

MIDDLE PECOS GROUNDWATER CONSERVATION DISTRICT

P.O Box 1644 Fort Stockton, TX 79735 Phone (432)336-0698 Fax (432)336-3407
405 North Spring Drive Fort Stockton, Texas 79735
Email: mpgcd@mpgcd.org Website: www.middlepecosgcd.org

Directors

Jerry McGuairt, President Janet Groth, Vice President M. R. Gonzalez, Secretary/Treasurer
Alvaro Mandujano, Jr. Vanessa Cardwell Ronald Cooper
Weldon Blackwelder Allan Childs 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, PUBLIC HEARINGS AND
BUDGET WORKSHOP
TO BE HELD BY VIDEOCONFERENCE AND TELECONFERENCE**

August 18, 2020

In accordance with Governor Abbott’s declaration of the COVID-19 public health threat and action to temporarily suspend certain provisions of the Texas Open Meetings Act, a quorum of the District’s Board of Directors held its regular Board meeting by videoconference and call-in. The public was invited to join this meeting by way of videoconference and toll-free call-in. Members of the public wishing to make public comment during the meeting were able to register by emailing mpgcd@mpgcd.org prior to 9:30 a.m. on August 18, 2020. A copy of the agenda packet was made available on the District’s website at the time of the meeting.

On this the 18th of August, 2020, a Regular Board Meeting was held by the Middle Pecos Groundwater Conservation District with the following members present:

Jerry McGuairt	President, Precinct 1
Janet Groth	Vice President, Precinct 1
M. R. Gonzalez	Prec. 2, Sec./Treasurer
Puja Boinpally	Precinct 2
Weldon Blackwelder	Precinct 3 (present but not voting)
Larry Drgac	Precinct 3
Ronnie Cooper	Precinct 4
Vanessa Cardwell	City of Fort Stockton
Jeff Sims	City of Iraan
Allan Childs	At Large

Quorum Present.

Member Absent: Alvaro Mandujano, Jr.

District employees and consultants participating: Ty Edwards, Gail Reeves, Anthony Bodnar, Allan Standen, Vince Clause and Mike Gershon

Others attending via Videoconference: Geoff Pike, Glenn Honaker, Ryan Reed, Zachary Swick, Ed McCarthy, Brock Thompson, Frank Rodriguez, Aaron Ramos, Steven Sims, Erin Atkinson, Sandra Sadick

- I Call to order regular Board meeting at 10:01 a.m. by President Jerry McGuairt.
- II Comments from **public and media**: No comments.

PUBLIC HEARING AND BOARD ACTION ON PROPOSED RULES

- I Call to order at 10:05 a.m.
- II Receive public input on proposed amendments to the District's rules intended to change Management Zone 1 and 2 boundaries.

General Manager Ty Edwards went over the draft rules regarding the changes to Management Zone 1 and Management Zone 2. The proposed rules are attached as Attachment A.

No Public Comment received.

- III Adjourn. President Jerry McGuairt adjourned the hearing at 10:07 am.

PUBLIC HEARING ON PRODUCTION PERMIT APPLICATION OF CITY OF FORT STOCKTON

- I Call to order at 10:07 a.m. the Public Hearing on **Application for a Production Permit for City of Fort Stockton.**

Party representing application: Frank Rodriguez and Aaron Ramos.

Protestant to application: None.

Public Comment: None.

Jerry McGuairt declared the application uncontested.

Board Member Puja Boinpally abstained and filed affidavit of conflict of interest.

General Manager Ty Edwards presented the production permit application to the Board. The City of Fort Stockton has made application for a Production Permit with the Middle Pecos Groundwater Conservation District for 1 well located at the New City Landfill at 256 Moody Road on Property ID: 3243 Legal Description: 3-14 2 FSIL SEC 419-22,27,28, in Pecos County. The application requests authorization to produce 15 acre-feet/year for Industrial Use from the Edwards-Trinity Aquifer.

The water well at hand is an existing well found on the property when the new landfill was being cleared. The City notified the District and the District ran a camera down hole to determine well depths and integrity. The District negotiated with the City of Fort Stockton to run a liner in the existing well and plug the top

100 ft to keep from having contamination issues. General Manager Ty Edwards declared the Application Administratively Complete. All the neighbors have been notified in the 7 D area. City Manager Frank Rodriguez and City Public Works Director Aaron Ramos were sworn in by President Jerry McGuairt. Janet Groth asked Mr. Ramos the size of the property at hand in the permit. Mr. Ramos believed it was around 130 acres.

II **Adjourn Hearing and Consider and/or Act on Application for a Production Permit for City of Fort Stockton.**

President Jerry McGuairt adjourned the hearing at 10:15 a.m.

Ronnie Cooper made a motion to grant 15 acre feet for Industrial Use from the Edwards Trinity Aquifer. Motion seconded by Allan Childs.

Motion passed. Vote: 8 FOR. -0- Oppose 1 Absent 1 Not Voting and 1 abstained.

REGULAR BOARD MEETING – CONTINUED

III **Consider and/or act on Proposed Rules.**

Janet Groth made a motion to approve the proposed rules. Motion seconded by Allan Childs.

Motion passed. Vote: 8 FOR. -0- Oppose 1 Absent 1 Not Voting and 1 abstained.

Puja Boinpally abstained and filed affidavit of conflict of interest.

IV **Consider and/or act upon Minutes of Regular Meeting on July 21, 2020.**

Ronnie Cooper made a motion to approve the Minutes for the meeting of July 21, 2020 as presented. Motion seconded by Larry Drgac.

Motion passed. Vote: 9 FOR. -0- Oppose 1 Absent 1 Not Voting.

V **Consider and/or act upon Treasurer's Report for the Month Ending July 31, 2020.**

Ronnie Cooper made a motion to approve the Treasurer's Report for the Month Ending July 31, 2020. Motion seconded by Allen Childs.

Motion passed. Vote: 9 FOR. -0- Oppose 1 Absent 1 Not Voting.

VI **Executive Session** pursuant to the Texas Open Meetings Act, Sections 551.071 and 551.074 of the Texas Government Code, to consult with our attorney and to deliberate **annual review of the District's General Manager Ty Edwards** and compensation of the District's employees.

President Jerry McGuairt recessed the regular Board meeting at 10:25 a.m. An Executive Session was called at 10:25 a.m. Pursuant to Sections 551.071 and 551.074 of the Texas Government Code, the Board convened in a closed session regarding the Texas Open Meetings Act exemptions covering client-attorney privileged communication and the Board's deliberation of personnel matters. Any action on this matter will be taken in open session. A certified agenda will be prepared and kept in accordance with the Texas Open Meetings Act with respect to the personnel matter and that no action was taken in executive session.

The Executive Session adjourned at 10:55 a.m.

The regular session reconvened at 10:59 a.m. The presiding officer, President Jerry McGuairt, stated that no action, no decisions and no votes were made in executive session.

VII Consider and/or take action on **Annual Review and Compensation of District's Employees.**

Ronnie Cooper made a motion to increase the compensation for all employees 5% and annual review of Ty Edwards and his recommendations in the budget and review of his employees were received. Motion seconded by Jeff Sims.

Motion passed. Vote: 9 FOR. -0- Oppose 1 Absent 1 Not Voting.

WORKSHOP ON PROPOSED BUDGET AND PROPOSED TAX RATE

I Call to Order at 11:01 a.m. by President Jerry McGuairt.

II Workshop to review Proposed Budget and Proposed Tax Rate for Fiscal Year ending 09/30/2021.

General Manager Ty Edwards reviewed the proposed budget and proposed tax rate with the Directors. The proposed Tax Rate will be set at .0247 which is the Voter Approval tax rate. Senate Bill 2 passed last session allows 3.5% increase without an election. The Proposed Tax Rate for 2020 presented in the Proposed Budget is \$0.0247 per \$100 valuation, which was noted to be less than the legally authorized tax rate.

Edwards requested we move the remaining balance of \$3909.50 into Acct# 6300 to balance the budget. The Directors discussed the other new Acct# 4470, 5525, and 5570 and agreed with moving forward with those items.

III Adjourn. President Jerry McGuairt adjourned the hearing at 11:10 am.

PUBLIC HEARING ON PROPOSED BUDGET AND PROPOSED TAX RATE

I Call to Order at 11:11 a.m.

II Receive public input on Proposed Budget and Proposed Tax Rate for Fiscal Year ending 09/30/2021.

No Public Comment received.

III Adjourn. President Jerry McGuairt adjourned the hearing at 11:12 am.

REGULAR BOARD MEETING – CONTINUED

VIII Consider and/or approve **Budget for Fiscal Year Ending 09/30/2021 and sign the Resolution to Adopt the Annual Budget.**

General Manager Ty Edwards presented the Resolution and Budget with the changes discussed in the workshop and compensation review. Janet Groth made a motion to sign the resolution and adopt the annual budget as presented with the changes discussed with the correction to Acct#6300. Motion seconded by M.R. Gonzalez.

Motion passed. Record Vote: 9 FOR. -0- Oppose 1 Absent 1 Not Voting.

FOR: J. McGuairt, J. Groth, M. R. Gonzalez, P. Boinpally, J. Sims, A. Childs Jr., R. Cooper, V. Cardwell, and L. Drgac.

AGAINST: None

PRESENT and not voting: Weldon Blackwelder

ABSENT: Alvaro Mandujano, Jr.

IX Consider and/or adopt a **Proposed Tax Rate for 2020-2021.**

Ronnie Copper made a motion that the proposed property tax rate be increased by an adoption of a tax rate of .0247, which is effectively a 3.78 percent increase in the tax rate. Motion was seconded by Janet Groth.

Motion passed. Record Vote: 9 FOR. -0- Oppose 1 Absent 1 Not Voting.

FOR: J. McGuairt, J. Groth, M. R. Gonzalez, P. Boinpally, J. Sims, A. Childs Jr., R. Cooper, V. Cardwell, and L. Drgac.

AGAINST: None

PRESENT and not voting: Weldon Blackwelder

ABSENT: Alvaro Mandujano, Jr.

X Consider and/or act upon **Setting a Public Hearing Time and Place, and set a Meeting Date/Time/Place to Adopt a Tax Rate for 2020-2021.**

Janet Groth made a motion to set the public hearing on the proposed tax rate of .0247 to be held at the Middle Pecos Groundwater Conservation District office located at 405 North Spring Drive, Fort Stockton, TX on September 1, 2020 at 6:30 pm and also motion to set the Date to Adopt the Tax Rate on September 1st, 2020 following the public hearing. The special-called meeting and hearing will be held by Zoom. The public may join the meeting as follows:

Join Zoom Meeting: <https://us02web.zoom.us/j/82873587064>

Meeting ID: 828 7358 7064

Passcode: 754791

Toll-Free Number: 1-888-992-1129

The motion was seconded by Allan Childs, Jr.

Motion passed. Record Vote: 9 FOR. -0- Oppose 1 Absent 1 Not Voting.

FOR: J. McGuairt, J. Groth, M. R. Gonzalez, P. Boinpally, J. Sims, A. Childs Jr., R. Cooper, V. Cardwell, and L. Drgac.

AGAINST: None

PRESENT and not voting: Weldon Blackwelder

ABSENT: Alvaro Mandujano, Jr.

XI Update on FSH-MPGCD Joint Study Agreement.

The agreement has been signed and implementation is next. We will start implementing the wells October 1, 2020 as provided for in the agreement. The agreement is attached as Attachment B.

XII 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).

Since the last Board Meeting Sixth Judicial Administrative Region Chief Administrative Judge Ables assigned himself to our case, in part because Judge Gomez has been ill and unable to preside. On July 24th FSH intervened in that case and filed a plea to the jurisdiction which is similar to our plea to the jurisdiction. On July 27th we held our Zoom hearing before Judge Ables—this hearing was set long ago by Judge Gomez as a condition of taking the case off the dismissal-for-want-of-prosecution docket. It was short and mostly covered procedural matters. Judge Ables agreed that November 12th would be our hearing on the plea to the jurisdiction and FSH plea to the jurisdiction. Yesterday the District responded to a Discovery request by Cockrell and provided dozens of emails and other correspondence related to FSH and Republic mostly related to permitting matters and settlement agreements with FSH including reimbursed funds received from either party.

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

- Total Well Registrations are 3,281 as of 08/18/2020. Exempt 2,318 Non-Exempt 963. The District has pulled 81 Water Quality Samples so far in 2020. One exempt well was registered for Angel Pelosios on 46th Lane and Hwy 18.
- TAGD has gone virtual. General Manager Ty Edwards will be on a panel the first day to discuss Management Zones and Special Permit Conditions.
- Drought Map was provided in the Board Packet. Pecos County is in Moderate Drought.
- Governor Abbott extended his declaration for Covid-19.
- Rig Data Report shows Pecos County has 2 Rigs Running. Current Oil Prices are at \$42.
- We had 3 wells drilled since the last meeting. One exempt well for Mark Harral on Alexander Ln. One Replacement well for Marsha Wolf in Bakersfield for a solar project. One new exempt well for an office facility in Girvin for Concho Bluff, LLC.

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


- Special-Called Meeting for Election Cancellation on August 21, 2020 at 5:30 p.m.
- Public Hearing on Tax Increase and Special Meeting to Adopt the 2020 Tax Rate September 1, 2020 at 6:30 p.m.
- Regular Board Meeting September 15, 2020 at 10 a.m.

XV Adjourn Board meeting.

Allan Childs made a motion to adjourn the meeting. Seconded by Jeff Sims. Motion passed. The meeting adjourned at 11:34 a.m.



M. R. Gonzalez, Secretary/Treasurer



Jerry McGuair, President

Date Approved 09-15-2020

MIDDLE PECOS GROUNDWATER CONSERVATION DISTRICT
PROPOSED REVISION TO RULE 10.5(a)(MANAGEMENT ZONE BOUNDARIES)
TO BE CONSIDERED AT A PUBLIC HEARING ON AUGUST 18, 2020

The proposed repeal of language is reflected in text that is struck through, and the proposed new language is reflected in text that is **bold and underlined**. Additionally, there are new figures and tables in this proposed set of rules, which are referenced in the text below.

RULE 10.5 MANAGEMENT ZONES

- (a) As set forth in the District Management Plan and illustrated in Figures 1 through 4 below, and in furtherance of the purposes set forth in Section 36.116(d) of the Texas Water Code, the following management zones are established within the principal areas of irrigation and other beneficial uses of groundwater and pertinent surrounding areas of Pecos County:

- (1) Management Zone 1 – Leon-Belding Irrigation Area and Vicinity of City of Fort Stockton to include outlets of Comanche Springs;

~~This management zone area is generally bounded by the TWDB Edwards Trinity (Plateau) / Pecos Valley Aquifer GAM Grid cells that contain the following sets of latitude and longitude coordinates: (30.90321N, 102.8566 W); (30.85306N, 102.8928 W); (30.69796 N, 102.15137 W). The specific GAM grid cells composing Management Zone 1 are provided in Appendix G of the District Management Plan.~~

- (2) Management Zone 2 – Bakersfield Irrigation Area;

~~This management zone area is generally bounded by the TWDB Edwards Trinity (Plateau) / Pecos Valley Aquifer GAM Grid cells that contain the following sets of latitude and longitude coordinates: (except where cells are truncated by intersection with the Pecos County line): (31.05667 N, 102.3717 W); (30.8992 N, 102.28911 W); (30.95167 N, 102.1653 W); (30.96833 N, 102.2169 W). The specific GAM Grid cells used to compose Management Zone 2 are provided in Appendix G of the District Management Plan.~~

- (3) Management Zone 3 – Cayanosa Irrigation Area;

~~This management zone area is generally bounded by the TWDB Edwards Trinity (Plateau) / Pecos Valley Aquifer GAM Grid cells that contain the following sets of latitude and longitude coordinates (except where cells are truncated by intersection with the Pecos County line): (31.1805 N, 103.0202 W); (31.3169 N, 103.0511 W); (31.2097 N, 103.0026 W); (31.1105 N, 102.9924 W); (31.1025 N, 103.1022 W); (31.1834 N, 103.1347 W). The specific GAM Grid cells used to compose Management Zone 3 are provided in Appendix G of the District Management Plan.~~

The delineation of each Management Zone is based upon relevant model grid cells and associated data on file with the District and accessible to the public.

[Each of the following Figures 1, 2, 3 and 4 are proposed to be replaced by new Figures 1, 2, 3 and 4 that immediately follow each existing figure:]

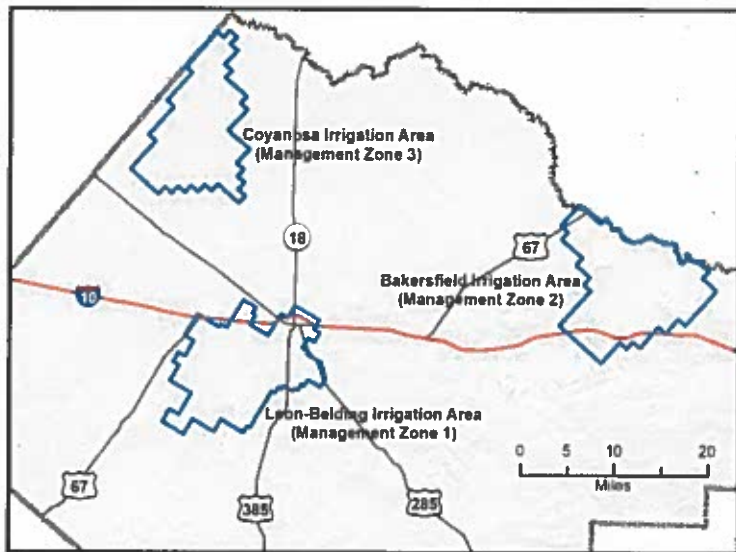
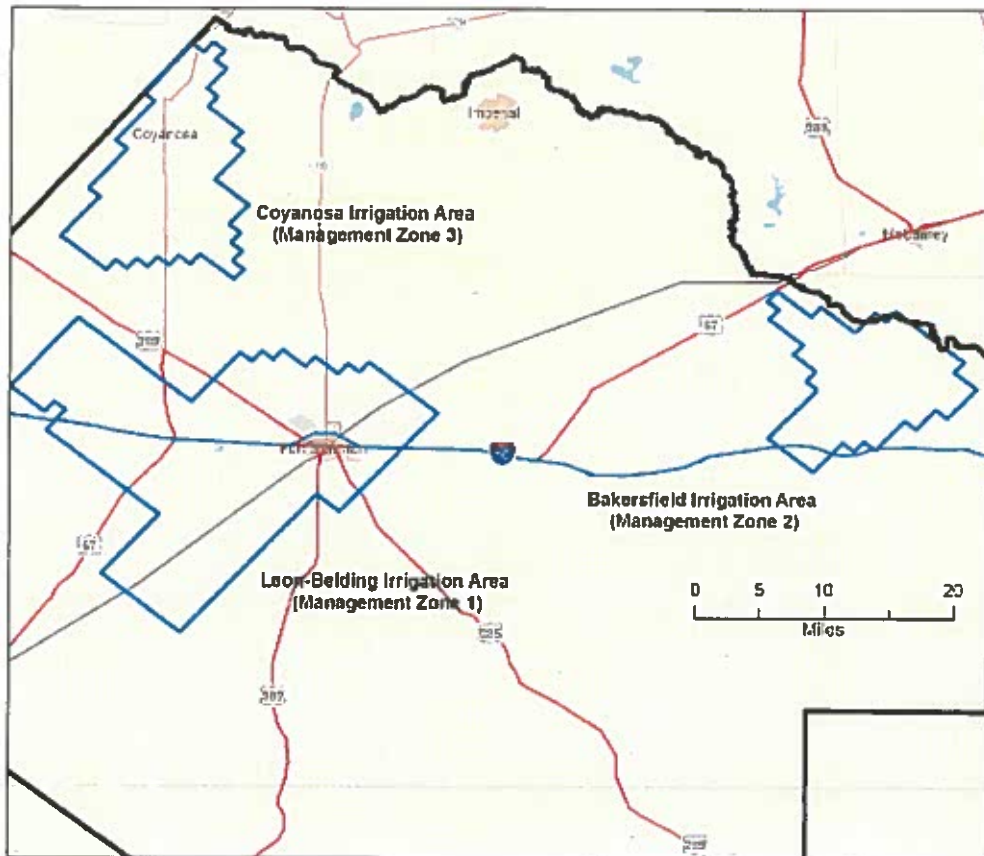


Figure 1, District Designated Management Zones

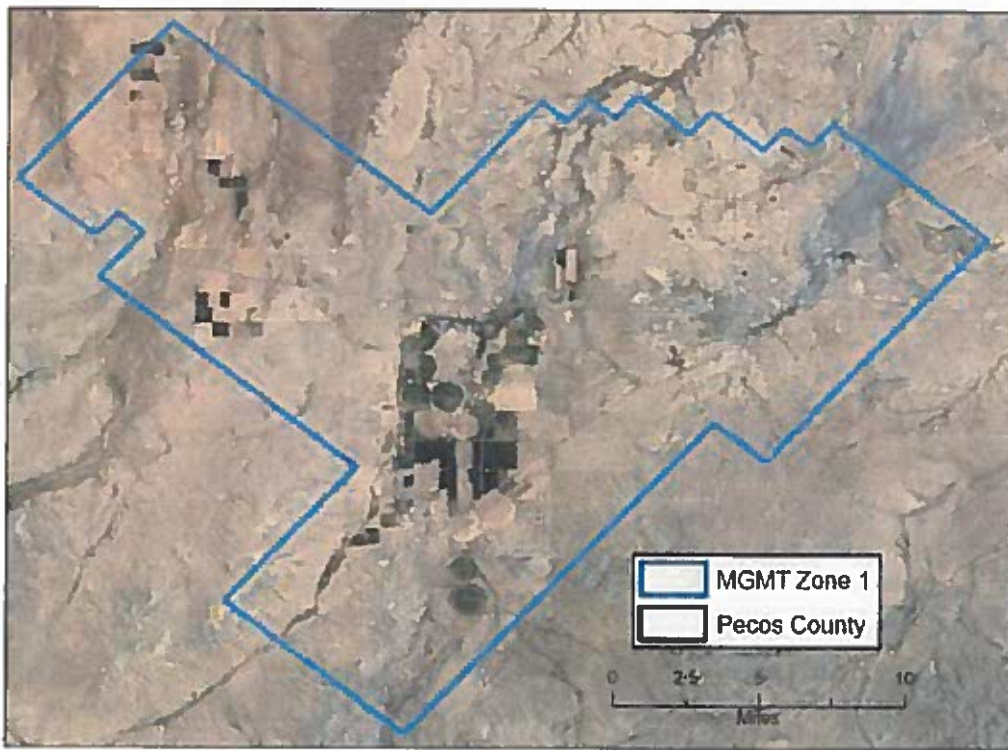


Figure 2, District Management Zone 1

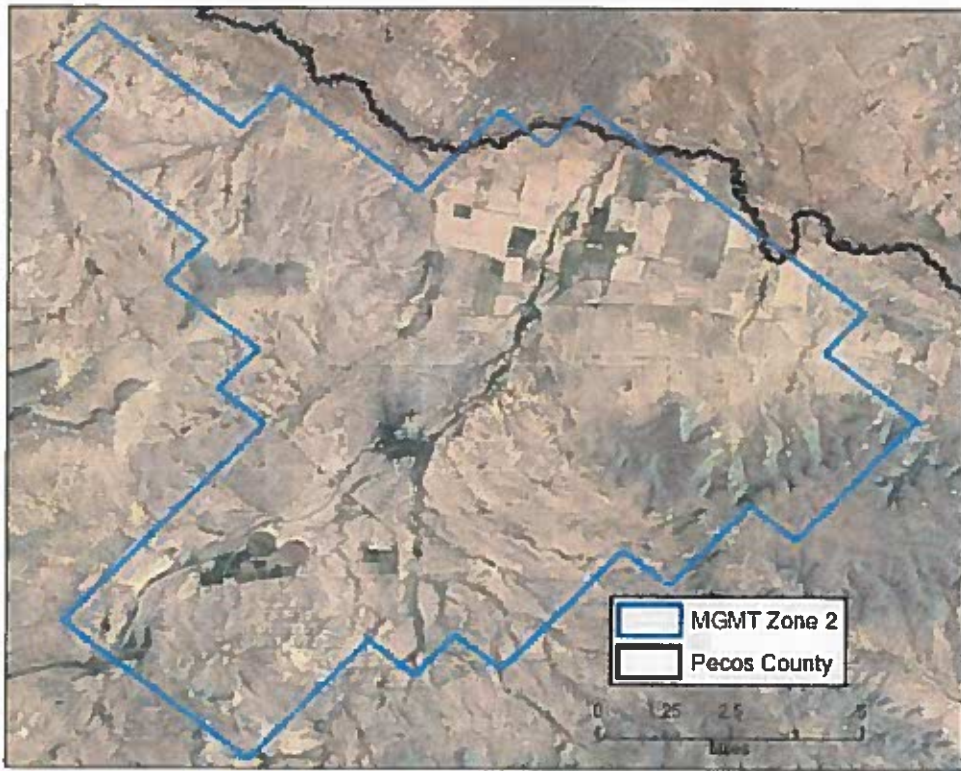


Figure 3, District Management Zone 2



Figure 4, District Management Zone 3

JOINT STUDY AGREEMENT

This Joint Study Agreement (“Agreement”) is entered between and among Fort Stockton Holdings, LP and Clayton Williams Farms, Inc. (collectively, “FSH”) and the Middle Pecos Groundwater Conservation District (“MPGCD”) (cumulatively, all three parties are referred to as the “Parties”) as required by Fort Stockton Holdings, L.P.’s Production Permit Special Permit Condition Nos. 13 and 14 (“SPCs”), which permit was approved July 18, 2017, and timely renewed in 2020. The Parties agree that this Agreement shall set forth the terms of the “Joint Study” required by the SPCs, and the scope of the Joint Study is as described in more detail in the Conceptual FSH Joint Study Plan dated June 13, 2020, updated July 8, 2020, and attached hereto (“Plan”). The Parties agree to the following terms:

MPGCD	FSH
<p>1. <u>Scope of Joint Study:</u> The District shall undertake research consistent with the Joint Study contemplated in the Plan. MPGCD has sole discretion to prioritize the use of the Financial Contribution toward the Joint Study, provided however, that MPGCD shall first undertake acquisition and installation of transducers and monitoring well equipment on the 11 (eleven) wells as indicated in the Plan. Subsequently or on a parallel track, MPGCD will implement the other components of Phase 1 of the Plan, followed by implementation of Phase 2 of the Plan on the timeline indicated in the Plan.</p> <p>2. <u>Use of FSH’s Financial Contribution for Joint Study:</u> MPGCD shall use FSH’s Financial Contribution solely for purposes within the scope of Phases 1 and 2 of the Joint Study.</p> <p>3. <u>New Rustler Monitoring Well:</u> MPGCD shall in its sole discretion and in furtherance of the Plan determine whether a new monitoring well drilled into the Rustler Aquifer (“New Rustler Well”) is necessary and, if so, where it shall be located. If a New Rustler Well is to be drilled, then MPGCD will comply with applicable laws governing the selection and award of a contract to a contractor to drill and complete this well. MPGCD will own</p>	<p>1. <u>Financial contribution to the Joint Study:</u> Not later than September 1, 2020, FSH will pay \$250,000.00 (two hundred fifty thousand and no/100 dollars) (FSH’s “Financial Contribution”) to the District for the District’s sole use for the Joint Study.</p> <p>2. <u>New Rustler Monitoring Well:</u> If, during Phase 1 or 2, MPGCD determines that a New Rustler Well is necessary, then FSH agrees to fully fund the drilling and completion of this monitoring well in an amount and timeframe consistent with MPGCD’s contract with the well driller.</p> <p>3. <u>FSH’s Existing Rustler Well to be dedicated to Joint Study:</u> FSH will coordinate with its lessor to obtain approval to use that well drilled in the Rustler Aquifer and identified as MPGCD Well No. 2005021122 (also known as FSH Well S-34) (“Existing Rustler Well”) as a monitoring well. FSH agrees that this Existing Rustler Well may be used for groundwater monitoring by MPGCD, including the installation of a transducer and telemetry equipment. FSH may withdraw groundwater from this well if it is permitted or subject to a permitting exemption.</p>

MPGCD	FSH
<p>and operate the New Rustler Well. MPGCD will use reasonable efforts to maintain this New Rustler Well in good condition and working order and in accordance with all applicable federal, state and local laws, rules and regulations and accepted operating practices.</p> <p>4. <u>Acquisition and installation of monitoring equipment on FSH's Existing Rustler Well:</u> MPGCD will arrange to have installed on FSH's Existing Rustler Well equipment that includes full-time monitoring and telemetry equipment. MPGCD will use a portion of the Financial Contribution for the cost for acquisition and installation of the above-described equipment in the Existing Rustler Well.</p> <p>5. <u>Existing Rustler Well monitoring:</u> MPGCD will measure aquifer levels and may take water quality samples from the Existing Rustler Well for purposes of analysis to advance the understanding of local groundwater conditions for the benefit of FSH, MPGCD and/or other constituents of MPGCD.</p>	<p>4. <u>Maintenance of Existing Rustler Well:</u> FSH is solely responsible for maintaining and repairing its Existing Rustler Well at FSH's sole cost. FSH will use reasonable efforts to maintain its Existing Rustler Well in good condition and working order and in accordance with all applicable federal, state and local laws, rules and regulations and accepted operating practices.</p> <p>5. <u>Access to Existing Rustler Well site:</u> FSH agrees that MPGCD has access over its property to access the Existing Rustler Well and equipment and to install the equipment as described in MPGCD's commitments. If FSH's assistance is required to access its property, such as unlocking a locked gate or disabling an electric fence, FSH's assistance will not be unreasonably withheld.</p> <p>6. <u>Contact person:</u> FSH's direct contact person will be Jeff Williams at PO Box 1668, Fort Stockton, Texas, 432-336-2294 (Office), 432-290-3827 (cell), and gataga73@yahoo.com. FSH will immediately notify MPGCD if this contact information changes.</p>
<p>6. <u>Sharing data that is collected:</u> All data and written sampling information contemplated by this Agreement as well as any written reports regarding this information are available to FSH upon request.</p> <p>7. <u>Contact person:</u> MPGCD's direct contact person will be the District's General Manager or designee at 405 North Spring Drive, Fort Stockton, Texas, 432-336-0698 (ofc), and mpgcd@mpgcd.org. The District will immediately notify FSH in writing if this contact information changes.</p>	<p>7. <u>Liability:</u> If FSH causes any damage to MPGCD's property on the Existing Rustler Well site, FSH will promptly coordinate with MPGCD to assess the damage and cover the costs to restore MPGCD's property to a condition reasonably similar to the condition existing before the damage. FSH will hold harmless MPGCD from all liability, claims, damages and expenses that result from damage to FSH by reason of any accidents, damages or injuries either to the property or representatives of FSH arising from the activities performed under the Joint Study described in this Agreement.</p>

MPGCD	FSH
<p>8. <u>Maintenance of monitoring equipment:</u> MPGCD is solely responsible for maintaining, repairing, and replacing all well monitoring equipment contemplated by this Agreement at MPGCD's sole cost. MPGCD will maintain this equipment in good condition and working order and in accordance with accepted operating practices.</p> <p>9. <u>Access to Existing Rustler Well site:</u> MPGCD is committed to following FSH's instructions for entering FSH's property to access the Existing Rustler Well. MPGCD will memorialize FSH's instructions in writing and adhere to those instructions (e.g., using a particular on-site roadway, gate code, lock combination; closing gates; etc.). MPGCD is committed to open communication and respect for FSH's property, privacy, and preferences for MPGCD's access to the site.</p> <p>10. <u>Frequency of Existing Rustler Well site visits:</u> MPGCD will typically enter the well site once per month to check equipment, take e-line measurements to assess the accuracy of telemetry readings, and possibly conduct water sampling.</p>	<p>8. <u>Assignment:</u> If subsequent to entering this agreement FSH conveys its interest in the Existing Rustler Well or underlying property, FSH will assign this agreement to the purchaser(s).</p>
<p>11. <u>Coordinating well-site visits and notice:</u> MPGCD will informally determine FSH's preference for notice and best days to access the Existing Rustler Well. MPGCD will arrange with FSH to provide notice by email, text or phone call at least 24 hours before a well-site visit.</p> <p>12. <u>Liability:</u> If MPGCD causes any damage to FSH's property, MPGCD will promptly coordinate with FSH to assess the damage and cover the costs to restore FSH's property to a condition reasonably similar to the condition existing before the damage. To the extent permitted by applicable law, MPGCD will hold harmless FSH from all liability, claims, damages and expenses that</p>	

MPGCD	FSH
<p>result from damage to MPGCD by reason of any accidents, damages or injuries either to the property or representatives of MPGCD arising from the activities performed under the Joint Study described in this Agreement.</p>	

The commitments set forth above are adopted to be proactive and to develop scientific data that will provide FSH, the District and other stakeholders with more certainty about conditions in the Edwards-Trinity aquifer while contemporaneously learning more about the interaction between the Edwards-Trinity aquifer and Rustler aquifer. Should any matter arise that could result in a disagreement or apparent breach, the Parties agree to provide one another written notice and an opportunity to reach a resolution well in advance of any escalation of the disagreement.

The term of this Agreement shall coincide with the term of FSH's Production Permit renewed in 2020, and shall be renewed at MPGCD's sole option if FSH's Production Permit is renewed. If MPGCD does not renew this Agreement, MPGCD will promptly coordinate with FSH regarding whether MPGCD's equipment located on FSH's property should remain or be removed. MPGCD's nonrenewal of this Agreement does not affect the validity of FSH's Production Permit or MPGCD's renewal of FSH's Production Permit.

[Signature Blocks on Next Page]

EXECUTED IN TWO DUPLICATE ORIGINALS by the following duly authorized representatives:

MIDDLE PECOS GROUNDWATER CONSERVATION DISTRICT

by: *Jerry McGuairt*
Jerry McGuairt, Board President

7-16-20
Date

Attest: *Janet Groth*
Janet Groth, Board Vice President

7-16-20
Date

FORT STOCKTON HOLDINGS, L.P.

**Acting by and through its general partner,
CLAYTON WILLIAMS FARMS, INC.**

by: Clayton Williams Farms, Inc.
Its General Partner

by: 

Mel Riggs, Vice President

7/16/2020
Date

CLAYTON WILLIAMS FARMS, INC.

by: 

Mel Riggs, Vice President

7/16/2020
Date

Attachment: Conceptual FSH Joint Study Plan (updated July 8, 2020)

Conceptual FSH Joint Study Plan

Draft: June 13, 2020 (Updated July 8, 2020)

Background

- Among the special permit conditions:
 - 11 threshold monitoring wells established based on “historic minimum” groundwater elevations
 - Pumping reductions were established for different winter thresholds
 - Analysis and meetings would occur if summer thresholds are exceeded
- Analysis and meetings objectives:
 - Focus on reviewing and evaluating the data to provide an early warning of potential pumping reductions in the future
 - Ongoing effort to confirm or recommend modifications to the thresholds

Historic Data

- In Pecos County, the TWDB database has 25,404 “publishable” groundwater elevation data points from 545 wells from March 1940 to April 2020 including:
 - Edwards-Trinity (Plateau) Aquifer: 20,712 data points
 - Pecos Valley Aquifer: 4,436 data points
 - Rustler Aquifer: 217 data points
- FSH and Cockrell have been collecting data for years (not included in TWDB database)
 - Pumping, groundwater elevations, groundwater quality

Groundwater Flow Models

- TWDB GAM: used for DFCs; suitable for regional analysis on an annual basis
- WPC Model (developed by FSH): reasonable annual tool for Leon-Belding area, but should not be used “to simulate short-term well dynamics, and possibly even wellfield conditions because the model was not developed for that purpose” (page 6-3 of model documentation).
- USGS Model has an inherent limitation that makes it inappropriate for use as a predictive and interpretive tool outside the calibration period (GHB link with underlying Rustler)
- MPGCD Model is under development.
 - Monthly stress periods
 - All aquifers in Pecos County included
 - Expected completion in late 2021

Expected Utility of MPGCD Model (Partial List)

- Provide a basis to separate the individual effects of pumping variation and recharge variation on groundwater elevation variation
 - Key period of 1970s (time of historic minima) may have inconclusive results due to lack of accurate pumping data (see hydrographs on page 3)
- Evaluate and quantify the relationship between groundwater pumping and spring flow
 - Recent period has more accurate pumping data and better coverage of groundwater elevation data, but less pumping variation and less than historic maximum pumping

Conceptual FSH Joint Study Plan

Draft: June 13, 2020 (Updated July 8, 2020)

- Evaluate and characterize the vertical connection between Rustler and Edward-Trinity (Plateau)
- Limitations will guide conclusions. Specific recommendations related to additional data collection are expected.

Opportunities

- Build on the foundation of data from TWDB, FSH, and Cockrell
- Develop more comprehensive groundwater elevation and water quality baseline focused on New Management Zone 1 before pumping increases for exportation
 - Instrument additional existing ETP wells (other than 11 threshold wells) and instrument Rustler wells
 - Expand ETP and Rustler monitoring with new dedicated monitoring wells?
- Need for new locations linked to interpretations and recommendations from MPGCD Model (ETP and Rustler)
- Provide more comprehensive dataset to address anticipated and unanticipated interpretive issues that may arise from threshold monitoring well data
 - Improved “early warning” approach
 - Improved ability to update/modify thresholds to better meet management goals and objectives

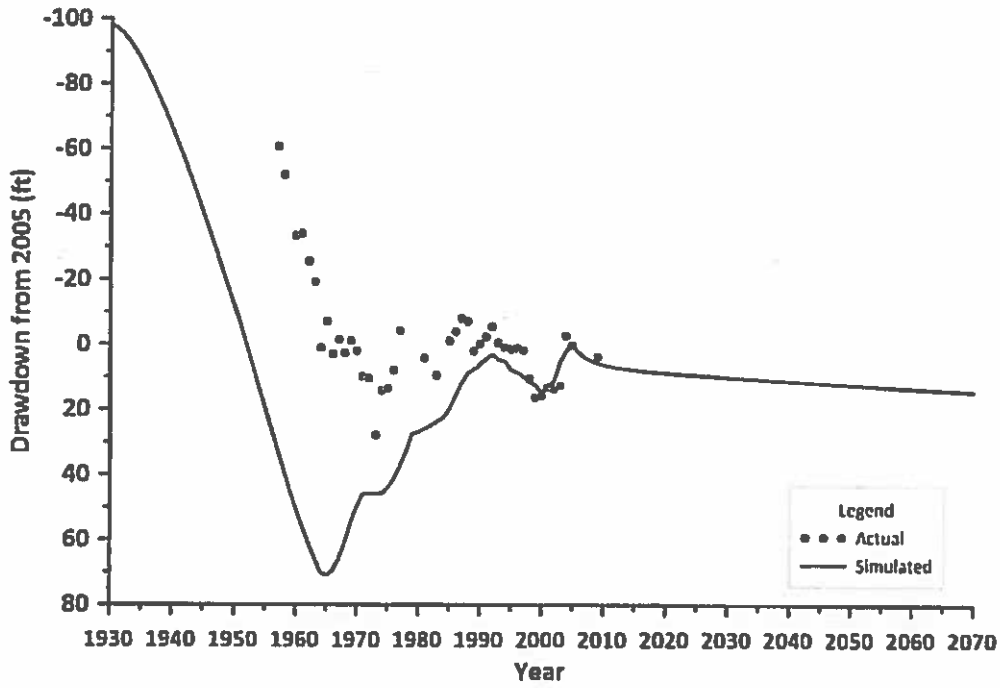
Scope and Costs (Conceptual)

- Phase 1 (Oct 2020 to Sept 2021):
 - Identify existing wells (~ \$15,000)
 - Begin instrumentation of identified wells and convert existing 11 threshold wells (~ \$6,000/well)
 - Pressure, Temperature, Conductivity, 250' cable, satellite connection
 - Identify locations for new monitoring wells (~ \$10,000)
 - Add new monitoring wells? (add as budget allows)
 - Process collected data and prepare initial monitoring report (~ \$10,000 to \$25,000/year depending on number of wells)
 - Annual meeting to discuss monitoring data and interpretations
- Phase 2 (Oct 2021 to beginning of export pumping)
 - Continue to monitor and process data (~ \$25,000 to \$50,000 depending on number of wells)
 - Continue to expand instrumentation of existing wells (~ \$6,000/well)
 - Pressure, Temperature, Conductivity, 250' cable, satellite connection
 - Add new monitoring wells (add as budget allows)
 - Prepare annual monitoring reports (~ \$25,000 to \$50,000/yr depending on number of wells)
 - Annual meeting to discuss monitoring data and interpretations

Conceptual FSH Joint Study Plan

Draft: June 13, 2020 (Updated July 8, 2020)

Well 4648801 Drawdown (ID=114)



Well 5207302 Drawdown (ID=180)

