several times over the years. To which Mr. Friesen testified that he had never talked to Mr. Edwards in the past.

Mr. Jose Terrazas/landowner testimony: He wanted this water well for a future garden he intends to plant, and also for the farm for his horses and goats. The other water well on his property is used for his trees. He testified that he owns the land and did not know he would need permission to drill a water well.

Mr. Edgar Salazar/landowner testimony: Mr. Salazar did not speak English comfortably and did not offer to testify.

Well Recap: The two wells that are in violation are:

- A) State of Texas Well Report Tracking #518086. Owner as shown on the well report is Edgar Calocor. The owner's actual name is Edgar Salazar.
- B) State of Texas Well Report Tracking #518089. Owner as shown on the well report is Jse Temoray. The owner's actual name is Jose Terrazas.

- III Consider and act on **alleged violations by Vanguard Well Resources, LLC**, including but not limited to appropriate penalties and/or other enforcement remedies to be imposed and/or pursued in court.

Summary of the general deliberations: The Driller seems to have the most responsibility to research our rules. Although Mr. Friesen did have a good explanation of what transpired from his point of view, he should have reviewed our rules. It was suggested to consider his compliance history, as Mr. Friesen had testified that this would be his first violation on his license.

The alleged violation of District Rules were:

DISTRICT RULE 9.2 pertaining to requirements for Pre-Registration (Notice of Intent to Drill) prior to drilling and Registration upon completion

DISTRICT RULES 11.1 and 11.5, pertaining to requirements for Permit to Drill a water well.

DISTRICT RULE 13.1 pertaining to proper well completion and submission of well log reports

**BASIS OF VIOLATION:** The District has reason to believe that one or more wells were drilled without authorization from the District and without complying with District Rules 9.2, 11.1, 11.5, and 13.1. These wells were drilled by Vanguard Well Resources, LLC on Property ID#43418 PT S/2 35 2 FSIL Sec. 1 (35B) (3 acres) and Property ID#3203 S/2 46 2 FSIL Sec. 1 (5 acres).

The District has no record of receiving the required permit applications prior to the drilling or operation of the nonexempt well. If this information is correct, then there has been a violation of District Rules 9.2, 11.1 and 11.5. Rule 9.2 requires pre-registration prior to drilling a well by filing a notice of intent to drill that indicates whether the well is exempt. Rule 11.1 provides that no person may drill, operate, equip, complete, or alter the size of a well or well pump without first obtaining a permit [nonexempt wells] or approved pre-registration [exempt wells]. Rule 11.5(b) states that "the well owner, well operator, or any other person acting on behalf of the well owner must obtain a Drilling Permit from the District prior to drilling a new water well.

The fine amount is being considered after the Board's due consideration of the several factors set forth in Section 15 of the District's rules.

Both wells are to be brought into compliance with the Texas Department of Licensing and Regulation (TDLR) standards within 90 days which is December 16, 2019. Corrected State of Texas Well Reports for each well are to be submitted to the District.

Failure to timely remit payment to the Middle Pecos Groundwater Conservation District (District) and bring both wells into compliance with TDLR standards as stated above will result in the District filing a lawsuit against Vanguard Well Resources, LLC, in Pecos County District Court.

Mr. Friesen commented that it would be cheaper to plug the hole to fix the issue, than it would be to pay a \$5,000 fine. Mr. Friesen was told that a fine was not just for drilling the wells, it is also for not following our rules.

Janet Groth made a motion to fine Vanguard Well Resources, LLC, \$5,000. Payment is due within 30 days of today's date which is October 17, 2019. And, both wells are to be brought into compliance with the Texas Department of Licensing and Regulation (TDLR) standards within 90 days of today's date which is December 16, 2019; and the corrected State of Texas Well Reports for each well are to be submitted to the District. A letter explaining the violations penalties set today shall be sent to Vanguard Well Resources, LLC. Failure to timely remit payment to the Middle Pecos Groundwater Conservation District (District) and bring both wells into compliance with TDLR standards as stated above will result in the District filing a lawsuit against Vanguard Well Resources, LLC, in Pecos County District Court. Motion seconded by M. R. Gonzalez. Motion carried. Vote: 6 For. 2 Oppose. 3 Absent.

- IV Consider and act on **alleged violations by Jose Terrazas and/or Edgar Salazar**, including but not limited to appropriate penalties and/or other enforcement remedies to be imposed and/or pursued in court.

The District has no record of receiving the required permit applications prior to the drilling or operation of the nonexempt well. If this information is correct, then there has been a violation of District Rules 9.2, 11.1 and 11.5. Rule 9.2 requires pre-registration prior to drilling a well by filing a notice of intent to drill that indicates whether the well is exempt. Rule 11.1 provides that no person may drill, operate, equip, complete, or alter the size of a well or well pump without first obtaining a permit [nonexempt wells] or approved pre-registration [exempt wells]. Rule 11.5(b) states that "the well owner, well operator, or any other person acting on behalf of the well owner must obtain a Drilling Permit from the District prior to drilling a new water well.

The alleged violation of District Rules were:

DISTRICT RULE 9.2 pertaining to requirements for Pre-Registration (Notice of Intent to Drill) prior to drilling and Registration upon completion

DISTRICT RULES 11.1 and 11.5, pertaining to requirements for Permit to Drill a water well.

DISTRICT RULE 13.1 pertaining to proper well completion and submission of well log reports

The landowners were cited with the same violations as Vanguard Well Resources, LLC. And, the Board will now decide to what extent the land owners share in the culpability of the violations.

The concern of multiple wells on small acreage tracts of land was mentioned. It was suggested that our rules may need to be updated regarding this concern.

Ronnie Cooper made a motion to fine both landowners \$250.00 each for not filing the Notice-of-Intent-to-Drill. The motion was seconded by Janet Groth. Motion Carried. Vote: 6 For. 2 Oppose. 3 Absent.

Ronnie Cooper made a motion that payment is due within 30 days of today's date. Motion seconded by Janet Groth. Motion Carried. Vote: 6 For. 2 Oppose. 3 Absent.

Clairification Statement for the Minutes:

- \* The two wells are not ordered to be plugged.
- \* A fine in the amount of \$250.00 has been assessed against Edgar E. Salazar. Payment is due within 30 days which is October 17, 2019. The one well that is in violation for Edgar E. Salazar is: State of Texas Well Report Tracking #518086. Owner as shown on the well report is Edgar Calocor. The owner's actual name is Edgar Salazar. This well was drilled by Vanguard Well Resources, LLC on Property ID#43418 PT S/2 35 2 FSIL Sec. 1 (35B) (3 acres). Mr. Salazar will need to come back before the Board with a Production Permit Application for a Non-Exempt well. Mr. Salazar will be explained today's proceedings verbally in Spanish.
- \* A fine in the amount of \$250.00 has been assessed against Jose Terrazas. Payment is due within 30 days which is October 17, 2019. The one well that is in violation for Jose Terrazas is: State of Texas Well Report Tracking #518089. Owner as shown on the well report is Jse Temoray. The owner's actual name is Jose Terrazas. This well was drilled by Vanguard Well Resources, LLC on Property ID#3203 S/2 46 2 FSIL Sec. 1 (5 acres). The well for Mr. Terrazas is Exempt. He can install a 17.5 gallons per minute or less gpm pump in the well.
- \* A letter explaining the violations penalties set today shall be sent to each landowner (Mr. Salazar and Mr. Terrazas). Failure of the landowner to timely remit payment to the Middle Pecos Groundwater Conservation District (District) as stated above will result in the District filing a lawsuit in Pecos County District Court against that landowner(s).

V Adjourn. President Jerry McGuairt adjourned the Show Cause Hearing at 11:48 a.m.

### REGULAR BOARD MEETING – CONTINUED

The Regular Meeting reconvened at 11:48 a.m.

Notice: Agenda items appear different from the posted agenda. Items IV, V, VIII, and VI taken up out of posted order:



**IV Consider and/or act upon the Minutes of Regular Meeting on August 13, 2019.**

Janet Groth made a motion to approve the minutes of the regular meeting for August 13, 2019, as presented. Motion seconded by Ronnie Cooper. Motion Carried. Vote: 8 For. ~~0~~ Against. 3 Absent.

**V Consider and/or act upon Minutes for Public Hearings on August 29, 2019 and September 05, 2019.**

Weldon Blackwelder made a motion to approve the minutes the for Public Hearings on August 29, 2019 and September 05, 2019, as presented. Motion seconded by Allan Childs. Motion Carried. Vote: 7 For. ~~0~~ Against. 3 Absent. 1 Abstention/Mandujano.

**VIII Briefing and take action as necessary on Cockrell Investment Partners, L.P. v. Middle Pecos Groundwater Conservation District, Cause No. P-12176-112-CV (Pecos County District Court).**

Mike Gershon, MPGCD attorney, explained that we are in a holding pattern waiting for Cockrell Investment Partners, L.P. to let us know what their position is on the rules that we were working on back in 2017/2018 time frame. The ball is in their court.

Ryan Reed, Cockrell Investment Partners, L.P. (Cockrell) attorney, reported that the District Court Lawsuit is on the Dismissal Docket. Cockrell will be asking the Court to be removed from the Dismissal Docket and allow additional time and maintain the holding pattern. It is imperative that the District adopt appropriate rules to protect everybody in the District. Within the last few months we have found some common ground, and are exploring that. We hope to be back within the next month with some proposals.

No action taken.

**VI Consider and/or act upon Treasurer's Report for the Month Ending August 31, 2019.**

Ronnie Cooper made a motion to approve the Accounts Payable and Treasurer's Report for the Month Ending August 31, 2019, as presented. Motion seconded by Janet Groth. Motion carried unanimously. (There were no Line Item Transfers.)

President Jerry McGuairt recessed the regular Board meeting for lunch at 11:56 a.m.

The regular session reconvened at 1:00 p.m.

**PUBLIC HEARING ON PRODUCTION PERMIT  
APPLICATION FOR SUTER FARMS, LLC**

- I Call to order at 1:00 p.m. the public hearing on **Application for a Production Permit for Suter Farms, LLC.**

Party representing application: Todd Suter

Protestant to application: None. Note: La Escalera/Gerald (Dee) Lyda had submitted a Protest along with a Technical Memorandum from his Hydrogeologist/Steve Finch, Jr. with JSAI, Inc. Mr. Lyda explained that he and Mr. Suter had discussions this morning, and that Mr. Suter agreed to install meters on Well #1 and Well #2. Mr. Lyda withdrew his protest.

Public Comment: None.

President McGuairt declared the application uncontested.

Manager Ty Edwards presented the application to the Board. Notice is hereby given that Suter Farms LLC, has made application for a Production Permit with the Middle Pecos Groundwater Conservation District for a 2 well system (Well 1 is #2019090411, and well 2 is #2019090422) located on 632.26 acres in Survey T&P RR CO Block 3 Section 200 on Property ID #3621, approximately 15 miles Southwest of Fort Stockton on Old Alpine Highway in Pecos County, Texas. The application request authorization to produce 992 acre-feet/year for Irrigation Use from the Edwards Trinity Aquifer. A few months ago we approved a drilling permit for 2 wells for Suter Farms. Suter Farms purchased just under 5,000 acres of property West of Fort Stockton. He drilled 2 wells on Section 200. It is just outside of our Management Zone 1 in the Edwards-Trinity Aquifer. He conducted his required pump tests. Well 1 hit 800 gallons a minute. Well 2 ended up doing 1280 gallons per minute. We were on site when he did the pump tests. We cameraed the monitor well. We also monitor well #2007050801 *Old Mesquite Well* which is in the same section, just north of the proposed wells. We are going to go ahead and monitor this well if the permit is approved. I believe he is going to put an airline in his producing wells so we can get static water levels on those as well. We also monitor a well at Hammond's house. The wells are registered in accordance with our rules. We notified everyone around in the area. We didn't hear back from anyone except for Dee Lyda this morning. Mr. Suter is wanting to plant forage crops to feed cattle. He is only requesting 2 acre foot an acre for 496 acres of forage. Todd Suter is here today. The application is administratively complete as far as filling in the blanks.

Mr. Suter was sworn in for testimony.

Suter Testimony: Mr. Lyda was concerned and was wanting me to put meters on my pumps. I agreed to do that. And, to report the readings annually as the District requires.

Mr. Lyda clarified that the Technical Memorandum from JSAI, Inc. had an additional recommendation (#3 in the JSAI report) that read *should drawdowns exceed 3 feet per year...*, and I have over-ridden the condition and removed it. This leaves only the metering of the wells as a permit condition.

II Adjourn hearing and consider and/or act on **Application for a Production Permit for Suter Farms, LLC.**

President Jerry McGuairt adjourned the hearing at 1:12 p.m.

Ronnie Cooper made a motion to approve the Production Permit for Suter Farms, LLC. A special permit condition is to install meters on each well. Motion seconded by Janet Groth. Motion carried unanimously.

Vote: 8 For. -0- Against. 3 Absent.

**PUBLIC HEARING ON DRILLING PERMIT  
APPLICATION FOR HANGING H RANCH, INC**

I Call to order at 1:13 p.m. the public hearing on **Application for a Drilling Permit for Hanging H Ranch, Inc.**

Party representing application: Mark Holly with Hanging H Ranch, Inc.

Protestant to application: None.

Public Comment: None.

President McGuairt declared the application uncontested.

Manager Ty Edwards presented the application to the Board. Hanging H Ranch, Inc. has made application for a drilling permit for 1 well located at Old Courtney Ranch Co. on 640 acres in Survey T&P RR Co, Block 48-8 Section 8 on Property ID#6725, approximately 4 miles West of FM 1776 and 5 miles South of Coyanosa. The well is projected to be 1500 feet in depth and drilled into the

Rustler Aquifer. The purpose of the well is for Industrial use, and will have an estimated rate of withdrawal of 500 gallons per minute. The surface is owned by Old Courtney Ranch. The Old Courtney Ranch is managed by Hanging H Ranch with a court order from Reeves County. The Rustler aquifer well will require a 12 hour pump test. The application is administratively complete.

Mr. Mark Holly was sworn in for testimony. Mr. Holly said that Roy Jackson was the receiver for the ranch and was appointed by Judge Skeet Jones. I was hired to start selling water. Mr. Holly said the sole purpose of the water well is to sell water to Oil and Gas Operators in the area. The amount of production that will be requested is contingent upon sales. A 1.2 million barrel pond will be built south of the well in order to sell more water. As far as the high Total Dissolved Solids in the Rustler Aquifer, the pit will be lined with a geo-textile liner first, then a 40 mil liner, then a 60 mil liner in the corners. There will be monitors on the well itself and pond monitors on the frac pond.

II Adjourn Hearing and consider and/or act on **Application for a Drilling Permit for Hanging H Ranch, Inc.**

President Jerry McGuairt adjourned the hearing at 1:23 p.m.

Allan Childs, Jr. made a motion to approve the Drilling Permit for Hanging H Ranch, Inc. Motion seconded by Ronnie Cooper. Motion carried unanimously. Vote: 8 For. -0- Against. 3 Absent.

**REGULAR BOARD MEETING – CONTINUED**

The Regular Meeting reconvened at 1:23 p.m.

VII Briefing and take action as necessary on **grant funding opportunities** (reference TCEQ-related Clean Water Act Section 319(h) Nonpoint Source Grant Program and U.S. Department of Agriculture's Natural Resources Conservation Service-related Pecos Watershed Conservation grant program).

1) TCEQ-related Clean Water Act Section 319(h) Nonpoint Source Grant Program and U.S. Department of Agriculture's Natural Resources Conservation Service-related Pecos Watershed Conservation grant program:

Vince Clause, Hydrogeologist with Allan Standen, LLC, gave an overview of the grant. This second grant submission was submitted at the end of July this year. Last year a 40-page grant application was submitted which was not awarded. Most of the same information was used for the second submission.

The grant is asking for a 60/40 grant match. The District would put up 40%. That would \$200,000 in the form of salaries, we will not need to budget additional funds. The 60% is federal funds through the Texas Commission on Environmental Quality.

The goal of this grant is to go after monies that are set aside for watershed protection plans to either reduce pollution or create a beneficial habitat. The angle that we are taking here is to reduce pollution from those flowing San Andres wells in Imperial. We would frame an argument around how these flowing wells are contributing to non-source point pollution to the Pecos River and to the Pecos River watershed.

MPGCD General Manager Ty Edwards put together a well inventory over the last couple of years of the flowing San Andres wells. If we are awarded the grant we would do a little more field work, and work with Raymond Straub to create a scoring system to determine which wells would be most beneficial to be plugged, and which wells would be feasible to plug. There are some wells that are at the point where they may not be able to be plugged. We are hoping to plug 3 or 4 wells that are flowing. The flowing wells are having the most immediate impact on the environment. If for some reason that is not feasible, we would plug some of the old abandon wells that are showing signs of depression and subsidence over time. The list of grants awarded will be revealed at the end of October.

2) Robert Mace is moving forward with securing the grant funding for the pilot study to restore Comanche Springs. He introduced Doug Wierman via email and said Mr. Wierman will be helping us in reviewing and writing up the hydrogeologic aspects of the Comanche Springs Project and look at monitoring spring flow at the springs when he visits soon.

3) Sharlene Leurig is working on a proposal to secure funds for the National Fish and Wildlife Foundation (NFWF) Pecos Watershed Conservation Initiative 2020. She has asked us for a letter of support from the Board. This would only be acknowledging support and we would not be a contractual partner in any way, and there would be no burden on the District.

Janet Groth made a motion to approve a letter of support for the NFWF Pecos Watershed Conservation Initiative that is being pursued by Dr. Robert Mace and/or Sharlene Leurig's organizations. The motion was seconded by Ronnie Cooper. Motion carried unanimously. Vote: 8 For. -0- Against. 3 Absent.

**IX Progress Reports: Well Registrations, Production Permits, Drilling Permits, Data Loggers, Drought Monitor Map, Water Quality Analysis and General Manager's Correspondence.**

- \* Well Registrations: Our total registrations are 3,186. 947 of those are Non-Exempt Wells.
- \* Production Permits: Enstor Waha initially had a production permit for 7,000 acre feet from the Capitan Reef Aquifer. In 2015 we reduced the permit to 1,000 – and they were told to come back before the Board when their project was ready. Their project is now ready for the water and they would like the 7,000 acre feet permit reinstated.

XTO Energy, Inc. – We approved a drilling permit for them, and they will be seeking a production permit for 30 to 40 acre feet for Public Supply soon.

Water Bridge – They have property close to Blueridge Farms. They have completed 3 specific capacity pump tests on 3 small wells. They will most likely be seeking a production permit soon.

- \* Notice of Intent to Drill: 2 monitor wells approved. Exempt well for Griffin and one for Brooks. They are Exempt because they were drilled by the operator on their Oil & Gas lease.
- \* Drilling Permits: Wolfbone Ranch has inquired about drilling a Rustler aquifer well next to Blueridge Farms.
- \* Drought Monitor: The drought monitor report submitted in Board Information. Pecos County is currently out of drought.
- \* Rig Data Report: Pecos County is down from 24 rigs to 14 rigs.
- \* Retirements: Senator Jose Rodriguez from El Paso is retiring. Congressman Will Hurd is retiring.

**X Directors' Comments and consider and/or act upon agenda for next meeting.**

Next meeting have workshop on rules regarding well spacing on small tracks

**XI Adjourn Board meeting.** Weldon Blackwelder made a motion to adjourn the meeting. Seconded by Janet Groth. Motion carried unanimously. The meeting adjourned at 1:47 p.m.

  
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M. R. Gonzalez, Secretary/Treasurer

  
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Jerry McGuairt, President

Date Approved 10-25-2019